Predicting Consumers' Attribution and Behavior toward a Brand's Sweatshop Practices: The Effects of Brand Power, Sweatshop Practice Repetitiveness, and Response Strategy

by

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Abstract

Given the rise of anti-sweatshop campaigns against a few leading brands including Wal-Mart, the Gap, Zara, Nike and Disney, it is crucial to understand why consumers resonate with the allegations of leading brands' sweatshop practices and reprimand them while other brands are spared. A brand's previous history of practicing sweatshops presented in media also may insinuate that sweatshop practices are more stable to the firm, affecting consumers' attribution of brand responsibility. As a sweatshop allegation hurts a brand's sale and stock price (Bartley & Child, 2011), how the brand responds to its allegation also is a central issue to understand consumers' attribution of responsibility.

Based on Weiner's (1980) attribution theory, Schlenker's (1980) impression management theory, and Coomb's (1997) repertoire of crisis management strategy, this study examines how brand power (strong vs weak), repetitiveness in sweatshop practices (high vs low), and response strategy (no response vs denial vs justification) affect consumers' attribution of brand responsibility, which in turn influences their attitude and behavioral intentions toward the alleged brand.

A scenario-based online experiment using a 2 (brand power) x 2 (practice repetitiveness) x 3 (response strategy) between-subjects design was conducted with a national sample of 438 U.S. consumers. The findings reveal that brand power increases consumers' perceived controllability of the brand for its sweatshop practice, which in turn heightens the consumers' attribution of the brand's responsibility for the sweatshop practice. Further, this study revealed

that a brand's repetitive sweatshop practices increase consumers' perception of the stability of the sweatshop practice, which in turn is translated into their attribution of brand responsibility. The findings also suggest that the *denial* (i.e., claiming that no wrongdoing has been practiced as far as they know) or *excuse* (i.e., claiming that the alleged manufacturing facility was not authorized and may have received the order from their contractors which is beyond the brand's knowledge) response strategy yields more favorable outcomes for brands (i.e., lower brand responsibility perception) as compared to the control condition (i.e., when consumers do not know about the brand's response strategy). However, the brand power × sweatshop practice repetitiveness interaction also affected the results in that consumers perceived lower brand responsibility when the brand presented a denial response (vs. excuse and no response information) when the allegation is low in repetitiveness and the brand is either strong or weak; whereas excuse (vs. denial and no response information) produced lower brand responsibility attribution for a weak brand's repetitive allegations. However, none of the response strategy including no response information were found to have any significant differences in perceived brand responsibility when the brand is strong and repetitiveness is high. Finally, perceived brand responsibility negatively influenced brand attitude and purchase intention, and positively influenced boycott intention and negative word-of-mouth intention (NWOM).

Overall, the findings assert the importance of interpreting consumer reactions to a brand's sweatshop practice portrayed in the media depending on the brand's power and sweatshop practice repetitiveness and shed light on the corresponding post-crisis response strategy. This study provides both theoretical and managerial implications through the development of adequate understandings of consumers' causal attributions.

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Chapter 1: INTRODUCTION

Background

In recent decades, consumers have been exposed to allegations of brands' socially irresponsible behavior at societal and environmental levels. Firms' socially irresponsible behavior at societal and environmental levels, such as environmental degradations caused by the actions of Nestle, Chevron, and Home Depot, animal rights violations by Procter & Gamble and General motors, and sweatshop practices by many apparel and footwear firms (Bartley & Child, 2011; McDowell, 2013), jeopardizes consumers' relationships with brands. Previous research noted that consumers' concerns for social and ecological issues may lead them to reject the alleged brands (Pepper, Jackson, & Uzzell, 2009). Turning their back from once-coveted brands may be expressed as consumers' frugal behavior, or resistance to buying goods and services in order to limit expenditures in support of consumers' prosocial behavior (Connolly & Prothero, 2003), and brand avoidance, or consumers' deliberately staying away from a disliked brand (Lee, Conroy, & Motion, 2009). Active forms of resistance against an alleged brand may include the dissemination of negative word of mouth (NWOM), brand boycotting, which is urging individual consumers to refrain from buying an alleged brand (Friedman, 1985) or casting "their purchase vote to favor firms with preferred societal impacts" (Klein, Smith & John, 2004, p. 92), and anti-brand activism in which activists seek to reform the wrongs of unenlightened consumers and convert them (Kozinets & Hndelman, 2004). The unprecedented growth of social media into many different forms has empowered individual consumers to create, share, discuss, and disseminate brands' unethical behavior, thus shaping up consumer-generated (anti-)branding

content. Anti-branding is an anti-corporation campaign formed by dissatisfied consumers to disassociate themselves from an alleged brand in order to spread the word of disapproval of corporate actions (Holt, 2002). Environmental, religious, and labor activists carry out campaigns to "name and shame" different firms, which are known as anti-corporation campaigns (Bartley & Child, 2014). Anti-sweatshop campaigns are one of such anti-corporation campaigns to address the lack of corporate ethics associated with using sweatshop workers and not following codes of conduct to avoid labor rights violations and environmental degradations.

To reduce the manufacturing cost, firms may take a strategic decision to outsource their products from countries rich in low-wage labor (Goworek, 2011; Ma, Lee, & Gerlitz, 2015). In particular, apparel production is labor intensive, often necessitating contractors to recruit and manage a large workforce (Ahlstrom, 2010). Firms that outsource their products from such countries are associated with negative publicities, such as labor rights violations, child labor recruitment, and inappropriate wages (Goworek, 2011; Park & Lennon, 2006). Several brands have been accused or held responsible for these negative publicities (Bartley & Child, 2011). The anti-sweatshop campaign negatively influences the sales and stock performance and reputations of alleged firms (Bartley & Child, 2011).

Attribution theory offers a theoretical framework to understanding consumers' unequal reactions when encountering different brands' sweatshop practices. According to attribution theory, perceivers attempt to be naïve scientists through the development of their own interpretations of the underlying causality of others' behaviors (Heider, 1958; Kelley, 1967; Weiner 1972). Firms' wrongdoings can vary in degrees of causal dimensions such as their *controllability* (i.e., the degree to which a firm can affect the cause or if the cause is beyond the firm's control) and *stability* (i.e., how consistent the behavior is over time). Weiner's (1985)

attribution theory provides a mechanism to understand the context-specific evaluation of the controllability and stability of firms' unethical behavior. Consumers' perceptions of controllability and stability may influence consumers' causal attribution to a brand's socially irresponsible behavior. In other words, when a brand is perceived to have higher control and/or higher stability over the behavior, consumers may attribute a higher degree of responsibility to the alleged brand. Consumers' attribution of perceived cause to the brand may be translated into negative affect, behavior, and expectancies (Kelly & Michella, 1980), such as a more negative attitude, a lower purchase intention, a higher NWOM intention, and a higher intention to participate in anti-sweatshop movements against the alleged brand.

Nike, The Gap, Phillips-Van Heusen, and Wal-Mart have been anti-branded with the sweatshop stigma (Bartley & Child, 2014) because of the "naming and shaming" campaign that generates "sticks and stones" (Bartley & Child, 2011). Activities related to accusing a brand publicly of sweatshop practices are referred to as naming and shaming; and the consequent sweatshop stigma that a brand has to bear along with its name is termed as sticks and stones (Bartley & Child, 2011). However, some firms including Abercrombie and Fitch and Haggar did not experience such a large anti-sweatshop campaign despite their sweatshop practices (Bartley & Child, 2014). Consumers' interest in "voting with dollars" so far has been focused on a few targets over the last two decades although many brands have been accused of sweatshop practices.

One stream of marketing literature recognizes that weak brands are more vulnerable to reduced sales performance than strong brands. In particular, small brands in terms of market share (Ehrenberg, Goodhardt, & Barwise, 1990), weak brands in terms of brand strength (Kucuk, 2008), less popular brands (Donthu, 1994), and less familiar brands (Ehrenberg et al., 1990;

McPhee, 1963) do not only have fewer customers, but the customers are also less loyal. This phenomenon is known as double jeopardy. This study conceptualizes that in a negative event (e.g., sweatshop allegation), consumers may attribute more responsibility to strong brands. Thus, consumers may have a more negative attitude and a higher likelihood to spread NWOM and participate in anti-brand activism when the brand is strong rather than weak. Kucuk (2008) argued that consumers are more likely to protest against strong brands for unethical behavior, which he termed as *negative double jeopardy*. Bartley and Child (2011, 2014) also found that firms that are strong brands, which have higher negotiation power over suppliers, become the target of anti-sweatshop activists, whereas most other brands are spared the blame despite the same sweatshop practices. Given that consumers may attribute more blame and demonstrate more active forms of resistance when the alleged brand is powerful (vs. weak) and that brands' sweatshop practices are viewed as a negative event, the author termed the phenomena as Negative double jeopardy (NDJ) in this study context. This study conceptualizes that this NDJ phenomenon may be because of the varying strengths of alleged brands that may lead consumers to perceive the brands to have different levels of controllability over sweatshop practices.

A firm's position in a commodity chain (e.g., apparel and footwear) indicates its power (Bair, 2009; Gereffi, 2005). Previous researchers concede that powerful brands may have extraordinary influence on their overseas manufacturing facilities (Appelbaum & Gereffi, 1994). Power of a firm is related to its size as "larger firms are price-setters that hold great sway with suppliers, and their practices ripple more broadly than do smaller firms' action" (Bartley & Child, 2014, p. 659). The leading position of The Gap, Nike, and Walmart in the apparel and footwear industry made them most vulnerable to anti-sweatshop campaigns (Bartley & Child, 2011). Therefore, in this study context, a brand's power indicated by its market size or reach may

imply to consumers its negotiation power over its suppliers; brands having higher negotiation power may be more able to recruit contractors with a condition that the codes of conduct in manufacturing must be followed, thus having higher control over contractors' sweatshop practices. When consumers believe that a strong brand is reluctant to enforce the requirement to follow codes of conduct to contractors despite its high negotiation power over contractors, the strong brand's unwillingness to invest efforts to oversee manufacturing facilities' labor conditions may attract a higher level of blame and accusation for its sweatshop allegations than a weak brand with less controllability. In sum, once consumers encounter a story or news about a brand's sweatshop practices in contractors' manufacturing facilities via print, electronic, or social media, they may attribute different levels of brand responsibility depending on the brand's negotiation power over contractors.

In addition to brand power, another situational factor that may lead to consumers' varying response upon exposure to a brand's sweatshop practice news is the repetitiveness of such practices committed by the brand. The term, repetitiveness in sweatshop practices, identifies whether the brand has had similar allegations in the past. Given that the previous history of a brand's negative events may influence the evaluation of the brand's most recent wrongdoing (Coombs, 2007), repeating the same irresponsible behavior is an indicator of problems that the brand is reluctant to fix. Coombs (2007) found that a crisis which is preventable in nature attributes strong responsibility toward the alleged brand, thus posing a severe reputational threat. Given that the sweatshop allegation is a crisis that falls under a preventable cluster, and that repeating the same sweatshop practice is an indicator of ongoing problems attached to the alleged brand, consumers hold the brand more responsible when the sweatshop practice is repetitive. For example, the intensive campaigns and anti-sweatshop demonstrations against Nike

were the result of its repetitive sweatshop allegations, which made Nike synonymous with worker exploitation (Cushman, 1998). Repetitiveness of the same irresponsible behavior may lead consumers to expect that the alleged brand will commit the same behavior again (Kelley & Michela, 1980). Thus, repeated sweatshop allegations may indicate the stability of the brand's sweatshop practices, and consumers may identify firm-related reasons behind the repetitive and recurring sweatshop practices with higher perceived brand responsibility as the practice is consistent and permanent to the brand. On the contrary, consumers may be less likely to expect firm-related reasons behind the first-time sweatshop allegation than the repetitive sweatshop allegations. Therefore, the first-time allegation may be perceived as uncommon and temporary to the firm, thus, leading to lower perceived brand responsibility.

An undesirable event creates a contradictory image of an actor. News related to a brand's sweatshop practices may be referred to as an embarrassing incident. Goffman (1956) states that embarrassment occurs whenever the "facts at hand threaten or discredit the assumptions a participant finds he has projected about his identity" (pp. 107-108). Therefore, if there is a negative event, a firm should have the utmost priority of finding a way to repair its impression, since being associated with an embarrassing event may weaken consumer-brand relationships (Coombs, 2007). The body of literature about corporate engagement in unethical behavior has become recently enriched (Joshi & McKendall, 2016), and a plethora of researchers have investigated firms' response strategies based on the severity of damage (Bradford & Garrett, 1995; Coombs, 1995, 2007). However, as consumers ascribe blame toward alleged brands to different extents based on the brand power and repetitiveness, a response strategy should be catered in accordance with perceived brand responsibility for sweatshop practices. Therefore, a

need still exists to understand how to best devise a firm's response strategy for a sweatshop allegation based on perceivers' accounts of brand power and sweatshop practice repetitiveness.

Crisis management literature has proposed a repertoire of crisis management strategies depending on organizational responsibility for a crisis (Coombs, 1995). The repertoire following a crisis is composed of the message designed to repair damage by altering how people perceive the brand's unethical behavior (Weiner, Amirkan, Folkes, & Verette, 1987). Coombs (1995) integrated previous literature of crisis management and proposed five categories of crisis management strategy. The first category is *non-existence*, which refers to corporate claims that no crisis occurred through (i) *denial*, a simple statement that says nothing happened, (ii) *clarification*, a statement along with an explanation of why there is no crisis, (iii) *attack*, confronting those who revealed the crisis, and (iv) *intimidation*, threatening those who revealed the crisis with lawsuits, violence, or other methods. The second category is *distance*, which is designed to acknowledge the crisis but weaken the association of the corporation with it through (i) *excuse*, or public acceptance of the crisis by firms' pointing out some convincing reasons for the crisis that are specific to the firm (e.g.., denial of intention and denial of volition) and (ii) *justification*, or indicating some reasons that are irrespective to the firm's responsibility (e.g., victim deserved what happened, claim of misinterpretation of the crisis). The third category is *ingratiation*, which seeks to gain public approval for the organization (Allen & Caillouet, 1994) through (i) *bolstering*, or reminding the public of positive aspects of the organization (Ice, 1991), (ii) *transcendence*, or accepting the crisis for better outcomes in the future, and (iii) *praising others*, to win approval from the target. The fourth category is *mortification*, or winning forgiveness from the public through remediation and repentance. The last, and least practiced, strategy is *suffering*, which refers to the idea of winning sympathy from the public. Coombs

(2006) narrowed down the long list of crisis response strategies into three categories: deny, diminish, and deal. The deny response option involves the non-existence strategy, the diminish response option includes the distance strategy, and the deal response option encompasses all other strategies mentioned above.

Literature suggests that an actor, responsible for a negative event, should follow a response strategy in pursuit of reducing potential negative repercussion (Wilson, Cruz, Marshall, & Rao, 1993). Allen and Caillouet (1994) compiled a list of strategies (see Table 2.1) that are offered by scholars and practiced by marketing practitioners. Unlike other socially irresponsible behavior, sweatshop practices in overseas manufacturing facilities do not victimize consumers; rather, victims are geographically distant from consumers. In response to sweatshop allegations, firms may invoke the codes of conduct they abide by rather than acknowledging their true conduct in manufacturing facilities (Powell, 2014). Under campaigners' attacks, an alleged firm has to admit that it "cannot win soundbites with the critics" (Maitland, 1997, p. 598). Therefore, the difference in the nature of sweatshop practice from other socially irresponsible brand behaviors impacts consumers' response to the alleged brands' response strategy. For example, several sources indicated either a straightforward denial of alleged brands' sweatshop practices or an explanation to weaken the linkage between the sweatshop practices and the alleged brands (Alexander, 2013; Burgen & Phillips, 2011; Greenhouse, 2012; "Primark Insists Labels," 2014; "Wal-Mart: Bangladesh Factory in Deadly," 2012). Therefore, it is assumed that a brand may choose to response to a sweatshop allegation either with denial or excuse.

Given that a large workforce is unemployed and prefer manufacturing jobs to ones in agriculture and scavenging and that labor laws are neglected in developing countries, local authorities in these countries often find it difficult to implement fair labor policies. Thus, a brand

often cannot change overnight the very reasons of sweatshop practices in developing countries (Maitland, 1997; Powell, 2014). However, given that contractors are to follow the codes of conduct set by the firm and that the firm cannot avoid the responsibility of overseeing the manufacturing facilities, a firm may respond to a sweatshop allegation by indirectly standing by its contractor's claim that no wrongdoing has occurred there as far as they are concerned. This approach is known as the *denial* strategy, which falls under the category of non-existence. For example, Primark, a U.K. based fast-fashion retailer, turned down several repetitive allegations of sweatshop practices as hoaxes ("Primark Insists Labels," 2014).

On the other hand, oftentimes contractors may send a part of the order to a sub-contractor unknown to the firm; thus, a firm may keep a distance from a sweatshop practice by claiming that the alleged manufacturing facility was not authorized and may have received the order from their contractors which is beyond their knowledge. For example, in the wake of the Tazreen factory fire, which killed 112 people, Wal-Mart said that it did not authorize the factory to produce its products, but a contracted supplier subcontracted work to the factory ("Wal-Mart: Bangladesh Factory in Deadly," 2012). However, several news stories came to light later that indicated Wal-Mart's claim was a falsehood (Greenhouse, 2012). This approach can be termed as *excuse*, which falls under the distance category. Another example of the distance category is what happened in Argentina. Zara kept distant from the allegation claiming that "based on the limited information we have received so far, the workshops in question do not appear to have any relationship with our approved suppliers in Argentina" (Alexander, 2013). In a similar event happened in Brazil, Zara claimed it as an 'unauthorized outsourcing' (Burgen & Phillips, 2011). Firms are widely practicing the denial and excuse approaches as their voices to defend themselves against sweatshop allegations.

Consumers may attribute responsibility of sweatshop practices to a brand depending on how powerful the brand is and how repetitive it is in such practices, and a post-crisis response strategy, either denial or excuse, may change consumers' perceived brand responsibility for sweatshop practices. Given that brand power insinuates controllability of sweatshop practices and that perceivers assign more responsibility to an actor when a negative event is the result of the actor's internally controllable cause, strong brands are expected to avoid sweatshop practices. NDJ also suggests that strong brands are attributed more blame for the negative events. Thus, repetitive sweatshop practices of a strong brand persuade consumers to attribute more responsibility to the brand. Therefore, a response strategy, either denial or excuse, may not bring any difference to consumers' perceived blame attribution. On the contrary, weak brands may be perceived to have little or no control over stopping such practices; thus, consumers may not be enraged to such an extent for weak brands' repetitive sweatshop practices. Thus, in the high repetitiveness condition, a weak brand may provide an excuse as a post-crisis response strategy to communicate their inability to stop sweatshop practices of its contracted production facilities. However, the situation may be most convincing to consumers when the brand is weak and repetitiveness is low. Given the low repetitiveness in sweatshop practices, the cause of such practices is not seen as permanent and consistent across situations, the cause here is rather temporary and uncommon. Therefore, a weak brand with low repetitiveness may deny the newly revealed allegation. On the other hand, if the brand is strong, excuse (vs. denial) may work better in the low repetitiveness condition to defend the newly revealed allegation as consumers may perceive the alleged sweatshop practice as under the brand's control. However, these predictions have not been tested in the literature. Therefore, this research will fill the gap and enrich existing

literature on how to devise a post-crisis response strategy in accordance with the variability of brand power and sweatshop practice repetitiveness.

Problem Statement

Consumers do not expect brands to be a wrongful beneficiary of labor rights violations. In line with this assumption, consumers are found to boycott brands, participate in anti-sweatshop activism, form a common platform with other consumers, and disseminate brand wrongdoings to a broader audience (Bartley & Child, 2012, 2014; Goworek, 2011; Park & Lennon, 2006). Accused brands have experienced reduced sales, decreased stock prices, and damaged corporate reputation (Bartley & Child, 2012). Media and professional campaigners targeted a few brands, such as Wal-Mart, the Gap, Nike, and Disney, over the years while it is largely believed that many other brands exploited the same resources as these brands did (Bartley & Child, 2012, 2014). Given that a relatively small number of brands have been targeted over the years and that many other brands were spared the blame, it is feasible that anti-sweatshop awareness has been channeled into anti-brand campaigns where consumers tarnish the reputation of certain brands. Therefore, it is important to understand why some brands are heavily reprimanded while others are spared. A need exists to examine if the heavily accused brands have something in common that made them targets.

To address this need, this research conceptualizes two factors of a brand's sweatshop practice allegation reported in a news article-- brand power and sweatshop practice repetitiveness-- that may explain consumers' varying responses. Previous research identified that brands which have higher negotiation power over their supply partners become a target of anti-sweatshop campaigns (Bartley & Child, 2014). Some scholars claimed that Wal-Mart and Nike

have been gone through unprecedented consumer reactions in the form of boycotts, protests, and virtual campaigns because of their repetitive sweatshop allegations. The interpretivistic approach of previous researchers (Bartley & Child, 2011; 2014; Berger et al., 2010; Kucuk, 2008) identifies that strong brands are targeted for anti-sweatshop activities and faced reputational damage but failed to answer either why they are targeted or why most weak brands remain untargeted. This research takes a positivistic approach to test how brand power and practice repetitiveness can make an alleged brand targeted for anti-branding reactions by consumers. Weiner's (1980) attribution theory mechanizes consumers' differentiation in perception of negative occurrence of actors due to the variable combination of controllability and stability. How the variability of brands in terms of their power and practice repetitiveness may influence consumers' perceptions about brand responsibility through their perceived controllability and stability of the brands' sweatshop practices needs to be studied. Further, given that the extent to which consumers assign the blame may be contingent upon the controllability and stability of a firm's sweatshop practices, research is needed to identify an appropriate recovery strategy to heal damage incurred by the sweatshop allegations in circumstances with varying brand power and practice repetitiveness.

Purpose and Objectives

The main purpose of this paper is to examine the individual and interactive effects that brand power, repetitiveness, and response strategy have on consumers' perceptions and reactions upon a brand's sweatshop practices. The specific objectives of the study are as follows:

1. To investigate if the brand power (strong vs. weak) and sweatshop practice repetitiveness (once vs. several times) influence consumers' perceived brand controllability and stability, respectively, in sweatshop practices.
2. To investigate if consumers' perceived brand controllability and stability influence their perceived brand responsibility in response to a brand's sweatshop practice allegation.
3. To examine the mediating role of perceived brand controllability for the effect of brand power on perceived brand responsibility for sweatshop practices.
4. To test the mediating role of perceived stability for the effect of the repetitiveness in sweatshop practices on perceived brand responsibility.
5. To investigate the efficacy of firms' response strategies (i.e., denial, excuse, and no response) in reducing perceived brand responsibility depending on the brand power and practice repetitiveness.
6. To examine the positive influence of perceived brand responsibility on consumers' passive (i.e., brand attitude and purchase intention) and active (i.e., boycott and NWOM intentions) reactions to the brand.

Definition of Terms

Brand Attitude: "A relatively enduring, unidimensional summary evaluation of the brand that presumably energizes behavior" (Spears & Singh, 2004, p. 55). The construct is operationalized as participants' stated evaluations of the stimulus brand alleged of the sweatshop practice in a news scenario.

Brand Power: A firm's extent of control relative to points of production which is commensurate to its position in a commodity chain (Bair, 2009) based on its market and revenue sizes.

Boycott Intention: An individual's conscious urge to refrain from buying a particular brand upon his or her attribution of perceived brand responsibility for the sweatshop practice (Friedman, 1985).

Denial Response Strategy: A strategy to compose a post-crisis response message in a way to claim the non-existence of the crisis without providing any further clarification (Coombs, 1995). For example, an alleged brand's straightforward answer that says no sweatshop practice happened is denial response strategy.

Excuse Response Strategy: A strategy to compose a post-crisis response message to acknowledge the crisis while weakening the linkage between the crisis and the alleged brand by pointing out reasons that are specific to the alleged brand including denial of intention and denial of volition (Coombs, 1995).

Negative Word of Mouth (NWOM) Intention: An individual's intention to dissuade potential consumers from considering a particular brand by sharing their negative experiences with them (Sundaram, Mitra, & Webster, 1998).

No Response Information: The absence of the information about an alleged brand's response to a sweatshop practice. In this study, this construct is operationalized as the absence of information about the position of the alleged firm's response (or lack thereof) in the scenario presented to experiment participants.

Perceived Brand Responsibility: The extent to which consumers attribute blame towards an alleged brand for practicing sweatshops.

Perceived Controllability: The degree to which the cause of sweatshop practices is perceived under the volitional control of the brand. In attribution theory contexts, the definition of perceived controllability suggests the degree to which the causes are perceived under an actor's volitional control (Folkes, 1984).

Perceived Stability: The degree to which the cause of sweatshop practices is perceived as permanent and consistent to the alleged brand. According to Weiner's (1980) attribution theory, high stability of behavior indicates that the causes are consistent to the actor across situation, whereas low stability of behavior indicates that the causes are temporal and uncommon to the actor.

Post-Crisis Response Strategy: A strategy used by a brand to compose a response message related to its alleged wrongdoing in order to repair its damage by altering how people perceive the brand's wrongdoing (Weiner et al., 1987).

Purchase Intention: "An individual's conscious plan to make an effort to purchase a brand" upon his or her attribution of perceived brand responsibility for the sweatshop practice (Spears & Singh, 2004, p. 56).

Repetitiveness in Practice: The frequency to which a brand is accused of practicing sweatshops in media. In the low repetitiveness condition, a brand is accused of the sweatshop practice once, whereas in the high repetitiveness condition, a brand is accused of several times over a period.

Strong Brand: A brand that is portrayed as a market leader and having disproportionate power over its suppliers (Bair, 2009; Bartley & Child, 2011; Gereffi, 2005).

Weak Brand: A brand that is portrayed as a small brand and having little or no power over its suppliers (Bair, 2009; Bartley & Child, 2011; Gereffi, 2005).

Chapter 2: REVIEW OF LITERATURE

This chapter begins with a review of literature related to sweatshops, followed by a theoretical framework leading to hypotheses formation. In the first part, which is an overview of sweatshop literature, a persuasive discussion covers the associations of globalization and economy with sweatshops, brands' sweatshop practices portrayed in print and electronic media, and anti-sweatshop campaigns. The second part contains an overarching theoretical framework which guided the research. This section brings about a cogent explanations of how Weiner's (1980) attribution theory was used to understand the underlying mechanism toward hypotheses formation. Then, this chapter provides a few sections, each of them provides arguments for respective hypotheses. In the last part of the chapter, a model was proposed along with the indications of hypothetical relationships.

Overview of Sweatshops Literature

In mid-19th century, the term "sweating system" has been introduced in literature to address the business of intermediary who subcontracted apparel production and employed people in workshops of limited facilities to assemble garments (Clark & Powell, 2013, p. 343). The term became popular to communicate a pejorative connotation to exploitive, coercive, and harmful conditions of factories in developing countries operated by multi-national corporations (MNCs) or by their subcontractors (Coakley & Kates, 2012). Sweatshop is consistently termed in both scholarly and popular literature and became synonymous with the below-standard working conditions in such establishments (Clark & Powell, 2013). Many scholars (Arnold & Bowie

2003; Bartley & Child 2011; Carson, 2013; Maitland, 1997; Meyers, 2007; Powell, 2014) determine a factory as a sweatshop for its nature of worker exploitation. Worker exploitation may include coercion of workers, not following labor laws, not adopting minimum safety standards, and not providing a living wage to workers. Living wages, also called subsistence wages, are country-specific minimum wages which allow workers to live in dignity as human beings (De George, 1993).

Sweatshops and Globalization

Limited resources of a developing country including poor infrastructure, inadequate laws, inability to enforce law, and unawareness of regulatory personnel may have thought to be factors that allow sweatshop practices (Clark & Powell, 2013). However, many critics identified that free market economy jeopardizes worker rights (Powell, 2014). Globalization is a transition from a "regulated domestic economy to an unregulated world economy" (Maitland, 1997, p. 600). Due to the superior mobility of capital against the essentially fixed and immobile nature of world labor, the bargaining power is inclined to large international corporations (Maitland, 1997). Given that globalization permits corporate brands to move their production wherever they can get optimum yield, governments of developing countries became locked in rivalry with one another to attract MNCs of developed countries. For example, Japanese brand Sony and NEC went to Thailand and Malaysia to have the same job done for much less, and NAFTA exposed the intention of the U.S. companies to shift their production to Mexico (Collingsworth, Goold, & Harvey, 1994). MNCs' pursuits of escaping their hard-won labor standards lured developing countries to become a supply partner, which potentially has led to the effect of dismantling the resources that protect worker rights in developing countries. For example, Indonesia intentionally kept their minimum wage low to attract the foreign corporations (Maitland, 1997).

Global firms' race to achieve lowest possible manufacturing cost and developing countries' zeal for attracting foreign investment have facilitated the ground of sweatshop practices in subcontracting facilities; as a result, wage is shockingly low, labor organization is repressed, and working conditions is below standard in developing countries.

Sweatshops and Economy

Although globalization may be seen as the facilitator of sweatshops in developing countries, Powell (2014) specified sweatshops as an initial step toward economic development. Sachs (2005) identified sweatshops as "the first rung on the ladder out of extreme poverty" (p. 11). Sweatshops of the U.K., the U.S., and some East Asian Countries during the era of the 19th century provide historical lessons for countries that are struggling with sweatshop issues in recent days (Sachs, 2005). In the 18th century, industrial revolution not only created a plethora of textile mills in the U.K. and the U.S., but also facilitated an unhealthy and unsafe working condition (Sachs, 2005). Since the 19th century, working conditions became better, and income raised both in the U.S. and U.K (Clark & Powell, 2013). However, it took 160 years for the U.K. to define the minimum standard to label a factory as sweatshops, and for the U.S., it took nearly 100 years (Clark & Powell, 2013). In 1950, East Asian countries including, South Korea, Taiwan, Hong Kong, and Singapore were roughly at pre-industrial revolution, which insinuates their journey through a sweatshop stage of economic development (Stearns, 2007). They took nearly two generations to become First World nations (Stearns, 2007). The commonality of the industries of these countries through this period included exploiting cheap labor, long hours, and poor working conditions (Powell, 2014; Sachs, 2005). A close look on the relationship between the economic development and sweatshop stage of these countries may inform us that the growth of economy accelerates the competitive process of upgrading lifestyles, resulting in the eventual

disappearance of sweatshops. According to Powell (2014), when investors come to a developing country with capital and technology, it gives an opportunity to develop a skilled workforce of that country. The three capitals, namely financial, technological, and human capitals, are the direct contributor to the development process of a country. Therefore, Powell (2014) concluded "sweatshops themselves are part of the very process of development that will lead to their own elimination" (p. 120).

Media-portrayed Sweatshop Allegations

Despite the fact that sweatshops have a long history and that the developed countries had to go through a sweatshop stage initially, media devoted its attention to only contemporary sweatshop practices in developing countries since the mid-1990s (Greenberg & Knight, 2004). Since then, brands are being accused of chasing cheap labor, abusing human rights, and being complicit with the repressive governments of developing countries (Bartley & Child, 2013). Aggressive and media-savvy allegations of sweatshop practices have occupied print and electronic media and attacked brands including Levi's, Nike, and Disney (Matiland, 1997). In 1996, National Labor Coalition (NLC) exposed Kathie Lee Gifford before a congressional committee indicating that its clothing line for Wal-Mart was made by 13- and 14-year-old workers who worked 20 hours a day in factories in Honduras (Maitland, 1997). NLC brought teenage workers from factories of developing countries and broadcasted their interviews on poor working conditions in TV news (Maitland, 1997). A search on Nexis/Lexis during 1996 found 314 articles published by major newspapers that associated child labor with sweatshops (Anner, 2000). The dissemination of firms' sweatshop allegations through print and electronic media brought the workers out of the shadows; thus, consumers are revealed to the dark stories of brands (Louie, 2001).

Brands' sweatshop practices in recent days are not improved; rather, media-portrayed news of brands' sweatshop practiced seem overwhelming. H&M, a claimed-to-be-a-pro-green company, was accused of subcontracting a factory in Bangladesh that did not have fire exits and sufficient fire-fighting equipment; as a result, 21 workers were killed in a fire hazard in 2010 (MacIntyre, 2014). Gap was accused in 2007 and 2010 for exploiting workers (MacIntyre, 2014). La Senza, a Canadian lingerie brand, was accused of subcontracting a factory in Bangladesh which had collapsed with 64 recorded fatalities in 2005. In 2007, Victoria's Secret was accused of a sweatshop practices in Jordan. Disney, Sears, and Walmart were accused of subcontracting a factory in Bangladesh that killed 114 workers in a fire hazard (McLysaght, 2011). Joe Fresh and Marks and Spencer were also portrayed in media for practicing sweatshops in 2010 (MacIntyre, 2014). Ralph Lauren, DKNY, Converse, Banana Republic, Land's End, and Levi's were not spared by the media (Bunting, 2011). The list is not exhaustive; it rather keeps growing with more brand names including Adidas, Nike, Slazenger, Speedo, and Puma (Bunting, 2011). Moreover, a lobby group named as the International Textile, Garment and Leather Workers Federation (ITGLWF) surveyed 83 factories of three developing countries, including Indonesia, Sri Lanka, and the Philippines, and found 60 big name brands practicing sweatshops (McLysaght, 2011). Brands' sweatshop practices are well presented and pervasive in print and electronic media.

However, which voices are given access to media and whether media treat every brand equally for the same sweatshop practice is somewhat complicated to answer. For example, Nike was portrayed more negatively in news media for practicing sweatshops than its competitors including Reebok, Adidas, Fila, Puma, and so on (Greenberg & Knight, 2004). What Nike has unique to its name in comparison to its competitors is that it is the most publicly recognized

sports footwear and apparel brand, thus an industry leader. Many critics argue that being an industry leader, Nike was the consistent target of news media and received public criticism (Bartley & Child, 2013; Greenberg & Knight, 2004).

Media are an influential tool in a way that a news article not only insinuates a reader what to think but also encourages readers to think about issues in certain ways. Importantly, given that sweatshop practices are happening in the production sites half the globe away, consumers experience sweatshops indirectly through the disclosures of mass media and not directly in the actual production context per se. Therefore, consumers rely upon the media-portrayed image and claims to understand brands' sweatshop practices, rather than forming accurate knowledge on the pros and cons of sweatshops.

Anti-Sweatshop Campaigns

For the last two decades, news organizations constructed, contested, and criticized brands' sweatshop practices as a local and international issue to make it salient to consumers. Sweatshop is an international issue as most manufacturing happens in subcontracting facilities in developing countries; however, media also made it a local issue by putting brands as a wrongful beneficiary of sweatshop practices. Importantly, media plays an active role to inflect the meaning of issues to the readers instead of taking a reflective role in presenting issues. According to Greenberg and Knight (2004), sweatshop issues have become newsworthy because the issue itself is seen as a socially constructed phenomenon that is worthy of public concern.

Given that consumers care about workplace conditions of manufacturing facilities along with product or service attributes and that consumers may be aware of the importance of acknowledging activists' claim about poor standards of workplace, anti-sweatshop movements had a considerable momentum due to support from individual consumers (Elliott & Freeman,

2003). Consumers' concern about brands' sweatshop practices is manifested in their willingness to pay a 20%-40% price premium for products produced in decent working conditions (Hilcox & Smith, 2007). Although some critics are reluctant to acknowledge campaigners' influence on consumers' purchasing behavior and put it as amore bark than bite (Vogel, 2005), more recent situations show that there is a growing consumer interest in 'voting with dollars' (Johnston & Baumann, 2010). Given the power of negative events to mobilize mass concern (Bartley & Child, 2014), consumers may associate themselves with anti-sweatshop movements by avoiding targeted firms.

The acceptance of anti-sweatshop movements at the individual consumer level is an indication of a common sense moral presumption against economic exploitations (Meyers, 2007). Being a wrongful beneficiary of unfair situations and hard bargains against desperate workers is inconsistent with brands' fair treatment of workers who have no other realistic options. Therefore, consumers' moral obligations lead them to engage in an anti-sweatshop movement organized by coalitions of labor, human rights, religious, and student activists. Through protests, lawsuits, and media exposures, activists "named and shamed" a variety of firms including Nike, Wal-Mart, the Gap, J.C. Penny, Phillip-Van Heusen, Liz Claiborne, and many others (Bartley & Child, 2011). However, Mayer (2007) raised a concern about anti-sweatshop movements against a few selective firms. It is unjust to target one company for sweatshop practices while other companies with a similar practice are not being targeted (Mayer, 2007). While anti-sweatshop movements are receiving support from consumers, some scholars question the unequal application of consumes' moral principles (Bartley & Child, 2014; Mayer, 2007; Meyers, 2007).

Theoretical Framework: Weiner's Attribution Theory

Weiner (1979, 1980, and 1985) proposed his attribution theory on the premise that individuals are prone to ascribe causality of an event, especially of a negative event, which gives rise to the individuals' behavioral sequences (Weiner, 1980). For example, causal ascription of success in an exam may be attributed to help from teachers, while rejection in a dating relationship may be ascribed to unattractive physical appearance. A causal ascription of success leads individuals to behavioral consequences (e.g., the expression of gratitude to teachers) (Folkes, 1978). Attribution theory explains the mechanism of how individuals interpret the information (causal analysis) of an event. Individuals conduct naïve analyses of available information (Heider, 1958) to understand the underlying reasons of an event. Weiner (1980) suggests that individuals follow a temporal sequence of cognition (attribution)-emotion-action to interpret outcomes of an event (see Figure 2.1). According to this temporal sequence, causal ascription produces an affect, which, in turn, directs the behavior (Weiner, 1980; Tomkins, 1963). As affect influences the behavior, Weiner (1980) termed it as a motivated behavior. Cognition is the process of causal analysis and is influenced by three dimensions of causality: locus, controllability, and stability (Weiner, 1979). According to Weiner's (1980) attribution theory, interpretation of these three dimensions of causality leads to an affect that begets approach versus avoidance behavior.

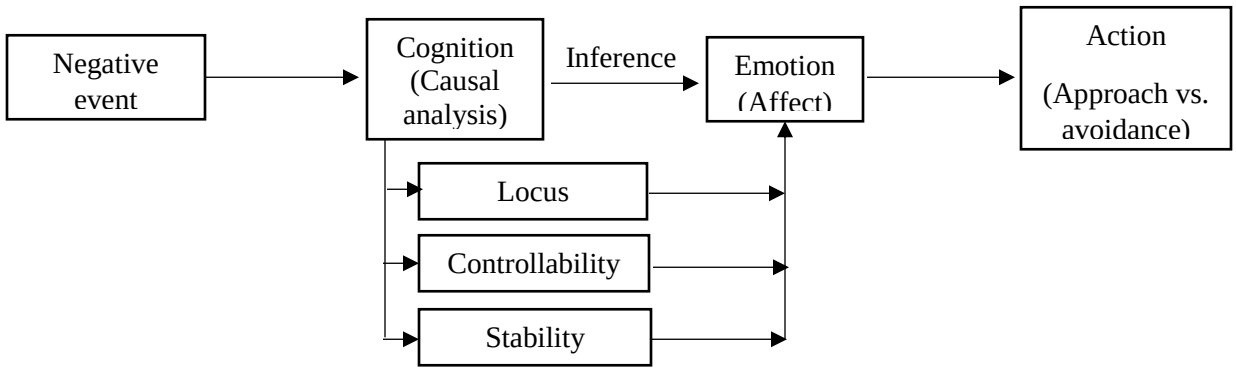


Figure 2.1. Weiner's (1980) temporal sequence of cognition (attribution)-emotion-action.

The source of an event is contingent upon internal-external distinctions, known as the *locus* dimension of causality. An action may depend on factors within the actor (i.e., internal locus) and factors within environment (i.e., external locus). In attributional investigation, the analysis of causality structure begins with the locus dimension. Brands hire subcontracting facilities of developing countries to have their products made, and the brands are supposed to follow their pre-defined codes of conduct in manufacturing stages. Sweatshop practices in subcontracting facilities contradict the brands' codes of conducts and hold them responsible. Thus, the locus dimension of causality is always internal to the brands when it comes to sweatshop practices. Thus, the other two dimensions (controllability and stability) of causality are of main interest to this study. The literature on these two dimensions of causality and the discussion of their roles in this study context are presented in the remaining chapter, along with specific hypotheses based on them.

Controllability and Perceived Responsibility

The term *controllability* refers to the degree to which the causes are under an actor's volitional control (Folkes, 1984). As such, the brand may have control over stopping sweatshop

practices, or it is beyond the control of the alleged brand (Folkes, 1984). A newspaper article can be written in a way that a firm can be perceived as having varying degrees of control over sweatshop practices. For example, after reading the news, a reader may perceive that the brand has high control over its contractors in stopping such practices, or the brand does not have control over its contractor in stopping the sweatshops. According to Folkes, Koletsky, and Graham (1987), a brand's controllability over its product quality influences consumers' willingness to communicate with others about the product attribute. For example, a firm's perceived control over product success persuades consumers to compliment the firm. Conversely, a firm's perceived control over product failure persuades consumers to complain to the firm. Controllability also influences consumers' anger over the firm, such that a firm-controlled negative occurrence increases consumers' desire to hurt the firm's business (Folkes et al., 1987). Therefore, consumers invest efforts to understand how much control the brands have over an occurrence to attribute brand responsibility (Appelbaum & Gereffi, 1994). A brand's negotiation power over suppliers is interpreted as brand controllability over stopping sweatshop practices (Gereffi, 2005). Thus, when sweatshop practices appear to be under a firm's control, an allegation in its subcontracting facilities may be seen as a negative attribute of the firm, which may lead consumers to attribute more responsibility toward the firm. Conversely, a firm may be portrayed as having a little control over its subcontractors; thus, sweatshop practices in its subcontracting facilities may be seen as beyond the firm's control. Thus, consumers may not attribute responsibility to such an extent toward the firm. Thus, the following hypothesis is proposed.

H1: *Consumers perceive more brand responsibility for a sweatshop practice when the brand is perceived as having higher controllability over stopping the sweatshop practice.*

Stability and Perceived Responsibility

Stability refers to whether an event is consistent and permanent to an actor across situations or uncommon and temporary (Weiner, 2010). For example, the reason of a brand's sweatshop practices can be claimed as permanent across situations, thus stable; or the reason can be regarded as temporary for the brand. Outcomes that are stable to an actor may lead consumers to have more confidence in the expectancy that the event is associated with the actor's behavior (Weiner, 1985). Higher perceived stability of a crisis is suggestive to consumers that the band has an ongoing problem that needs to be fixed (Kelley & Michela, 1980). Therefore, a repeated occurrence of a crisis which is perceived to be stable and should have already been fixed, is seen as the brand's negligence (Coombs, 2007); thus, consumers attribute more brand responsibility for the crisis. Previous research found that the stability dimension influences the type of redress preferred by consumers in context to product failure. For example, consumers preferred refunds to exchanges when their perceived product failure is stable to the brand. This is because consumers are more convinced that the product will keep failing when it fails due to stable reasons than when it fails due to unstable or temporary reasons (Folkes, 1988). Thus, when a brand is perceived as highly stable in sweatshop practices, consumers may identify the firm as the reason behind the practices, thus attributing more responsibility toward the firm. Moreover, when a firm's reputation is declining for the sweatshop allegation, newly revealed additional sweatshop practices will be associated with a higher degree of stability, which can lead to greater accusation of the firm's responsibility (Soule, 2009). Thus, the following hypothesis is proposed.

H2: *Consumers perceive more brand responsibility for a sweatshop practice when the brand is perceived as having higher stability in sweatshop practices.*

Brand Power and Sweatshop Practices

Bartley and Child (2014) investigated why some particular corporations, including some lead firms in apparel and footwear commodity chains, become major targets of naming and shaming campaigns. To answer which firms are more likely to become the 'social production of targets,' previous research shed lights on the structural and cultural terrains of social movements (Bartley & Child, 2014; Gereffi, 2005; Rao, Monin & Durand, 2005; Zuckerman, 1999). Literature on global commodity chains, transnational corporations (TNCs), and globalization inform us why a brand's power is interpreted as its extent of control over supply networks and is related to a firm's structural account (Gereffi, 2005). Gereffi's (2005) work on structural account suggests that consumers may evaluate a firm's power and position relative to points of production to interpret its controllability over subcontractors. A strong brand is identified by its power and profit, which are commensurate to its position in a commodity chain (Bair, 2009), and is thus seen as having higher control over subcontractors.

Given that large lead firms design products and set the conditions for the rest of the production processes and capture the greatest profit from its supply network's operation, consumers and activists may think that these firms have most control over labor conditions of the production sites. Lead firms negotiate the manufacturing costs with their suppliers and set a very competitive retail price for their low cost products, whereas small brands may not be able to keep the price that much lower at retail level as their negotiation power over suppliers is not strong enough to reduce the manufacturing cost (Appelbaum & Gereffi, 1994). Moreover, subcontracting facilities have a low profit margin, little capital investment, and little incentive to maximize productivity. The price pressure imposed by lead firms, coupled with quality requirements and order delivery times, may leave subcontractors with no choice other than

forced overtime, unstable employment, and militaristic management (Locke, Amengual, & Mangla, 2009). Thus, a strong brand may be perceived as having a higher control over sweatshop practices. Therefore, the following hypothesis is proposed.

H3: *Consumers perceive a strong brand's controllability over stopping sweatshop practices to be higher than that of a weak brand.*

Negative Double Jeopardy: Brand Power and Brand Responsibility

Recent studies in the marketing literature suggest that brand managers should singularly focused on building strong brands (Aker, 1996; Kay, 2006; Keller, 1998). The attention to enhance brand value is warranted since customer-based and financial brand equities are the most valuable resources to enable a brand to develop effective and resilient supply networks, create brand extensions, and strengthen pricing flexibility (Keller, 1998). Aker (1996) argued that success stories of a brand are evidence of its strength or power; for example, Kodak, American Express, Ford, and IBM are described in terms of their respective stories. A brand's success story is a persuasive communication tool between the brand and consumers; however, a brand is not the same as its story tells about it (Kay, 2006). Instead, the story is about imparting associated meanings in consumers' minds to persuade them to perceive the brand as strong and or successful (Aker, 1996; Keller, 1998).

McPhee (1963) coined a term known as double jeopardy phenomena where weak brands typically have far fewer buyers than strong brands, and these buyers are less loyal. Ehrenberg and Goodhardt (2002) found that only 5% of people bought Arm and Hammer fabric conditioners, whereas 48% bought Downy. In addition, consumers bought Arm and Hammer 2.1 times in a year on average, as compared with the average of 3.6 times for Downy. Thus, double jeopardy is contradictory of "Anything Goes" market planning, such that marketing efforts from

a weak brand cannot increase consumers' purchase frequencies or loyalties as much as do strong brands, because it is not well penetrated.

However, previous literature warrants that the phenomenon of double jeopardy turns quite the opposite in anti-branding contexts. Kucuk (2008) found that the most valuable brands attract more anti-brand sites while less valuable brands do not have such hate attractions. Brand managers are no longer the unique actors to create and communicate brand stories; rather, consumers are sharing their (negative) brand experiences and messages with other consumers, and rebutting firm-provided information and advertising messages, thus co-creating brand stories (Gensler, Völckner, Liu-Thompkins, & Wiertz, 2013). Consumer-generated stories, if misaligned with the stories that brands are communicating, influence other consumers' perceptions of the brand's identity and image and their purchase intentions (Kucuk, 2008). Several studies found that consumers are more willing to share their negative experiences and form an anti-brand community platform with like-minded consumers when the brand is perceived as a strong brand. For example, Kucuk (2008) ranked brands on the basis of companies' placement on the Business Week's Top 100 Brands list, and found that the top 50 brands had 89 anti-brand hate sites, whereas the rest of the brands had 46 anti-brand hate sites. Kucuk (2008) further ranked the brands according to the duration in the list and found that 36 brands that were on the list for three or more years had 123 anti-brand hate sites, whereas seven brands that were on the list for less than three years had only 11 anti-brand hate sites. Therefore, in anti-branding contexts, strong brands not only attract more haters, but also haters are more willing to share their negative sentiments with other consumers. The phenomenon is quite opposite of double jeopardy, and it is termed as *negative double jeopardy* (NDJ) in literature (Kucuk, 2008). Halo effect, which means "high intercategory correlations or low intercategory variance" (Cooper, 1981, p. 218), may be

perceived to contradict the NDJ phenomena as it predicts that a brand's strong image persuades consumers to view the brand's products and activities as a compound of singular brand image. Halo effect may justify brand managers' attention to build a strong brand equity. Especially, brand attachment literature elaborates on the halo effect of individual consumers' emotional attachments and relationships with the respective brands, which colors the lens through which the consumers subjectively interpret a negative news about the brand through justifications favorable to the brand (Japutra, Ekinci, Simikin, & Nguyen, 2014; Johnson, Matear & Thomson, 2011; Kwon & Lennon, 2009). However, NDJ and the present study critically differ from the halo effect literature in that they conceptualize brand power at the aggregated market/firm level (vs. individual consumer level) and deals with consumers' reaction to brands' wrongdoing under varying degrees of market-level brand power.

It is clear that anti-sweatshop movements have negative effects on alleged brands, such as reduced sales and diminished corporate reputations (Bartley & Child, 2012). Consumers may avoid a particular set of products (e.g., apparel and footwear products) in responding to anti-sweatshop campaigns. Importantly, consumers may easily connect strong brands with a particular set of products that they are boycotting (Bartley & Child, 2012). Thus, firms which are specialized on such product lines would be vulnerable. (Luders, 2006; Schurman, 2004). A strong firm's products are apparently more recognizable to customers. Thus, strong brands may suffer greater consequences than weak brands when targeted (Bartley & Child, 2012). Therefore, strong brands are more vulnerable in a sense that activists may turn the images from an asset to a liability by leveraging the power of corporate reputations (Bartley & Child, 2012). Recent works show that dissatisfied consumers are more willing to target firms with high profile and valued reputations (Bartley & Child, 2009; Lenox & Eesley, 2009). In contrary, firms that have a poor

to average reputations may not be affected by additional criticism, as their initial reputation is not good enough to be spoiled or sullied in a significant amount (Soule, 2009). These arguments are in line with the proposed NDJ phenomena.

A publicly recognized company may have different aspects of corporate identity that are leveraged from brand name and image. A leading firm's effort to position itself as a reputed brand through the integration of its various facets of corporate identity, including its product related attributes, social responsibilities, and patriotism, is known as "promotionalism" (Greenberg & Knight, 2004, p. 152). The logic of promotionalism becomes apparent through a firm's marketing and advertising practices, media activities, and issue management strategies, and constructs a larger promotional mix to make the firm a commercial success story (Greenberg & Knight, 2004, p. 152). However, firms are unwilling to concede their ability to operate a flexible buyer-driven global supply chain where subcontractors in developing countries manufacture the products through low waged and unskilled or semi-skilled workers working under limited and easily ignored labor standards (Burns, 2000). Thus, product attributes and brands' activities related to corporate social responsibility may be supportive of the logic of promotionalism, whereas their manufacturing facilities are designed to exploit workforces in developing countries. Therefore, there is a contradiction between promoting finished goods and brands' conducts in the production stages. Given that strong brands' promotionalism activities are intense, the stronger a brand, the higher the contradiction between its brand image and the realities of "hidden adobe" where workers are treated inhumane (Greenberg & Knight, 2004, p. 154). Further, literature in economic sociology emphasizes firms' positions in the cultural organization of markets (Bartley & Child, 2014). A firm's position in its cultural organization

may be different because of its particular positions relative to the point of consumptions. Large corporate brands of apparel and footwear have broader exposure to consumers than small brands. Thus, it is more likely for consumers to attribute blame to strong brands than to weak brands for their sweatshop practices (Luders, 2006). Moreover, as discussed above, NDJ may be manifested by a strong firm's positon in the cultural organization of the market. Thus, the following hypothesis is proposed.

H4: *Consumers will perceive more brand responsibility for a sweatshop practice of a strong brand than that of a weak brand.*

The structural terrain of social movements informs us that a brand's power and position relative to the point of production is translated as its negotiation power over suppliers (Gereffi, 2005), which persuades consumers to assume the brand's controllability over stopping sweatshop practices. As any sort of practices from large lead firms affect the respective industry more broadly than do the smaller firms' actions, strong brands are perceived as having higher control over stopping sweatshops (Appelbaum & Gereffi, 1994). On the other hand, NDJ suggests that strong brands are reprimanded vehemently by consumers while weak brands are speared. The contradiction between a brand's promotionalism activities and its true conduct in manufacturing stage is higher when the brand is strong than weak. This is because, unlike strong brands, weak brands' reputations are not good enough to be sullied in a significant amount (Soule, 2009). Therefore, in terms of negotiation power, strong brands are perceived as having higher controllability than weak brands; and in terms of reputations, strong brands have higher contradiction between their promotional activities and conducts in manufacturing stage, which lead consumers to assign more brand responsibility to a strong brands than a weak brand for the

same sweatshop practice. Moreover, Weiner's (1980) attribution theory suggests that the consumers assign more brand responsibility for sweatshop practices when the brand is perceived as having higher control over stopping sweatshop practices. In sum, this study suggests that controllability dimension mediates the relationship between brand power and consumers' perceived brand responsibility. Therefore, the following hypotheses is proposed.

H5: *Consumers' perceived controllability of a brand in stopping sweatshop practices mediates the effect of brand power (strong vs. weak) on the perceived brand responsibility.*

Repetitiveness in Sweatshop Practice

Since 1990, Nike has repetitive records of being accused of practicing sweatshops (Bartley & Child, 2012). Nike was first accused of sweatshop practices in South Korea and Taiwan (Maitland, 1997). With the economic development of these countries, labor unions had become stronger. Thus, Nike shifted its production to China, Vietnam, and Indonesia in pursuit of cheaper workforces (Maitland, 1997). Because of Nike's repetitive exposures of sweatshop allegations, it had to face enormous anti-sweatshop protests over a long period. Repetitive allegations led to intense anti-sweatshop campaigns and public protests that forced its CEO to admit that the company "has become synonymous with slave wages, forced overtime and arbitrary abuse" (as quoted in Cushman, 1998, p. D1). Some anti-sweatshop campaign groups, including United Students Against Sweatshops, which was initially formed by students from 40 universities of the U.S., and Team Sweat, which was an international coalition of consumers, investors, and workers, targeted only Nike to damage its reputation. Individual consumers and campaign groups vehemently attacked Nike because its repetitive allegations made it different

from other alleged brands. An actor's negative behavior would be perceived stable to the actor if the newly revealed behavior is consistent with expectations (Kelley & Michela, 1980). However, if a newly revealed behavior departs from what is expected of the actor, the behavior will be attributed to temporary causal factors including circumstances or states. Therefore, outcomes that are inconsistent with the previous history of the actor, thus unexpected, may be attributed less to stability and more to a (bad) luck (Kelley & Michela, 1980; Weiner, 1972). In Nike's case, its previous history of sweatshop practices made the newly revealed allegation stable to it.

The attribution people make about a brand's sweatshop practices may tell them whether the reason for such practices is stable or unstable to the brand (Weiner, 1980). Being a naïve scientist, a person's attributional analysis may follow the cue of the alleged brand's previous history of sweatshop practices (Coombs, 2007). A recurring negative event will be anticipated to be repeated in future with a greater degree of certainty; thus, the cause of the negative event may be ascribed to be stable (Weiner, 1972). In contrary, a first-revealed negative event may not be anticipated to recur in future, or the expectancy or certainty of repeating the same event in future may be lower; thus, the negative event may be treated as unstable to the brand (Weiner, 1972). According to the attribution theory, a firm's ongoing problem is suggestive of a negative behavior stable to it (Kelley & Michela, 1980). In sum, presenting a firm's previous history of practicing sweatshops along with the most recent allegation in media may insinuate consumers that sweatshop practices are more stable to the firm. Therefore, the following hypothesis is proposed.

H6: Consumers' perceived stability of a brand's sweatshop practice is higher when it is reported as a practice with high repetitiveness than when reported as a low-repetitiveness practice.

Attribution theory posits that people are likely to make causal attributions of an event that are negative and/or unexpected (Weiner, 1985, 2006). Causal attributions may come with emotional reactions ranging from sympathy to anger (Coombs, 2007). Consumer reactions to a negative event may be driven by their attributions of responsibility and emotion. According to Coombs (2007), consumers may have negative behavioral responses when an actor is judged responsible and thus anger is evoked. In contrary, behavioral response may become positive when the actor is judge not to be responsible and thus sympathy is evoked. Therefore, Coombs (2007) posits that initial crisis responsibility and crisis history are two factors that are evaluated by consumers upon their exposures to a new crisis. Crisis history refers to whether an actor had the same problem in the past. According to Kelley and Michela (1980), a recurring crisis is suggestive to consumers that the firm will repeat the crisis in near future as the problem is attached to the actor; thus, consumers may attribute more responsibility to the actor for the crisis. Moreover, a firm's negligence in avoiding such a practice inclines consumers to attribute more blame toward the brand. Thus, previous allegations of sweatshop practices make a firm more internally responsible as the cause is attributed to permanent causal factors to the brand. As a result, consumer reactions to the brand will be more anger- than sympathy-driven, upon the brand's repeated allegations of sweatshop practices. According to Coombs (2007), repetitiveness in the same crisis event intensifies the attribution of crisis responsibility and thereby consumers perceived the accused brand more responsible. Thus, the following hypothesis is proposed.

H7: *Consumers will perceive more brand responsibility for a sweatshop practice of a brand which is reported as a practice with high (vs. low) repetitiveness.*

Folkes (1988) identified differences in consumer reactions to brands when the negative event is caused by firm-related reasons as opposed to temporary reasons including situations or circumstances. A negative event may be perceived as a firm-related reason when the reason is stable to the firm (Folkes, 1988). According to attribution theory, a history of crisis, which is whether or not the brand was responsible for the same crisis in the past, indicates that the brand has ongoing problem (Coombs, 2007, Kelley & Michela, 1980). Moreover, sweatshop practices can be regarded as a firm-related reason or can be regarded as a rare occurrence depending on whether the accusation is first-ever heard or recurring to the brand. Thus, previous history or repetitiveness is an element that consumers use to attribute the extent of stability of practices to the brand. Thus, repetitive behavior is a sign of higher expectancies in sweatshop practices (Kelley & Michela, 1980; Weiner, 2006). Thus, repetitiveness in such practices lead to higher perceived stability. Consumers attribute responsibility to the actor when the negative event is seen as stable to the actor. Thus, consumers attribute more blame toward a brand for repetitive practices as repetitiveness is an indicator of the brand's stability in sweatshop practices. Thus, if a brand is accused of practicing sweatshops several times, consumers may think that sweatshop practices are stable to the brand, thus reacting more negatively toward it (Coombs, 2007; Kelley & Michela, 1980; Weiner, 2006). Therefore, this study suggests that stability dimension mediates the relationship between practice repetitiveness and consumers' perceived brand responsibility, as expressed in the following hypothesis.

H8: *Consumers' perceived stability of a brand's sweatshop practice mediates the effect of the allegation repetition (high vs. low) on the perceived brand responsibility.*

Crisis Response Strategy Effects

Impression Management Theory

Some common bases exist between the attribution theory and the impression management theory. However, the conceptual difference between the two theories is that unlike information management literature, attribution theory treats individuals as naïve scientists. Heider (1958) uses the term naïve scientist because attribution theory assumes that perceivers actively search for information to make a causal attribution on an actor's observed behavior. However, information management theory assumes that individuals will attribute the cause of a given action and form an impression of an actor based only on the information made available to them (Bradford & Garrett, 1995; Schlenker, 1980). The scope of impression management theory specifically lies in the context in which the desired identity-relevant images of an actor is at risk (Schlenker, 1980). This theory offers guidelines in a negative event that an actor is believed responsible for and has an implication of identity-inconsistency for the actor.

According to Schlenker (1980), an actor may be responsible for the negative occurrence of an event based on two assumptions. One assumption is that the actor is engaged in a behavior that engenders the negative event, while the other assumption is that there is a connection to some extents between the origin of the action that leads to the event and the actor (i.e., responsibility through global association) (Heider, 1958; Schlenker, 1980). For example, a brand may be assumed as strong enough to negotiate with suppliers not to practice sweatshops, or the brand could be perceived as too small to have negotiation power over its suppliers. The stability dimension that indicates a brand's previous history of sweatshop practices is another factor to consider. Thus, a brand having high control and several allegations in the past may be perceived as internally responsible for sweatshop practices, whereas a brand having low control and no

other allegation in the past may be held responsible through global association which weaken the connection between the alleged brand and sweatshop practices.

Apart from an actor's associations with a negative occurrence, Schlenker (1980) identifies another factor, which is the power of audiences, who require the actor to maintain a particular identity. The power of audiences, and fear of being punished for the action that is inconsistent with the actor's identity desired by audiences, may lead the actor to publicly claim a particular set of images (Schlenker, 1980). An example in this study context is that a brand may want to avoid any sweatshop allegations because consumers require the brand to follow social responsibilities. Most importantly, brand image is the most valuable asset of a brand and is considered fragile (Aaker, 1997). To keep its brand image positively sustained to its audiences or consumers, a brand should make consistent endeavors to avoid even the possibility of global association with socially irresponsible behavior. Given that audiences serve as judges of conducts of an actor (Schlenker, 1980), a brand involved in transgressions or associated with an event that engenders transgressions should come with an explanation to consumers in order to repair its identity. According to Schlenker (1980), impression-inconsistent behavior is a predicament that causes internal distress. Given that a predicament-creating event is a source of internal distress that dampens an actor's self-image (Aronson, 1968; Carson, 1969; Schlenker, 1980), a brand may also suffer from an identity destruction following the disclosure of its negative event.

Predicaments range from a minor embarrassment to a major event that may cause permanent identity destruction. The severity of a predicament is determined by two factors (Schlenker, 1980). One is the undesirability of the event; an event is undesirable to the degree to which it contradicts the desired image. The second is the actor's apparent responsibility.

Responsibility may be attributed more when the practice is seen as stable to the brand. When a brand is seen as having high control over sweatshop practices and highly stable in practicing such behavior, allegation toward the brand will be seen as severe. The extent of severity is positively related to the level of repercussions for an actor. Given that a higher extent of severity of a negative event produces greater damage to a brand's identity, and adversely affects its relationship with the consumers, the allegation of sweatshop practices may destroy its loyal consumer bases.

Response Strategies

Given the nature of the negative event, the responsible actors should come up with a behavior that will optimize their reward/cost ratios, thus reducing potential negative repercussions. Attribution theory provides the implication for firms' responses to a crisis event (Weiner, 1980; Wilson, Cruz, Marshall, & Rao, 1993). Perceivers' blame attribution may depend on three dimensions: the source of a negative event (external or internal), the controllability of the negative event (perceived control of an actor to stop the negative event), and the stability of the event (whether the event is repetitive or a rare occurrence) (Weiner, 1980). Therefore, the extent to which the negative event is perceived as impression-inconsistent to perceivers depends on the variability of the levels of these three dimensions. A brand should come up with a response attempting to alter the consequence of how people perceive these dimensions. Allen and Caillouet (1994) extracted a list of strategies from impression management literature. Coombs (1995) integrated the work on Allen and Caillouet (1994) and Benoit (1992) by following two steps, where redundancy was eliminated by combining the overlapping strategies, and all strategies were grouped into five broad categories (see Table 2.1).

Table 2.1.

Repertoire of Response Strategies (Coombs, 1995)

Categories of Response strategy	**Subcategories**	**Tactics (sub strategies)**
Nonexistence strategies	**Denial**	
	Clarification	
	Attack	
	Intimidation	
Distance strategies	**Excuse**	Denial of intention
		Denial of volition
	Justification	Minimizing injury
		Victim deserving
		Misinterpretation of the event
Ingratiation strategies	Bolstering	
	Transcendence	
	Praising others	
Mortification strategies	Redemption	
	Transcendence	
	Rectification	
Suffering strategies		

A nonexistence strategy is designed to promote the organizational claim that there is no crisis; thus, this strategy urges that the crisis does not or did not exist (Coombs, 1995). Denial, clarification, attack, and intimidation are four types of nonexistence strategies. Denial is simply stating that there is no crisis; whereas clarification adds an explanation of why there is no crisis to the denial statement. Attack is an aggressive way of denying the crisis by confronting those who report the crisis. Intimidation further extends the aggressiveness by threating those who report the crisis with lawsuits and/or physical violence.

Firms consider their brand images and good reputations as strong assets for business (Clark & Powell, 2013). Customer-based brand equity is enhanced when consumers hold favorable, strong, and unique brand associations in memory (Keller, 1993). On the other hand, attack and intimidation may harm brand equity. Rather, a brand image that is carefully cultivated by the firm is vulnerable to criticism. Charles Kernaghan of National Labor Coalition boasted about attacking brands for sweatshop practices as follows.

> "*their image is everything. They live and die by their image, that gives you certain power over them…. These companies are sitting ducks. They have no leg to stand on. That's why it's possible for a tiny group like us to take on a giant like Wal-Mart"* (as cited in Maitland, 1997, p. 598).

A brand cannot attack the accuser or campaigners whatever the situation, as it goes against their brand image. Therefore, an accused brand may follow non-existence response strategies (i.e., denial and/or clarification) other than attack and intimidation. Oftentimes, brands use the denial strategy, stating that the available information does not provide any evidence of crisis. For example, Primark has repeatedly denied the existence of their involvement in practicing sweatshops in last few years ("Primark Insists Label," 2014).

Whereas non-existence strategies deny the crisis, distance strategies acknowledge the crisis but attempt to weaken the linkage between the crisis and the alleged firm. Thus, distance strategies serve to create public acceptance of the crisis while the alleged firm keeps distance with it (Coombs, 1995, 2007). As the crisis is acknowledged, an organization crafts the message in such a way that consumer reactions will be minimized. If successful, the message will weaken the link between the crisis and the firm, and thus there will be a reduced chance of tarnishing the firm's image. Distance strategies may be demonstrated in two forms: excuse and justification.

Through excuse, the firm tries to minimize organizational responsibility for the crisis (Benoit, 1992). An organization may rebut the crisis through a denial of its intention or volition. Oftentimes, firms use this form of distance strategy when a third party creates the crisis (Allen & Caillouet, 1994). Excuse tries to justify why there is a crisis and why it is beyond an organization's control. Thus, excuse seeks to minimize the damage by convincing the public that the organization has little control over stopping the crisis. Sometimes, news media cover sweatshop stories that are hard for firms to deny. For example, fire hazard, building collapse, and casualties are evidential, making non-existence response strategies inappropriate. In these cases, brands may use distance strategies to minimize public reactions. Brands may claim no association with the production facility that practices sweatshops on the ground that the contractors often send a partial or full order to another subcontracting facility to further reduce the cost without the brand's knowledge about it. For example, in response to a sweatshop allegation in Brazil, Zara termed this situation 'unauthorized outsourcing' (Burgen & Phillips, 2011). Wal-Mart used an excuse response strategy to claim no association with a subcontracting facility that did not have fire-fighting equipment, resulting in the killing of several workers ("Wal-Mart: Bangladesh Factory in Deadly," 2012).

Coombs (2007) conceptualized three crisis clusters. The first one is the victim cluster where the organization is also a victim of the crisis. Natural disaster, rumor, workplace violence, product tempering, and malevolence (an external agent creating damage to the firm) are included in the victim cluster where there is a minimal attribution of crisis responsibility to the firm. Thus, the victim cluster incites mild reputational threats. The accidental cluster is another type where organizational actions leading to the crisis are unintentional. Challenges from stockholders, technical-error accidents, and technical error product harms are included in the accidental cluster

where there is a weak attribution of crisis responsibility to firms; thus, the level of reputational threat is moderate. On the other hand, the preventable cluster is quite opposite of the victim cluster in that an organization is not a victim of the crisis; rather, the organization knowingly placed its people at risk to become a wrongful beneficiary. Thus, upon revelation of this cluster of crisis events, a brand may have to face severe reputational threats. Given that sweatshop practices fall under the preventable cluster, a lack of response to sweatshop allegations may not provide an advantage to brands. A firm's unwillingness to address the allegation may be an indicator of the firm's unwillingness to deal professionally with the allegation. An alleged firm's silence may suggest its acceptance of the allegation. Thus, no response may infuriate consumers to a further extent. Denial of association with a negative event may put consumers in a dilemma of whether to identify the alleged brand as guilty or innocent. The difficulty of assigning blame towards a brand that came up with a denial response strategy may give the alleged brand some space to fix the negative event. Moreover, when the allegation is manifested in news media along with the evidence of human error accidents and organizational misdeeds with injuries, being silent will make the brand vulnerable to allegations. In this circumstance, an excuse may provide consumers a reason to think in favor of the brand, or a denial response denies the occurrence of sweatshop practices; thus consumers may not hold the brand responsible to such an extent given the possible non-existence of sweatshop practice. Thus, the following hypothesis is proposed.

> **H9**: *Consumers will perceive less brand responsibility for a sweatshop practice when the brand responds to the sweatshop allegation with an (a) excuse or (b) denial strategy as compared to no response information.*

Relative Efficacy of Response Strategies by Brand Power and Crisis Repetitiveness

Researchers develop several matrix-based typologies (two-by-two) of crisis events considering a variety of dimensions that include high-low deniability, concrete-diffuse victim (Marcus & Goodman, 1991), routine-non-routine, sequential-reciprocal information processing events (Egelhoff & Sen, 1992), human/social-technical/economical, severe-normal (Pearson & Mitroff, 1993), internal-external, and violent-nonviolent (Newsom, Scott, & Turk, 1992). Joshi and McKendall (2016) proposes a recent typology based on the acknowledgement of organizational responsibility versus net harm. Coombs (1995) integrates the concept of attribution theory to propose an orthogonal matrix having two dimensions, which are internal-external and intentional-unintentional. While Joshi and McKendall's (2016) work centered on crisis response typology, Coomb's (1995) work integrates the literature of response strategies respective to crisis type. As discussed before, Weiner's (1980) attribution theory provides three dimensions of causality: locus, controllability, and stability. The literature on impression management (Schlenker, 1980) and crisis response strategy (Coombs, 1995) has been investigated by the researcher to propose a crisis event typology along with the respective response strategy from the perspective of Weiner's (1980) attribution theory-based account.

Previous scholars acknowledge that the severity of damage is related to an actor's perceived controllability over such behavior (Marcus & Goodman, 1991; Newsom et al., 1992). According to Coombs (1995), when a firm is perceived as having higher control over stopping sweatshop, the event is seen as intentional (i.e., practicing sweatshops with an intent of being a wrongful beneficiary). Moreover, a firm's previous history of creating that negative event may lead consumers to perceive the event stable to the firm. In such cases, practicing sweatshop is perceived as a controllable event, yet reoccurring. Thus, consumers may evaluate the firm's

behavior as a transgression (Coombs, 1995). Transgressions are actions taken intentionally by the firms that knowingly place workers at harm. Given that a transgression is a serious wrongdoing committed by a firm purposefully, both denial and excuse will be futile and will bring no difference in healing brand damage. Considering that transgressions hurt a brand severely, accepting the responsibility with an intention to redress may serve as a foundation for repairing the brand image (Burke, 1966; Coombs, 1995). As acceptance of responsibility should come with adequate actions, a brand needs to change its business process and needs to invest more in non-value added steps of manufacturing. Thus, it is time-consuming and financially overwhelming; moreover, it does not provide any guarantee of eliminating the possibility of future allegations. Nike was the first in its industry to publish a complete list of its subcontracting factories in 2005. However, Nike even then did not acknowledge the responsibility of sweatshop practices while the management was addressing this issue internally (Nisen, 2013). Thus, it is very rare for brands to accept the responsibility or express apology for their sweatshop practices. However, an excuse may work if the firm is accused of such practice just once on the ground that the firm is different from others which are very stable in sweatshop practices. When a firm is perceived as a strong brand, thus having high control over its subcontractors, a denial response may not work as consumers perceive the firm's behavior as intentional. However, rare occurrence of such behavior may not be seen as the brand's stability to such intention; thus, an excuse may work.

On the contrary, when a firm is perceived as a weak brand having low or no control over stopping sweatshop practices, the event may be assessed as unintentional. Thus, consumers may evaluate an unintentional behavior as a faux pas or unintended fault (Coombs, 1995). From the actor's perspective, they could not have done the same thing in a better way to avoid the negative

consequences. However, the situation becomes ambiguous when a third party challenges the appropriateness of the actor's action and redefines the actor's intention and consequence of the action. In this situation, perceivers have to decide which side, actor or third party, they are on. Therefore, a faux pas is a crisis where a firm does not acknowledge the responsibility of the wrongdoing; however, it may either acknowledge harm or may opt out of harm acknowledgement and deny the negative consequences. Given that a brand develops and strengthens its image to its loyal consumer base, it may not want to be involved in a soundbite (Maitland, 1997). Brand image is considered to be an intangible asset that provides a competitive advantage to the brand, in terms of imparting confidence in its consumers and other stakeholders, to charge a premium for its products and services (Barney, 1991; Eccles, Newquist, & Schatz, 2007; Mishina, Block, & Mannor, 2012). The effective response strategy of a weak brand in that scenario may be either denial or excuse, depending on the firm's prior history of sweatshop practices. For example, if the allegation is a rare occurrence, the weak brand's low controllability over the sweatshop practices could be seen as an unintended fault. Thus, consumers may be convinced by the brand's denial of such practices. However, if the practice is seen as reoccurring, an excuse would work better than denial to convince consumers.

The point here is that denial may sound appropriate when the weak brand's sweatshop allegation happens once; but for the repetitive occurrences, consumers want to hear an explanation of why the brand is repeatedly accused. However, when a strong brand perceived as having high control over sweatshop practice is alleged, an explanation may not effectively convince consumers, because consumers may think the brand should have enforced its controlling power over subcontractors to stop such practices. From the above discussion, the following hypotheses are proposed:

H10: *The effect of a brand's response strategy for a sweatshop allegation on consumers' perceived brand responsibility is moderated by its interaction with brand power and repetitiveness in the brand's sweatshop practices. Specifically,*

H10a: *For a weak brand's first-time sweatshop practice allegation, consumers will perceive less brand responsibility when the brand responds with a denial strategy as compared when the brand responds with an excuse strategy or when the brand's response information is not provided*

H10b: *For a weak brand with repeated sweatshop practice allegations, consumers will perceive less brand responsibility when the brand responds with an excuse strategy as compared when the brand responds with a denial strategy or when the brand's response information is not provided. .*

H10c: *For a strong brand's first-time sweatshop practice allegation, consumers will perceive less brand responsibility when the brand responds with an excuse strategy as compared when the brand responds with a denial strategy or when the brand's response information is not provided.*

H10d: *For a strong brand with repeated sweatshop practice allegations, consumers will perceive less brand responsibility when the brand's response information is not provided as compared to the brand's response with either denial or excuse response strategy.*

Causal Attribution and Reactions

Kelley and Michela (1980) proposed a general model of attribution field by integrating cognitive processes and the dynamics of behavior (see Figure 2.2). Cognitive processing of

information related to an actor and its actions leads an observer to construct a causal attribution. Furthermore, the observer infers an actor's intention based on the potential consequence of that act, which is termed as non-common effects (Jones et al., 1965). To the extent that the consequence of the act is considered as being unique, non-common, and solely related to the actor, the observer's cognitive attribution about the actor's intentions become stronger (Ajzen & Holmes, 1976). Attribution theory proposed by several scholars posits that observers may attribute a cause to an actor based on the information they are able to cognize, and this attribution co-varies with the actor's act or event, which is presented as follows by Kelley & Michela (1980).

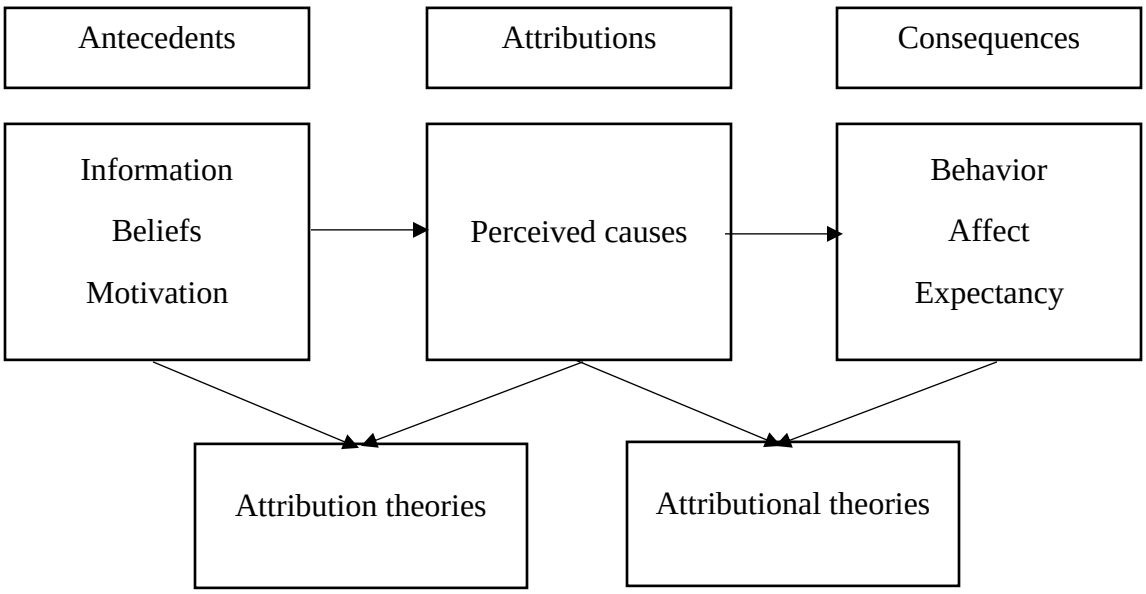


Figure 2.2. General model of attribution field proposed by Kelley and Michela (1980)

Within the cognitive process of attributional judgement in evaluating an event, information, beliefs, and motivation are the determinants of attributions. For example, in this study's context, the extent to which the cause of sweatshop practice is assigned to the brand may

depend on the information (i.e., media portrayed news) perceivers are exposed to. Attribution of perceived causes (i.e., causal attribution of brand responsibility) leads to consequences, such as affect, behavior, and expectancy. Here, the extent of a negative affect will be derived from the causal attribution of sweatshop practice (see Figure 2.2). Thus, the dynamics of behavior may be understood by the causal attribution followed by the antecedents engendered by negative occurrence of an event.

Consumer reactions to a brand can fall under two categories. The first category is the passive form of resistance including negative brand attitude and lower purchase intention (Connolly & Prothero, 2003; Lee, Conroy, & Motion, 2009). The second category is the active form of resistance including disseminating negative word of mouth, boycotting brand, and anti-brand activism (Hickman & Ward, 2013; Sen, Gurhan-Canli, & Morwitz, 2001; Kozinets & Hndelman, 2004). Consumers form negative emotions towards a brand including, dislike, anger, disappointment after their exposure to brand wrongdoings (Romani & Dalli, 2009). According to Japutra, Ekinci, Simkin, and Nguyen (2014), consumers' exposure to a brand's wrongdoing may have two oppositional outcomes. First, their loyalty may turn into oppositional brand loyalty that includes trash-talking. Second, consumers may go for anti-brand actions. Thus, brands' unethical behavior (i.e., sweatshop practice) may lead dissatisfied consumers to form not only a negative attitudes and lower purchase intention towards the brands (Lee & Cranage, 2012) but also a common social identity through spreading NWOM and participating in anti-brand community platforms. Therefore, the following hypotheses are proposed.

H11: *The higher the consumer's perceived brand responsibility, (a) the more negative the brand attitude, (b) the lower the purchase intention, (c) the higher the intention of boycotting, and (d) the higher the intention of disseminating negative word of mouth.*

All the hypothetical relationships are presented in Figure 2.3.

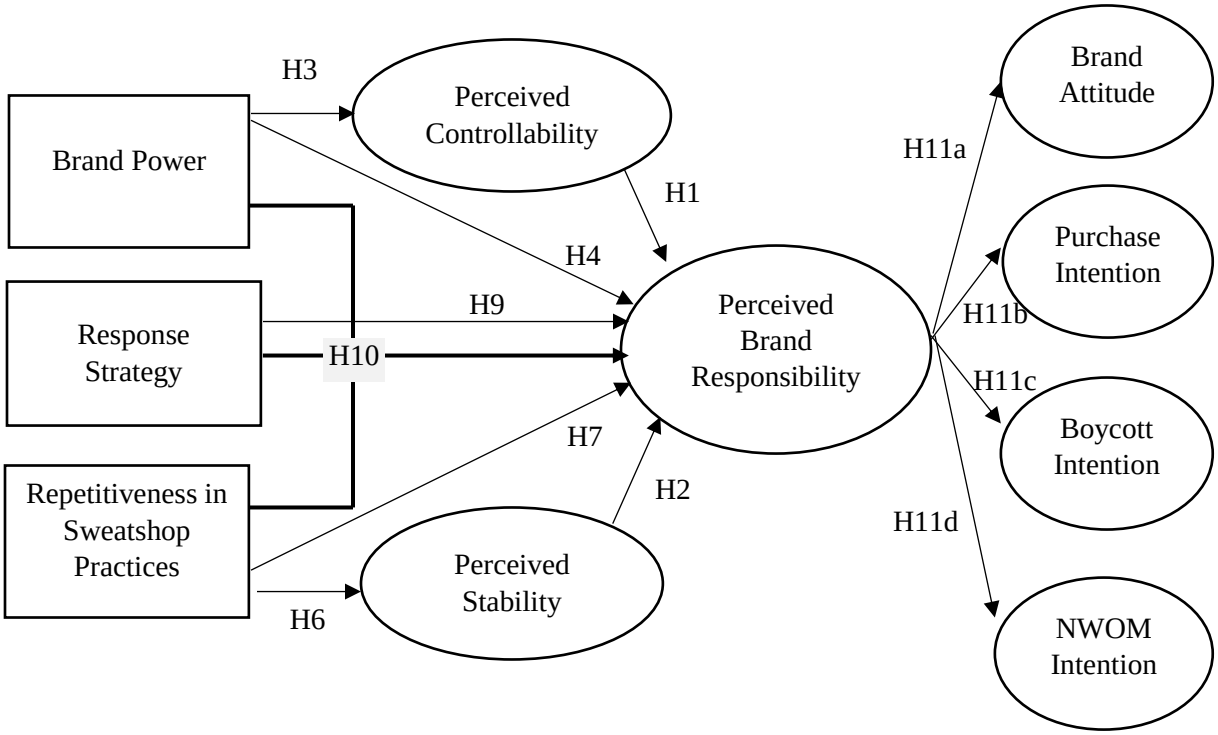


Figure 2.3. Research Model. The mediation hypotheses (H5 and H8) are not separately denoted in the model.

Chapter 3. PRETEST

The objective of the pretest is to calibrate the stimuli (scenarios) in order to manipulate the independent variables (IVs) which are brand power, sweatshop practice repetitiveness, and response strategy.

Design and Procedure

Using Qualtrics, a web-based survey tool to conduct data collection activities, an online questionnaire was created and administered. Fictitious newspaper article excerpts were created as stimuli to manipulate each of the three IVs. Participants were randomly assigned to one condition scenario of each IV. Following reviewing the assigned stimulus for an IV, participants responded to manipulation check items corresponding to the IV. This process was repeated for the three IVs. At the beginning of the experiment, participants were asked about their age, gender, and country of residence as sample screening measures. To ensure the equal participation of both genders, maintain an age distribution according to the U.S. population age proportions (United States Census Bureau, 2012), and recruit participants only from the U.S., quota restrictions were imposed on Qualtrics. At the end of the experiment, participants completed the demographic items.

Stimuli

Brand power. Participants were provided with a text-based description of a hypothetical brand with a pseudonym *Brand A*, which sells consumer products as follows:

The following is an excerpt taken from a part of a newspaper article about a consumer product brand (named "Brand A" here to protect its identity). After carefully reading this excerpt, please respond to the questions that follow.

Then, the participants was given either the strong or weak brand scenario (see Table 3.1), which was randomly assigned to them.

Table 3.1

Experimental Stimulus of Pretest 1

Brand power condition	Scenario
Strong brand	Brand A produces the majority of its products through manufacturing facilities of its contractors in developing countries to minimize the production cost. Brand A is a market leader in many of its product categories in the United States in both its sales as well as its brand recognition by U.S. consumers. Further, it markets its products globally across 78 countries including those in Europe, Asia, Central and South Americas, and Africa. Brand A has been placed within top 100 brands in the global market consistently for over two decades, according to Brand Intelligence, a brand power monitoring agency.
Weak brand	Brand A produces the majority of its products through manufacturing facilities of its contractors in developing countries to minimize the production cost. Brand A is a small brand which was introduced to the market 10 years ago. Although it has been steadily gaining its popularity among certain consumer groups in the United States, it is still far from being recognized nationwide by U.S. consumers from all generations and markets. It has never marketed its products in any other countries besides the United States.

Sweatshop practice repetitiveness. A fictitious newspaper article that accuses the stimulus brand for a sweatshop use was used to manipulate sweatshop practice repetitiveness levels. The newspaper article used the name of a reputed campaign group, Labor Behind the Label, to inform the brand's repetitiveness levels in practicing sweatshops for the previous

decade. In the low repetitiveness condition, the scenario indicates that the brand is accused for the first time; whereas in the high repetitiveness condition, the brand is indicated to have been accused several times. Participants read the direction below, followed by the scenario corresponding to their randomly assigned repetitiveness condition scenario (see Table 3.2):

> *The following is an excerpt taken from a part of a newspaper article about a consumer product brand (named "Brand B" here to protect its identity). After carefully reading this excerpt, please respond to the questions that follow.*

Table 3.2

Experimental Stimulus of Pretest 2

Repetitiveness condition	Scenario
High repetitiveness	*Labor Behind the Label* is an anti-sweatshop campaign group that works to improve labor conditions and empower workers in the global garment industry and produces bi-annual "Action Updates" reporting on companies that use sweatshops in developing countries. Brand B was accused of using sweatshops in four of the five bi-annual reports produced by Labor Behind the Label for the past 10 years.
Low repetitiveness	*Labor Behind the Label* is an anti-sweatshop campaign group that works to improve labor conditions and empower workers in the global garment industry and produces bi-annual "Action Updates" reporting on companies that use sweatshops in developing countries. Brand B was accused of using sweatshops in one of the five bi-annual reports produced by Labor Behind the Label for the past 10 years.

Response strategy. Participants were provided with a text-based description of a hypothetical brand's response to a recent sweatshop allegation brought out by the anti-sweatshop campaign group, Labor Behind the Label. In both denial and excuse scenarios, the brand, named *Brand C*, either denied or provided excuse to the alleged sweatshop practice. Participants read

the direction below, followed by the scenario corresponding to their randomly assigned response strategy scenario (see Table 3.3):

> *The following is an excerpt taken from a part of a newspaper article about a consumer product brand (named "Brand C" here to protect its identity). After carefully reading this excerpt, please respond to the questions that follow.*

Table 3.3

Experimental Stimulus of Pretest 3

Response strategy	Scenario
Denial response	In response to *Labor Behind the Label*'s recent report of Brand C's sweatshop use, the brand denied the existence of sweatshop practices in manufacturing facilities in developing countries and claimed that its code of conduct requires all suppliers to comply fully with all local laws. The brand's Chief Operating Officer claimed, "in spite of our keenness to understand the substance of the allegation, we did not receive any contact or complaint from the Vice President for Compliance of the alleged manufacturing facility, so we assume that it was just one of many unauthentic allegations." *Labor Behind the Label* is an anti-sweatshop campaign group that works to improve labor conditions and empower workers in the global garment industry and produces bi-annual "Action Updates" reporting on companies that use sweatshops in developing countries.
Excuse response	In response to *Labor Behind the Label*'s recent report of brand C's sweatshop use, the brand urged its subcontractors to bear the responsibility of labor rights violation and claimed that its Code of Conduct requires all suppliers to comply fully with all local laws. The brand's Chief Operating Officer, Mr. Samuel Richard claimed, "a contractor sometimes hires another sub-contractor with poor working condition, to produce part of the order received from us; thus, labor rights violation may happen without our knowledge." *Labor Behind the Label* is an anti-sweatshop campaign group that works to improve labor conditions and empower workers in the global garment industry and produces bi-annual "Action Updates" reporting on companies that use sweatshops in developing countries.

Sampling

Respondents for the pretest were recruited through *The Sample Network*, a third-party consumer panel provider. Although the recruitment procedure used a quota sampling method that was non-probabilistic, respondents were recruited from a diverse pool of consumers who represent the demographics of the U.S. population. Moreover, age and gender quota were imposed to ensure the representativeness of the sample. The experiment link was given to the panel provider who made it available to the prospective participants. Once participants clicked on the link, they had to choose answers from three multiple choice questions with respect to age, gender and country of residence. Besides the gender-based quota (50% male and 50% female) and the age-based quota (ages 19-24= 10%, ages 25-34= 20%, ages 35-44 = 20%, ages 45-54 = 20%, ages 55-64 = 20%, and ages 65 and older = 10%), participants were required to be residents of the U.S. Participants those who met the qualifications, answered correctly the attention check items interspersed among the questions, and completed the experiment were given compensation per their agreed term with *The Sample Network*. The researcher provided payment to *The Sample Network* for the recruitment and data collection services.

The Sample Network sent their consumer panel members email invitations and online notifications in their portal that contained a link to the experiment. When clicked on the link, they were asked to answer quota related screening questions, and those who met the screening criteria had then been led to the information letter page (see Appendix A) which provided information about the study and stated intent about their having read the information provided. Panel members who decided to participate were asked to click on the "Next" button at the bottom of the page, which took them to the experiment. Participants who did not pass the screening criteria based on their responses to the screening questions and those who did not respond

correctly to the attention check questions were directed to the termination page explaining the reason for termination as soon as the respective questions were answered (see Appendices D and E for the termination pages). The sample recruitment procedure and the questionnaires were approved by the Institutional Review Board (IRB) of Auburn University (see Appendix F).

On the experiment site, participants who met the quota criteria were presented in a randomized order with three stimuli (i.e., mock newspaper article excerpts) corresponding to their randomly assigned conditions for the three IVs. After each stimulus, participants completed the manipulation check items for the respective IV along with several attention check questions interspersed within the manipulation check items. In addition, participants also completed measures for awareness of and attitudes toward Labor Behind the Label as part of the questions asked after the sweatshop practice repetitiveness stimulus. The questionnaire ended with demographic questions (see Appendix B for the pretest questionnaire).

Instruments

Brand power manipulation check. Following their assigned brand power stimulus, participants rated the level of perceived brand power for the brand described in the stimulus by indicating their level of agreement with five statements, which are developed by the researcher, on a five-point (1= strongly disagree, 5 = strongly agree) Likert scale. These statements are "this brand would be one of the biggest brands in the marketplace" (BP_1), "the supply network of this brand is very broad and strong" (BP_2), "a big portion of U.S. consumers would buy from this brand" (BP_3), "this brand has strong presence in many countries" (BP_4), and "this brand would be one of the top brands in the U.S. market" (BP_5). The higher the participants' rating, the higher the perceived brand power. The items followed a participant direction, "*please*

indicate your level of agreement with each of the following statements regarding Brand A described above based on what you just read."

Sweatshop practice repetitiveness manipulation check. Following their assigned sweatshop practice repetitiveness stimulus, participants rated perceived repetitiveness of the sweatshop practice of the brand described in the stimulus by indicating their level of agreement with three researcher-developed statements on five-point (1= strongly disagree, 5 = strongly agree) Likert scale. These statements are "I think sweatshop use is a frequently occurring problem for this brand" (SR_1), "the recent sweatshop allegation reported above seems to be an expected event for this brand" (SR_2), and "this brand has been accused repetitively of sweatshop use" (SR_3). The higher the participants' rating, the higher the perceived sweatshop practice repetitiveness. The items followed a participant direction, "*please indicate your level of agreement with each of the following statements regarding Brand B described above based on what you just read*."

***Awareness of and attitude towards Labor Behind the Label*.** The campaign group Labor Behind the Label was used in the mock newspaper article stimuli for sweatshop practice repetitive manipulations. Thus, it is relevant to test participants' awareness of and attitude towards the campaign group to see if there is any confounding effect. The item "have you heard about the campaign group named Labor behind the Label?" measured the awareness of Labor Behind the Label. Participants answered either "Yes" or "No." Attitude toward the campaign group (A_LBL) was measured by a four-item semantic differential scale with five points, ranging from 1 (bad, negative, unfavorable, I don't like it) to 5 (good, positive, favorable, I like it). This scale was adopted from Mackenzie, Lutz, and Belch (1986). The items followed a participant direction, *"in each line, please choose a button that best reflects your evaluation."*

Response strategy manipulation check. Following the response strategy stimulus assigned to them, participants rated their perceptions of the brand's response strategy described in their stimulus by indicating their level of agreement with six researcher-developed statements on a five-point Likert scale ranging from 'strongly disagree' to 'strongly agree.' Two of the statements addressed denial response (DR) ("this brand denied the validity of the reported sweatshop allegation" [DR_1] and "this brand denied that their products were produced at a sweatshop" [DR_2] and two for the level of excuse response (ER) ("this brand acknowledges a possibility of some of their products being produced at a sweatshop but denied their responsibility for it" [ER_1] and "this brand made an excuse that sweatshop practice of their production facilities was not their fault" [ER_2]) perceived by the participants. The remaining two items addressed perceptions of a lack of response (NR; "this brand did not make any response to the reported sweatshop allegation") and the brand's acknowledgement of its responsibility (AR; "this brand admitted their responsibility for their subcontractors' use of sweatshops"). The items followed a participant direction, *"please indicate your level of agreement with each of the following statements regarding Brand C described above based on what you just read."*

***Demographic items*.** The last section of the questionnaire contained demographic items: age, gender, marital status, educational level, ethnicity, occupation, and household income.

Data Analysis

Sample Characteristics

A total of 121 participants met the quota requirements and answered the attention check questions correctly out of numerous participants who clicked on the experiment link. In

Qualtrics, the condition "do not record survey response" for survey flow logic were selected, which means that the data of unqualified participants who could not either pass the screening criteria or failed to answer attention check questions were not recorded.

Out of the 121 respondents, 54.5% (f = 66) were females, and 45.5% (f = 55) were males. Participants ranged from 20 to 79 years of age, with a mean age of 42.6 (SD = 14.52). The age distribution of the pretest sample was very similar to the age distribution of the U.S. national population: ages 19-24 = 7.4%, ages 25-34 = 27.3%, ages 35-44 = 23.1%, ages 45-54 = 14.9%, ages 55-64 = 18.2%, and ages 65 and older = 9.0%. The majority of participants were White, Non-Hispanic (86.0%), followed by Black, Non-Hispanic (6.6%), Hispanic (5.8%), and others. More than 82% of the participants had at least some college/technical school, and nearly 50% worked in professional, technical, or clerical fields. The largest majority of the participants were residents of a southeastern (30.6%) or midwestern (28.1%) state in the United States. Nearly 20% of the participants reported a household income below $25000, while 60% reported their household income in the range of $25001 and $100000. The sample characteristic frequencies and percentages are provided in Table 3.4.

Table 3.4

Pretest Sample Characteristics

Demographics	Description	*f* (%)
Gender	Male	55 (45.5%)
	Female	66 (54.5%)
Age	18-24	9 (7.4%)
	25-34	33 (27.3%)
	35-44	28 (23.1%)
	45-54	18 (14.9%)
	55-64	22 (18.2%)
	65 and older	11 (9.0%)

Ethnicity	American Indian/Alaskan Native	1 (1.0%)
	Asian/Pacific Islander	2 (1.7%)
	Hispanic	7 (5.8%)
	Black, Non-Hispanic	8 (6.6%)
	White, Non-Hispanic	104 (86.0%)
	Other (Please specify)	0
Education Level	8^{th} grade or less	0
	Some high school	2 (1.7%)
	High school diploma	20 (16.5%)
	Some college or technical school	42 (34.7%)
	College degree (4 years)	37 (30.6%)
	Some graduate school	4 (3.3%)
	Graduate degree (Master's, Doctorate, Etc.)	17 (14.1%)
Current Occupation	Professional or technical (for example, accountant, artist, computer specialist, engineer, nurse, doctor, teacher)	30 (24.8%)
	Manager or administrator (non-farm)	8 (6.6%)
	Sales worker (or example, insurance salesperson, real estate salesperson, sales clerk, stockbroker)	7 (5.8%)
	Clerical worker (for example, bank teller, bookkeeping, office clerk, postal worker, secretary, teacher's aide)	9 (7.4%)
	Craftsworker (for example, baker, carpenter, electrician, foreman, jeweler, mechanic, plumber, tailor)	1 (1%)
	Machine operator or laborer (for example, bus driver, conductor, factory worker, truck driver)	4 (3.3%)
	Farmer, farm manager, or farm laborer	1 (1%)
	Service worker or private household worker (for example, barber, bartender, cook, firefighter, police officer, waiter)	7 (5.8%)
	Military	0
	Homemaker	18 (14.9%)
	Unable to work	11 (9.1%)
	Retired	13 (10.8%)
	Other	13 (10.8%)
		-
Geographical Region	Midwest (IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI)	34 (28.1%)
	Northeast (CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT)	20 (16.5%)

	Southeast (AL, AR, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV)	37 (30.6%)
	Southwest (AZ, NM, OK, TX)	13 (10.7%)
	West (AK, CA, CO, HI, ID, MT, NV, OR, UT, WA, WY)	18 (14.9%)
Annual Income	$25,000 and below	24 (19.8%)
	$25,001 - $50,000	34 (28.1%)
	$50,001 - $75,000	23 (19.0%)
	$75,001 - $100,000	15 (12.4%)
	$100,001 - $125,000	7 (5.8%)
	$125,001 - $150,000	7 (5.8%)
	$150,001 - $175,000	2 (1.7%)
	$175,001 - $200,000	3 (2.5%)
	$200,001 and over	7 (5.8%)

Exploratory Factor Analysis

To check the dimensionality of multi-item measurements, exploratory factor analysis (EFA) was conducted. EFA was run through SPSS using principle component analysis with varimax rotation (see Table 3.5). First, the unidimensionality of the perceived brand power measure was confirmed with an eigenvalue of 3.783. The five items explained 75.66% of the variance. The perceived sweatshop practice repetitiveness measure also revealed unidimensionality with an eigenvalue of 2.355 with 78.5% of the variance explained.

For the perceived response strategy measure, six items were run altogether. The items were divided into two dimensions with the eigenvalues of 2.280 and 1.504. The NR item was cross-loaded, and the AR item was aligned with two excuse items. In retrospect, the AR item was untrue to both denial and excuse and was not similar in meaning to 'no response' either. Therefore, both AR and NR items were eliminated to run another EFA with only the four ER and DR items. As expected, two scale dimensions were confirmed with the eigenvalues of 2.209 and 1.174. The first factor, perceived denial, having two items explained 55.23% of the variance, and

the second factor, perceived excuse, having two times explained 29.3% of the variance. Overall, results of the factor analysis appeared satisfactory, and the items had loadings of .85 or above onto their respective factor.

Finally, the unidimensionality of the attitude toward Labor Behind the Label (A_LBL) was confirmed with an eigenvalue of 3.425 with 85.6% of the variance explained. Cronbach's αs for all scales are shown in Table 3.5. Scores of items from each respective factor were averaged to construct factor scores for the manipulation check testing.

Table 3.5

EFA Results and Cronbach's α for Manipulation Check Measures

	Factor loading				
			Response strategy		
Item	Perceived Brand Power	Perceived Sweatshop Practice repetitiveness	Perceived Denial	Perceived Excuse	Attitude
BP_1	.928				
BP_2	.850				
BP_3	.844				
BP_4	.855				
BP_5	.869				
SR_1		.887			
SR_2		.878			
SR_3		.893			
DR_1			.909		
DR_2			.905		
ER_1				.914	
ER_2				.906	
A_LBL_1					.933
A_LBL_2					.908
A_LBL_3					.912
A_LBL_4					.849
Cronbach's α	.916	.860	.813	.820	.943

Manipulation Check

Success of brand power and sweatshop practice repetitiveness manipulations was decided upon the significant mean differences between their respective conditions, tested using a t-test, with cell means in the anticipated direction. According to independent sample t-test results, the weak brand power condition stimulus (M = 2.55, SD = .90) produced a significantly lower brand power perception than did the strong brand power condition stimulus (M = 4.26, SD = .65; t_{120} = 11.75, p < .001). Thus, the manipulation for brand power was successful.

For sweatshop practice repetitiveness, participants perceived a significantly lower repetitiveness in the low repetitiveness condition (M = 3.18, SD = 1.14) than in the high repetitiveness condition (M = 4.06, SD = .85, t_{120} = 4.80, p < .001). Therefore, the manipulation of sweatshop practice repetitiveness was successful.

For the response strategy stimuli, according to paired-sample t-tests, when the denial response strategy scenario was presented, participants were significantly more likely to perceive that the brand denied the allegation (DR), than that the brand made an excuse (ER; t_{120} = 6.12, p < .001), that the brand made no response (NR; t_{120} = 6.97, p < .001), or that the brand acknowledged the truth of the allegation (AR; t_{120} = 8.02, p < .001) (see Table 3.6 for the cell means and standard deviations). On the other hand, when the excuse response strategy scenario was presented to them, participants significantly more likely to perceive that the brand made an excuse (ER), than that the brand denied the allegation (DR, t_{120} = 6.78, p < .001), made no response (NR, t_{120} = 7.25, p < .001), or acknowledged the truth of the allegation (AR, t_{120} = 5.05, p < .001) (see Table 3.6 for cell means and standard deviations). Additional independent sample t-test results further showed that participants' perceived denial was higher when they viewed the denial scenario than when they viewed the excuse scenario (M_{Denial} = 4.00, M_{Excuse} = 2.84; t_{120} =

6.12, $p < .001$). On the other hand, participants' perceived excuse was higher for the excuse scenario than for the denial scenario ($M_{Excuse} = 4.02$, $M_{Denial} = 2.84$; $t_{120} = 6.78$, $p < .001$). Moreover, participants' perception of the brand's acknowledgement of its sweatshop practice was higher in the excuse condition than in the denial condition ($M_{Excuse} = 2.92$, $M_{Denial} = 2.33$; $t_{120} = 2.68$, $p < .01$), which is reasonable given that a brand has to admit the sweatshop practice for it to make an excuse about it. Finally, there was no significant difference in participants' perceived no response between the denial and excuse scenarios ($M_{Excuse} = 2.64$, $M_{Denial} = 2.40$; $t_{120} = .98$, $p = .38$). Therefore, the two response strategy scenarios successfully manipulated their respective response strategy condition.

Table 3.6

Perceived Response Strategy Scores

Response Strategy Stimulus	*M (SD)*			
	Perceived denial	Perceived excuse	Perceived no response	Perceived acknowledge
Denial	3.97 (.82)	2.84 (1.15)	2.40 (1.45)	2.33 (1.15)
Excuse	2.85 (1.11)	4.02 (.80)	2.64 (1.31)	2.92 (1.29)

Additionally, in the high repetitiveness condition, 5 respondents rated 'yes' and 53 respondents rated 'no' to the awareness of Labor Behind the Label; whereas in the low repetitiveness condition, 7 respondents rated 'yes' and 57 respondents rated 'no' in response to the awareness of Labor behind the Label. A chi-square test revealed no significant association between respondents' awareness of Labor Behind the Label and the repetitiveness conditions ($\chi^2 = .184$, $df = 1$, $p = .668$). Further, respondents' attitudes toward Labor Behind the Label were also not significantly different between the high ($M = 3.884$, $SD = 1.162$) and low ($M = 3.992$, $SD = .928$) repetitiveness conditions, $t(120) = .571$, $p = .569$. These results suggest that

awareness or attitude regarding this campaign group did not confound the repetitiveness manipulation check results.

Chapter 4: MAIN EXPERIMENT

Main Experiment Design

This study employed an online experiment with a 2 (brand power: strong brand vs. weak brand) x 2 (sweatshop practice repetitiveness: high vs. low) x 3 (response strategy: no-response vs. denial vs. excuse) between-subjects design. Participants read a mock newspaper article with which the independent variables were manipulated and completed dependent measures, manipulation check questions, attention check questions, and demographic questions.

Stimuli

Participants were provided with a mock newspaper article, which contained scenarios manipulating the three independent variables according to their assigned condition (see Table 4.1). The mock newspaper article was presented with the following participant direction:

> *The following is an excerpt taken from a newspaper article about a consumer product brand (named "**Brand A**" here to protect its identity). After carefully reading this excerpt, please respond to the questions that follow regarding this brand.*

The stimulus in the no-response (control) condition of the response strategy variable contained only scenarios for their assigned brand power and repetitiveness conditions, and no scenario was given with respect to the response strategy variable. Though the manipulations of high and low repetitiveness were successful in the pretest, the words related to the frequency of the stimulus brand's sweatshop practice were written in bold letters and underlined in the main experiment in order to draw participants' attention to the information. The stimuli were

presented as a single newspaper excerpt having different paragraphs manipulating each of the IVs.

Table 4.1

Main Study Experimental Stimuli

Independent variables	Condition	Scenario
Brand power	Strong brand	**Brand A** is a market leader in many of its product categories in the United States in both sales and brand recognition by U.S. consumers. Further, Brand A markets its products globally across 78 countries including those in Europe, Asia, Central and South Americas, and Africa. Brand A has been placed within the top 100 brands in the global market consistently for over two decades, according to Brand Intelligence, a brand power monitoring agency.
	Weak brand	**Brand A** is a small brand which was introduced to the market 15 years ago. Although it has been steadily gaining popularity among certain consumer groups in the United States, it is still far from being recognized nationwide by U.S. consumers from all generations and markets. Brand A has never marketed its products in any other countries besides the United States.
Repetitiveness	High repetitiveness	Brand A was accused of using sweatshops in this year's Labor Behind the Label report. Labor Behind the Label is an anti-sweatshop campaign group that works to improve labor conditions and empower workers in the global garment industry and produces bi-annual "Action Updates" reports on companies that use sweatshops in developing countries. Brand A has been reported for using sweatshops in **four of the five bi-annual reports** produced by Labor Behind the Label for the past 10 years.
	Low repetitiveness	Brand A was accused of using sweatshops in this year's Labor Behind the Label report. Labor Behind the Label is an anti-sweatshop campaign group that works to improve labor conditions and empower workers in the global garment industry and produces bi-annual "Action Updates" reports on companies that use sweatshops in developing countries. This is **the first time** Brand A was reported for using sweatshops by Labor Behind the Label for the past 10 years.

Response strategy	Denial	In response to this year's Labor Behind the Label's report, Brand A denied the existence of sweatshop practices in their manufacturing facilities in developing countries and claimed that their code of conduct requires all suppliers to comply fully with all local laws. The brand's Chief Operating Officer claimed, "in spite of our keenness to understand the substance of the allegation, we did not receive any contact or complaint from the Vice President for Compliance of the alleged manufacturing facility, so we assume that it was just one of many unauthentic allegations."
	Excuse	In response to this year's Labor Behind the Label's report, Brand A urged its subcontractors to bear the responsibility of labor rights violation and claimed that its Code of Conduct requires all suppliers to comply fully with all local laws. The brand's Chief Operating Officer claimed, "a contractor sometimes hires another sub-contractor with poor working conditions to produce part of the order received from us; thus, labor rights violations may happen without our knowledge.

Measures

Sample Screening Measures

Prior to reading the information letter, respondents were asked to complete three demographic items, gender, age, and country of residency, to assure their eligibility to participate. Participants were asked to report their gender and choose an age group they belong from several age ranges. Participants who chose "below 18" were dropped from the experiment. Quotas were imposed to ensure the resemblance of the proportions of participants across different age groups with the national population data and the equal presence of male and female participants in each age group. Further, a third question were asked about their residency status. As the target population of this study is U.S. consumers, those who reside outside of the U.S. were ineligible to participate in this study.

Dependent Measures

Perceived controllability. Perceived controllability was measured by three items; two adapted from Folkes, Koletsky, and Graham (1987) and the third item from Klein and Dawar (2004). Folkes et al. (1987) operationalized two items in context to the controllability of an airline company's flight delay in line with their assumption that consumers behave punitively to an airline company for its action that causes negative outcomes when they believe that the company could have done otherwise. To achieve their purpose, Folkes et al. (1987) asked participants "Do you feel the reason of the delay is something the airline had control over?" which was responded with a 7-point scale from 1 for "the airline had control" and 7 for "the airline had no control," and "To what extent do you think there are actions the airline could take but has not to shorten the delay?" which was rated on a 7-point scale from 1 for "definitely are actions" and 7 for "nothing the airline could do." Klein and Dawar (2004) investigated consumers' perceived controllability that OilCo lubricant had on purchasing the plastic jugs where the problem comes from. Participants were asked "how much control does OilCo have over the kind of plastic that is used in the jugs that they purchase from Carson Plastics." These three existing scale items were modified as declarative sentences to fit the present study context and rated on a 5-point Likert scale with 1 for "strongly disagree" and 7 for "strongly agree." The items are "I feel the reason of the sweatshop use explained in the above story was something the brand had control over," "I think there were actions the brand could take but did not to stop the use of sweatshops," and "I think the brand had control over stopping the use of sweatshops by its subcontracting facilities." The higher the rating score, the higher the perceived controllability of the brand in avoiding sweatshops.

***Perceived stability*.** Perceived stability was measured by four items adapted from Klein and Dawar (2004). In their research study, Klein and Dawar (2004) asked participants whether

the problem of engine oil is perceived as stable and ongoing to the OilCo company, or the Carson Plastic, which supplies the jug was responsible, thus unstable to OilCo company. Klein and Dawar (2004) measured stability by four items: "Do you think the problem represents something stable and ongoing with OilCo, or a fluke incident?", "How likely is it that this type of problem will occur again in the future with OilCo products?", "How likely is it that OilCo has had problems with its products in the past?", and "How likely is it that the current problem with the engine lubricant is typical of OilCo products?" The Cronbach's alpha was .76 for this measure (Klein & Dawar, 2004). These four items were modified in content and format to fit the present study context and be used as a Likert scale rated on a 5-point Likert scale with 1 for "strongly disagree" and 7 for "strongly agree." The item wordings include "the use of sweatshops represents something stable and ongoing with the brand," "a sweatshop use will occur again in the future with this brand," "this brand has used sweatshops in the past," and "the sweatshop use reported in the above article seems typical of this brand." The higher the rating score, the higher the perceived stability of the brand's sweatshop use.

Perceived brand responsibility. Perceived brand responsibility is an indicator of participants' causal attributions of blame toward a firm following a crisis (Laczniak et al., 2000). Perceived brand responsibility is measured by three items adapted from Klein and Dawar (2004). Klein and Dawar (2004) measured a firm's level of responsibility for its engine oil lubricant products in three items: "what is OilCo's level of responsibility for the engine lubricant products?", "in your opinion, should OilCo be held accountable for the engine lubricant problem?", and "this incident is the fault of OilCo." Cronbach's alpha of the three items was .86 (Klein & Dawar, 2004). These three items were modified as declarative sentences ("the brand is responsible for the sweatshop use in its subcontracting facility," "the brand should be held

accountable for the sweatshop use described in the above story," and "the use of sweatshop described above is the fault of the brand") to fit the present study context and rated on a 5-point Likert scale with 1 for "strongly disagree" and 5 for "strongly agree."

Brand attitude. Brand attitude is an affective construct that indicates consumers' feeling of favorability or unfavorability towards the brand. In this study, brand attitude was measured by four semantic differential scale items with 5 points, ranging from 1 (bad, negative, unfavorable, I don't like it) to 5 (good, positive, favorable, I like it). This scale is adopted from Mackenzie, Lutz, and Belch (1986), who reported Cronbach's alpha of .96 for this scale. Participants read a statement that says "I think the brand described in the above story is," and then rated their evaluation of the brand on each of the four pairs of semantic-differential descriptors.

Purchase intention. Purchase intention is the willingness of a consumer to buy a certain product or service depending on several factors (Bearden, Lichtenstein, & Teel, 1984). Purchase intention is measured by four semantic differential scale items with 5 points, ranging from 1 (unlikely, improbable, impossible, uncertain) to 5 (likely, probable, possible, certain). This scale is adopted form Bearden, Lichtenstein, and Teel (1984). Participants were asked, "Please rate your likelihood to purchase product from this brand." Then, they rated their likelihood using the four items.

Boycott intention. Boycott intention is the expression of an individual's willingness to be refrained from making selected purchases (Sen et al., 2001). Boycott intention is measured by four semantic differential scale items with 5 points, ranging from 1 (unlikely, improbable, impossible, uncertain) to 5 (likely, probable, possible, certain), and adopted from Bearden, Lichtenstein, and Teel (1984). Participants were asked, "Please rate your likelihood to boycott

products from this brand." Then, they rated their likelihood using the four items. The higher the rating, the higher the likelihood of boycotting the brand.

Negative word of mouth (NWOM) intention. Due to the perceived blame attribution (Blodgett, Granbois, & Walters, 1993) and severity of the problem (Richins, 1983), private parties (i.e., consumers) exchange negatively-valenced, informal communications about a brand that caused a problem and evaluate the brand accordingly (Wetzer, Zeelenberg, & Pieters, 2007). Wetzer et al. (2007) measured NWOM intention from various dimensions including comfort search, venting, advice search, bonding, entertaining, self-presentation, helping receiver, and revenge. Considering the context relevance of this study, the helping receiver and revenge dimensions were determined to be appropriate for this study. Three items of the helping receiver dimension included "I wanted to help my conversation partner with making decision," "I wanted to warn my conversation partner not to use this product/service," and "I wanted to prevent my conversation partner from making the same mistake I did." Cronbach's alpha for these three items were .76 (Wetzer et al., 2007). Three items of the revenge dimension of Wetzer et al., (2007) were "I wanted to take revenge on the responsible person for this product/ service," "I wanted to give this service provider/product (or firm) a bad reputation," and "I wanted the service provider/firm to lose customers."

Two items from the helping receiver dimension were adapted in this study, including "I would inform others about the brand's sweatshop use to help them make decisions" and "I would let others know the brand's sweatshop use to warn them not to buy from the brand." Two items from the revenge dimension were adapted, which are "I would inform others about the brand's sweatshop use to ruin its reputation" and "I would share the brand's sweatshop use with others so that it will lose customers." Participants rated these four items on a 5-point Likert scale with 1

for “strongly disagree” and 5 for “strongly agree” to measure their NWOM intention. All the dependent measures are presented in Table 4.2.

Table 4.2

Dependent Measures Used In the Main Experiment

Construct	Items	Sources
Perceived Controllability	I feel the reason of the sweatshop use was something the brand had control over. I think there were actions the brand could take but did not to stop the use of sweatshops I think the brand had control over stopping the use of sweatshops by its subcontracting facilities	Folkes, Koletsky, and Graham (1987); Klein and Dawar (2004)
Perceived Stability	The use of sweatshops represents a stable and ongoing issue with the brand. A sweatshop use will occur again in the future with this brand This brand has used sweatshops in the past The sweatshop use seems typical of this brand.	Klein and Dawar (2004)
Brand Responsibility	The brand is responsible for the sweatshop use in its subcontracting facility The brand should held accountable for the sweatshop use described in the above story The use of sweatshop is the fault of the brand.	Klein and Dawar (2004).
Brand Attitude	I think the brand described in the above story is (i) Bad (1)/Good (5) (ii) Not likable (1)/Likable (5), (iii) Negative (1)/Positive (5), (iv) Unfavorable (1)/Favorable (5)	Mackenzie, Lutz, & Belch, 1986
Purchase Intention	Please rate your likelihood to purchase product from this brand (i) Unlikely (1)/Likely (5) (ii) Impossible (1)/Possible (5) (iii) Improbable (1)/Probable (5) (iv) Uncertain (1)/Certain (5)	Bearden, Lichtenstein, and Teel, 1984
Boycott Intention	Please rate your likelihood to boycott products from this brand (i) Unlikely (1)/Likely (5)	Bearden, Lichtenstein, and Teel, 1984

	(ii) Impossible (1)/Possible (5) (iii) Improbable (1)/Probable (5) (iv) Uncertain (1)/Certain (5)	
NWOM	I would inform others about the brand's sweatshop use to help them make decisions. I would let others know the brand's sweatshop use to warn them not to buy from the brand. I would inform others about the brand's sweatshop use to ruin its reputation. I would share the brand's sweatshop use with others so that it will lose customers.	Wetzer, Zeelenberg, & Pieters, 2007

Manipulation Check Measures

Right after their exposure to experimental stimuli, participants rated their level of agreement with the manipulation check items for all three independent variables along with the items measuring their awareness of and attitude toward Labor Behind the Label. Unlike the pretest, one level of each independent variables were randomly presented altogether to provide information about a hypothetical brand's (with a pseudonym Brand A) power, practice repetitiveness, and response strategy. Independent variables were measure through 5- point (1= strongly disagree, 5 = strongly agree) Likert scale. The items followed a participant direction "*Please indicate your level of agreement with each of the following statements regarding Brand A described above based on what you just read.*" Then, the item "have you heard about the campaign group named Labor behind the Label?" measured the awareness of Labor Behind the Label. Participants answered either "Yes" or "No." Attitude toward the campaign group was measured by a four-item semantic differential scale with five points, ranging from 1 (bad, negative, unfavorable, I don't like it) to 5 (good, positive, favorable, I like it). This scale was adopted from Mackenzie, Lutz, and Belch (1986). The items followed a participant direction, *"in*

each line, please choose a button that best reflects your evaluation." Table 4.3 shows the manipulation check measures and awareness of and attitude towards the Labor Behind the Label.

Table 4.3

Manipulation Check Measures Used in the Main Experiment

Manipulation check measures	Items
Brand Power	This brand would be one of the biggest brands in the marketplace (BP_1) The supply network of this brand is very broad and strong (BP_2) A big portion of U.S. consumers would buy from this brand (BP_3) This brand has strong presence in many countries (BP_4) This brand would be one of the top brands in the U.S. market (BP_5)
Practice Repetitiveness	I think sweatshop use is a frequently occurring problem for this brand (SR_1) The recent sweatshop allegation reported above seems to be an expected event for this brand (SR_2) This brand has been accused repetitively of sweatshop use (SR_3)
Response Strategy	This brand denied the validity of the reported sweatshop allegation (DR_1) This brand denied that their products were produced at a sweatshop" (DR_2) This brand acknowledges a possibility of some of their products being produced at a sweatshop but denied their responsibility for it (ER_1) This brand made an excuse that sweatshop practice of their production facilities was not their fault (ER_2) This brand did not make any response to the reported sweatshop allegation (NR) This brand admitted their responsibility for their subcontractors' use of sweatshops (AR)
Awareness of Labor Behind the Label	Have you heard about the campaign group named Labor behind the Label? (i) Yes (ii) No
Attitude toward Labor Behind the Label	I think Brand A is: (v) Bad (1) / Good (5) (vi) Negative (1) / Positive (5) (vii) Unfavorable (1) / Favorable (5) (viii) I don't like it (1) / I like it (5)

Demographic Measures and Attention Check Questions

The last section of questionnaire contains demographic items. Participants' age in number, ethnicity, educational level, occupation, household income, and their geographic locations in the U.S. were asked in this section (see Appendix C).

Three attention check questions were embedded in the questionnaire to understand whether respondents were paying attention to the questions. Right after their reading of stimuli, respondents were asked "Which of the following topics was discussed in the description of the brand that you just read?", and they have to choose one answer out of three: (i) animal rights violation, (ii) sweatshop practice, and (iii) retail environment. Those who failed to choose the right answer, which is "(i) sweatshop practice," were terminated. At some points of the dependent measures section, respondents were asked, "if you are reading this question, please select 'somewhat agree'." Those who failed to provide desired response, were terminated from the experiment.

Sampling and Data Collection

Participant recruitment was administered through *The Sample Network*, a third-party consumer panel provider that enabled researchers to recruit a sample with required demographic characteristics. A non-probabilistic quota sampling approach was used; however, the diverse pool of participants was representative of the national population of the United States. Participants, who met the quota restrictions, completed the online experiment questionnaire, and correctly answered all the attention check questions interspersed among the questionnaire items, were offered compensation as per the agreed term with The Sample Network. The researcher paid a certain amount to The Sample Network per complete.

To recruit the sample, quotas were imposed in terms of gender and age. Participants had to pass the screening questions regarding gender and age to participate in the study. While the number of male and female was set to be equally distributed, age-based quotas were set to follow the age distribution of the U.S. population. According to the U.S. census data (United States Census Bureau, 2012), the breakdowns of target age distribution imposed were ages 19-24 = 10%, ages 25-34= 20%, ages 35-44 = 20%, ages 45-54 = 20%, ages 55-64 = 20%, and ages 65 and older = 10%.

The online experiment was hosted on Qualtrics, and the researcher sent the experiment link to the panel provider. The panel provider sent their consumer panel members email invitations and online notifications in their portal that contained the link of the experiment. When clicking on the link, participants were asked to answer the screening questions, and those who met the screening criteria were then led to the information letter page (see Appendix A), which provided information about the study, such as the purpose, the risk and discomfort, the benefits and compensation of participation, and the statement that their participation would indicate their consent. If the respondents decided to participate, they clicked on the "Next" button at the bottom of the page, which directed them to the experiment website. In the questionnaire (see Appendix C), participants were presented with the mock newspaper article scenario corresponding to a randomly assigned experimental condition out of the 12 experimental conditions. After reading the scenario, participants completed the manipulation check measures, dependent measures, and demographic items.

However, participants who did not pass the screening criteria based on their responses to the screening questions and those who did not respond correctly to the attention check questions had been directed to the termination page explaining the reason for termination as soon as the

respective questions were answered (see Appendices D and E for the termination pages). The sample recruitment procedure and the questionnaires were approved by the Institutional Review Board (IRB) of Auburn University (see Appendix F).

Data Analysis

Sample Profiling

A total of 1,777 panel members from the Sample Network clicked on the link to the experiment website. Among them, 685 participants met the screening criteria regarding age, gender, and country of residence. Out of 685 participants, 247 did not answer correctly one or more of the three attention check questions and were eliminated from the experiment, which left a usable sample size of 438.

Out of 438 respondents, 52% (f = 228) were females and 48% (f = 210) were males. Participants ranged from 18 to 79 years of age, with a mean age of 43.4 (SD = 15.41). The age distribution of the participants was similar to the age distribution of the U.S. national population, as such, ages 18-24 = 14.4%, ages 25-34 = 20.8%, ages 35-44 = 18.7%, ages 45-54 = 17.8%, ages 55-64 = 18.9%, and ages 65 and older = 9.4%. The majority of the participants were White, Non-Hispanic (75.3%), followed by Black, Non-Hispanic (10.3%) and Hispanic (7.5%). In terms of education, more than 70% had at least some college/technical school, and nearly 50% worked in professional, technical, or clerical fields. The largest majority of the participants were residents of the southeastern (26.1%) or the midwestern (24.5%) states of the United States. Nearly 25% of the participants reported the household income below $25,000, and more than 60% participants reported the household income in the range of $25,001 and $100,000. The sample characteristic frequencies and percentages are provided in Table 4.4.

Table 4.4

Main Experiment Sample Characteristics

Characteristic	Category	*f* (%)
Sex	Male	210 (48%)
	Female	228 (52%)
Age	18-24	63 (14.4%)
	25-34	91 (20.8%)
	35-44	82 (18.7%)
	45-54	78 (17.8%)
	55-64	83 (18.9%)
	65 and older	41 (9.4%)
Ethnicity	American Indian/Alaskan Native	7 (1.6%)
	Asian/Pacific Islander	15 (3.4%)
	Hispanic	33 (7.5%)
	Black, Non-Hispanic	45 (10.3%)
	White, Non-Hispanic	330 (75.3%)
	Other	8 (1.8%)
Education Level	8th grade or less	1 (0.2%)
	Some high school	14 (3.2%)
	High school diploma	104 (23.7%)
	Some college or technical school	165 (37.7%)
	College degree (4 years)	111 (25.3%)
	Some graduate school	12 (2.7%)
	Graduate degree (Master's, Doctorate, Etc.)	31 (7.1%)
Current Occupation	Professional or technical (for example, accountant, artist, computer specialist, engineer, nurse, doctor, teacher)	77 (17.8%)
	Manager or administrator (non-farm)	53 (12.2%)
	Sales worker (or example, insurance salesperson, real estate salesperson, sales clerk, stockbroker)	21 (4.8%)
	Clerical worker (for example, bank teller, bookkeeping, office clerk, postal worker, secretary, teacher's aide)	21 (4.8%)
	Craftsworker (for example, baker, carpenter, electrician, foreman, jeweler, mechanic, plumber, tailor)	15 (3.8%)

	Machine operator or laborer (for example, bus driver, conductor, factory worker, truck driver)	13 (3.0%)
	Farmer, farm manager, or farm laborer	3 (0.7%)
	Service worker or private household worker (for example, barber, bartender, cook, firefighter, police officer, waiter)	33 (7.6%)
	Military	2 (0.5%)
	Homemaker	57 (13.2%)
	Unable to work	41 (9.5%)
	Retired	53 (12.2%)
	Other	44 (10.2%)
Geographic Region	Midwest (IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI)	106 (24.5%)
	Northeast (CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT)	93 (21.5%)
	Southeast (AL, AR, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV)	113 (26.1%)
	Southwest (AZ, NM, OK, TX)	44 (10.2%)
	West (AK, CA, CO, HI, ID, MT, NV, OR, UT, WA, WY)	77 (17.8%)
Annual Income	$25,000 and below	101 (23.5%)
	$25,001 - $50,000	117 (27.0%)
	$50,001 - $75,000	93 (21.5%)
	$75,001 - $100,000	54 (12.5%)
	$100,001 - $125,000	26 (6.0%)
	$125,001 - $150,000	20 (4.6%)
	$150,001 - $175,000	9 (2.1%)
	$175,001 - $200,000	4 (0.9%)
	$200,001 and over	9 (2.1%)

To compare demographic characteristics across the 12 experimental conditions, a χ^2 test was run for each demographic item. Results revealed non-significant associations between the experimental conditions and the frequencies for all demographic items, including gender, χ^2 (*df*) = 6.862 (11), $p = .810$; age, χ^2 (*df*) = 53.501 (11), $p = .532$; ethnicity, χ^2 (*df*) = 58.812 (55), $p = .338$; education level, χ^2 (*df*) = 66.395 (66), $p = .463$; occupation, χ^2 (*df*) = 154.924 (132), $p =$

.084; geographical region, χ^2 (*df*) = 43.519 (44), *p* = .492; and annual household income, χ^2 (*df*) = 82.254 (88), *p* = .653.

Manipulation Check Results

The dimensionality of multi-item manipulation check measures (perceived brand power, sweatshop practice repetitiveness, and response strategy) was ascertained through exploratory factor analysis (EFA). The EFA was run in SPSS using principle component analysis with varimax rotation. All items had factor loadings that were higher than .80 onto their respective factors, and Cronbach's αs were greater than .70 for all factors (see Table 4.5). The unidimensionality of the perceived brand power measure was confirmed with an eigenvalue of 3.994. The five items explained 33.28% of the variance. The perceived sweatshop practice repetitiveness measure also revealed unidimensionality with an eigenvalue of 2.329 with 19.4% of the variance explained. For the perceived response strategy measure, an EFA was run for the four items of perceived DR and ER, while excluding the two perceived NR and AR items, following suggestions from the pretest EFA results reported in Chapter 3. As expected, two factors were confirmed with the eigenvalues of 2.209 and 1.174. The first factor, perceived denial, having two items explained 14.37% of the variance, and the second factor, perceived excuse, having two times explained 11.9% of the variance. Overall, results of the factor analysis of the manipulation check measures appeared satisfactory.

Further, the unidimensionality of the attitude toward Labor Behind the Label measure was confirmed with an eigenvalue of 3.527 with 86.5% of the variance explained. Cronbach's α for this scale was .943.

According to independent sample t-test results, the weak brand power condition stimulus (*M* = 2.53, *SD* = 1.04) produced a significantly lower brand power perception than did the strong

brand power condition stimulus (M = 3.97, SD = .87); t_{436} = 15.58, p < .001. Thus, the manipulation for brand power was successful.

For sweatshop practice repetitiveness, participants perceived a significantly lower repetitiveness (M = 3.03, SD = 1.11) in the low repetitiveness condition than in the high repetitiveness condition (M = 4.06, SD = .74), t_{436} = 11.41, p < .001.Therefore, manipulation for sweatshop practice repetitiveness is successful.

Table 4.5

EFA Results and Cronbach's α of the Independent measures

	Factor loading				
		Perceived Sweatshop	Response Strategy		
Item	Perceived Brand Power	Practice Repetitiveness	Perceived Denial	Perceived Excuse	Brand Attitude
BP_1	.892				
BP_2	.849				
BP_3	.873				
BP_4	.848				
BP_5	.907				
SR_1		.845			
SR_2		.807			
SR_3		.821			
DR_1			.941		
DR_2			.942		
ER_1				.923	
ER_2				.910	
A_LBL_1					.934
A_LBL_2					.941
A_LBL_3					.941
A_LBL_4					.935
Cronbach's α	.922	.766	.881	.840	.954

According to paired-sample t-test results, in the denial condition, participants' perceived denial was significantly higher than their perceived excuse (t_{143} = 9.59, p < .001), perceived no-

response (t_{143} = 11.63, p < .001), and perceived acknowledgement (t_{143} = 13.19, p < .001); whereas in the excuse condition, participants' perceived excuse was higher than their perceived denial (t_{144} = 8.92, p < .001), perceived no-response (t_{144} = 11.07, p < .001), and perceived acknowledgement (t_{144} = 6.46, p < .001) (see Table 4.6 for cell means and standard deviations). On the other hand, in the no response condition, participants' perceived no-response was higher than their perceive denial (t_{148} = 5.63, p < .001), perceived excuse (t_{148} = 6.47, p < .001), and perceived acknowledgement (t_{148} = 6.92, p < .001) (see Table 4.6).

Additional ANOVA tests also show that perceived denial ($F_{2, 437}$ = 79.07, p < .001; partial η^2 = .26), perceived excuse ($F_{2, 437}$ = 50.92, p < .001; partial η^2 = .19), perceived no response ($F_{2, 437}$ = 49.52, p < .001; partial η^2 = .19), and perceived brand's acknowledgement of sweatshop practice ($F_{2, 437}$ = 11.84, p < .001; partial η^2 = .051) were significantly different across the three response strategy conditions. LSD post-hoc comparisons revealed that participants' perceived denial was higher when they viewed the denial scenario than when viewing the excuse scenario ($M_{\text{denial - excuse}}$ = 1.38, p < .05) or the no response scenario ($M_{\text{denial – no response}}$ = 1.38, p < .05). On the other hand, participants' perceived excuse was higher when they viewed the excuse scenario than when viewing the denial scenario ($M_{\text{excuse - denial}}$ = 1.05, p < .05) or the no response scenario ($M_{\text{excuse – no response}}$ = 1.17, p < .05). Moreover, participants' perceived no response was higher when they viewed the no response scenario than when viewing the denial scenario ($M_{\text{no response - denial}}$ = 1.11, p < .05) or excuse scenario ($M_{\text{no response - excuse}}$ = 1.26, p < .05). Further, participants' perception of the brand's acknowledgement of its sweatshop practice was higher in excuse scenario than in the denial scenario ($M_{\text{excuse - denial}}$ = .70, p < .05) and in the no response scenario ($M_{\text{excuse – no response}}$ = .42, p < .05), which is reasonable given that a brand has to admit the

sweatshop practice for it to make an excuse about it. In light of the above results, the manipulation of the response strategy variable was successful.

Table 4.6

Means and Standard Deviations of Response Strategy Manipulation Check Measures

Condition	*M (SD)*			
	Perceived denial	Perceived excuse	Perceived no response	Perceived acknowledgement
Denial condition	4.19 (.90)	2.86 (1.24)	2.45 (1.27)	2.30 (1.24)
Excuse condition	2.81 (1.15)	3.91 (.92)	2.30 (1.26)	3.00 (1.31)
No response condition	2.82 (1.15)	2.74 (1.07)	3.56 (1.03)	2.58 (1.15)

In addition, respondents' attitude toward the campaign group Labor Behind the Label was compared across the 12 experimental conditions using a three-way ANOVA with brand power, practice repetitiveness and response strategy as fixed factors and attitude toward Labor Behind the Label as dependent variable. ANOVA results indicated non-significant main effects for brand power ($F_{1, 426} = 1.01$, $p = .317$, partial $\eta^2 = .002$), repetitiveness ($F_{1, 426} = .978$, $p = .323$, partial $\eta^2 = .002$), and response strategy ($F_{2, 426} = .251$, $p = .778$, partial $\eta^2 = .001$) as well as non-significant brand power × repetitiveness ($F_{1, 426} = .210$, $p = .647$, partial $\eta^2 = .001$), brand power x response strategy ($F_{2, 426} = .495$, $p = .610$, partial $\eta^2 = .002$) and response strategy × repetitiveness ($F_{2, 426} = 1.520$, $p = .220$, partial $\eta^2 = .007$) interaction effects, and the three-way interaction effect ($F_{2, 426} = .158$, $p = .854$, partial $\eta^2 = .001$). Therefore, it is concluded that participants' attitude toward the Labor Behind the Label had no confounding effect on their response in different experimental conditions. Further, a chi-square test revealed non-significant ($\chi^2 = 16.637$, $df = 11$, $p = .119$) association between participants' awareness of the Labor Behind

the Label and the experimental conditions. Therefore, there was no evidence for a confounding effect of the awareness of Labor Behind the Label.

Scale Validity and Reliability

The measurement model including all dependent variables was evaluated prior to conducting the structural equation modeling for hypothesis testing. Confirmatory factor analysis (CFA) with maximum likelihood estimation was used for the measurement model test, with each dependent variable was specified as a single first-order factor indicated by its measurement items. The CFA model was identified by specifying all factor variances to be 1. Before subjecting the CFA model to the entire data, invariance tests were conducted to assure the equivalence of factor loadings across the experimental groups.

First, in order to determine whether factor loadings were invariant between the two brand power groups (strong vs. weak brand), multiple-group CFA was conducted for the unconstrained model in which the factor loadings were freely estimated for both groups (see Figure 4.1 and Table 4.7; $\chi^2 = 1379.6$, $df = 570$, $p < .001$) and for a constrained model with factor loadings restricted to be equal between the two brand power groups (see Figure 4.2 and Table 4.7; $\chi^2 = 1393.8$, $df = 593$, $p < .001$). A χ^2 difference test between the unconstrained and constrained model showed a non-significant result ($\Delta\chi^2 = 14.18$, $\Delta df = 23$, $p = .92$); hence, measurement invariance between the two brand power groups was established.

Next, the test for invariance in factor loadings between the two practice repetitiveness groups (high vs. low) was also run using multiple-group CFA of the unconstrained model in which the factor loadings were freely estimated for the high and low repetitiveness groups (see Figure 4.3 and Table 4.8; $\chi^2 = 1320.9$, $df = 570$, $p < .001$) and the constrained model with factor loadings restricted to be equal across groups (see Figure 4.4 and Table 4.8; $\chi^2 = 1337.7$, $df = 589$,

$p < .001$). A χ^2 difference test between the two models showed a non-significant difference in their model fit ($\Delta\chi^2 = 16.83$, $\Delta df = 19$, $p = .60$); hence, measurement invariance across the practice repetitiveness groups was also established.

Further, to determine whether factor loadings were invariant across the three response strategy groups (no response vs. denial vs. excuse), multiple-group CFA was conducted for the unconstrained model in which the factor loadings were freely estimated for all groups (see Figure 4.5 and Table 4.9; $\chi^2 = 1639.7$, $df = 834$, $p < .001$) and for a constrained model with factor loadings restricted to be equal across the three response strategy groups (see Figure 4.6 and Table 4.9; $\chi^2 = 1706.203$, $df = 886$, $p < .001$). Then, a χ^2 difference test was run, which showed a non-significant difference in the fit of the two models ($\Delta\chi^2 = 66.5$, $\Delta df = 52$, $p = .085$); therefore, it was concluded that the model has measurement invariance across the groups.

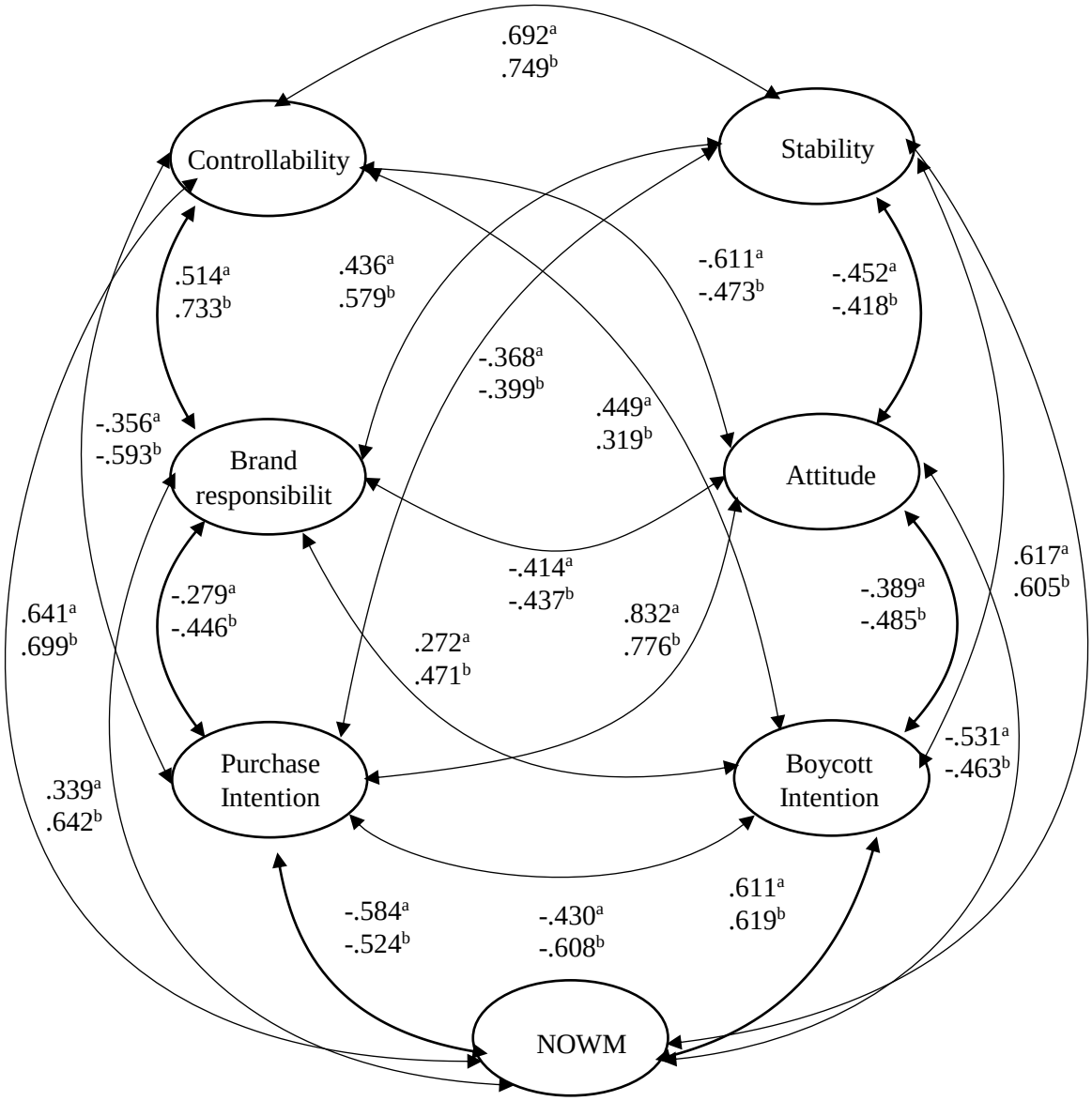


Figure 4.1. Factor correlations from the unconstrained multiple-group CFA model for the brand power groups. All estimates are significant at .001 level. [a] Weak brand, [b] Strong brand.

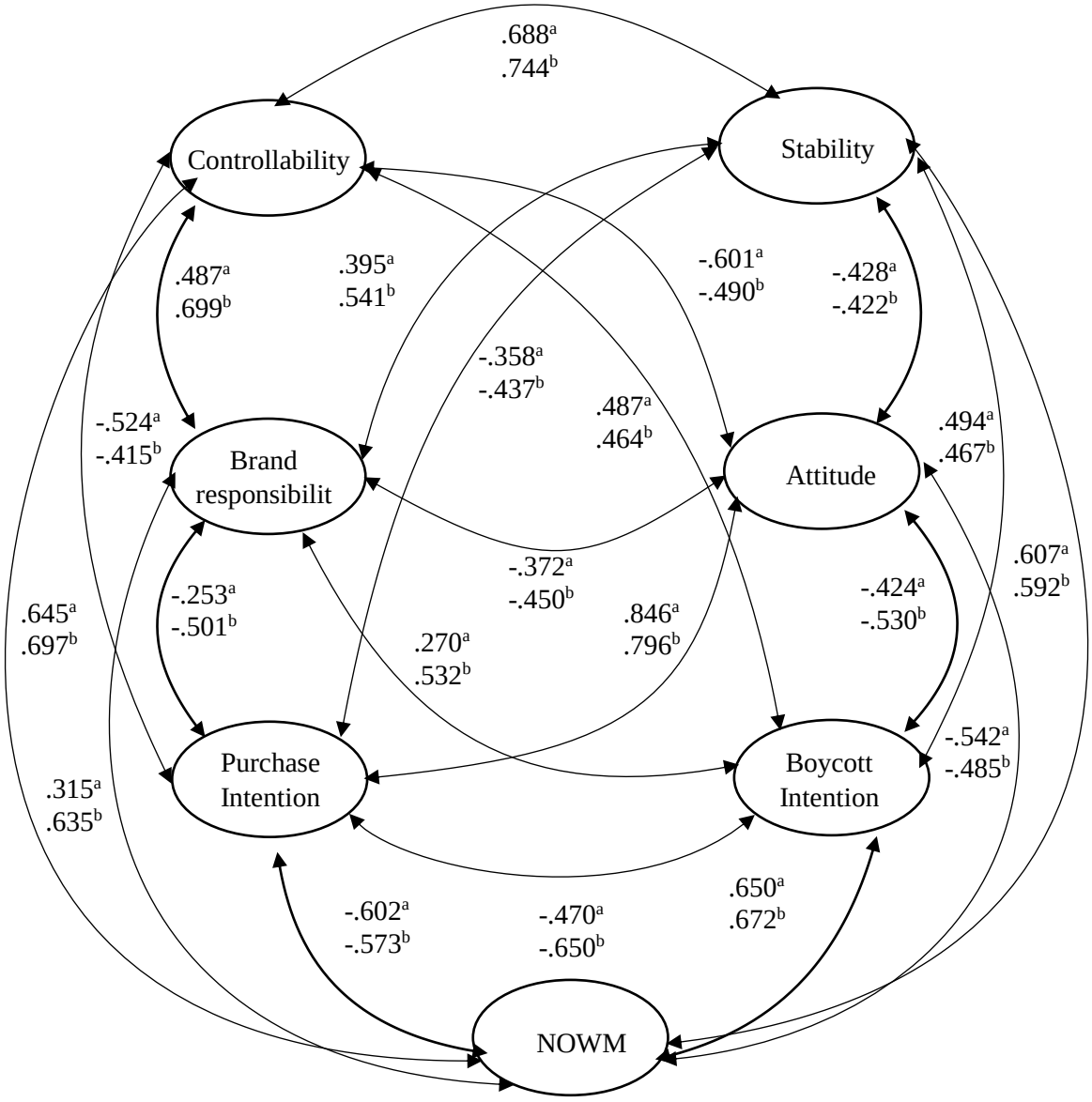


Figure 4.2. Factor correlations from the constrained multiple-group CFA model for the brand power groups. All estimates are significant at .001 level. [a] Weak brand, [b] Strong brand

Table 4.7

Unstandardized Parameter Estimates for the CFA for the Invariance Test between the Brand Power Groups

	Unconstrained model		Constrained model
Factors and items	λ^{Weak}	λ^{Strong}	λ
Perceived controllability			
Reason	.761***	.661***	.726***
Action	.872***	.643***	.768***
Stopping	.789***	.577***	.705***
Perceived Stability			
Ongoing issue	1.029***	.922***	.984***
Occur again	.763***	.662***	.722***
Used in past	1.106***	.909***	1.020***
Seems typical	1.131***	1.039***	1.092***
Perceived brand responsibility			
Responsible	.942***	.714***	.842***
Accountable	.951***	.832***	.895***
Fault	1.068***	.845***	.973***
Brand attitude			
Good	.960***	1.028***	.993***
Likable	.953***	1.064***	1.007***
Positive	.941***	1.091***	1.016***
Favorable	.980***	1.062***	1.020***
Purchase intention			
Likely	1.046***	1.207***	1.131***
Possible	1.027***	1.167***	1.099***
Probable	.962***	1.124***	1.045***
Certain	.590***	.838***	.724***
Boycott intention			
Likely	1.246***	1.273***	1.255***
Possible	1.204***	1.213***	1.204***
Probable	.958***	.993***	.973***
Certain	1.072***	1.183***	1.126***
NWOM			
Inform others	.961***	1.027***	1.004***
Warn others	.927***	.897***	.928***
Ruin reputation	1.047***	.993***	1.033***
Lose customers	.982***	.864***	.938***

*** $p < .001$

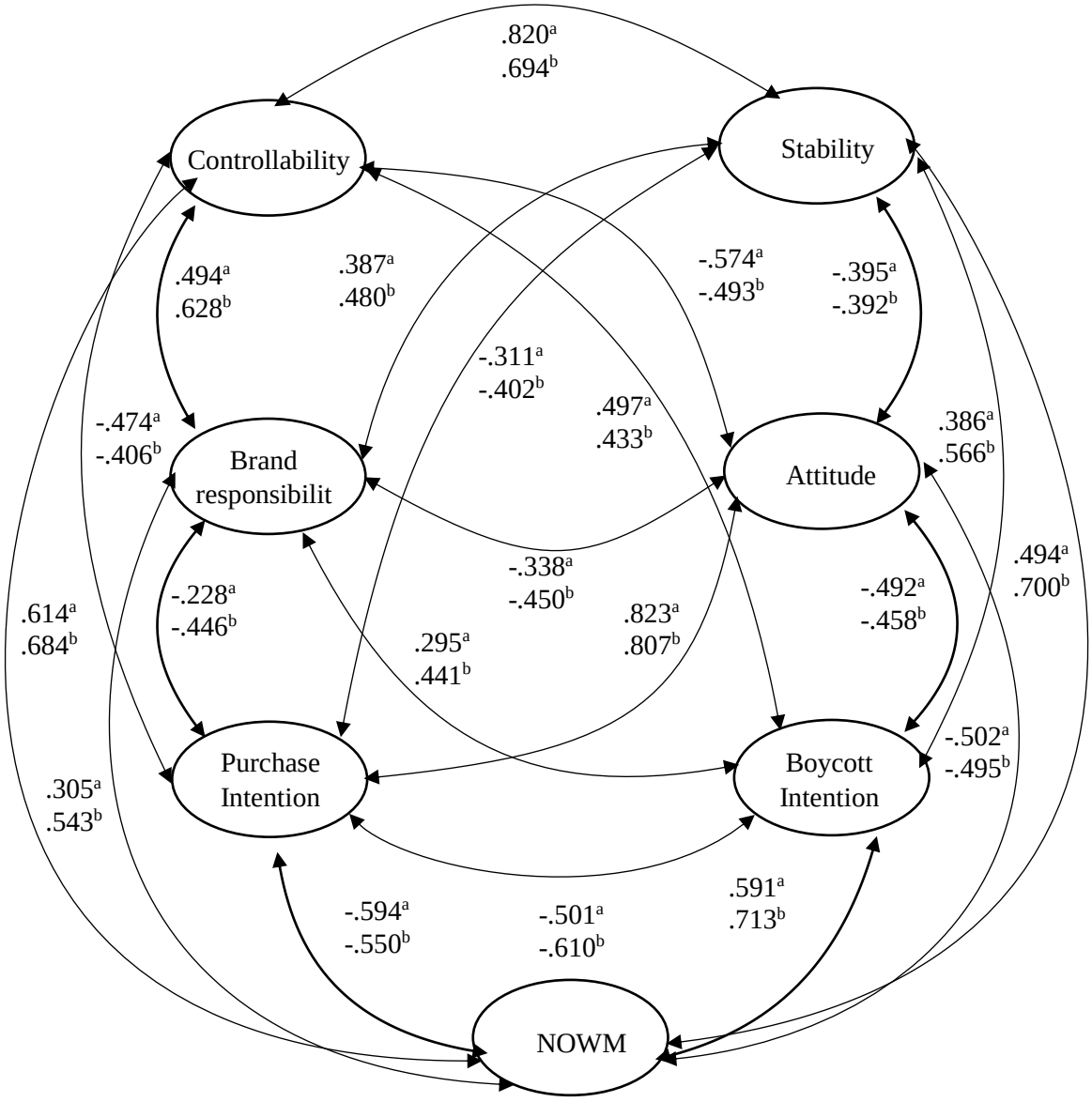


Figure 4.3. Factor correlations from the unconstrained multiple-group CFA model for the sweatshop practice repetitiveness groups. All estimates are significant at .001 level. [a] Low repetitiveness, [b] High repetitiveness

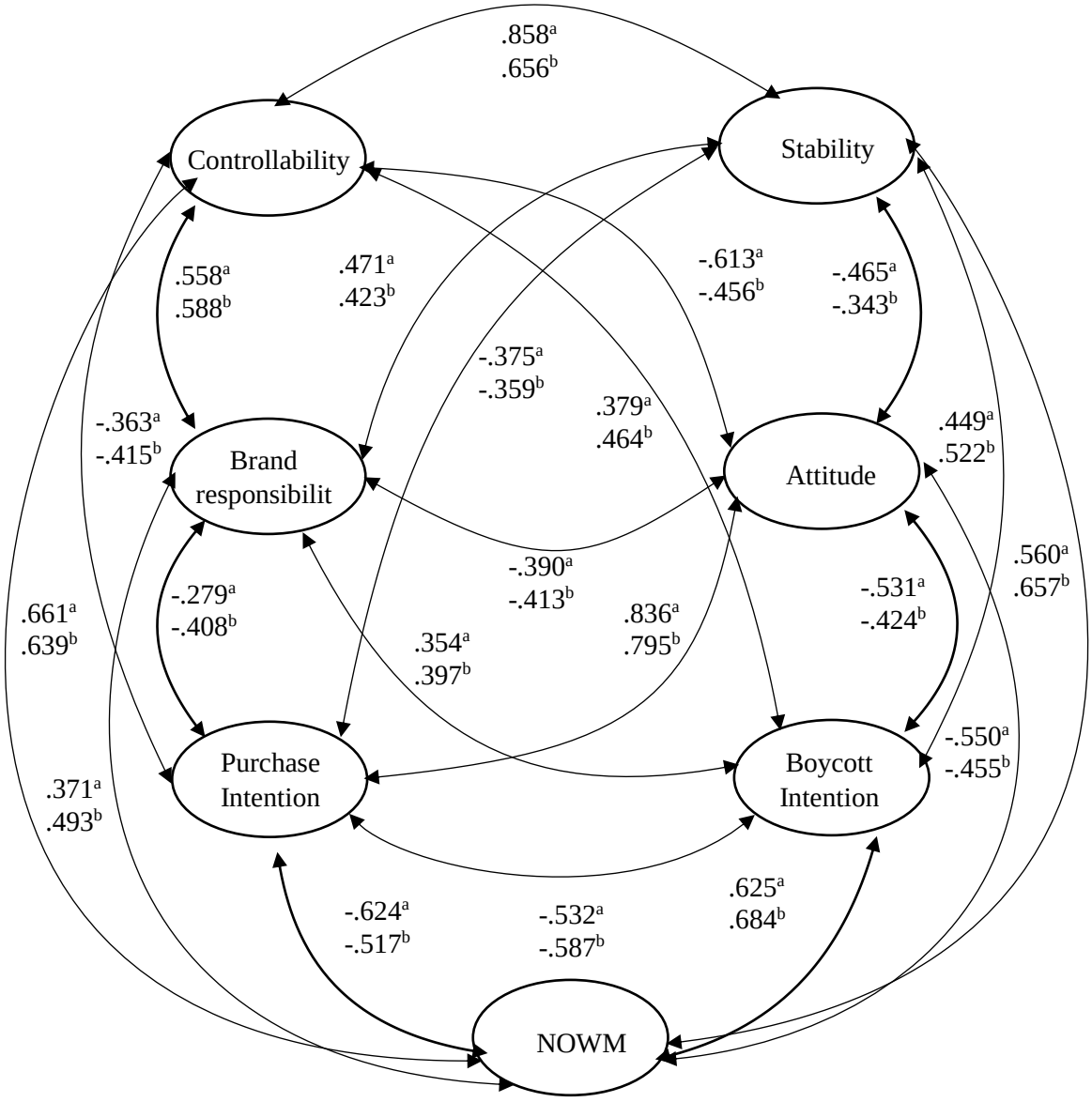


Figure 4.4. Factor correlations from the constrained multiple-group CFA model for the practice repetitiveness groups. All estimates are significant at .001 level. [a] Low repetitiveness, [b] High repetitiveness

Table 4.8

Unstandardized Parameter Estimates for the CFA for the Invariance Test between the Sweatshop Practice Repetitiveness Groups

	Unconstrained model		Constrained model
Factors and items	λ^{Low}	λ^{High}	λ
Perceived controllability			
Reason	.622***	.843***	.747***
Action	.689***	.870***	.793***
Stopping	.606***	.792***	.707***
Perceived Stability			
Ongoing issue	.679***	1.036***	.869***
Occur again	.603***	.791***	.702***
Used in past	.752***	1.068***	.906***
Seems typical	.858***	1.074***	.975***
Perceived brand responsibility			
Responsible	.718***	.970***	.836***
Accountable	.802***	.987***	.898***
Fault	.948***	1.014***	.976***
Brand attitude			
Good	.914***	1.022***	.975***
Likable	.946***	1.019***	.989***
Positive	.955***	1.041***	1.005***
Favorable	.985***	1.032***	1.016***
Purchase intention			
Likely	1.073***	1.157***	1.115***
Possible	1.046***	1.116***	1.081***
Probable	1.025***	1.044***	1.033***
Certain	.593***	.849***	.740***
Boycott intention			
Likely	1.202***	1.297***	1.247***
Possible	1.124***	1.287***	1.205***
Probable	.965***	.983***	.969***
Certain	1.102***	1.138***	1.117***
NWOM			
Inform others	.981***	1.010***	.987***
Warn others	.853***	.969***	.902***
Ruin reputation	.947***	1.074***	1.006***
Lose customers	.837***	.994***	.912***

*** $p < .001$

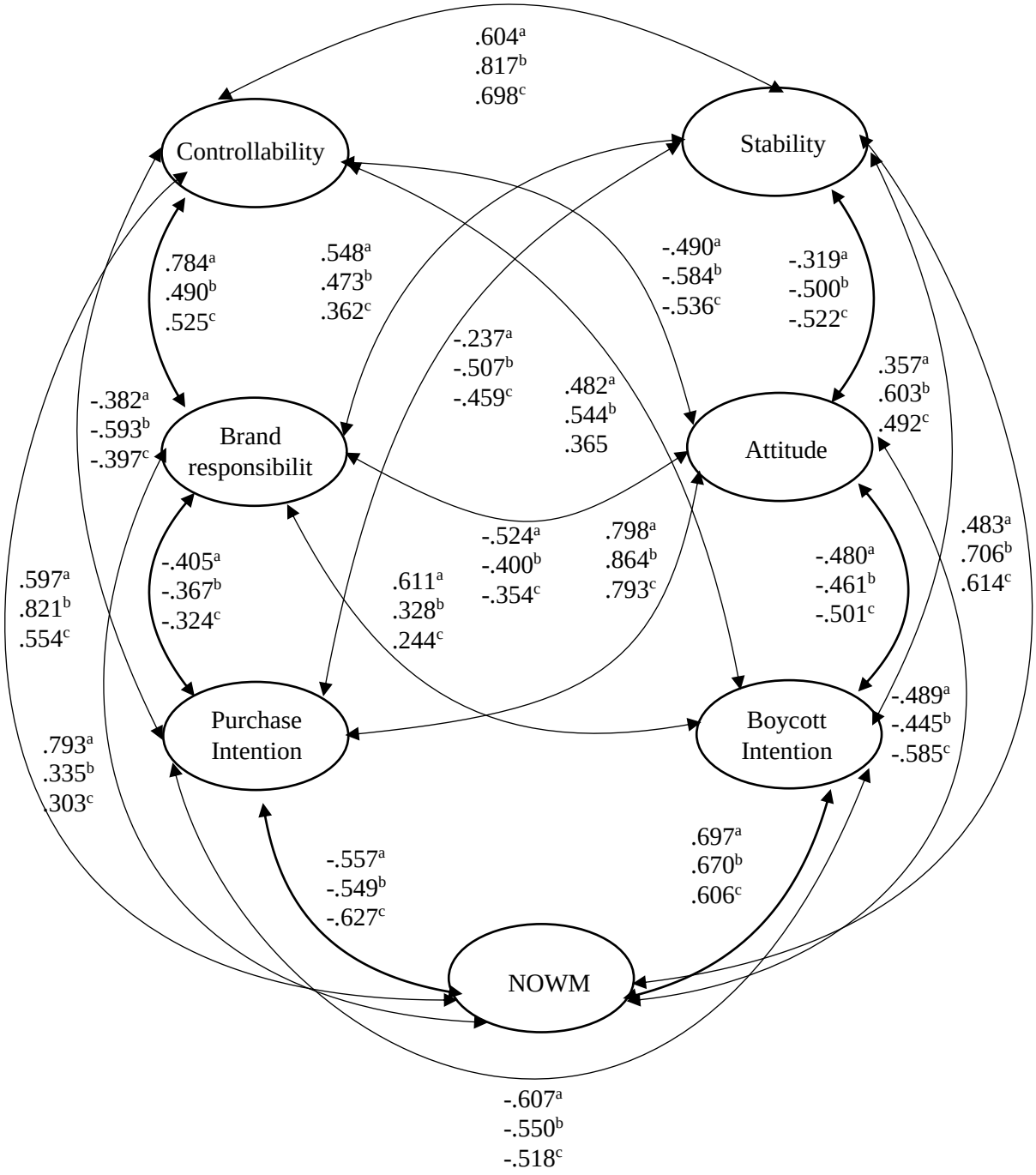


Figure 4.5. Factor correlations from the unconstrained multiple-group CFA model for the response strategy groups. All estimates are significant at .001 level. [a] No response, [b] Denial, [c] Excuse

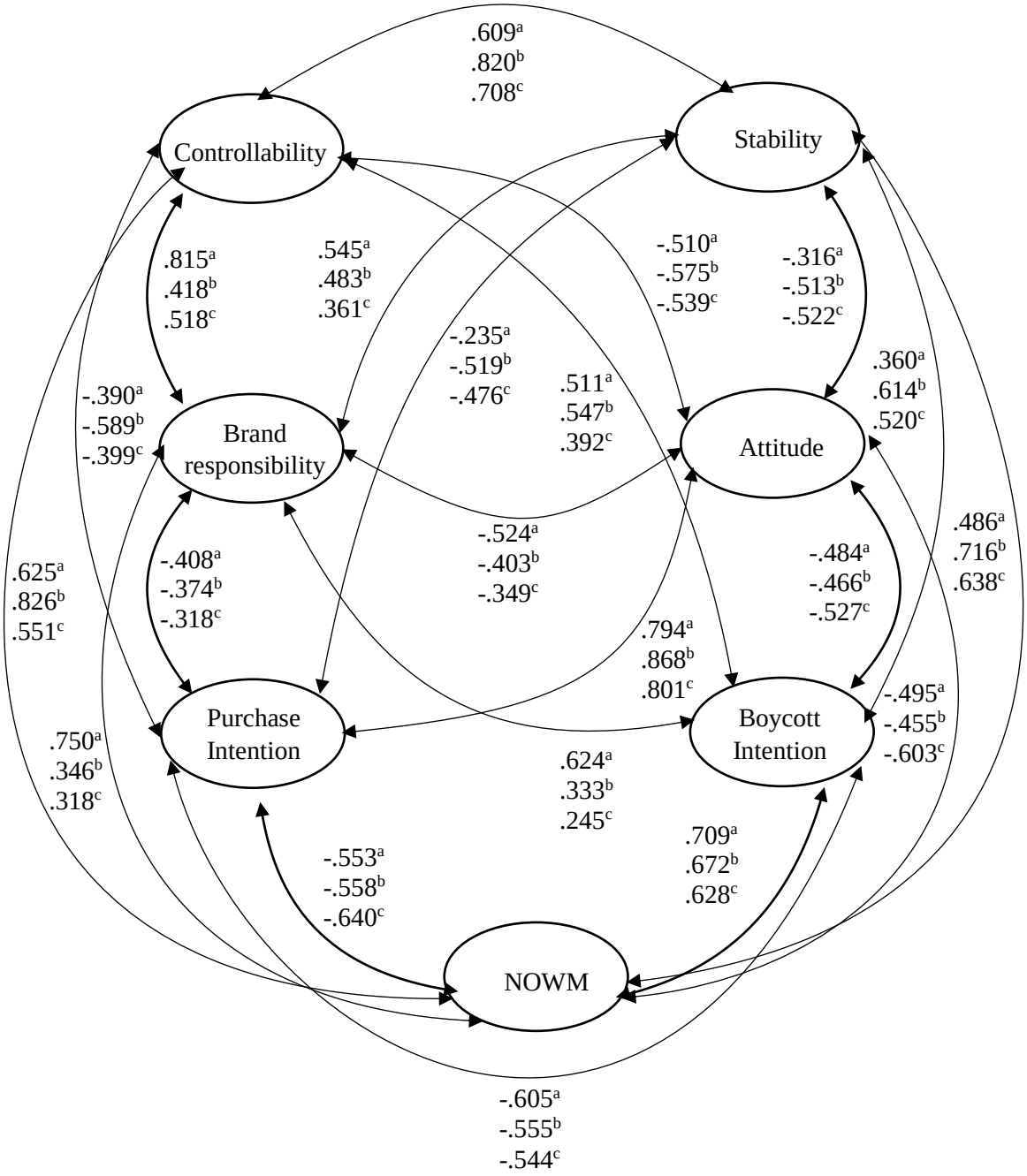


Figure 4.6. Factor correlations from the constrained multiple-group CFA model for the response strategy groups. All estimates are significant at .001 level. [a] No response, [b] Denial, [c] Excuse

Table 4.9

Unstandardized Parameter Estimates for the CFA for the Invariance Test between the Response Strategy Groups

	Unconstraint model			Constrained model
Factors and Items	λ^a	λ^b	λ^c	λ
Perceived controllability				
Reason	.769***	.624***	.751***	.737***
Action	.889***	.879***	.613***	.828***
Stopping	.600***	.660***	.902***	.719***
Perceived Stability				
Ongoing issue	1.033***	.949***	.955***	.990***
Occur again	.875***	.712***	.581***	.733***
Used in past	1.097***	1.035***	.920***	1.023***
Seems typical	1.171***	1.046***	1.044***	1.099***
Perceived brand responsibility				
Responsible	.706***	.949***	.915***	.860***
Accountable	.790***	.876***	1.030***	.892***
Fault	.951***	.935***	1.045***	.979***
Brand attitude				
Good	.974***	.965***	1.007***	.993***
Likable	.993***	1.005***	1.003***	1.012***
Positive	1.095***	.969***	.970***	1.032***
Favorable	1.054***	.982***	1.029***	1.032***
Purchase intention				
Likely	1.171***	1.157***	1.050***	1.136***
Possible	1.082***	1.103***	1.101***	1.099***
Probable	1.101***	1.031***	.979***	1.047***
Certain	.774***	.682***	.686***	.720***
Boycott intention				
Likely	1.228***	1.314***	1.234***	1.283***
Possible	1.220***	1.211***	1.190***	1.227***
Probable	1.009***	.976***	.954***	.993***
Certain	1.215***	1.141***	1.011***	1.150***
NWOM				
Inform others	.874***	1.016***	1.101***	1.009***
Warn others	.801***	.918***	1.005***	.922***
Ruin reputation	1.022***	.961***	1.083***	1.042***
Lose customers	.944***	.994***	.853***	.946***

[a] No response, [b] Denial, [c] Excuse, *** $p < .001$

Given the invariance of the measurement model across the levels of each IV, a single-group CFA with maximum likelihood estimation was employed to confirm the factor structure of the dependent measures for the combined data from all experimental groups and check the measurement validity. Model fit was assessed using goodness fit index (GFI) (Hu & Bentler, 1990), comparative fit index (CFI) (Bentler, 1990), normed fit index (NFI) (Byrne, 1994), and root mean square error of approximation (RMSEA) (Steiger, 1990). Results (see Figure 4.7) revealed acceptable model fit (χ^2 = 869.539, *df* = 278, $p < .001$; CFI = .931, NFI = .902, IFI = .932, TLI = .919; RMSEA = .070).

To check the convergent validity, standardized factor loadings (> .60) as well as average variance extracted (AVE > .50) from this single-group CFA results were examined (Fornell & Larcker, 1981). Other than an item to purchase intention was loaded just below .60, all items were loaded satisfactorily to their respective scale (see Table 4.10). Convergent validity of all measures was also confirmed through the AVE estimates that were over .50 for all factors (see Table 4.11).

AVEs for all factors were higher than their shared variances (SVs) with other factors, which confirmed the discriminant validity of all measurements (see Table 4.11; Fornell & Larcker, 1981). Further, discriminant validity was also confirmed through factor correlation confidence interval approach (Anderson & Gerbing, 1988) which is the confidence interval (± two standard errors) around the correlation estimate between the two factors. No factor correlation confidence intervals contained 1.0 (see Table 4.12), further confirming the discriminant validity of the measurements. Finally, Cronbach's αs were over .70 for all factors (see Table 4.11), showing their internal consistency.

Table 4. 10

Standardized Factor Loadings from the Single-Group CFA Model

Factors and Items	λ
Perceived controllability	
Reason	.660***
Action	.763***
Stopping	.685***
Perceived Stability	
Ongoing issue	.795***
Occur again	.725***
Used in past	.834***
Seems typical	.889***
Perceived brand responsibility	
Responsible	.750***
Accountable	.811***
Fault	.834***
Brand attitude	
Good	.879***
Likable	.880***
Positive	.858***
Favorable	.878***
Purchase intention	
Likely	.908***
Possible	.914***
Probable	.838***
Certain	.589***
Boycott intention	
Likely	.899***
Possible	.927***
Probable	.801***
Certain	.877***
NWOM	
Inform others	.783***
Warn others	.717***
Ruin reputation	.885***
Lose customers	.815***

***$p < .001$

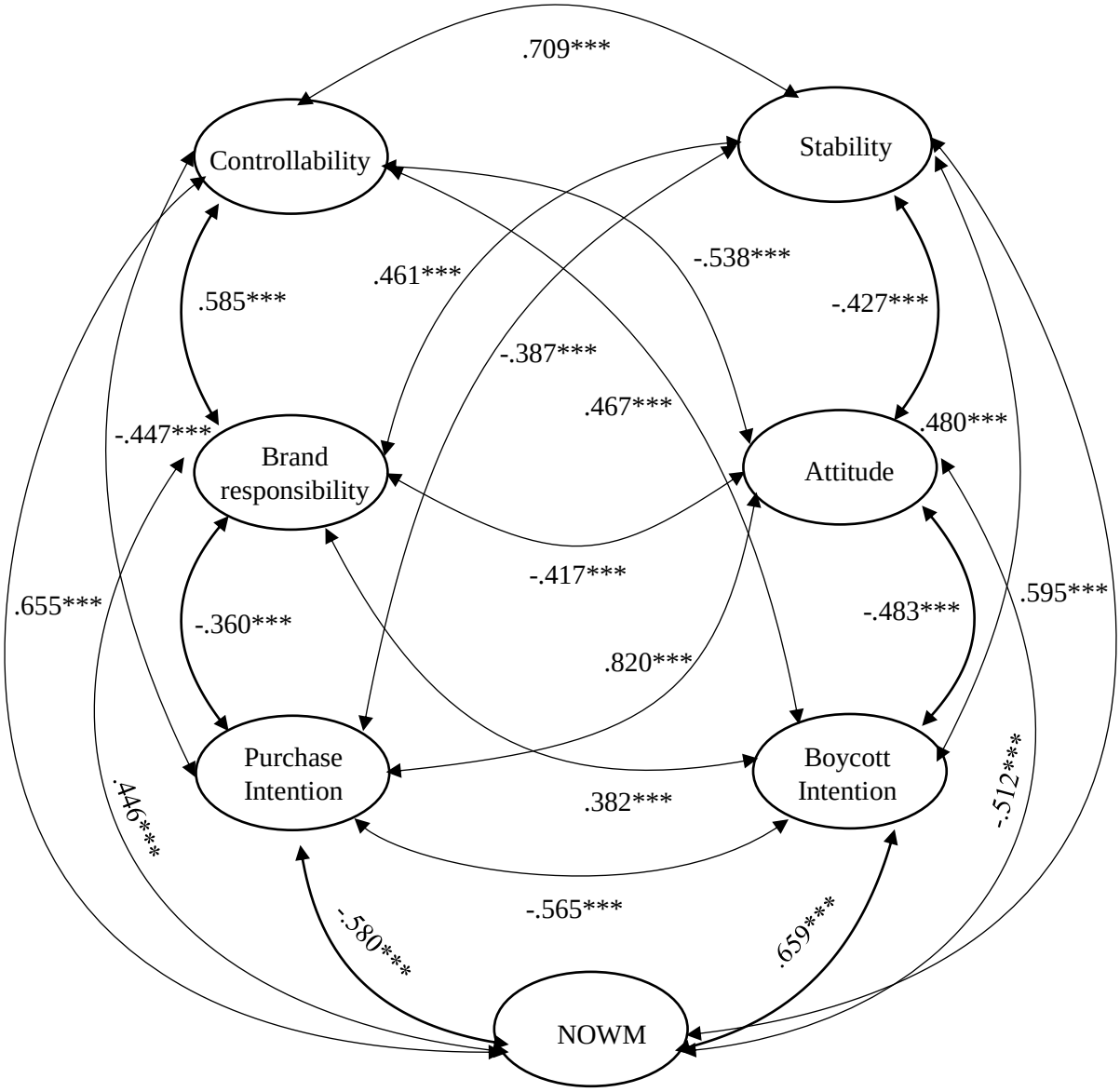


Figure 4.7. Factor correlations from the single-group CFA results with the entire data. *** $p <$ .001

Table 4.11

Measurement Validity and Reliability

Variable	AVE and SV[a]							Cron-bach's α
	Control-lability	Stab-ility	Respon-sibility	Atti-tude	Purchase intention	Boycott intention	NWOM	
Controllability	.594							.749
Stability	.503	.725						.882
Responsibility	.342	.213	.684					.840
Attitude	.289	.182	.174	.762				.928
Purchase intention	.200	.150	.13	.672	.647			.884
Boycott intention	.219	.230	.15	.233	.319	.712		.929
NOWM intention	.429	.354	.2	.262	.336	.434	.647	.880

[a] Diagonal cells indicate AVEs, while off-diagonal cells indicate SVs.

Table 4.12

Factor Correlation Confidence Intervals

Factors Correlated			Upper	Lower
Controllability	↔	stability	.829	.621
Controllability	↔	Responsibility	.688	.536
Controllability	↔	Attitude	-.458	-.618
Controllability	↔	Purchase intention	-.327	-.507
Controllability	↔	Boycott intention	.508	.328
NWOM	↔	Controllability	.726	.586
Stability	↔	Brand responsibility	.605	.405
Stability	↔	Attitude	-.344	-.540
Stability	↔	Purchase intention.	-.279	-.475
Stability	↔	Boycott intention	.554	.358
NWOM	↔	Stability	.710	.514
Responsibility	↔	Attitude	-.351	-.519
Responsibility	↔	Purchase intention	-.260	-.444
Responsibility	↔	Boycott intention	.453	.269
NWOM	↔	Responsibility	.548	.380
Attitude	↔	Purchase intention	.843	.763
Attitude	↔	Boycott intention	-.361	-.521
NWM	↔	Attitude	-.422	-.574
Purchase intention	↔	Boycott intention	-.447	-.595
NWOM	↔	Purchase intention	-.476	-.620
NWOM	↔	Boycott intention	.681	.549

Hypotheses Testing

H3, H4, H6, H7, H9, and H10 were tested altogether by running a three-way multivariate analysis of variance (MANOVA) with brand power, repetitiveness, and response strategy as fixed factors, and perceived controllability, stability, and brand responsibility as dependent variables. Instead of conducting ANOVA, it is decided to run the analysis through MANOVA for some reasons. First, multiple measures provides certain amount of redundancy and can capture the entire phenomenon than single dependent measures (Meyers, Gamst, & Guarino, 2006). Second, MANOVA can reduce the probability of Type I error through Bonferroni

adjustment (Hummel & Sligo, 1971). Third, MANOVA considers intercorrelation among multiple dependent variables by examining the variance-covariance matrices (Meyers, Gamst & Guarino, 2006). Fourth and importantly, Weinfurt (1995) suggests that MANOVA is ideal when the co-relation value between dependent variables are ranged from .2 to .6. Pearson product moment correlation of seven dependent variables justifies the MANOVA analyses (see Table 4.13).

Table 4.13

Pearson Correlations among Dependent Measures

	Control-lability	Stability	Respon-sibility	NWOM	Attitude	Purchase intention	Boycott intention
Controllabilit	1						
Stability	.587***	1					
Responsibility	.460***	.416***	1				
NWOM	.509***	.548***	.350***	1			
Attitude	-.433***	-.397***	-.362***	-.446***	1		
Purchase	-.344***	-.338***	-.309***	-.463***	.752***	1	
Boycott	.376***	.440***	.337***	.584***	-.459***	-.500***	1

***$p < .001$

Three-way MANOVA results (see Table 4.14) indicated significant main effects of the brand power (Wilk's $\lambda = .942$, $F_{3, 424} = 8.653$, $p < .001$, partial $\eta^2 = .058$), sweatshop practice repetitiveness (Wilk's $\lambda = .785$, $F_{3, 424} = 38.603$, $p > .001$, partial $\eta^2 = .215$), and response strategy (Wilk's $\lambda = .959$, $F_{6, 848} = 2.956$, $p > .001$, partial $\eta^2 = .020$). The three-way interaction between brand power, sweatshop practice repetitiveness, and response strategy was not significant (Wilk's $\lambda = .977$, $F_{6, 848} = 1.684$, $p = .122$, partial $\eta^2 = .012$); however, the two-way interaction between brand power and response strategy (Wilk's $\lambda = .960$, $F_{6, 848} = 2.887$, $p = .009$, partial $\eta^2 = .020$) and that between sweatshop practice repetitiveness and response strategy

(Wilk's $\lambda = .915$, $F_{6, 848} = 6.388$, $p < .001$, partial $\eta^2 = .043$) were significant. Another two-way interaction between brand power and repetitiveness (Wilk's $\lambda = .995$, $F_{3, 424} = .780$, $p = .505$, partial $\eta^2 = .005$) was not significant.

Table 4.14

Three-Way MANOVA Results

Effect	Wilk's λ	*F*	*df*	Error *df*	*p*	Partial η^2
Brand Power	.942	8.653	3	424	< .001	.058
Repetitiveness	.785	38.603	3	424	<.001	.215
Response Strategy	.959	2.956	6	848	.007	.020
Brand Power x Repetitiveness	.995	.780	3	424	.505	.005
Brand Power x Response Strategy	.960	2.887	6	848	.009	.020
Repetitiveness x Response Strategy	.915	6.388	6	848	<.001	.043
Brand Power x Repetitiveness x Response Strategy	.977	1.684	6	848	.122	.012

As a follow-up test of MANOVA, analysis of variance (ANOVA) on the dependent variables were conducted. The mean differences among experimental cell were presented in Table 4.16. ANOVA results (see Table 4.15) revealed that both brand power and sweatshop practice repetitiveness had significant main effects on perceived controllability, stability and brand responsibility. Response strategy had a significant main effect on responsibility, however, its effect on controllability and stability were non-significant.

Table 4.15

Follow-up ANOVA Test Results

Source	Dependent Measure	*df*	Mean Square	*F*	*p*	Partial η2
Brand Power	Controllability	1	11.823	16.924	< .001	.038
	Stability	1	9.253	11.267	.001	.026
	Responsibility	1	17.512	19.968	< .001	.045
Repetitiveness	Controllability	1	3.066	4.389	.037	.010
	Stability	1	77.686	94.597	< .001	.182
	Responsibility	1	11.988	13.669	< .001	.031
Response Strategy	Controllability	2	.617	.884	.414	.004
	Stability	2	2.215	2.697	.069	.013
	Responsibility	2	4.722	5.384	.005	.025
Brand Power x Repetitiveness	Controllability	1	.382	.547	.460	.001
	Stability	1	1.716	2.089	.149	.005
	Responsibility	1	.007	.009	.926	.000
Brand Power x Response Strategy	Controllability	2	3.706	5.305	.005	.024
	Stability	2	2.093	2.548	.079	.012
	Responsibility	2	5.305	6.049	.003	.028
Repetitiveness x Response Strategy	Controllability	2	.529	.758	.469	.004
	Stability	2	1.814	2.209	.111	.010
	Responsibility	2	10.618	12.107	< .001	.054
Brand Power x Repetitiveness x Response Strategy	Controllability	2	2.142	3.066	.048	.014
	Stability	2	.437	.532	.588	.002
	Responsibility	2	.615	.702	.496	.003
Error	Controllability	426	.699			
	Stability	426	.821			
	Responsibility	426	.877			

Table 4.16

Means and SDs of All Individual Experimental Cells

Dependent Variable	Brand Power	Sweatshop practice repetitiveness	Response Strategy	*M*	*SD*
Controllability	Strong brand	High repetitiveness	No response	4.189	.70
			Denial	3.959	.67
			Excuse	4.172	.64
		Low repetitiveness	No response	3.667	.88
			Denial	4.094	.81
			Excuse	4.231	.69
	Weak brand	High repetitiveness	No response	3.992	.78
			Denial	3.727	.90
			Excuse	3.784	.79
		Low repetitiveness	No response	3.912	.94
			Denial	3.469	1.06
			Excuse	3.436	1.04
Stability	Strong brand	High repetitiveness	No response	4.133	.81
			Denial	3.982	.68
			Excuse	4.197	.58
		Low repetitiveness	No response	3.026	.96
			Denial	3.453	1.13
			Excuse	3.660	.91
	Weak brand	High repetitiveness	No response	4.116	.82
			Denial	3.688	.90
			Excuse	4.007	.76
		Low repetitiveness	No response	3.007	1.18
			Denial	2.815	1.03
			Excuse	3.058	.98
Responsibility	Strong brand	High repetitiveness	No response	4.111	.89
			Denial	4.220	.65
			Excuse	4.131	.67
		Low repetitiveness	No response	3.842	.98
			Denial	3.448	1.06
			Excuse	4.194	.89
	Weak brand	High repetitiveness	No response	4.140	.84
			Denial	3.902	.75
			Excuse	3.234	1.23
		Low repetitiveness	No response	3.807	.94
			Denial	2.877	1.16
			Excuse	3.564	1.10

Further, the Brand Power × Response Strategy interaction effects were significant for perceived controllability and brand responsibility (see Figure 4.8 for mean differences); while the Repetitiveness × Response Strategy interaction effect was significant for perceived brand responsibility (see Figure 4.9 for mean scores). The remaining two-way interaction effects were all non-significant. Finally, the three-way interaction effect was only significant for perceived controllability (see figure 4.10 for mean scores).

Given the significant univariate test results of brand power on perceived controllability and brand responsibility, H3 and H4 tests further continued for the evaluation of relevant mean scores. H3 predicts that controllability over stopping sweatshop practices is perceived to be higher for a strong brand than a weak brand. In line with this hypothesis, consumers' perceived controllability over stopping sweatshop practices was higher in the strong brand condition (M = 4.04, SD = .75) than in the weak brand condition (M = 3.74, SD = .93). Therefore, H3 was supported. H4 predicts that consumer perceived more brand responsibility for sweatshop practices when the brand is strong than weak. The effect was in the hypothesized direction as the perceived brand responsibility was higher for the strong brand group (M = 4.00, SD = .89) than the weak brand group (M = 3.64, SD = 1.07).

Given the significant main effects of repetitiveness on perceived stability and brand responsibility, consumers perceived higher stability in sweatshop practices when the allegations were high in repetitiveness (M = 4.01, SD = .78) than when the allegation was low in repetitiveness (M = 3.17, SD = 1.06), thus supporting H6. Consumers also perceived higher brand responsibility in sweatshop practices when the allegations were repetitive (M = 3.95, SD = .91) than when the allegation was first time (M = 3.66, SD = 1.08), thus supporting H7.

The significant main effect of response strategy on perceived brand responsibility found from ANOVA as well as LSD post-hoc comparison test results revealed that consumers perceived higher brand responsibility in the no response condition (M = 3.97, SD = .91) than in the denial (M = 3.70, SD = 1.00; t_{143} = 2.42, p < .01), supporting H9(b). Perceived brand responsibility was lower in the excuse condition (M = 3.77, SD = 1.07) than in the no response condition, but this difference was not statistically significant (t_{144} = 1.73, p < .08) response strategy conditions. Therefore, H9(a) was not supported.

Although the univariate test results for the three-way interaction of brand power, sweatshop practice repetitiveness, and response strategy on brand responsibility was non-significant ($F_{2, 426}$ = .702, p = .496, partial η^2 = .003), the two-way response strategy × brand power interaction (see Figure 4.11) was significant for perceived brand responsibility ($F_{2, 426}$ = 6.049, p < .01, partial η^2 = .028), and the response strategy × sweatshop practice repetitiveness interaction effect on brand responsibility ($F_{2, 426}$ = 12.107, p < .001, partial η^2 = .054) was significant. These results confirm that response strategy, coupled with either brand power or sweatshop practice repetitiveness, impacts brand responsibility. Thus, to explore insights related to H10, a series of planned comparisons were conducted.

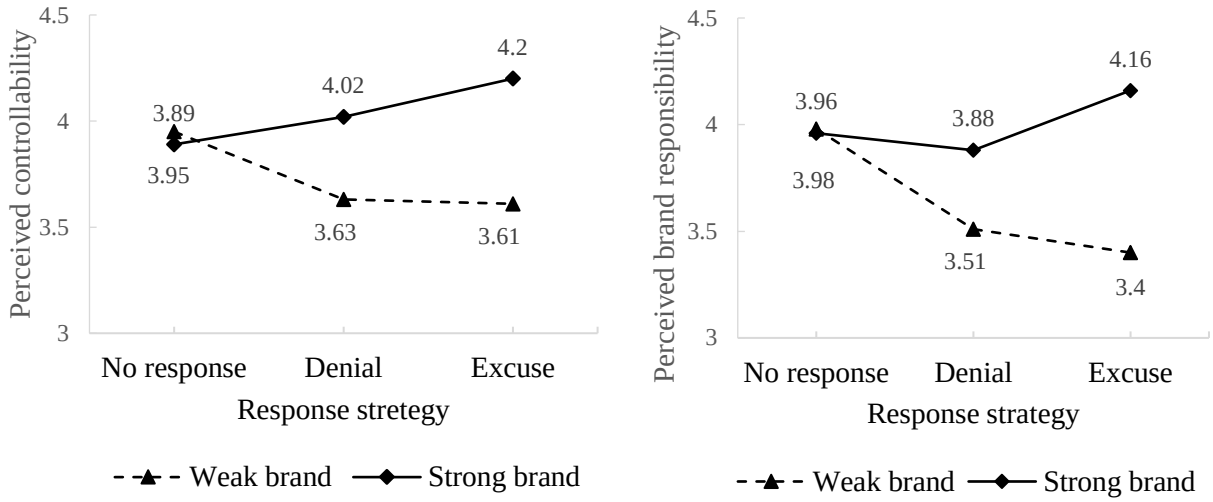


Figure 4.8. Participants' responses in brand power x response strategy conditions

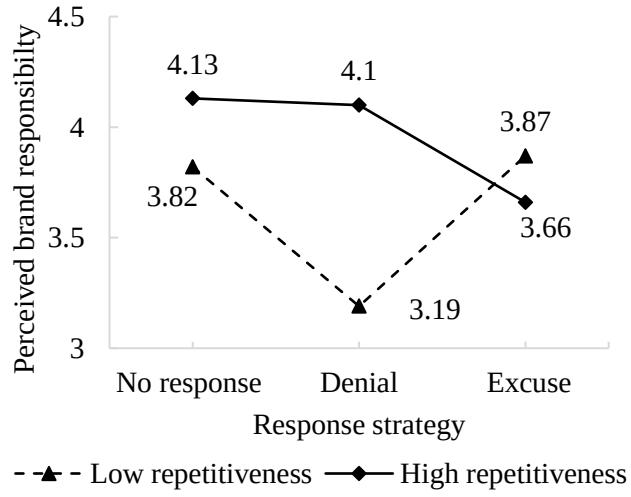


Figure 4.9. Perceived brand responsibility mean scores in practice repetitiveness x response strategy conditions

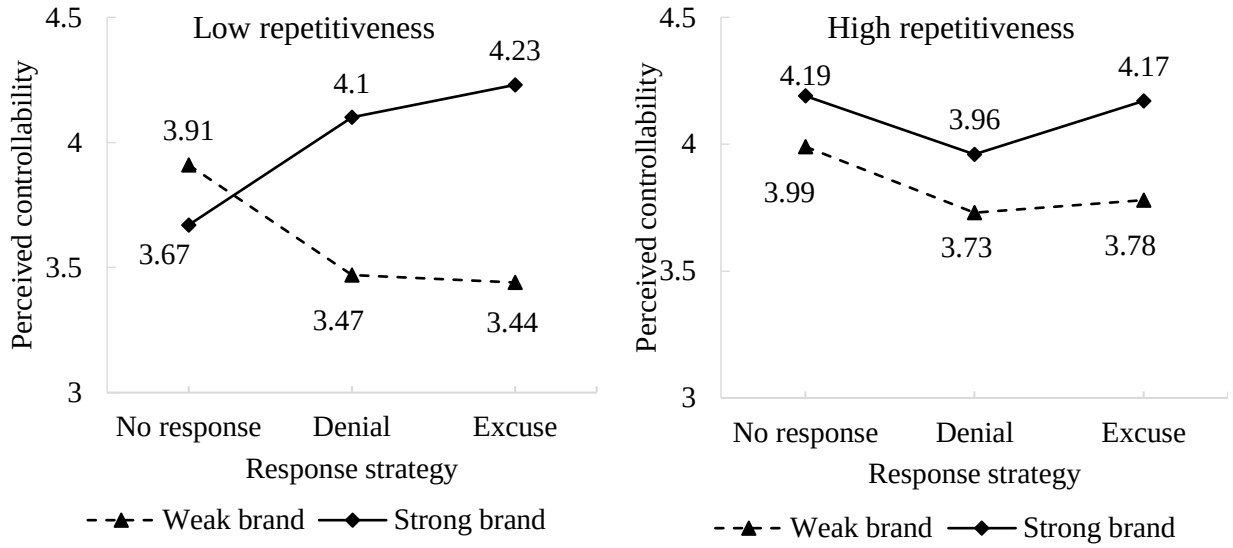


Figure 4.10. Perceived controllability mean scores for 3- way interaction

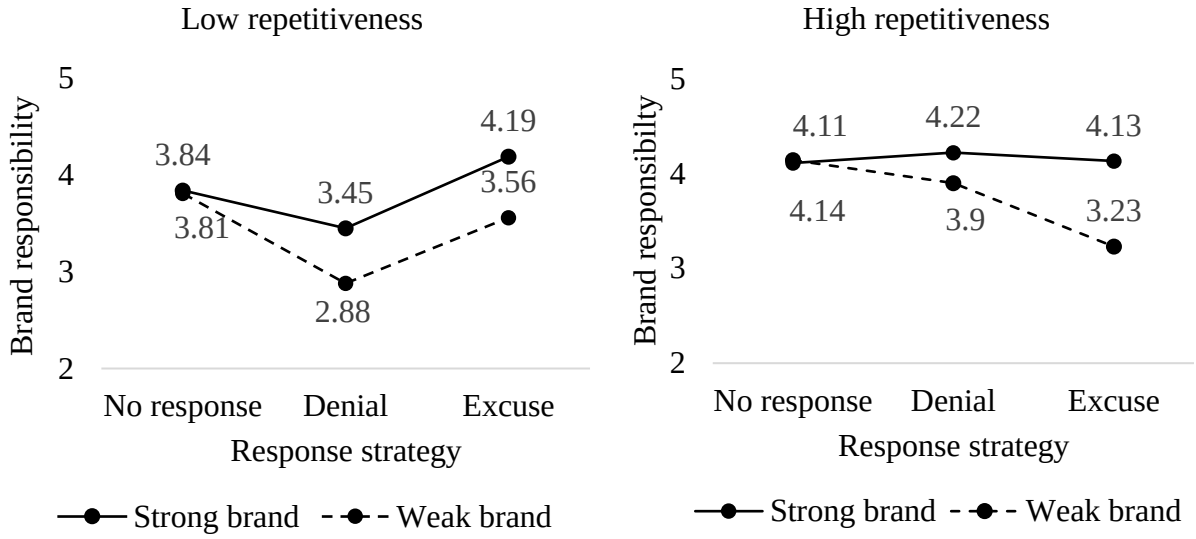


Figure 4.11. Perceived brand responsibility mean scores for 3- way interaction

First, H10a and H10b concern weak brand scenarios. H10a predicts that consumers perceive a weak brand with first-time sweatshop practice less responsible when the brand responds with denial than no response or excuse. The planned comparison results from the weak-brand-low-repetition group data supported this hypothesis because participants attributed lower

brand responsibility in the denial condition than the other two response conditions ($M_{\text{denial – no response}} = -.930$, $p < .001$; $M_{\text{denial– excuse}} = -.688$, $p < .01$). H10b suggests that for a weak brand with repeated sweatshop practices, consumers perceive less brand responsibility when the brand responds with an excuse strategy than when it responds with a denial and no response strategies. The result from the weak-brand-high-repetition group data supported H10b as the perceived brand responsibility was significantly lower when the brand responded with excuse than with denial or no response ($M_{\text{excuse – denial}} = -.667$, $p < .01$; $M_{\text{excuse – no response}} = -.905$, $p < .001$).

On the other hand, H10c and H10d address the strong brand cases. H10c suggests that for a strong brand with low repetitiveness, consumers perceived less brand responsibility when the brand responds with excuse than when it responds with denial or when no response information was known. However, the results from the strong-brand-low-repetitive group data revealed that perceived brand responsibility was higher for the excuse strategy than the denial strategy ($M_{\text{excuse – denial}} = .747$, $p < .01$) and was not significantly different between the excuse and no response strategy conditions ($M_{\text{excuse – no response}} = .352$, $p = .122$). Therefore, H10c was rejected.

H10d predicts that when the brand is strong and sweatshop practices are repetitive, consumers perceive less brand responsibility when no brand response information is known than when the brand responds with denial or excuse. The results from the strong-brand-high-repetitive group data revealed a non-significant difference between the no response condition and both the denial ($M_{\text{no response – denial}} = -.108$, $p = .539$) and excuse ($M_{\text{no response - excuse}} = -.020$, $p = .913$) conditions. Therefore, H10d was not supported.

A single group structural equation model (SEM) with maximum likelihood estimation was conducted to test H1, H2, H5, H8, and H11, as suggested by Joreskog and Sorbom (1989). In this model (Model 1; see Figure 4.12), brand power and brand repetitiveness were treated as

exogenous dummy variables, whereas all the dependent variables were specified as latent variables indicated by their respective measurement items. The model yielded a χ^2 (*df*) = 1668.556(343), p <.001. The chi-square statistics to the degree of freedom were more than 3 (CMIN/df = 4.865). The indices of NFI, CFI, RFI, IFI and RMSEA was .815, .846, .781, .847 and .094, respectively, which were unacceptably low. Given the poor fit, modification indices were checked to identify potentially co-varying error terms. High modification indices were noted between the error residuals of purchase intention and attitude, and between the error residuals of boycott intention and NWOM intention. This study model specifies that these latent variables are predicted by only perceived brand responsibility. However, literature has suggested a plethora of other factors that commonly influence purchase intention and brand attitude, as well as those commonly influencing boycott intention and NWOM intention, which justifies the additional specification of the error covariance for each of these two pairs of latent variables. Furthermore, out of the four NWOM items, two items ("I would inform others about this brand's sweatshop use to ruin its reputation" and "I would share this brand's sweatshop use with others so that it will lose customers") came from the revenge sub-dimension of the scale (Wetzer, Zeelenberg, & Pieters, 2007); therefore, they also show high error covariance. MANOVA result and the follow-up ANOVA result suggests that brand power significantly influences perceived stability and practice repetitiveness significantly impacts perceived controllability. Therefore, it can be assumed that participants' understanding on brand power and practice repetitiveness conditions may have spilled over effect on perceived stability and perceived controllability, respectively; thus, they show high error covariance. Therefore, the aforementioned four error covariances were added to the model (Model 1; see Figure 4.12). This revised model yielded a χ^2 (*df*) = 878.968(339), p <.001. The chi-square statistics to the degree of freedom were more than 3

(CMIN/df = 2.6). The indices of NFI, CFI, IFI and RMSEA was .897, .932, .932 and .063, respectively. Given the satisfactory fit of the revised model, the standardized regression coefficient estimates and their p values were examined to test H1, H2, and H11. The SEM results revealed that H1, which predicted the positive influence of higher perceived brand controllability over stopping the sweatshop practice on consumers' perceived brand responsibility, was supported (std. β =.543, $p < .001$). H2, which predicted the positive influence of higher perceived brand stability over sweatshop practice on consumers' perceived brand responsibility, was also supported (std. β =.174, $p < .01$). H11 predicted that perceived brand responsibility would be negatively related to brand attitude and purchase intention, and positively related to boycott intention and NWOM intention. The standardized regression weights from perceived brand responsibility to brand attitude (std. β = -.510, $p < .001$), purchase intention (std. β = -.465, $p < .001$), boycott intention (std. β =.476, $p < .001$), and NWOM intention (std. β =.583, $p < .001$) were all significant and in the hypothesized directions, supporting H11.

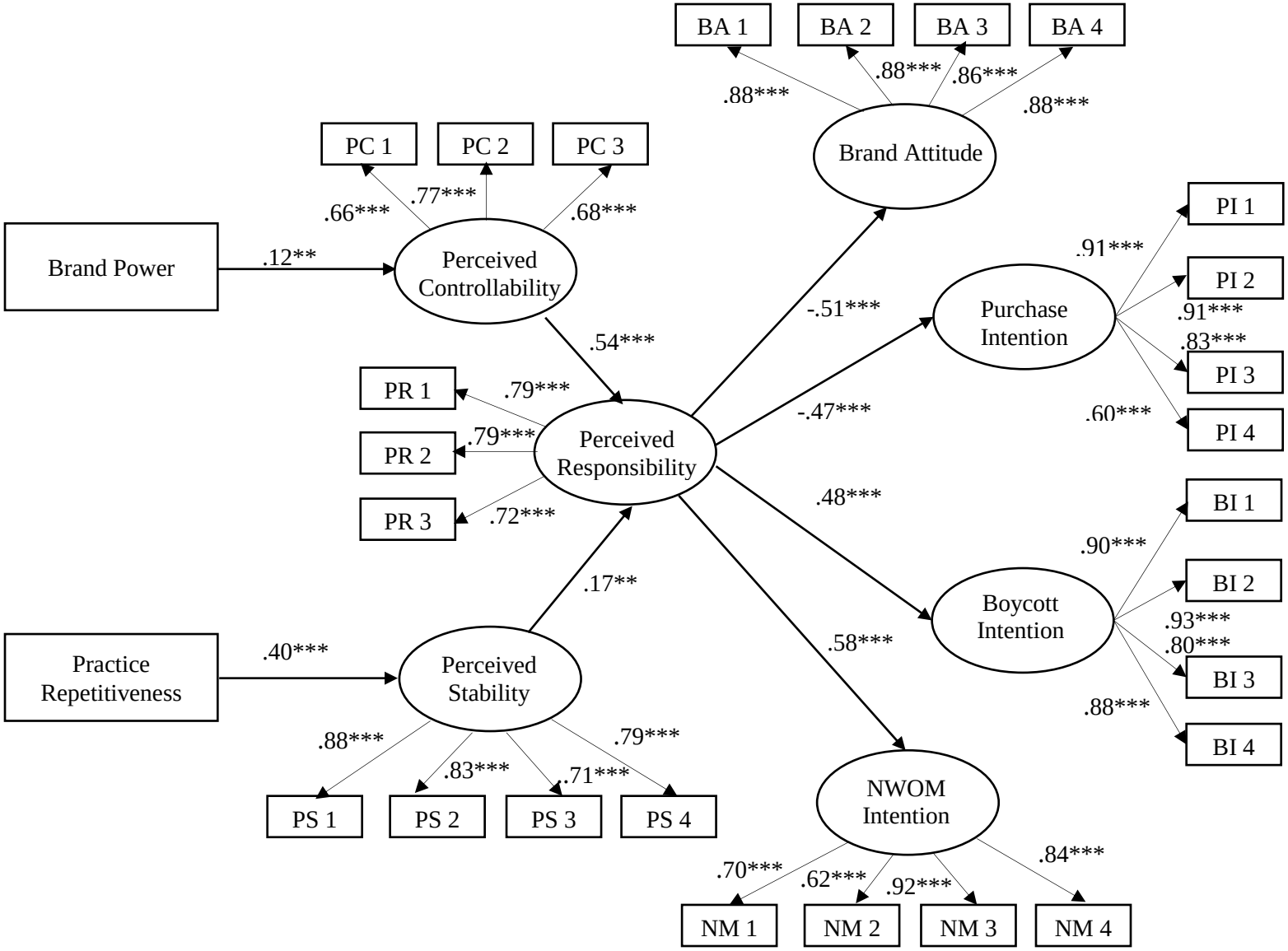


Figure 4.12. SEM Model 1 with standardized coefficients. *** $p < .001$

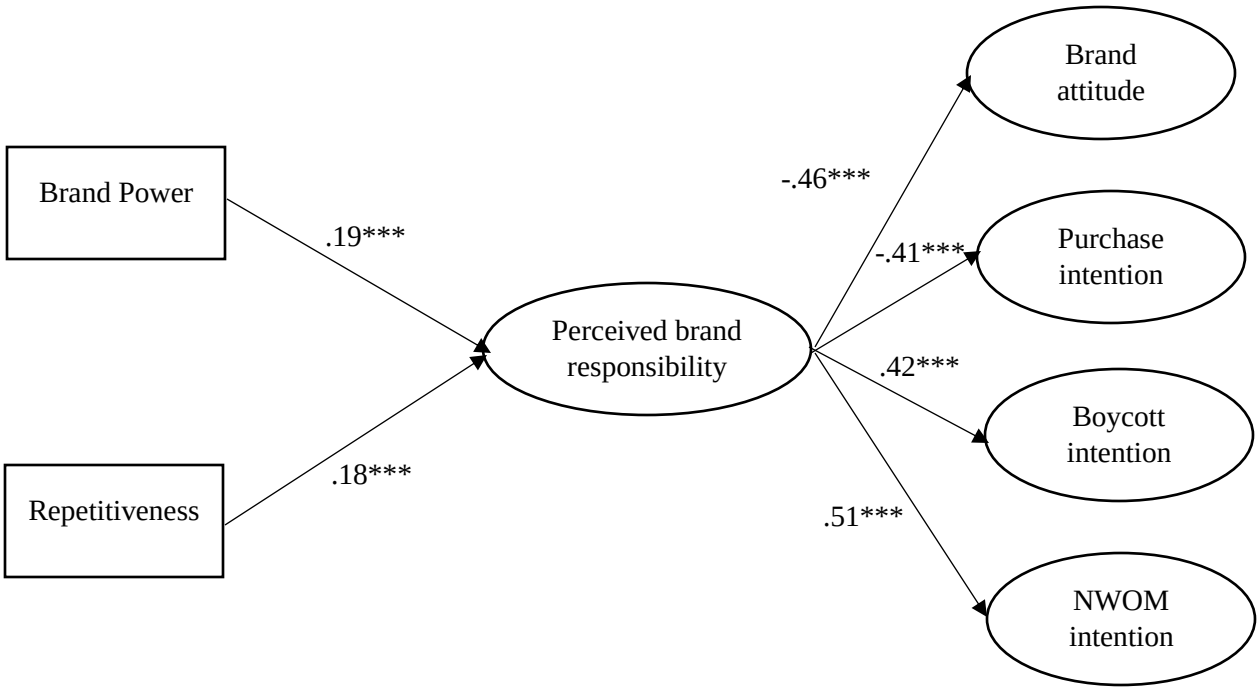
The mediation relationship was tested through a bootstrapping method (see Table 4.17). First, the direct effects of brand power and repetitiveness on perceived brand responsibility were found significant prior to adding the respective mediators (i.e., perceived controllability and stability) in the model (Model 2; see Figure 4.13). Therefore, bias-corrected 95% confidence intervals (BC) were obtained using 2000 bootstrapping samples for the model after adding in the mediators (Model 3; see Figure 4.14) to test the indirect and direct effects. Standardized direct effects of brand power and repetitiveness on perceived brand responsibility were .087 and .043, respectively, and two-tailed tests from the bias-correlated percentile method revealed non-significant direct effects for both brand power and repetitiveness (see Table 4.17). However, two-tailed tests for the indirect effects were found significant for both brand power (through perceived controllability as the mediator) and repetitiveness (through perceived stability as the mediator) (see Table 4.17). Given that indirect effects were significant while the direct effects became non-significant with the inclusion of the mediators, full mediations of perceived controllability and stability were observed; thus, H5 and H8 were supported. All the hypotheses and their status were presented in Table 4.18.

Table 4.17

Mediation Analysis Results

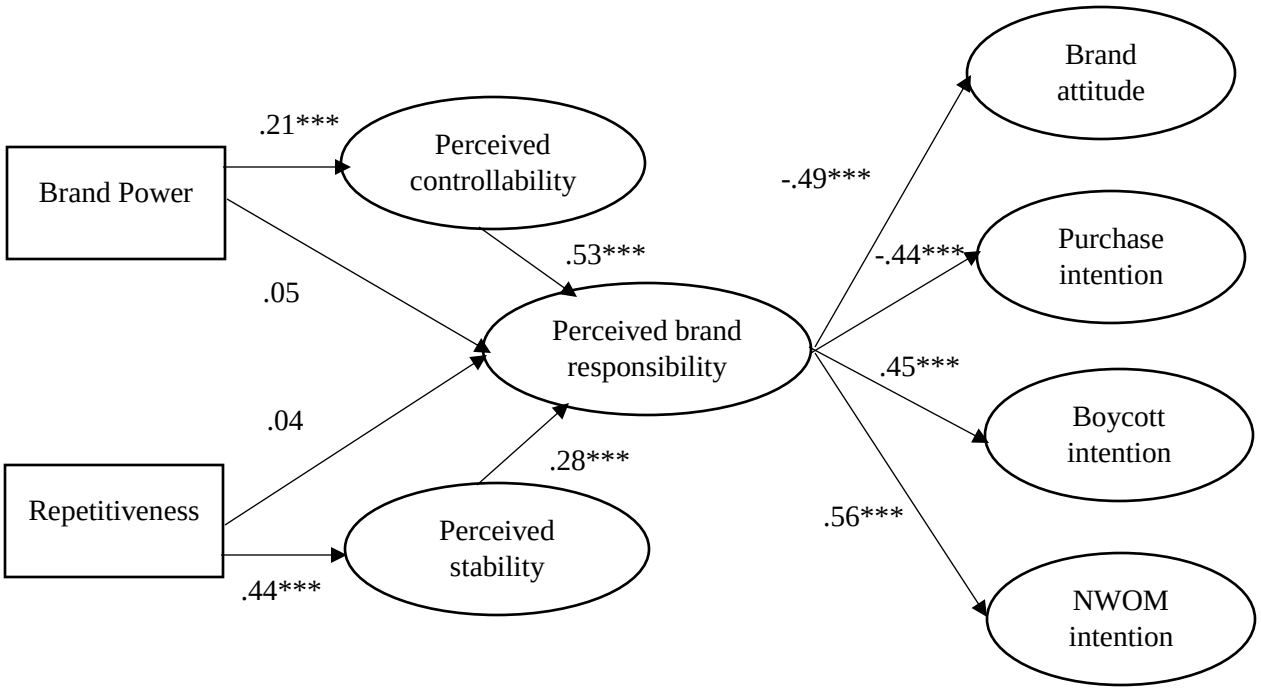
IV-Med.-DV[a]	Direct Effects w/o Med.[b]	Direct Effects w/Med.[c]	Indirect Effects [c]	Mediation type observed
Power- Controllability-Responsibility	Std. β = .186; $p < .001$	Std. β = .052; $p = .329$	Std. β = .110, $p < .001$	Full mediation
Repetitiveness- Stability-Responsibility	Std. β = .184, $p < .001$	Std. β = .035, $p = .516$	Std. β =.124; $p < .001$	Full mediation

[a] Med. = mediator variable.
[b] From Model 2 (see Figure 4.13)
[c] From Model 3 (see Figure 4.14)



χ^2 = 510.027 *df* = 182, *p* < .001
CFI = .951, IFI = .951,
NFI = .926
RMSEA = .064

Figure 4.13. Model 2



χ^2 = 1113.912 *df* = 339, *p* < .001
CFI = .910, IFI = .911,
NFI = .877
RMSEA = .072

Figure 4.14. Model 3

Table 4.18

List of all hypotheses

Hypothesis number	Hypothesis wordings	Status
H1	Consumers perceive more brand responsibility for a sweatshop practice when the brand is perceived as having higher controllability over stopping the sweatshop practice.	Supported
H2	Consumers perceive more brand responsibility for a sweatshop practice when the brand is perceived as having higher stability in sweatshop practices.	Supported
H3	Consumers perceive a strong brand's controllability over stopping sweatshop practices to be higher than that of a weak brand.	Supported
H4	Consumers will perceive more brand responsibility for a sweatshop practice of a strong brand than that of a weak brand.	Supported
H5	Consumers' perceived controllability of a brand in stopping sweatshop practices mediates the effect of brand power (strong vs. weak) on the perceived brand responsibility.	Supported
H6	Consumers' perceived stability of a brand's sweatshop practice is higher when it is reported as a practice with high repetitiveness than when reported as a low-repetitiveness practice.	Supported
H7	Consumers will perceive more brand responsibility for a sweatshop practice of a brand which is reported as a practice with high (vs. low) repetitiveness.	Supported
H8	Consumers' perceived stability of a brand's sweatshop practice mediates the effect of the allegation repetition (high vs. low) on the perceived brand responsibility.	Supported
H9	Consumers will perceive less brand responsibility for a sweatshop practice when the brand responds to the sweatshop allegation with an (a) excuse or (b) denial strategy as compared to no response information.	9(a)- not supported 9(b)- supported
H10	The effect of a brand's response strategy for a sweatshop allegation on consumers' perceived brand responsibility is	H10(a) & H10(b)- supported

	moderated by its interaction with brand power and repetitiveness in the brand's sweatshop practices. Specifically, **H10a:** For a weak brand's first-time sweatshop practice allegation, consumers will perceive less brand responsibility when the brand responds with a denial strategy as compared when the brand responds with an excuse strategy or when the brand's response information is not provided **H10b:** For a weak brand with repeated sweatshop practice allegations, consumers will perceive less brand responsibility when the brand responds with an excuse strategy as compared when the brand responds with a denial strategy or when the brand's response information is not provided. . **H10c**: For a strong brand's first-time sweatshop practice allegation, consumers will perceive less brand responsibility when the brand responds with an excuse strategy as compared when the brand responds with a denial strategy or when the brand's response information is not provided. **H10d:** For a strong brand with repeated sweatshop practice allegations, consumers will perceive less brand responsibility when the brand's response information is not provided as compared to the brand's response with either denial or excuse response strategy.	H10(c) & H10(d)- not supported
H11	The higher the consumer's perceived brand responsibility, (a) the more negative the brand attitude, (b) the lower the purchase intention, (c) the higher the intention of boycotting, and (d) the higher the intention of disseminating negative word of mouth.	Supported

Chapter 5: DISCUSSION AND CONCLUSIONS

Overall Discussion

A growing number of firms are now publishing their social responsibility reports to reflect their performance on social and environmental components that may help building trust among consumers. The rising trend of adding social responsibility reports on their corporate websites is an indicator of firms' obligations to reveal their business practices to consumers. While it is true that a few market leaders issue their social responsibility reports (Dickson & Eckman, 2008), the irony is that market leaders are often found involved in sweatshop practices. While media exposure of a brand's sweatshop practices contradicts its claim of being socially responsible, scholars suggest that consumers use their buying power as a rebuttal (Maitland & Murray, 2004), which was termed as 'voting with dollars' by Johnston and Baumann (2010) and Bartley and Child (2014). An alleged brand's sweatshop practices are not only contradictory to its touting contributions on social and environmental aspects, but also contradict its very logic of promotionalism- a firm's marketing and advertising practices, media activities, and issue management strategies to enhance brand image and reputation (Greenberg & Knight, 2004). Although some scholars suggest consumers' reactions as 'more bark than bite' (Vogel, 2005), the finding of this research suggests that consumers perceive more brand responsibility to leading brands' sweatshop practices and react more to them than to non-leading brands, which validates NDJ. Moreover, a sweatshop allegation, even when it is a first-time occurrence, thus low in repetitiveness, tarnish a brand's reputation to some extent. Therefore, when a brand's

reputation is sullied due to the sweatshop allegations, a newly revealed sweatshop practice may exacerbate the reputational damage given the perceived stability of sweatshop practices.

Controllability, Stability and Perceived Responsibility

A common-sense moral presumption against a firm's unethical behavior may be an indicator of consumers' obligations to stay away from responsible parties. However, when it comes to a brand's sweatshop practices, this study reveals that consumers' application of moral obligations to the brand alleged of sweatshop practices may vary depending on how they interpret the brand in terms of its controllability, or the degree to which sweatshop practices are perceived to be under the brand's volitional control, and its stability, or the degree of consistency of sweatshop practices over the time. The finding from this research suggests that the higher the consumer's perceived controllability and stability of a brand's sweatshop practices, the greater the perceived brand responsibility. An alleged brand may be portrayed in a newspaper as having little or no power over its subcontractors which may be suggestive of its inadequacy of stopping the practices; thus, consumers may assign less responsibility toward the brand. In contrary, a brand may be perceived as having higher controllability over sweatshop practices; thus, consumers may attribute more brand responsibility. Negative events that are seen as stable to an actor's behavior will convince consumers to attribute more responsibility to the actor (Weiner, 1986). Thus, when a sweatshop practice is seen as driven from a reason stable to the firm, consumers may attribute more responsibility to the brand. Thus, the findings from this study support Weiner's (1980) attributional model (presented in Figure. 2.1). As the theory suggests, perceivers' causal analysis is driven by the dimensions of causality which are controllability and stability in the context of brands' sweatshop practices. Thus, the context-specific evaluation of

these factors results in consumers' perceived blame attribution which, eventually, translates into perceived brand responsibility.

Brand Power and Sweatshop Practices

This study also identified antecedents of consumers' perceived controllability and stability of sweatshop practices and how these antecedents contribute to brand responsibility. Bair (2009) suggests that a brand's power and profit are proportionate to its perceived controllability over subcontractors. A brand's investment in its promotional activities indicates its position in a commodity chain (Greenberg & Knight, 2004). Thus, leading firms invest vehemently to enhance images through various promotional activities, whereas their economic oppressions in the manufacturing facilities are seen as a contradiction to these promotional activities. The contradiction is a result of consumers' perceived higher controllability of the brand's sweatshop practices. The finding from this research suggests that strong brands' perceived controllability over stopping sweatshops is higher than that of weak brands, resulting in higher perceived brand responsibility. As suggested by Bartley and Child (2014), strong brands' market position in a cultural context makes them more vulnerable to activists' demonstrations and consumers' reactions; thus, consumers may attribute more blame toward strong brands. The finding supports NDJ in our study context. In line with the assumption that a strong brand is perceived by consumers as having higher control over stopping sweatshop practices in its subcontractors' facilities and that consumers perceive more band responsibility for strong brands' sweatshop practices, this study found controllability to be a mediator in the relationship between brand power and consumers' perceived brand responsibility.

The finding also suggests that brand power significantly influenced perceived stability. As such, a strong brand's sweatshop practices are perceived to be more stable to the brand than a

weak brand's sweatshop practices. According to the Pearson product moment correlation, perceived controllability and stability were highly correlated; thus, the influence of brand power on perceived controllability may spill over to perceived stability as well.

Repetitiveness in Sweatshop Practices

A negative event is perceived to be stable to an actor's behavior if the event is recurring (Kelly & Michela, 1980) or if the actor has a previous history of such behavior (Coombs, 2007). Thus, a recurring behavior is consistent with the expectancy that the behavior will be repeated again (Kelley & Michela, 1980). However, the certainty of repeating a first-time occurrence of a negative event in the future will be lower than the repetitive occurrence of an event; thus, the negative event is treated as unstable to the brand. The finding suggests that a repetitive sweatshop practice is perceived to be more stable to the brand than when it is reported as first-time event. Coombs (2007) suggests that consumers evaluate whether or not the actor had the same problem in the past once they are exposed to a crisis. Thus, repetitive sweatshop practices make a firm more internally responsible as the crisis is perceived as engendering from firm-related reasons. Therefore, consumers may attribute more responsibility to the alleged brand. The finding supports the assumption that consumers perceive more brand responsibility of a brand repeatedly accused of sweatshop practices than of a brand accused of a sweatshop practice for the first time. In sum, consumers may perceive a higher stability of sweatshop practices to a brand once it is alleged of such practices several times, which eventually lead consumers to attribute more brand responsibility. The finding from this research supports that stability dimension mediates the relationship between practice repetitiveness and consumers' perceived brand responsibility.

Further, the significant main effect of a brand's repetitiveness in sweatshop practice on perceived controllability found in this study suggests that consumers perceive not only higher stability but also higher controllability when the practice is repetitive than when it is a first-time occurrence. In retrospect, perceived controllability is positively related to perceived brand responsibility, and there is a high correlation between perceived controllability and stability. Therefore, the influence of sweatshop practice repetitiveness on perceived stability may spill over to perceived controllability as well.

Given that strong brands and brands that are repetitive in sweatshop practices are more susceptible to consumers' attribution of higher perceived brand responsibility, the effect of NDJ is more damaging to the strong brands which are accused several times of such practices. For example, repetitive allegations against Nike in the decade of 1990s made it synonymous with slave wages, forced overtime and arbitrary abuse" (as quoted in Cushman, 1998, p. D1). The finding also resonates with consumers' vigorous blame attributions to giant brands including Walmart, and Zara for sweatshop practices.

Post-Crisis Response Strategy

As discussed earlier, it is compelling to consumers that a brand should respond to its alleged sweatshop practices, because a firm's silence in such allegations may be suggestive of its acceptance of allegations. Brands are found to encounter a sweatshop allegation either with denial, which is to urge that the crisis does not exists, or with excuse, which is to weaken the link between the allegation and the brand. Unlike other crisis types where a firm may be seen as victim of accidents such as natural disaster, workplace violence, and technical error-accident, practicing sweatshop is a crisis that benefits an organization wrongfully. Thus, denial may put consumers in a dilemma of whether and to what extent they should attribute brand responsibility,

and excuse may give consumers a reason to think in favor of the alleged brand. In line of this idea, this study found that excuse and denial as post-crisis response strategies may reduce consumers' perceived brand responsibility as compared to when no such brand response was known. As suggested by Coombs (2000), a brand may deny a crisis event when it is a mere rumor. However, when a crisis is manifested with evidence, the firm may not deny the existence of the crisis. In that case, the firm may try to shift the blame when a clear scapegoat exists. In context to a firm's sweatshop practices, consumers are not the direct victim; they are rather sympathetic to sweatshop workers due to their moral obligations. Thus, a firm's denial of such allegations may help consumers to retain their uprightness. Given the nature of firms' offshore sourcing strategy, they may easily present overseas contractors or subcontractors as a scapegoat. Thus, shifting the blame to contractors may facilitate excuse, which, in turn, may soothe consumer reactions. Therefore, findings from this study echoes with crisis response strategies proposed by Coombs (Coombs, 1995, 2000).

This study reviewed the literature of impression management (Schlenker, 1980) and crisis response strategy (Coombs, 1995) and followed Weiner's (1980) attribution theory-based account to propose the response strategies with respect to the variable combinations of brand power and sweatshop practice repetitiveness. Findings of this study suggest that for a first-time allegation of a sweatshop practice of both strong and weak brands, denial always works better in that consumers attribute less brand responsibility when the brand denies the allegation than when it gives an excuse or when no brand response information is known. On hindsight, the brand's denial response nullifies the existence of the alleged sweatshop practices and claims the allegation as a rumor. Consumers' moral obligations of being sympathetic to sweatshop workers and react to the brand to keep their uprightness may not be provoked to such an extent that it

might be more convincing to them to offset brand responsibility when the sweatshop practice is a first-time occurrence than a recurrence. Coombs (2000) suggests that denial deems appropriate when a firm views the crisis event as rumor. A first-time allegation may be considered as a rumor, or consumers may want to give a benefit of the doubt; thus, in line with Coombs's (2000) assumption, denial works better for the first-time allegation for both strong and weak brands.

However, for repetitive occurrences, the finding of this study suggests that consumers' perceptions change depending on the brand power. For weak brands, consumers perceive less brand responsibility with an excuse strategy than when the brand responds with a denial or when there is no response information. For repetitive allegations, the crisis would not be perceived as rumor, thus, shifting blame to contractors may give the alleged weak brand an opportunity to soothe consumer reactions, as suggested by Coombs (1995, 2000). However, for a strong brand, the high repetitiveness gives no way out in that consumers' perceived brand responsibility does not differ regardless of whether brand response is known or not known as well as whether the brand responds with denial or excuse. While denial response of first-time sweatshop allegation could be a get go for a brand, either strong or weak, to soothe consumer reaction, a weak brand may find some space to breathe by providing an excuse response for repetitive sweatshop practices. However, consumers double down strong brands for their repetitive sweatshop practices, as none of the response strategy conditions may provide a reason to consumers to favor the brands.

Causal Attribution and Reactions

The finding supports the general model of attribution which integrates cognitive processes and the dynamics of behavior. According to attributional theories reviewed by Kelley and Michela (1980), attribution of perceived causes may influence the behavior and behavioral

expectancy. Therefore, causal attribute of brand responsibility should lead to negative affect, as such lower brand attitude, lower purchase intention, higher boycott intention, and higher NWOM intention. The finding suggests that the dynamics of consumer behavior are affected by the attribution of brand responsibility following brands' sweatshop practices. As such, the higher the consumer's perceived brand responsibility, the higher the negative affect and anti-brand retaliatory behavioral intentions.

Implications

Theoretical Implications

This study has contributed to the literature in several ways. First, building upon the concept of Weiner's attribution theory (1980), this research adopts a positivistic approach to probe the antecedents and consequences of a brand's controllability and stability dimensions in the context of sweatshop practice. The findings suggest that brand power and practice repetitiveness influence consumers' perceptions of both the controllability and stability of brands' sweatshop practices. Furthermore, this research suggests that perceived controllability and stability influence consumers' perceived brand responsibility, validating Weiner's attribution theory (Weiner, 1980) in the sweatshop context.

Second, a plethora of research reflects upon brands' wrongdoings and consumers' retaliatory responses to alleged brands through anti-brand community platforms where they can communicate their personal grievances to earn public supports (Ward & Ostrom, 2006). As a wrongdoing can hurt a brand, the need for understanding of how a firm should respond to the media coverage about its wrongdoings should be the central issue next to the effect of brands' power and repetitiveness on perceived controllability and stability of brands' sweatshop

practices. Previous scholars have conceded that more valuable brands in terms of their positioning in a particular industry (i.e., strong brands) are more prone to attract hatred (Kucuk, 2008). Thus, strong brands are more vulnerable to soundbites (Krishanamurthy & Kucuk, 2009). The finding validates this line of assumption and endorses NDJ phenomena in context to brands' sweatshop practices.

Third, most of the research related to brands' sweatshop practices facilitate an interpretivistic approach to argue about brands' reputational damage from such practices (Clark & Powell, 2013; Powell, 2014). Some researchers engaged in arguments about the moral aspects of brands being wrongful beneficiary of sweatshop practices (Mayer, 2007; Meyers, 2007). A few scholars reviewed brands sales and stock prices to understand the effect of sweatshop practices (Bartley & Child, 2011). Given that consumers are the most important stakeholder of a brand, scant literature on consumer reactions to brands' sweatshop practices is noticeable. A few studies took brands' sweatshop practices for granted to interpret the importance of ethical business practices (Hyllegard et al., 2014; Joergens, 2006; Rashid & Byun, 2018). This study provides a valuable insight on how consumers react to brands' sweatshop practices depending on their perceived brand responsibility driven from brand power and practice repetitiveness.

Next, numerous research investigates firms' response strategies to combat crisis (Allen & Caillouet, 1994; Barton, 1993; Benoit, 1992; Coombs, 1995, 2007; Mitroff & Pearson, 1993; Ware & Linkugel, 1973). Several other researchers conducted attributional analyses to understand the causality, reactions, and expectancies of a negative event (Dubinsky, Skinner, & Whittler, 1989; Weiner, Perry, & Magnusson, 1988; Yin, Yu, & Poon, 2016). However, there remains a research gap in designing a response strategy based on how a crisis is perceived by

consumers. The present work fills the gap by developing adequate understanding on appropriate response strategies with respect to brand power and practice repetitiveness.

The literature on the halo effect suggests that an individual consumer biases in judgement about one category by their previous disposition about another category (Huber et al., 2010; Kwon & Lennon, 2009). Literature suggests the halo effect of a strong brand image. As such, a strong brand with a consistent, favorable brand image leads consumers to treat the branded products as a compound of the singular brand image. As the halo effect of brand image may intersperse the brand's promotional and CSR activities, some scholars suggest that strong brand image may counterbalance the wrongdoing of the brand (Aaker, 2005; Huber, Vollhardth, Matthes, & Vogel, 2010). In contrary, it is also important to mention some research that suggests the end of consumer brand relationships once the strong brands' actions were treated by the loyal consumers as a failure or wrongdoing (Japutra, Ekinci, Simikin, & Nguyen, 2014; Johnson, Matear & Thomson, 2011). A few studies noted that consumers turn their back from once-coveted brands due to their concerns for the alleged brands' association with social and ecological issues (Lee, Conroy, & Motion, 2009; Pepper, Jackson, & Uzzell, 2009). Therefore, once a news related to a brand's wrongdoing breaks out, the halo effect may be subsumed as the NDJ phenomenon comes into play. More importantly, NDJ conceptualizes brand power at the aggregated market/firm level (e.g., giant brands with large market share and large negotiation power), whereas the halo effect literature looks at brand image strength at individual consumers' cognition or emotion levels (e.g., favorable beliefs, the close emotional connectivity, relationship, attachment). This distinction is where the differing prediction may arise. When the target is presented as a market giant (in this study scenario), consumers do not see them as their dearing brand, but as a party with power, which led to results supporting the NDJ-based

prediction. On the other hand, if the brand power (strength) had been presented differently from this study context (e.g., describing the strong brand as a brand the consumer has used and loved for a long time), the result might have been different. In sum, brand halo literature examines brand effect in crisis from customer-based brand equity perspective (i.e., how the consumer thinks, feels, and relates to the brand, or "brand image"), whereas the NDJ perspective looks at the brand effect in crisis from the market-based brand equity perspective (i.e., how dominant the brand is at the market or in the supply chain, or "brand power"). This difference in perspectives leads to the seemingly opposing predictions of brand effects. Therefore, the seemingly similar constructs, brand power and brand image strength, are actually not equivalent, and this study contributes to the branding literature by shedding light on the market-level, power-based brand effect in the context of consumer reactions to a brand's negative event, sweatshop practices.

Practical Implications

Brands' sweatshop practices are not limited to the coercion of workers and mere environmental exploitations. Rather, the result of such practices can be extended to the death of thousands of workers and drastic disruption of eco-systems in some developing countries. Similarly, consumers' concern about brands' sweatshop practices is no more limited to a form of dissatisfaction; rather, consumers are disseminating their NWOM and demonstrating their personal grievances in a public support forum through their activism. However, while a sweatshop practice of any brand, either strong or weak, might bring about the same damage to labor and the environment, consumers' reactions to only a few specific leading brands may not be fair. It may not only benefit many small brands; rather, the focus of consumers' interests may change from anti-sweatshop demonstrations to a fight against giant brands. Several research conceded consumers' voluntary demonstrations against multi-national and corporate brands

(Berger et al., 2010); oftentimes, consumers pick the reasons for dissatisfaction with products and services to attack a strong brand. Therefore, brand managers should translate consumer reaction to sweatshop allegations in light of their respective brands' positioning in the market.

A lot of researchers argue that developing a strong brand is the most important objective of brand managers (Aaker, 2005; Aker, 1996; Kay, 2006; Keller, 1998). One of these arguments is about halo effect as it suggests that consumers translate branded products as a compound of singular brand image. Therefore, understanding the halo effect is crucial to managers of strong brands as sweatshop allegations may limit the efficacy of the brand halo effect. Although individual consumers' response to a brand's negative event may be positively biased based on the halo effect of their existing image and relationship with the brand (Huber et al., 2010), this study reveals that this positive brand-image bias might not guard brands from negative consequences at the market level when the media portrays the strong brand as having market power or negotiation power in the supply chain or when the brand repeats its wrongdoings, leading to the NDJ consequence. There is a plethora of practical evidence that strong brands have gone through vehement consumer reaction for their wrongdoings. As discussed earlier, Nike had been seen as synonymous to employing slave workers (Cushman, 1998) in the decade of 1990s. A recent deceptive communication of Volkswagen's emission performance cost them more than $30 billion (Siano, Vollero, Conte, Amabile, 2017). The finding suggests that strong brands and the brands of repetitive sweatshop practices are more vulnerable to consumer reaction, and it is not enough to accelerate promotional activities to eradicate consumers' reactions for brands' wrongdoing. Therefore, apart from their consistent efforts to develop strong brand image, brand managers should put efforts and invest their resources to vindicate their brands once accused of wrongdoings. That being said, brand managers should learn from the recent crisis Volkswagen

faced. Volkswagen's touting image of 'German-engineered car' was not enough to halo out the emission deception; rather, they had to buy back a huge number of cars. Therefore, strong brands are not expected to get benefit from their reputations once they are identified as wrongdoers; rather, these brands may have to invest more resources in pursuit of getting cleaned.

This study provides an initial step towards the crisis fixation, which is providing an appropriate response to help consumers to think in favor the alleged brand. A plethora of research suggested different response strategies; however, none of them were found to address sweatshop allegations or a crisis which does not victimize consumers but rather benefits them by providing products at cheaper retail prices. This study investigates what type of responses brands offer in the sweatshop practice context and identifies denial and excuse as potential response strategies. Importantly, while consumers learn about a lot of brands' sweatshop practices, they practically know about a very few occasions in which the brands provide a response. Therefore, taking denial and excuse relevant response strategies and comparing them with the condition with no response information provides insights to brand managers.

Although some researchers are pessimistic about consumer reactions to brands' sweatshop practices and assume campaigners' effort to discredit alleged brands as "more bark than bite" (Vogel, 2005), the results from this study derived from the national sample of the U.S. consumers found the opposite. The findings suggest that brand managers should be aware of 'stick and stone' phenomena of sweatshop practices and should provide a cautious response to heal consumer reactions. This is a significant development on consumer reactions to brands' sweatshop practices and will guide brand managers to deal with consumers in the wake of such allegations. Thus, by integrating Weiner's (1985) attribution theory and Coombs's (1995) repertoire of crisis-response strategies, this research provides insight to brand managers in

crafting response strategies. As the variability of the perceived controllability and stability due to the influence of brand power and sweatshop practice repetitiveness may persuade consumers to react differently to different brands, brand managers should alter the response strategies to diminish consumers' unfavorable reactions.

Limitations and Recommendations

Findings of this study should be interpreted with the following limitations in mind. First, a brand may commit a socially irresponsible behavior at different levels such as the product level (e.g., product-harm crisis), market level (e.g. unfair method of production), societal level (e.g. using child labors), and environmental level (e.g., unsustainable production practices). This study centered on brands' sweatshop practices, which is an irresponsible behavior that falls under the societal level. The antecedents and consequences of a brand's sweatshop practices may be different from those of other irresponsible behavior in several ways: consumers are not directly victimized; victims are geographically distant from consumers; and such practices may not compromise product qualities while reducing the price, which might economically benefit consumers. Thus, the findings of this study may not be applicable to the contexts of other forms of irresponsible brand behavior such as product-harm crises, price manipulations, or advertisement frauds, which may have a direct negative impact on consumers. Future research should investigate the effects of brand power and allegation repetitiveness in these other contexts.

Next, in particular to brands' sweatshop practices, this study considers brand power and practice repetitiveness as factors affecting consumer reactions. Previous research suggests that consumers may have variable levels of equity and loyalty to different brands (Aaker, 1996). A

stream of marketing literature identifies brands in accordance with consumers' status seeking behavior (Geiger-Oneto et al., 2013; Park, Jaworski, & MacInnis, 1986). Therefore, brand type (e.g., luxury vs. non-luxury) and product category (e.g., brands of symbolic vs. functional products) may moderate the relationships addressed in this study to predict consumers' reactions to alleged brands. The country of manufacturer also could be a contributing factor in understanding consumers' reaction given that some countries are perceived as more infamous in terms of labor rights violation than other countries. For instance, Zara's recent sweatshop practices in Bangladesh and in Argentina could have differential consumer reactions given that consumers' perceive country image could be different between these two countries. Therefore, future research may consider these factors in understanding consumer reactions to brands' sweatshop practices.

Third, in this research, the no response condition was operationalized as consumers not being informed about the brand's response (or lack thereof) to the allegation. Therefore, it is different from an accused brand's purposeful silence. Future research may investigate how consumers react differently to a brand's silence as compared to other response strategies such as denial and excuse based on brand power and sweatshop practice repetitiveness.

Fourth, Coombs (2000) suggested that the extent of damage (minor vs. severe) incurred by a crisis event is a contributory factor in consumer reactions. In particular, sweatshop allegations may be presented in media as a practice that inflicts workers with long working hours and below standard wages. The same sweatshop practice may cause death of workers due to the failure of providing safety against fire hazards and building collapses. Therefore, a full picture of consumer reactions to brands' sweatshop practices cannot be painted without considering the nature of damage inflicted by such practices. The scenarios used in this study did not present the

details of the brand's sweatshop practice allegation and what harm the practice might have had to the workers. Results could have been different with specific information of such nature. Future research may enrich the relevant literature by considering the severity of damage as another factor to test the causal attributional as well as behavioral constructs examined in this study.

Finally, there are several forms of post-crisis response strategies, including non-existence, distance, ingratiation, mortification, and suffering, which could not be fully examined in this study. Further, each of these category has subcategories. This study focuses on only two particular subcategories, which are denial and excuse. Although brands are found to use frequently either of these two sub-categories to combat sweatshop allegations, other response strategies may have their own implications. Thus, the generalization of this study finding is limited to these two response strategies. Future research may investigate the scope and opportunities of other response strategies in mitigating consumers' retaliatory behavior.

Conclusions

Building upon the controllability and stability concepts of Weiner's (1980) attribution theory, this research took a positivistic approach to demonstrate how perceived controllability and stability of brands' sweatshop practices lead consumers to attribute brand responsibility. Based on the Negative Double Jeopardy phenomenon, this research exhibits why consumers resonate with the allegations of leading brands' sweatshop practices and reprimand them while other brands are spared. Moreover, repetitive sweatshop allegations are perceived to be more stable to brands that affect consumers' attribution of brand responsibility. Drawing on denial and excuse as a response strategy to combat sweatshop allegations and situated within Schlenker's (1980) impression management theory and Coomb's (1997) repertoire of crisis management

strategy, the findings asserted the importance of configuring a response strategy with respect to a brand's power and sweatshop practice repetitiveness.

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APPENDIX A

INFORMATION LETTER

Auburn University
College of Human Sciences
Department of Consumer and Design Science

(NOTE: DO NOT AGREE TO PARTICIPATE UNLESS IRB APPROVAL INFORMATION WITH CURRENT DATES HAS BEEN ADDED TO THIS DOCUMENT)

INFORMATION LETTER
for a Research Study entitled
"Consumers' Perceptions on Brands' Supply Chain Management"

You are invited to participate in a research study to investigate consumers' perceptions about brands' supply chain management practices. The study is being conducted by Md Sanuwar Rashid, Ph.D. student, under the direction of Dr. Wi-Suk Kwon, Human Sciences Professor of Retailing in the Department of Consumer and Design Sciences at Auburn University. You are invited to participate because you are at least 18 years old and are currently living in the United States.

What will be involved if you participate? Your participation is completely voluntary. If you decide to participate in this research study, you will be asked to complete an online questionnaire. Your total time commitment will be approximately 15 minutes.

Are there any risks or discomforts? There are no known risks involved in participating in this study other than the minimal inconvenience of completing a questionnaire.

Are there any benefits to yourself or others? Your participation will benefit in advancing research of consumers' perceptions about brands' supply chain management practices.

Will you receive compensation for participating? If you meet the aforementioned participant qualifications, complete the provided online survey, and correctly answer all the attention check questions interspersed among the survey questions in the survey, you will be offered compensation per your agreed terms with *The Sample Network.*

Are there any costs? There are no costs to you involved in this study.

If you change your mind about participating, you can withdraw at any time by closing the survey window on your browser. If you choose to stop participating, your data can be withdrawn as long as it is identifiable. Once you've submitted anonymous data, it cannot be withdrawn since it will be unidentifiable. Your decision about whether or not to participate or to stop participating will not jeopardize your future relations with Auburn University or the Department of Consumer and Design Sciences.

Any data obtained in connection with this study will remain anonymous. We will protect your privacy and the data you provide by ensuring that no identifying information will be linked to the survey date that you provide. *The Sample Network* will receive your *The Sample Network* member ID number upon your completion of the survey only for the purpose of rewarding you for your participation, but will not have access to the survey data you provide. The investigators will collect your *The Sample Network* member ID number and survey data, but will not have access to your identifying information (e.g., name, address, email address). Information collected through your participation may be published in a professional journal, and/or presented at a professional meeting.

If you have questions about this study, please contact MdSanuwar Rashid at mzr0034@auburn.edu, 334-329-4075 or Dr. Wi-Suk Kwon, kwonwis@auburn.edu, 334-844-4011.

If you have questions about your rights as a research participant, you may contact the Auburn University Office of Research Compliance or the Institutional Review Board by phone (334) 844-5966 or e-mail at IRBadmin@auburn.edu or IRBChair@auburn.edu.

HAVING READ THE INFORMATION ABOVE, YOU MUST DECIDE IF YOU WANT TO PARTICIPATE IN THIS RESEARCH PROJECT. IF YOU DECIDE TO PARTICIPATE, PLEASE CLICK ON THE "**NEXT**" BUTTON BELOW.

YOU MAY PRINT A COPY OF THIS LETTER TO KEEP.

MdSanuwar Rashid	9/07/2017
Investigator	Date

Dr. Wi-Suk Kwon	9/07/2017
Co-Investigator	Date

The Auburn University Institutional Review Board has approved this document for use from_____ *to*_____**. Protocol #** _____.

NEXT

APPENDIX B

PRE-TEST QUESTIONNAIRE

[The following questions are participant screening questions to assure their eligibility to participate.]

What is your gender? □ Male □ Female

To which of the following age group you belong?

- Below 18
- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65 or older

Which Country do you currently live in?

- Brazil
- Canada
- India
- Russia
- South Africa
- USA
- UK
- OTHER (Please specify:)

Next

[Information letter will appear on this page if the respondent meet the screening criteria.]

Next

Direction: On each of next three pages, you will be given a description about a consumer product brand. Please read the description carefully for each brand and answer the questions that follow about the described brand.

Please note that the brands described on next three pages are DIFFERENT BRANDS from one another.

Next

The following is an excerpt taken from a part of a newspaper article about a consumer product brand (named "*Brand A*" here to protect its identity). After carefully reading this excerpt, please respond to the questions that follow.

[Participants will be given either of the following two articles, randomly assigned]

Brand A produces the majority of its products through manufacturing facilities of its contractors in developing countries to minimize the production cost. *Brand A* is a market leader in many of its product categories in the United States in both its sales as well as its brand recognition by U.S. consumers. Further, it markets its products globally across 78 countries including those in Europe, Asia, Central and South Americas, and Africa. *Brand A* has been placed within top 100 brands in the global market consistently for over two decades, according to Brand Intelligence, a brand power monitoring agency.

Brand A produces the majority of its products through manufacturing facilities of its contractors in developing countries to minimize the production cost. *Brand A* is a small brand which was introduced to the market 10 years ago. Although it has been steadily gaining popularity among certain consumer groups in the United States, it is still far from being recognized nation-wide by U.S. consumers from all generations and markets. It has never marketed its products in any other countries besides the United States."

Please indicate your level of agreement with each of the following statements regarding *Brand A* described above based on what you just read.

	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
This brand would be one of the biggest brands in the marketplace.	1	2	3	4	5
The supply network of this brand is very broad and strong.	1	2	3	4	5
A big portion of U.S. consumers would buy from this brand.	1	2	3	4	5
This brand has strong presence in many countries.	1	2	3	4	5

If you read this, check the "Agree" button.	1	2	3	4	5
This brand would be one of the top brands in the U.S. market.	1	2	3	4	5

Next

The following is an excerpt taken from a part of a newspaper article about a consumer product brand (named "*Brand B*" here to protect its identity). After carefully reading this excerpt, please respond to the questions that follow.

[Participants will be given either of the following two articles, randomly assigned]

Labor Behind the Label is an anti-sweatshop campaign group that works to improve labor conditions and empower workers in the global garment industry and produces bi-annual "Action Updates" reporting on companies that use sweatshops in developing countries. *Brand B* was accused of using sweatshops in four of the five bi-annual reports produced by *Labor Behind the Label* for the past 10 years.

Labor Behind the Label is an anti-sweatshop campaign group that works to improve labor conditions and empower workers in the global garment industry and produces bi-annual "Action Updates" reporting on companies that use sweatshops in developing countries. *Brand B* was accused of using sweatshops in one of the five bi-annual reports produced by *Labor Behind the Label* for the past 10 years.

Please indicate your level of agreement with each of the following statements regarding *Brand B* described above based on what you just read.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
I think sweatshop use is a frequent occurring problem for this brand.	1	2	3	4	5
The recent sweatshop allegation reported above seems to be an expected event for this brand.	1	2	3	4	5
If you read this, check the "Disagree" button.	1	2	3	4	5
This brand has been accused repetitively of sweatshop use.	1	2	3	4	5

Have you heard about the campaign group named *Labor behind the Label* before taking this survey?

1. Yes
2. No

Direction: In each line, please choose a button that best reflects your evaluation.

I think the campaign group Labor behind the Label is

Bad	1	2	3	4	5	Good
Negative	1	2	3	4	5	Positive
Unfavorable	1	2	3	4	5	Favorable
Unlikable	1	2	3	4	5	Likable

Next

The following is an excerpt taken from a part of a newspaper article about a consumer product brand (named "*Brand C*" here to protect its identity). After carefully reading this excerpt, please respond to the questions that follow

[Participants will be given either of the following two articles, randomly assigned]

In response to *Labor Behind the Label*'s recent report of *Brand C*'s sweatshop use, the brand denied the existence of sweatshop practices in manufacturing facilities in developing countries and claimed that its code of conduct requires all suppliers to comply fully with all local laws. The brand's Chief Operating Officer claimed, "in spite of our keenness to understand the substance of the allegation, we did not receive any contact or complaint from the Vice President for Compliance of the alleged manufacturing facility, so we assume that it was just one of many unauthentic allegations."

Labor Behind the Label is an anti-sweatshop campaign group that works to improve labor conditions and empower workers in the global garment industry and produces bi-annual "Action Updates" reporting on companies that use sweatshops in developing countries.

In response to *Labor Behind the Label*'s recent report of *Brand C*'s sweatshop use, the brand urged its subcontractors to bear the responsibility of labor rights violation and claimed that its Code of Conduct requires all suppliers to comply fully with all local laws. The brand's Chief Operating Officer claimed, "a contractor sometimes hires another sub-contractor with poor working condition, to produce part of the order received from us; thus, labor rights violation may happen without our knowledge."

Labor Behind the Label is an anti-sweatshop campaign group that works to improve labor conditions and empower workers in the global garment industry and produces bi-annual "Action Updates" reporting on companies that use sweatshops in developing countries.

Please indicate your level of agreement with each of the following statements regarding *Brand C* described above based on what you just read.

	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Agree
This brand did not make any response to the reported sweatshop allegation.	1	2	3	4	5
This brand denied the validity of the reported sweatshop allegation.	1	2	3	4	5
This brand denied that their products were produced at a sweatshop.	1	2	3	4	5
This brand concedes the possibility of sweatshop practice.	1	2	3	4	5
If you read this, check the "Strongly Disagree" button.	1	2	3	4	5
This brand acknowledges a possibility of some of their products being produced at a sweatshop but denied their responsibility for it.	1	2	3	4	5
This brand made an excuse that the sweatshop practice of their production facilities was not their fault.	1	2	3	4	5
This brand admitted their responsibility for their subcontractors' use of sweatshops.	1	2	3	4	5

Next

Which of the following topics was discussed in the description of the brand that you just read?

□ Animal rights violation
□ Sweatshop practice
□ Retail environment

Next

What is your gender? □ Male □ Female

What is your age? _____

To which of the following ethnic groups do you consider yourself to be a member?

□ AMERICAN INDIAN/ALASKAN NATIVE
□ ASIAN/PACIFIC ISLANDER
□ HISPANIC
□ BLACK, NON-HISPANIC
□ WHITE, NON-HISPANIC
□ OTHER (Please specify:)

What is your highest level of education you have completed?

□ 8TH GRADE OR LESS
□ SOME HIGH SCHOOL
□ HIGH SCHOOL DIPLOMA
□ SOME COLLEGE OR TECHNICAL SCHOOL
□ COLLEGE DEGREE (4 YEARS)
□ SOME GRADUATE SCHOOL
□ GRADUATE DEGREE (MASTER'S, DOCTORATE, ETC.)

If you are employed, under which of the following groups does your current occupation fall?

□ Professional or technical (for example, accountant, artist, computer specialist, engineer, nurse, doctor, teacher)
□ Manager or administrator (non-farm)
□ Sales worker (or example, insurance salesperson, real estate salesperson, sales clerk, stockbroker)
□ Clerical worker (for example, bank teller, bookkeeping, office clerk, postal worker, secretary, teacher's aide)

 Craftsworker (for example, baker, carpenter, electrician, foreman, jeweler, mechanic, plumber, tailor)

 Machine operator or laborer (for example, bus driver, conductor, factory worker, truck driver)

 Farmer, farm manager, or farm laborer

 Service worker or private household worker (for example, barber, bartender, cook, firefighter, police officer, waiter)

 Military
 Homemaker

 Unable to work

 Retired

 Other (Please specify:)

In which geographic region of the United States do you reside?

 Midwest (IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI)

 Northeast (CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT)

 Southeast (AL, AR, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV)

 Southwest (AZ, NM, OK, TX)

 West (AK, CA, CO, HI, ID, MT, NV, OR, UT, WA, WY)

What is your annual family income?

(1) $25,000 and below
(2) $25,001 - $50,000
(3) $50,001 - $75,000
(4) $75,001 - $100,000
(5) $100,001 - $125,000
(6) $125,001 - $150,000
(7) $150,001 - $175,000
(8) $175,001 - $200,000
(9) $200,001 and over

Next

We would like to thank you for taking the survey.

APPENDIX C

MAIN EXPERIMENT QUESTIONNAIRE

[The following questions are participant screening questions to assure their eligibility to participate.]

What is your gender? □ Male □ Female

To which of the following age group you belong?

- Below 18
- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65 or older

Which Country do you currently live in?

- Brazil
- Canada
- India
- Russia
- South Africa
- USA
- UK
- OTHER (Please specify:)

Next

[Information letter will appear on this page if the respondent meet the screening criteria.]

Next

The following is an excerpt taken from a newspaper article about a consumer product brand (named "*Brand A*" here to protect its identity). After carefully reading this excerpt, please respond to the questions that follow regarding this brand.

[Participants will be given either of the following two excerpts, randomly assigned]

Brand A produces the majority of its products through manufacturing facilities of its contractors in developing countries to minimize the production cost. *Brand A* is a market leader in many of its product categories in the United States in both its sales as well as its brand recognition by U.S. consumers. Further, it markets its products globally across 78 countries including those in Europe, Asia, Central and South Americas, and Africa. *Brand A* has been placed within top 100 brands in the global market consistently for over two decades, according to Brand Intelligence, a brand power monitoring agency.

Brand A produces the majority of its products through manufacturing facilities of its contractors in developing countries to minimize the production cost. *Brand A* is a small brand which was introduced to the market 10 years ago. Although it has been steadily gaining popularity among certain consumer groups in the United States, it is still far from being recognized nation-wide by U.S. consumers from all generations and markets. It has never marketed its products in any other countries besides the United States."

[Participants will be given either of the following two excerpts, randomly assigned]

Labor Behind the Label is an anti-sweatshop campaign group that works to improve labor conditions and empower workers in the global garment industry and produces bi-annual "Action Updates" reporting on companies that use sweatshops in developing countries. *Brand A* was accused of using sweatshops in four of the five bi-annual reports produced by *Labor Behind the Label* for the past 10 years.

Labor Behind the Label is an anti-sweatshop campaign group that works to improve labor conditions and empower workers in the global garment industry and produces bi-annual "Action Updates" reporting on companies that use sweatshops in developing countries. This is the first time *Brand A* was reported for using sweatshops *by Labor Behind the Label* within the past 10 years.

[Participants will be given either of the following two excerpts, randomly assigned]

In response to *Labor Behind the Label*'s recent report of *Brand A*'s sweatshop use, the brand denied the existence of sweatshop practices in manufacturing facilities in developing countries and claimed that its code of conduct requires all suppliers to comply fully with all local laws. The brand's Chief Operating Officer claimed, "in spite of our keenness to understand the substance of the allegation, we did not receive any contact or complaint from the Vice President for Compliance of the alleged manufacturing facility, so we assume that it was just one of many unauthentic allegations."

In response to *Labor Behind the Label*'s recent report of *Brand A*'s sweatshop use, the brand urged its subcontractors to bear the responsibility of labor rights violation and claimed that its Code of Conduct requires all suppliers to comply fully with all local laws. The brand's Chief Operating Officer claimed, "a contractor sometimes hires another sub-contractor with poor working condition, to produce part of the order received from us; thus, labor rights violation may happen without our knowledge."

Which of the following topics was discussed in the description of *Brand A* that you just read?

- ☐ Animal rights violation
- ☐ Sweatshop practice
- ☐ Retail environment

Direction: We would like to know what you think of *Brand A*. Please indicate your level of agreement with each of the following statements regarding *Brand A* described above based on what you just read.

	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Agree
This brand would be one of the biggest brands in the marketplace.	1	2	3	4	5
The supply network of this brand is very broad and strong.	1	2	3	4	5
A big portion of U.S. consumers would buy from this brand.	1	2	3	4	5
This brand has strong presence in many countries.	1	2	3	4	5
If you read this, check the "Agree" button.	1	2	3	4	5
This brand would be one of the top brands in the U.S. market.	1	2	3	4	5
I think sweatshop use is a frequent occurring problem to this brand.	1	2	3	4	5
The recent sweatshop allegation reported above seems to be an expected event for this brand.	1	2	3	4	5
This brand has been accused of sweatshop use repetitively.	1	2	3	4	5
This brand did not make any response to the reported sweatshop allegation.	1	2	3	4	5

This brand denied the validity of the reported sweatshop allegation.	1	2	3	4	5
This brand denied that their products were produced at a sweatshop.	1	2	3	4	5
This brand concedes the possibility of sweatshop practice.	1	2	3	4	5
This brand acknowledges a possibility of some of their products being produced at a sweatshop but denied their responsibility for it.	1	2	3	4	5
This brand made an excuse that the sweatshop practice of their production facilities was not their fault.	1	2	3	4	5
This brand admitted their responsibility for their subcontractors' use of sweatshops.	1	2	3	4	5
I feel the reason of the sweatshop use explained in the above story was something the brand had control over.	1	2	3	4	5
I think there were actions the brand could take but did not to stop the use of sweatshops.	1	2	3	4	5
I think the brand had control over stopping the use of sweatshops by its subcontracting facilities.	1	2	3	4	5
The use of sweatshops represents something stable and ongoing with the brand.	1	2	3	4	5
A sweatshop use will occur again in the future with this brand.	1	2	3	4	5
This brand has used sweatshops in the past.	1	2	3	4	5
The sweatshop use reported in the above article seems typical of this brand.	1	2	3	4	5
The brand is responsible for the sweatshop use in its subcontracting facility.	1	2	3	4	5
If you are reading this question, please select 'somewhat agreed'.	1	2	3	4	5
The brand should held accountable for the sweatshop use described in the above story.	1	2	3	4	5
The use of sweatshop described above is the fault of the brand.	1	2	3	4	5

I would inform others about this brand's sweatshop use to help them make decisions.	1	2	3	4	5
I would let others know this brand's sweatshop use to warn them not to buy from the brand.	1	2	3	4	5
I would inform others about this brand's sweatshop use to ruin its reputation.	1	2	3	4	5
I would share this brand's sweatshop use with others so that it will lose customers.	1	2	3	4	5

Direction: In each line, please choose a button that best reflects your thoughts and feelings.

I think the brand is:

Negative	1	2	3	4	5	Positive
Favorable	1	2	3	4	5	Unfavorable
Unlikable	1	2	3	4	5	Likable
Bad	1	2	3	4	5	Good

Direction: In each line, please choose a button that best reflects your evaluation.

Please rate your likelihood of **purchasing the products of this brand**:

Unlikely	1	2	3	4	5	Likely
Improbable	1	2	3	4	5	Probable
Impossible	1	2	3	4	5	Possible
Uncertain	1	2	3	4	5	Certain

Direction: In each line, please choose a button that best reflects your evaluation.

Please rate your likelihood of **boycotting this brand**:

Unlikely	1	2	3	4	5	Likely
Improbable	1	2	3	4	5	Probable
Impossible	1	2	3	4	5	Possible
Uncertain	1	2	3	4	5	Certain

Next

Have you heard about the campaign group named Labor behind the Label?

1. Yes
2. No

Direction: In each line, please choose a button that best reflects your evaluation.

I think the campaign group *Labor behind the Label* is:

Bad	1	2	3	4	5	Good
Negative	1	2	3	4	5	Positive
Unfavorable	1	2	3	4	5	Favorable
Unlikable	1	2	3	4	5	Likable

Next

To which of the following ethnic groups do you consider yourself to be a member?

 AMERICAN INDIAN/ALASKAN NATIVE
 ASIAN/PACIFIC ISLANDER
 HISPANIC
 BLACK, NON-HISPANIC
 WHITE, NON-HISPANIC
 OTHER (Please specify:)

What is your highest level of education you have completed?

 8TH GRADE OR LESS
 SOME HIGH SCHOOL
 HIGH SCHOOL DIPLOMA
 SOME COLLEGE OR TECHNICAL SCHOOL
 COLLEGE DEGREE (4 YEARS)
 SOME GRADUATE SCHOOL
 GRADUATE DEGREE (MASTER'S, DOCTORATE, ETC.)

If you are employed, under which of the following groups does your current occupation fall?
 Professional or technical (for example, accountant, artist, computer specialist, engineer, nurse, doctor, teacher)
 Manager or administrator (non-farm)
 Sales worker (or example, insurance salesperson, real estate salesperson, sales clerk, stockbroker)
 Clerical worker (for example, bank teller, bookkeeping, office clerk, postal worker, secretary, teacher's aide)
 Craftsworker (for example, baker, carpenter, electrician, foreman, jeweler, mechanic, plumber, tailor)
 Machine operator or laborer (for example, bus driver, conductor, factory worker, truck driver)
 Farmer, farm manager, or farm laborer

□ Service worker or private household worker (for example, barber, bartender, cook, firefighter, police officer, waiter)

□ Military

□ Homemaker

□ Unable to work

□ Retired

□ Other (Please specify:)

In which geographic region of the United States do you reside?

□ Midwest (IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI)

□ Northeast (CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT)

□ Southeast (AL, AR, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV)

□ Southwest (AZ, NM, OK, TX)

□ West (AK, CA, CO, HI, ID, MT, NV, OR, UT, WA, WY)

What is your annual family income?

(1) $25,000 and below
(2) $25,001 - $50,000
(3) $50,001 - $75,000
(4) $75,001 - $100,000
(5) $100,001 - $125,000
(6) $125,001 - $150,000
(7) $150,001 - $175,000
(8) $175,001 - $200,000
(9) $200,001 and over

Next

We would like to thank you for taking the survey.

APPENDIX D
QUOTA RELATED TERMINATION PAGE

Termination page for respondents who do not meet the screening criteria or exceed the quota

We are sorry, but your responses to the previous questions unfortunately revealed that you do not qualify to participate in this study. Thanks for your interest in this study.

APPENDIX E
ATTENTION CHECK RELATED TERMINATION PAGE

Termination page for respondents who did not answer attention check questions correctly.

Thank you for your interest in this study. However, you are not eligible to continue with this survey because you did not correctly answer one or more of our attention check questions. As explained in the information letter page before beginning the survey, this survey includes several questions to verify that respondents are reading the questions carefully, and a failure to answer correctly one or more of these questions leads to an incomplete termination of the survey participation.

APPENDIX F

IRB APPROVAL FOR PROTOCOL

AUBURN UNIVERSITY INSTITUTIONAL REVIEW BOARD for RESEARCH INVOLVING HUMAN SUBJECTS

REQUEST FOR EXEMPT CATEGORY RESEARCH

For Information or help completing this form, contact: **THE OFFICE OF RESEARCH COMPLIANCE**, 115 Ramsay Hall
Phone: 334-844-5966 **e-mail:** IRBAdmin@auburn.edu **Web Address:** http://www.auburn.edu/research/vpr/ohs/index.htm

Revised 2/1/2014 **Submit completed form to IRBsubmit@auburn.edu or 115 Ramsay Hall, Auburn University 36849.**

Form must be populated using Adobe Acrobat / Pro 9 or greater standalone program (do not fill out in browser). Hand written forms will not be accepted.

Project activities may not begin until you have received approval from the Auburn University IRB.

1. PROJECT PERSONNEL & TRAINING

PRINCIPAL INVESTIGATOR (PI):

Name MdSanuwar Rashid **Title** PhD candidate **Dept./School** CADS

Address 308 Spidle Hall, Auburn University **AU Email** mzr0034@auburn.edu

Phone 334-329-4075 **Dept. Head** Dr. Pamela Ulrich

FACULTY ADVISOR (if applicable):

Name Dr. Wi-Suk Kwon **Title** Professor **Dept./School** CADS

Address 308 Spidle Hall, Auburn University

Phone 334-844-4011 **AU Email** kwonwis@auburn.edu

KEY PERSONNEL: **List Key Personnel (other than PI and FA).** Additional personnel may be listed in an attachment.

Name	Title	Institution	Responsibilities

KEY PERSONNEL TRAINING: **Have all Key Personnel completed CITI Human Research Training (including elective modules related to this research) within the last 3 years?** ☑ **YES** ☐ **NO**

TRAINING CERTIFICATES: **Please attach CITI completion certificates for all Key Personnel.**

2. PROJECT INFORMATION

Title: Consumers' Perceptions on Brands' Supply Chain Management.

Source of Funding: ☑ **Investigator** ☐ **Internal** ☐ **External**

List External Agency & Grant Number:

List any contractors, sub-contractors, or other entities associate with this project.

List any other IRBs associated with this project (including those involved with reviewing, deferring, or determinations).

FOR ORC OFFICE USE ONLY

DATE RECEIVED IN ORC:		by		APPROVAL #	
DATE OF IRB REVIEW:		by		APPROVAL CATEGORY:	
DATE OF ORC REVIEW:		by		INTERVAL FOR CONTINUING REVIEW :	
DATE OF APPROVAL:		by			

COMMENTS:

3. **PROJECT SUMMARY**

a. **Does the research involve any special populations?**

- ☐ YES ☑ NO **Minors (under age 19)**
- ☐ YES ☑ NO **Pregnant women, fetuses, or any products of conception**
- ☐ YES ☑ NO **Prisoners or Wards**
- ☐ YES ☑ NO **Individuals with compromised autonomy and/or decisional capacity**

b. **Does the research pose more than minimal risk to participants?** ☐ YES ☑ NO

Minimal risk means that the probability and magnitude of harm or discomfort anticipated in the research are not greater in and of themselves than those ordinarily encountered in daily life or during the performance of routine physical or psychological examinations or tests. 42 CFR 46.102(i)

c. **Does the study involve any of the following?**

- ☐ YES ☑ NO **Procedures subject to FDA Regulation** Ex. Drugs, biological products, medical devices, etc.
- ☐ YES ☑ NO **Use of school records of identifiable students or information from instructors about specific students**
- ☐ YES ☑ NO **Protected health or medical information when there is a direct or indirect link that could identify the participant**
- ☐ YES ☑ NO **Collection of sensitive aspects of the participant's own behavior, such as illegal conduct, drug use, sexual behavior or use of alcohol**
- ☐ YES ☑ NO **Deception of participants**

If you checked "YES" to any response in Question #3 STOP. It is likely that your study does not meet the "EXEMPT" requirements. Please complete a PROTOCOL FORM for Expedited or Full Board Review.
You may contact IRB Administration for more information. (Phone: 334-844-5966 or Email: IRBAdmin@auburn.edu)

4. **PROJECT DESCRIPTION**

a. **Subject Population** (Describe, include age, special population characteristics, etc.)

The population for both pilot test and main experiment are residents of the U.S. who are 18 years and older.

b. **Describe, step by step, all procedures and methods that will be used to consent participants.**

☐ **N/A (Existing data will be used)**

First, The Sample Network will send their consumer panel members email invitations and online notifications in their portal that contain a link to the survey. When clicking on the link, they will be asked to answer screening questions, and those who meet the screening criteria will then be led to the information letter page, which will provide information about the study and state intent about thier having read the information provided. If the respondents decide to participate, they will be asked to click the "Next" button at the bottom of the page.

c. **Brief summary of project.** (Include the research question(s) and a brief description of the methodology, including recruitment and how data will be collected and protected.)

The purpose of this research is to investigate, using online survey, how consumers perceive a brand's supply chain management practices with varying levels of sweatshop practices. A pilot test survey and the main survey will both use the following steps.
1. Survey participants will be recruited via The Sample Network, a market research firm. The investigators will pay The Sample Network $1.50 per complete pilot test and $2.00 for the main survey. The Sample Network will reward respondents as per its terms agreed by the respondents.
2. The online surveys for both the pilot test and main survey will be created using Qualtrics. It will take approximately 15 minutes to fill out the surveys.
3. After following the procedure to consent participants mentioned in item 4.b above, they will be directed to the survey website. However, participants who do not pass the screening criteria based on their responses to the screening questions and those who do not respond correctly to the attention check questions will be directed to the termination page explaining the reason for termination as soon as the respective questions are answered (see Appendices C.1 and C.2 for the termination pages).
4. The survey questionnaire will contain questions addressing the purpose of the research, several attention check questions and demographic questions (see Appendices B.1 and B.2 for the pilot test and main survey questionnaires, respectively).
5. Breach of confidentiality will not be a risk because the investigators will not collect any identifying information linked to the survey data. The survey data will contain participants' Sample Network member IDs automatically collected via Qualtrics survey URL variations, but the investigators will not have access to any identifiable info associated with these IDs. The investigators will provide these IDs to The Sample Network (without survey data).
6. Data will be collected until the desired sample size is obtained. For the pilot test, the desired sample size is 120 and for the main survey, it is 480. Once the sample size is achieved, the link of the web address to the survey will be removed, and the anonymous data will be analyzed using SPSS and AMOS software.

d. **Waivers. Check any waivers that apply and describe how the project meets the criteria for the waiver.**

- ☐ **Waiver of Consent (Including existing de-identified data)**
- ☑ **Waiver of Documentation of Consent (Use of Information Letter)**
- ☐ **Waiver of Parental Permission (for college students)**

We request to waive documentation of consent because this study will use anonymous survey questionnaires to collect data, and we will use information letters to secure participants' consent for both the pilot test and the main survey.

e. **Attachments.** **Please attach Informed Consents, Information Letters, data collection instrument(s), advertisements/recruiting materials, or permission letters/site authorizations as appropriate.**

Signature of Investigator	MdSanuwar Rashid	Date	9/07/2017
Signature of Faculty Advisor	Wi-Suk Kwon	Date	9/7/2017
Signature of Department Head		Date	