Responses Toward Corporate Crisis
and Corporate Advertising

SOJUNG KIM
The Chinese University of Hong Kong, Hong Kong, China

LUCY JANE ATKINSON
The University of Texas at Austin, Austin, Texas, USA

This article investigates how individual differences affect consumer responses to corporate advertising during a corporate crisis. Study 1, based on qualitative data, showed brand ownership, involvement with the crisis, and news media exposure were important factors in understanding consumer response toward the crisis and the company. Study 2, a survey, empirically demonstrated that prior attitude toward the company was the most critical factor affecting advertising-related behaviors. The study further suggested consumers of the brand were more likely to view the company favorably, to know more about the company, and to be more involved in their following of the crisis.

KEYWORDS corporate crisis, corporate advertising, crisis communication, reactance theory, individual differences, consumer behavior

INTRODUCTION

The Toyota recall crisis started with a single, horrifying car crash in southern California in August, 2009 and grew into the biggest product recall since the 2000 Firestone tire fiasco. The press scrambled to blame Toyota and negative news about the recall dominated the media. Along with these overwhelmingly negative news articles, Toyota’s initial slow response to the incident escalated the public’s rage. Despite Toyota’s efforts to overcome the difficult
situation, this single corporate crisis quickly ruined the company’s long-established positive image and precipitated the collapse of its rock-solid reputation for quality and dependability.

One lesson from this case is that crisis communication is critical to a corporation’s long-term success, yet few studies focusing on its effectiveness have been conducted. Past research has leaned toward a macro approach, presenting crisis communication as a part of the whole crisis management and has favored a public relations perspective. This study, however, takes an advertising-oriented approach and explores how consumers respond to the post-crisis TV commercial that Toyota ran as one of its crisis communication strategies.

Past research has shown the effectiveness of corporate advertising based on inoculation theory; corporate advertising serves as immunization against a future corporate crisis. However, while corporate advertising is used as one of the strategies of corporate crisis communication, researchers know little about its efficacy. Some past studies have shown that corporate advertising has a positive impact on corporate image recovery (Cowden & Sellnow, 2002; Schumann, Hathcote, & West, 1991). Aside from some case studies, however, there has been minimal research into consumer responses to corporate advertising in crisis situations. Reactance theory supports the assumption that consumers are more likely to suspect the organization’s persuasive intent from the ad presented during and/or after the crisis than before the crisis. However, based on other relevant literature, it is also assumed that even though consumers may develop resistance toward the corporation in the crisis situation, the degree of resistance, as well as other consumer behaviors, may be affected by other factors. The purpose of this paper is, therefore, to investigate what and how consumers’ individual differences (e.g., brand ownership, prior attitude toward the company, knowledge about the company, involvement with the crisis, news media exposure) affect the effectiveness of corporate advertising as a means of crisis communication.

Using the case of Toyota’s recall crisis in 2010, this study first conducts a qualitative study (i.e., interviews) to explore what individual factors influence consumers’ perceptions of, and attitudes toward the crisis faced by Toyota, the corporation, and its corporate advertising. It further investigates how individual differences identified from the interviews and the review of relevant literature (i.e., brand ownership, prior attitude toward the company, knowledge about the company, involvement with the crisis, and news media exposure) affect advertising-related behaviors (i.e., attitude toward the ad, attitude toward the company, purchase intention) via a quantitative research approach. In addition, by comparing Toyota owners with non-Toyota owners, this study explores how brand ownership is related to other individual factors. By developing a better understanding of consumer responses
to the Toyota recall crisis, this study provides insights into suitable corporate advertising strategies in a crisis.

THEORETICAL BACKGROUND

Corporate Advertising as Crisis Communication

Corporate advertising is one effective tool for reaching the public and is typically used to build a positive corporate image. However, in a corporate crisis [defined by Seeger, Sellnow, and Ulmer (1998) as “a specific, unexpected, and non-routine event or series of events that create high levels of uncertainty and threaten or are perceived to threaten an organization’s high-priority goals” p. 233], it constitutes more than just image control. Rather, it may become a type of issue/advocacy advertising or special opportunity message that proactively restores a collapsed corporate image. Though such a route is indirect, corporations can affect consumers through the news media/press. It is through the press that consumers generally gather all their information about a crisis and a corporation. In a corporate crisis, the one mass communication tool that corporations can control is corporate advertising. One of the strengths of conventional advertising is its capacity to deliver a direct and specific message to the audience (Smolianov & Alyeku, 2009). Northwest Airlines’ issue advertisements run after the 1998 pilots’ strike or Proctor & Gamble’s corporate advertisements to denounce a rumor about company logo associated with Satanism are good examples of how corporate advertising can serve as an effective communication tool to restore company image under a crisis or negative scandal (see Cowden & Sellnow, 2002; Schumann et al., 1991).

Reactance Theory

Reactance theory posits that people react when their freedom or free will is threatened or eliminated by a social influence or barrier that attempts to bring about change (Clee & Wicklund, 1980). In a marketing context, reactance theory has been observed in consumers’ responses to sales representatives (Reizenstein, 1971; Wicklund, Slattum, & Solomon, 1970), advertisements (Edwards, Li, & Lee, 2002; Koslow, 2000; Robertson & Rossiter, 1974), product availability (West, 1975; Mazis, Settle, & Leslie, 1973; Brehm, 1966), pricing (Wicklund, 1970), and so forth. Explicit persuasive tactics by sales representatives or advertisements lead to rejection by consumers. Likewise, corporate advertising in a crisis may be perceived as an explicit persuasive tactic, leading to consumer resistance. In a crisis, especially, consumers are exposed to considerable negative news about the crisis situation and they
may hold negative attitudes toward the corporation. At that moment, if they see a corporate advertisement the message might not be perceived as truthful or honest.

Factors Influencing the Effect of Post-Crisis Corporate Advertising

Based on reactance theory, then, the possibility of corporate advertising backfiring during a crisis is very real and suggests that consumer resistance could appear in the form of advertising-related consumer behaviors: attitude toward the ad, attitude toward the company, and purchase intention. It should be noted, however, that a crisis is not a simple event, but is, in general, complex and dynamic. A variety of factors including crisis-related (e.g., crisis type, crisis intensity), company-related (e.g., corporate reputation, response to the crisis), media-related (e.g., coverage intensity, the tone of coverage), and individual-related (e.g., prior attitude toward the company, media usage, involvement with the crisis) ones (Wanta, Golan, & Lee, 2004; Payne, 2006; Ritchie, 2004; Pashupati, Arpan, & Nikolaev, 2002; Golan & Wanta, 2001; Kiousis, Bantimaroudis, & Ban, 1999; Pearson & Clair, 1998; Keown-McMullan, 1997; Takeshita & Mikami, 1995; Siomkos & Kurzbard, 1994; Anderson, 1981; Mowen, Jolly, & Nickell, 1981; Mowen, 1980) are involved in a crisis and can influence consumers’ feelings of, perceptions of, and attitudes regarding the crisis, the corporate ad, and the company. Despite the importance of these factors in examining the effectiveness of corporate advertising in a crisis, to the authors’ knowledge, there has been minimal research conducted on factors affecting consumer response toward corporate advertising during a crisis. As the first three categories (crisis-, company-, and media-related factors) cannot be controlled in this real-world case study of the Toyota recall crisis, the focus of this study is on the last category, individual differences.

STUDY 1

Study 1 explores how individual differences are related to consumer responses to the Toyota crisis, to the company, and to its corporate advertising during a crisis, by conducting in-depth interviews with car owners. These results informed the second quantitative study.

Method

Participants

As this study focuses on consumers’ perceptions and attitudes toward the Toyota crisis, and its post-crisis corporate advertising, participants were recruited from general consumers who have a car, and because the purpose of
this study was to investigate consumer responses to the Toyota crisis, Toyota ownership was taken into account when selecting participants. Using purposive sampling, four informants were recruited, two of whom drive Toyotas and two of whom drive other brands of cars. The informants include: Mark, who has Honda Accord and is a white male more than 40 years old; Bill, who drives a Ford, is an African-American male aged 34; Anne, a white female over 70 years old who owns a 1995 Toyota; and Christine, a white female, older than 40 who drives a 2001 Toyota convertible. All participants were middle class and lived in a large Southwestern city.

**INTERVIEW**

The semi-structured interview was conducted with a set of questions designed to explore perceptions and attitudes toward the Toyota crisis, the company, and its corporate advertising. Interviews were conducted in April, 2010, with three interviews taking place at the informants’ home and one taking place at the first author’s office. Interviews lasted about 45 to 60 minutes and were recorded for data analysis purposes. Participants were asked what they thought about Toyota before and after the crisis, what they thought about the crisis and Toyota’s response to the crisis, and how much the crisis mattered to them. After viewing Toyota’s post-crisis corporate advertisement, perceptions and attitudes to the ad, and purchase intention were also gauged. Additionally, questions regarding their news media consumption and perception of news media credibility were included in the interview.

**DATA ANALYSIS**

For coding and analyzing qualitative data, the general procedures of grounded theory (Corbin & Strauss, 2008) were followed. First, interview transcripts were read through and coded, yielding four broad categories: crisis-related, media-related, individual-related, and consumer-response related. The crisis-related category included perceptions of the crisis and perceptions of Toyota’s response to the crisis. News media exposure, perception of news media credibility, and exposure of news media about the crisis constitute the media-related category. For the individual-related category, Toyota ownership, prior attitude toward Toyota, and crisis involvement were included. The last category, consumer responses included three specific categories: response to Toyota’s TV commercial, attitude toward Toyota, and purchase intention. Next, the data were analyzed across all cases to identify similarities and differences in perceptions and attitudes toward the crisis, the company, and its corporate advertising. This provided further insight into issues concerning consumer response to corporate crisis and corporate advertising.
TABLE 1 Relationship Between Toyota Ownership and Consumer Responses

<table>
<thead>
<tr>
<th>Toyota ownership</th>
<th>Response to the crisis</th>
<th>Attitude to Toyota</th>
<th>Purchase intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes (Anne / Christine)</td>
<td>More sympathetic to Toyota</td>
<td>Still positive</td>
<td>Probably yes if it is fixed/Yes</td>
</tr>
<tr>
<td>No (Mark / Bill)</td>
<td>More disappointed with/critical of Toyota</td>
<td>Became negative</td>
<td>No</td>
</tr>
</tbody>
</table>

Findings

RELATIONSHIPS BETWEEN INDIVIDUAL DIFFERENCES AND THEIR RESPONSES

Based on analysis of the depth interviews, important individual differences emerge. Toyota ownership, involvement with the crisis, and news media exposure are related to responses regarding perception of the crisis, attitude toward Toyota, and purchase intention. Surprisingly, Anne and Christine, both of whom drive Toyotas, were not highly involved in the crisis. They both reported the crisis did not matter a great deal to them. They also did not get much news information about the crisis. Current Toyota ownership combined with relatively low media use suggests a fairly low level of crisis involvement, resulting in a more generous response and more sympathetic feelings toward Toyota. Despite the crisis, Anne and Christine held positive attitudes toward the company, and consequently, showed willingness to purchase another Toyota in the future. On the other hand, Bill, who did not currently own a Toyota but expressed interest in buying one in the near future, was highly involved in the crisis. His potential Toyota ownership combined with fairly high media exposure about the crisis resulted in high involvement with the crisis itself and, as a result, negative attitudes toward the brand. Mark, who did not own a Toyota, showed similar responses in

TABLE 2 Relationship Between Crisis Involvement/News Media Exposure and Consumer Responses

<table>
<thead>
<tr>
<th>Crisis involvement</th>
<th>News media exposure</th>
<th>Response to the crisis</th>
<th>Attitude to Toyota</th>
<th>Purchase intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low (Anne / Christine)</td>
<td>Less (Anne / Christine)</td>
<td>More sympathetic to Toyota</td>
<td>Still positive</td>
<td>Probably yes if it is fixed/Yes</td>
</tr>
<tr>
<td>High (Bill)</td>
<td>More (Bill)</td>
<td>More disappointed with/critical of Toyota</td>
<td>Became negative</td>
<td>No</td>
</tr>
</tbody>
</table>
TABLE 3 Attitude Toward Post-Crisis Corporate Advertising

<table>
<thead>
<tr>
<th>Participant</th>
<th>Response to the crisis</th>
<th>Attitude to Toyota</th>
<th>Purchase intention</th>
<th>Attitude to the ad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne</td>
<td>More sympathetic to Toyota</td>
<td>Still positive</td>
<td>Probably yes if it is fixed</td>
<td>Negative</td>
</tr>
<tr>
<td>Christine</td>
<td>More sympathetic to Toyota</td>
<td>Still positive</td>
<td>Yes</td>
<td>Positive</td>
</tr>
<tr>
<td>Mark</td>
<td>More disappointed with/critical of Toyota</td>
<td>Became negative</td>
<td>No</td>
<td>Positive</td>
</tr>
<tr>
<td>Bill</td>
<td>More disappointed with/critical of Toyota</td>
<td>Became negative</td>
<td>No</td>
<td>Negative</td>
</tr>
</tbody>
</table>

terms of the perception of, attitude to the crisis and the company, however, he was not highly involved in the crisis nor did he consume much news information about the crisis. His lack of involvement in the crisis meant his pre-existing negative opinion of the company did not change and he remained uninterested in buying a Toyota car in the future, not because of the crisis, but because of his philosophy of consumption, that being patriotic means consuming American products. Table 1 and Table 2 show where the participants are categorized.

RESPONSES TOWARD CORPORATE ADVERTISING

Unexpectedly, attitude toward the corporate ad was not related to aforementioned individual differences and other consumer responses such as attitude to the company or purchase intention (see Table 3). Of the four informants, two of them had positive impressions of the ad. Christine, who drives a Toyota, and Mark, who prefers American-made cars, reported the ad was effective. It did not, however, alter pre-existing attitudes toward the brand. Mark, who is not interested in buy a foreign-made car, was not persuaded to change his mind by viewing the ad, even though he liked it. Bill and Anne had negative responses to the ad and gave it little weight as an effective piece of corporate communication.

Discussion

Analysis of the data suggests three individual factors affect consumer responses: Toyota ownership, crisis involvement, and news media exposure. Of the three individual factors, Toyota ownership is the most notable in terms of consumer responses. Both Toyota owners showed more sympathetic feelings about the corporation and the crisis, and displayed a greater willingness
to buy another Toyota despite the crisis. It suggests Toyota consumers may have established a strong relationship with the brand throughout their brand ownership. As a product category, cars, unlike shampoo or juice, tend to be high involvement, enduring products. Cars are often used for their functional benefits, such as for daily transportation, but cars also frequently reflect an owner’s identity. Drivers may form close bonds with their cars over the course of several years. In times of product-related crisis, then, drivers may be hard-pressed to sever this relationship. They may go so far as to attribute some blame to the brand for any transgressions, but breaking off the brand relationship entirely is difficult.

A second suggestive finding is that individual differences seem to matter more when it comes to consumer attitudes toward the company and the crisis, rather than the decision to purchase the afflicted brand. Purchase intention, rather, is influenced by a greater variety of factors. For example, the interviews with Mark and Bill suggested another perspective from which to assess the effect of a corporate crisis on purchase intention. The crisis significantly changed Bill’s perception of and attitude toward Toyota and, consequently, eliminated his initial willingness to purchase a Toyota for his future car. However, for Mark, the crisis was just an opportunity to change his perception of Toyota as a quality company, and purchase intention was not affected at all because he was not interested in buying a foreign brand car. Even if the crisis had never happened, Mark would never consider Toyota as his next car. For Mark, his other personal traits, such as a strong sense of patriotism, may be a more powerful driving force when it comes to buying a car.

All told, it seems that these three individual differences are related more to attitudinal outcomes rather than behavioral outcomes. Collecting more information through additional interviews might suggest other personal factors that could influence purchase intention. In addition, the authors assumed that attitude toward the ad would be affected by aforementioned individual differences as attitude toward the company is affected by the individual factors. Unexpectedly, the findings failed to show the effects of the individual differences on attitude toward the corporate ad. To validate the exploratory results and dig into the unexpected findings, the following quantitative study was conducted.

**STUDY 2**

Based on a literature review and Study 1’s results, Study 2, using a quantitative approach, investigates empirically the effects of individual differences (i.e., brand ownership, prior attitude toward the company, knowledge about the company, involvement with the crisis, and news media exposure) on advertising-related behavior (i.e., attitude toward the ad, attitude toward the
Building Hypotheses

Based on the results of the study 1, Toyota ownership appears to be the most critical factor affecting consumer response to a corporate crisis. This finding can be explained by ownership effect. According to mere ownership effect (Beggan, 1992), a brand’s current owners are likely to differ from non-owners. Physical possession of the brand may generate greater liking, familiarity, knowledge, and involvement with the brand. Since possession is a form of extended self (Belk, 1988), Toyota owners may be more generous and forgiving regarding a negative corporate incident than would non-owners be. Based on the findings from Study 1 and the ownership effect from past research, the following is formulated:

H1: Toyota ownership is positively related to a) attitude toward the ad,
    b) attitude toward the company, and c) purchase intention.

Furthermore, past literature suggests that an individual’s prior attitude toward a corporation plays a role in consumer responses toward corporate advertising in a corporate crisis. A study by Pashupati et al. (2002) examined how corporate image advertising inoculates audiences that resist negative news about a corporation. The finding, however, suggests that corporate advertising does not play a role in inoculating consumers. Instead, in Pashupati et al.’s study, it was participants’ prior attitudes that were found to be the most important factor in forming their attitudes toward a corporation when exposed to a negative news story. In fact, it affirmed the impact of individuals’ pre-crisis attitudes toward a corporation on their post-crisis attitudes. In turn, if consumers had favorable attitudes toward a corporation before a corporate crisis, they were likely to maintain their positive attitudes even after being exposed to the negative news story under the crisis situation. This consistently maintained positive attitude toward a corporation will positively affect advertising-related consumer behaviors. Thus:

H2: Prior attitude toward Toyota is positively related to a) attitude toward the ad,
    b) attitude toward the company, and c) purchase intention.

According to the persuasive knowledge model (Friestad & Wright, 1994), when consumers are exposed to an agent’s (advertiser, corporation) persuasion attempt, they are likely to fall back on their knowledge of persuasion: persuasive knowledge, topic knowledge, and agent knowledge. This latter type, agent knowledge, refers to general knowledge or schemas about marketing agents. Along with the two former types, it is a critical factor in
determining how consumers respond to marketing efforts (e.g., corporate advertising during a crisis).

In the context of a charity advertisement, for instance, agent knowledge positively influences a donor’s intentions by affecting guilty arousal (Hibbert, Smith, Davies, & Ireland, 2007). Similarly, in the context of a corporate crisis, when consumers are exposed to corporate advertising, consumers may use their knowledge about the corporation to determine the sincerity of its message. That is, the knowledge, or schemas about advertisers activated from consumer memory provide better standards in evaluating a persuasive message and consequently drive positive advertising-related consumer behaviors. Therefore:

\[ H3: \text{Knowledge about Toyota is positively related to a) attitude toward the ad, b) attitude toward the company, and c) purchase intention.} \]

In addition, individual crisis involvement may be related to the intensity or severity of a crisis or to the volume of news media consumption. The more highly involved someone is in the crisis, the more likely they are to search information regarding the crisis, and consequently the more likely they are to perceive the crisis as severe. The relationship between crisis involvement and other consumer behavior (e.g., news media consumption, perception of a crisis) explains the possibility of a negative effect on ad-related consumer behaviors. That is, it is assumed that the highly involved consumers may feel stronger reactance toward a corporation’s persuasion than would less involved consumers. Therefore, the following is formulated:

\[ H4: \text{Involvement with Toyota crisis is negatively related to a) attitude toward the ad, b) attitude toward the company, and c) purchase intention.} \]

In a corporate crisis, the media are one of the most powerful and important parties that respond. The media are usually proactively involved in the crisis by virtue of deciding how to cover it. The crisis can remain a small incident or be turned into a severe crisis depending on how the media deal with it (Keown-McMullan, 1997). After all, the media are the main influence on public opinion in a crisis. Hence, it can foster negative public opinion about the company or help restore the organizational image by rebuilding positive public opinion. That is, consumer perception of a crisis is affected by the salience of the issue and the evaluative tone formed by the news media (Wanta et al., 2004; Sheafer, 2007). However, it is important to note that different individuals use media differently. The uses and gratifications perspective argues that media effects are not entirely the same for the whole public. Rather, individuals seek media according to their motivations and purposes (Rubin, 2002) with heavy media users, for example, being more likely to be susceptible to media effects than light media users. Such
differences in media usage can affect consumer perception of a corporate crisis. Thus:

\[ H5: \text{Exposure to news media is negatively related to a) attitude toward the ad, b) attitude toward the company, and c) purchase intention.} \]

Study 1 found that the most significant factor influencing other individual factors including involvement with the crisis and news media exposure was brand ownership, consequently affecting consumer response to a corporate crisis. Surprisingly, those least involved with the crisis were Toyota owners (Anne, Christine); more involved in the crisis was a non-Toyota owner (Bill). Likewise, it was found that while the Toyota owners were less exposed to the news media about the crisis, the non-Toyota owner showed a more tendency to expose himself to the news media.

Such findings fly in the face of previous ones that demonstrated physical possession of a brand’s product may produce greater involvement with the brand (Beggan, 1992). To resolve this inconsistency, this paper investigates the following research question:

\[ \text{R1: How do other individual factors (i.e., prior attitude toward Toyota, knowledge about Toyota, involvement with Toyota crisis, and news media exposure) differ between Toyota owners and non-Toyota owners?} \]

Method

SAMPLE AND PROCEDURES

Data were collected from a convenience sample of 343 communication students at a university in the Southwest via an online survey. After missing data were deleted, a total of 301 participants were used for the study. Although the population of college students is not representative of the general population, the high percentage of car ownership among participants (92.1%) validates the sample for this exploratory study. More important, as potential consumers in the near future, this group of young adults represents a critical consumer segment, one that Toyota ought to build and maintain a long-term brand relationship with rather than targeting for short-term sales. Thus, the insights offered by this group will have meaningful managerial implications.

The sample consisted of 23% males and 77% females. More than half (63.6%) were white, 3.5% were African American, 12.5% were Hispanic, 17.2% were Asian, and 3.2% self-designated as other. About 90% of the subjects own a car and among these respondents, 18.4% owned a Toyota themselves with another 38.2% indicated someone in their immediate family owned a Toyota. About a third, or 34% of the subjects, reported having seen the Toyota TV commercial embedded in the survey.
OPERATIONAL MEASURES

The questionnaire consisted of three sections: individual differences, responses toward the Toyota TV commercial, and personal information. First, the study measured individual differences including the degree of exposure to news media, prior attitude toward Toyota, knowledge about Toyota, involvement with Toyota crisis. The degree of exposure to news media was assessed based on previous research (Tsfati and Cappella, 2005). It was calculated by summing the number of days of exposure to each news media outlet (i.e., national TV news, cable TV news, local TV news, daily newspapers, online news articles, etc.) in the previous week. The prior attitude toward Toyota was measured with a 6-item semantic differential (bad/good, unappealing/appealing, unpleasant/pleasant, unattractive/attractive, boring/interesting, dislike/like) (Bruner, 1998). Knowledge about Toyota was assessed based on a subjective knowledge measurement of a 5-item Likert-type scale (Lee, 2004; Alba & Hutchinson, 1987); I know pretty much about the Toyota recall crisis, I do not feel very knowledgeable about the Toyota recall crisis, Among my circle of friends, I am one of the experts on the Toyota recall crisis, Compared to most other people, I know less about the Toyota recall crisis, and When it comes to the Toyota recall crisis, I really don’t know a lot. To tap into the concept of involvement with the crisis, a 5-item semantic differential (important/unimportant, irrelevant/relevant, means a lot to me/means nothing to me, matters to me/doesn’t matter, of no concern/of concern to me) adapted from McQuarrie and Munson (1992)’s scale was employed. The second part of the survey investigated consumer responses toward Toyota’s corporate advertising and was measured after respondents were shown a clip of an ad Toyota aired during the crisis. Attitude toward the ad and the corporation were assessed on a scale from Bruner. Purchase intention was also measured on a 3-item semantic differential; “How likely is it that you would consider purchasing a car from Toyota next time you purchase a car?” (unlikely/likely, definitely would not/definitely would, improbable/probable) (Till & Busler, 2000). Upon completion of the survey, participants were asked about Toyota ownership. Toyota ownership, in this study, was operationalized as self-ownership as well as family member ownership. As the rate of self-ownership was low, family member ownership was also included as Toyota ownership in the data analysis (1 = None of the family members including yourself owns Toyota, 2 = Anyone in your family including yourself owns Toyota). This last section also measured demographic information.

Results

RELIABILITY TESTS

Reliability tests showed that all measured variables were reliable: prior attitude toward Toyota ($\alpha = .95$), knowledge about Toyota ($\alpha = .91$),
involvement with the crisis (α = .90), attitude toward the ad (α = .95), attitudes toward the company (α = .97), and purchase intention (α = .96).

HYPOTHESES TESTS

To test the proposed hypotheses, a series of three multiple regression analyses were conducted using the statistical software SPSS. In each regression, all five independent variables were added as a single block as predictors of a) attitude toward the ad, b) attitude toward the company, and c) purchase intention.

For the first regression (see Table 4), attitude toward the ad was significantly affected only by prior attitude toward Toyota, supporting H2a, while attitude toward the ad was not significantly predicted by any of the following: Toyota ownership, knowledge about Toyota, involvement with Toyota crisis, and exposure to news media, not supporting H1a, H3a, H4a, and H5a.

As presented in Table 4, the five independent variables were inserted as predictors of attitude toward the company in an additional multiple regression. The results indicated only prior attitude toward Toyota had an effect on attitude toward Toyota, supporting H2b. The other four variables inserted as predictors of attitude toward the company in an additional multiple regression was not found to be significant, disconfirming H1b, H3b, H4b, and H5b. Lastly, a third multiple regression was performed to test the relationships between the all independent variables and purchase intention. As shown in Table 4, the results showed that purchase intention was affected

<table>
<thead>
<tr>
<th>Attitude toward the ad</th>
<th>Attitude toward the company</th>
<th>Purchase intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>β</td>
<td>t</td>
<td>β</td>
</tr>
<tr>
<td>Brand ownership</td>
<td>.01</td>
<td>.17</td>
</tr>
<tr>
<td>Prior attitude toward the company</td>
<td>.29</td>
<td>4.46***</td>
</tr>
<tr>
<td>Knowledge about the company</td>
<td>-.04</td>
<td>-.66</td>
</tr>
<tr>
<td>Involvement with the crisis</td>
<td>.05</td>
<td>.77</td>
</tr>
<tr>
<td>News media exposure</td>
<td>-.02</td>
<td>-.39</td>
</tr>
<tr>
<td>Overall Model</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F = 6.07***</td>
<td>F = 46.28***</td>
<td>F = 37.85***</td>
</tr>
</tbody>
</table>

Note. ***p < .001. **p < .01. *p < .05.
by Toyota ownership, prior attitude toward Toyota and knowledge about Toyota, confirming H1c, H2c, and H3c. Involvement with the Toyota crisis and exposure to news media, however, were not significant predictors of purchase intention, not supporting H4c and H5c.

FURTHER ANALYSES

The study conducted a series of independent sample *t*-tests. This aided in analyzing possible differences, regarding the other individual factors, between Toyota owners as one group and non-Toyota owners as another group (i.e., prior attitude toward Toyota, knowledge about Toyota, involvement with Toyota crisis, and news media exposure). As shown in Table 5, the results indicated that prior attitude toward Toyota, knowledge about Toyota, and involvement with the Toyota crisis were significantly different between Toyota owners and non-Toyota owners. First, prior attitude toward Toyota was significantly different between the Toyota owners (\(M = 5.89\)) and the non-Toyota owners (\(M = 5.12\)), \(t(299) = 5.96, p < .001\). Second, in their knowledge about Toyota, Toyota owners (\(M = 3.42\)) differed significantly from non-Toyota owners (\(M = 2.64\)), \(t(299) = 5.90, p < .001\). Toyota owners (\(M = 5.44\)) also differed significantly from non-Toyota owners (\(M = 4.51\)) in their involvement with the crisis, \(t(299) = 6.23, p < .001\). The results failed, however, to reveal any significant difference between the two groups (\(p > .05\)) in news media exposure.

Discussion

The results of Study 2 support the notion that prior attitude toward the company is one of the most critical factors affecting advertising-related behavior...
during a corporate crisis. This finding is consistent with previous findings: if consumers have favorable attitudes toward a corporation before a corporate crisis hits, they are likely to maintain their positive attitudes even after being exposed to negative news accounts arising from a crisis situation (Pashupati et al., 2002). Consequently, this lingering favorable attitude toward a corporation should reduce resistance to corporate advertising during a crisis. This is meaningful for a corporation for the following reasons. First, it validates a corporation’s efforts (e.g., corporate image advertising, corporate social responsibility, etc.) to build a positive image in normal, non-crisis situations. Second, once consumers have developed positive attitudes toward a corporation, they are more likely to be unswayed by a negative corporate incident. This implies that corporate advertising during a crisis as a means of crisis communication may be more effective to the group of consumers who hold favorable attitudes toward the corporation.

In addition, attention should be paid to the relationship among three factors related to purchase intention: Toyota ownership, prior attitude toward Toyota, and knowledge about Toyota. The study found that, in the pre-crisis situation, the Toyota owners knew more about the company and viewed it more favorably than did the non-Toyota owners. This finding suggests consumer’s brand ownership and/or brand experience may promote favorable brand attitude and greater product knowledge (Kirmani, Sood, & Bridge 1999). On this point, how brand ownership influences consumer responses to a crisis and corporate crisis communication would be another interesting avenue for future research; managerially, this research area should be able to provide segmented communication strategies for brand loyal consumers and the general public.

As with any research study, the present one has its limitations. First, using a real company in the study may cause a problem. Subjects’ memory-based responses on a few questions such as prior attitudes toward Toyota before the crisis threaten measurement validity and reliability. In addition, due to the use of a real company and a real TV commercial, this study could not control consumer’s previous exposure to the ad before the study; 34% of the subjects reported that they had already seen the Toyota TV commercial embedded in the survey. This pre-exposure to the ad may have influenced behavioral outcomes. To address this concern, future research might consider employing a fictitious corporation. Also, this study’s sample was college students; future research might look to extend the findings with a more representative sample.

Another promising avenue for future research, from a managerial perspective, would be to explore the effect of advertising type (e.g., explicit statement vs. implicit statement vs. no statement regarding the crisis; acceptance of the crisis vs. counterargument against the crisis) on the effectiveness of corporate advertising during a crisis. In addition, we might broaden our knowledge about the roles of situational factors in a crisis by investigating
the roles of other external factors in a crisis. These could include company-, crisis-, or media-related factors in the effectiveness of corporate advertising. Finally, this study examined multiple factors using a survey. To increase internal validity and control for other factors, future research could employ experimental studies to explore the effects of a small number of independent variables found to be significant in this study. An experimental method would more appropriately assess the effects of other external factors in a crisis (e.g., corporate reputation, crisis type, etc.). Such a method could manipulate conditions, unlike the survey method, which relies on individual perceptions of the constructs.

CONCLUSION

Underscored by the current state of the world economy, being able to manage a corporate crisis is pivotal to a corporation’s long-term success. Systematic and efficient crisis communication is central to successful corporate crisis management. The effectiveness of crisis communication warrants careful investigation and assessment. The uniqueness of this study is that it examines corporate advertising as a strategy for responding to a corporate crisis. While successful crisis communication is of growing importance in today’s ever-changing corporate world, little research has examined the effectiveness of corporate advertising as a channel of corporations’ direct communication to consumers. The present study investigated how consumer responses toward corporate advertising in a crisis situation are affected by individual differences: brand ownership, prior attitude toward the company, knowledge about the company, involvement with the crisis, and news media exposure. The study suggests that consumer resistance to corporate messages in a crisis might be softened by nurturing—before a crisis ever occurs—positive consumer attitudes toward the company. Furthermore, such attitudes could help in the rebuilding process after a corporate image has imploded. Further research on the role of brand ownership/brand experience in a crisis is needed to produce targeted crisis communications.

REFERENCES


Lee, B. K. (2004). *The effects of product knowledge on product memory and evaluation in competitive versus non-competitive ad context: Within the item-specific and relational processing framework* (Doctoral dissertation). The University of Texas at Austin, Austin, TX.


