ORGANISATIONAL RESPONSE TO CRISIS:
An Investigation of Australian Consumers’ Purchase Intentions

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ABSTRACT

The financial and practical implications of an organisational crisis remain a potential threat to the future viability of organisations involved in a crisis situation. In light of crisis events, organisations are encouraged to generate effective contingency plans that reduce, or eliminate negative repercussions. These plans often include the role of public relations and the implementation of appropriate crisis response strategies. This paper outlines a research study that investigates consumers’ purchase intentions post-organisational crises. This will be achieved by means of an experimental study assessing the effects of a selected organisational crisis, and five alternative organisational responses strategies, on Australian consumers’ subsequent purchase intentions. The research will measure participant’s perceptions of (a) organisational responsibility for the crisis, (b) impression toward the organisation post crisis and response, (c) degree of trust in the organisation, and (d) ultimately purchase intentions. As a result a path model depicting consumers’ evaluation processes post organisational crisis will be derived. The paper discusses the theoretical and practical elements employed in the study.

1. INTRODUCTION

In recent years a large number of newsworthy, high profile and negative events have centred on the post-crisis actions of organisations from around the world (Coombs, 2004). Examples include the collapse of energy giant Enron (2001), the deadly salmonella outbreak resulting from consumption of Gariboldi smallgoods (1995), and the lengthy delay of compensation for victims of exposure to asbestos, suffered by past workers of building giant James Hardie (2001 - 2007). A more recent organisational crisis example is the scandal surrounding beverage manufacturer Ribena. In March, 2007 the organisation was found to have misled the public with claims their product contained considerably high levels of Vitamin C, an endorsement that was not supported by scientific testing (Burke, 2007). Events such as these have sparked a great deal of public interest and, consequently, have resulted in serious outcomes for the organisations involved (Coombs and Holladay, 1996). An ‘organisational crisis’ is defined as “…an unexpected, non-routine event that creates uncertainty by threatening an organization’s viability,” (Dean 2004 p. 192). In recent years the financial implications of such crises have escalated in severity for organisations (Coombs, 2005). The field of ‘Crisis Management’ (CM) focuses specifically on the study of these events (organisational crises) and how organisational response, or lack of, influences post-crisis outcomes. CM research has shown that the role of crisis communication, the effort to effectively respond to an event, is critical to the outcome of a crisis for an organisation (Coombs, 1995, 1998, 1999, 2004; Coombs and Holladay, 1996, 2002; Ihen, 2002; Lee, 2005).

This paper aims to outline briefly a research study being conducted in the area of public relations and crisis communication. Upon completion, the research will be submitted as partial fulfilment of the Bachelor of Commerce (Honours) program at the University of Adelaide. The research will investigate the role of crisis communication in times of organisational crisis. This will be achieved by assessing the respective effects of selected crisis response strategies relevant to a serious organisational crisis on Australian consumers’ subsequent purchase intentions. The study will in part replicate research conducted by Lee (2005) in Hong Kong where local consumers’ purchase intentions were quantified using similar methodology; her research is invaluable as it provides a sound conceptual framework and validated measures for the dependent variables tested in this local study. Upon completion, the study will broaden the scope of knowledge in the area of organisational crisis management. Additionally, the study may also serve to support the findings of Lee (2005) which remains one of few CM studies to have assessed the effect of alternate crisis response strategies on consumer purchase intentions. This proposed study will provide marketers with an insight into how current and prospective consumers assess the actions of organisations in times of crisis. Ultimately this will be of great value to the field of CM.
2. LITERATURE REVIEW

2.1 Public Relations and Crisis Communication

CM literature identifies public relations as a vital tool for organisations involved in an organisational crisis (Dean, 2004; Coombs, 1995, 1998, 2004; Coombs and Holladay, 1996, 2002; Ihen, 2002; Winokur and Kinkead 1993). Public relations is defined as the management of communication between an organisation and the public (Grunig and Hunt 1984.). Over the years many public relations strategies have been developed around the management of organisational crises (Coombs, 1995) with a number of these clustered together to form a sub-set of public relations, commonly known as crisis communication. Crisis communication is defined as an effort to effectively respond to a situation that threatens an organisation’s future viability (Ihen, 2002). When a crisis threatens the viability of an organisation the literature suggests that crisis communication assume strategic importance (Benoit and Czerwinski, 1997;; Coombs, 1995, 1998, 2004; Coombs and Holladay, 1996, 2002). For this reason crisis communication is often considered a critical aspect of CM.

Organisations that become involved in a crisis will typically experience negative publicity (Dean, 2004). One of the main implications of negative publicity is damage to an organisation’s reputation (Lee 2005). In the past, damage to a firm’s reputation has been linked to a negative impact on consumer’s impression, trust and social expectations of an organisation (Coombs and Holladay, 1996; Lee, 2005). Consequently, this impact may cause financial repercussions that subsequently threaten an organisation’s survival (Coombs and Holladay, 1996). Lee (2005) is one of few researchers to have examined the effects of organisational crises on consumer purchase intentions. From her research she was able to develop a conceptual model which outlined a consumer’s evaluation process of an organisational crisis based on the independent variables of causal attribution, crisis seriousness and an allocated response strategy. By manipulating the independent variables Lee (2005) was able to illustrate that consumer perceptions of organisational responsibility, trust and impression are all influenced and shape whether or not consumers will support a corporation by purchasing their products and services in the future (Lee, 2005).

2.2 Crisis Seriousness and Casual Attributions

The more serious a crisis is perceived to be, the more involved a consumer will be in the crisis (Lee, 2005). Involvement has been explained as the level at which an individual is aroused, interested or evoked by a particular stimulus or situation (Mitchell, 1979). Consumer involvement must be considered when dealing with a crisis due to evidence which indicates that highly involved consumers are more likely to act upon negative images of an organisation (Coombs, 2004; Coombs and Holladay, 2002; Lee 2005). One action which can impact organisational viability is the refusal to consume products and services offered by an organisation (Lee, 2005). Evidence has also shown that crisis seriousness influences involvement by evoking long term effects in consumers which includes the generation of negative emotions (Lee, 2005). In the past, it has been shown that negative emotions towards an organisation causes consumers to rule out an organisation’s product and services from its consumption list (Coombs 2002; Coombs and Holladay 1995; Ihen 2002; Lee, 2005). These reasons all suggest that a serious crisis has the ability evoke a high level of perceived personal relevance, and in turn involvement, in consumers (Lee, 2005). For this reason, one must consider crisis seriousness when evaluating the effects of a crisis.

2.3 Crisis Type

In the past, crisis managers have found the task of implementing effective crisis response strategies quite difficult (Coombs, 1999). The literature identifies a wide variety of crisis types as one major reason for this problem (Coombs, 2004; Coombs and Holladay, 1996; 2002; Lee, 2005). A crisis type is defined as a frame used to guide the interpretations of crisis events (Coombs, 2004). As of extensive research into crisis types
Coombs and Holladay (2002) have identified three different clusters of crises based on attributions of responsibility. The three clusters were identified as victim crises, accidental crises, and preventable crises. The crises are based on minimal (victim crises), moderate (accidental crises) and strong (preventable crises) attributions of responsibility (Coombs and Holladay, 2002). Many sources within the literature identify the role of attributions as pivotal to the evaluation of crisis events (Coombs, 2004; Lee 2005; Coombs and Holladay, 2002). This is due to evidence which suggests that high levels of organisational responsibility can increase the chance of the public developing, and acting upon, negative images of the organisation (Coombs and Holladay, 1996).

2.4 Crisis Response

"Corporate managers will, at some time in their careers, experience a corporate crisis where their company's share value, reputation, or even the lives of their employees will depend on their actions"


Crisis response is defined as the effort to re-establish institutional and actional legitimacy by reducing, or eliminating, reputational damage (Boyd, 2000; Coombs and Holladay, 1996; Hearit 1994). By conveying information to stakeholders crisis response strategies can help minimize the negative implications of a crisis for an organisation (Coombs and Holladay, 1996). A number of sources emphasize the importance of crisis response in executing effective CM strategies (Barton 1993; Coombs, 1995, 1998, 1999, 2004; Coombs and Holladay, 1996, 2002; Ihen, 2002; Lee, 2005; Winsor 1988, 1990; Williams and Treadaway 1992). Horsley and Barker (2002) suggest that response strategies are significant in times of crisis due to an ability to directly influence public perceptions of an organisation. Response strategies must be selected in accordance with the public’s perception of organisational crisis responsibility (Coombs 1995, 1999; Ihen, 2002, Lee, 2005). This is due to evidence which has shown that public perceptions of responsibility can indicate the degree of damage a crisis poses to an organisation (Coombs, 2004; Coombs and Schmidt, 2000).

In an extensive study of the literature Benoit (1995) and Allen and Caillouet (1994) comprised a list of over 30 different possible crisis communication strategies which have been used by management in times of crisis. This was consolidated into seven clusters of response strategies by Coombs (1998). The consolidated responses include attack, denial, excuse, justification, ingrati ation, corrective action and full apology. These responses are outlined in greater detail in appendix 1 (Coombs, 1998). Many recent studies have been based on the work of Coombs (1998) using this consolidated group of responses (Coombs, 1999, 2000, 2004; Coombs and Holladay, 2002; Ihen, 2002; Dean, 2004, Lee, 2005).

2.5. Attributes Theory and Crisis Responsibility

Public perceptions of crisis responsibility will impact how an organisation chooses to respond to a crisis (Coombs and Holladay, 1996; 2002). Research suggests that as perceptions of responsibility increase so does the threat of damage to an organisation’s reputation (Benoit, 1995). Therefore, Coombs and Holladay (2002) suggest that crisis managers utilize response strategies that are in accordance with the public’s perceptions of crisis responsibility (Lee, 2005). Attribution Theory is one way managers can assess consumers’ perceptions of crisis responsibility (Ihen, 2002). Attribution Theory asserts that people will make judgments, or attributions, about the causes of events, especially when the event is unexpected and generates negative outcomes (Coombs, 2004). When the public attributes crisis responsibility a negative image of the organisation will develop (Coombs and Holladay, 1996). Consequently, the public will act upon this negative image which can result in serious implications for an organisation, such as damage to reputation (Coombs and Holladay, 1996). The relationship between attributions of crisis responsibility and the threat to reputation have been documented across a range of crisis types. These include product tampering, human error accidents, organisational misdeeds, and natural disasters (Coombs 2004; 1998, 1999, Coombs and Holladay, 1996, 2001; Coombs and Schmidt, 2000).
2.6 Impression

One implication of responding to a crisis is the potential to impact the public’s impression of an organisation (Lee, 2005). Consumer impression towards the organisation is defined as “…the overall, immediate, and external perception of an organisation,” (Sherman, 1999. p. 371). Lee (2005) examined the relationship between attributions of responsibility and impression in her research and concluded that organisations who become involved in a crisis and denote an acceptance of crisis responsibility in their responses were found to generate greater positive effects on impression than those which do not (Lee, 2005).

2.7 Trust

Research has shown that the overall impression towards an organisation can affect consumers’ trust in the organisation and the products and services which they produce (Engel, Blakwell, and Miniard, 1995; Lee, 2005). The research of Chatterjee and Chaudhuri (2005) illustrated that a trusted brand was retrieved from memory at greater ease for consumers’, consequently creating a learning impediment against other competitive brands. This suggests that brands that enjoy higher levels of trust are more quickly and easily recalled by consumers.

2.8 Purchase Intentions

The consumption of organisational products and services generate revenue which is imperative to the survival of an organisation (Lee, 2005). For this reason, organisations must deliver successful crisis response strategies which encourage consumers to interact with the organisation after a crisis has occurred. One way the impact of an organisational crisis can be assessed is by evaluating consumer purchase intentions (Lee, 2005). An evaluation of consumers’ purchase intentions generates valuable information allowing management to determine the future profitability and viability of the organisation (Morisson, 1979). Consumers’ self reported intentions have been used widely in academic and commercial research due to the fact they have been found to represent accurate proxies of behaviour (Chandon, Morwitz, and Reinartz, 2005). Specifically, the role of consumer purchase intentions has been widely studied due to an ability to forecast the adoption of new products and, more importantly, the repeat purchase of existing ones (Jamieson and Bass 1989).

*Reasoned Action Theory* asserts that one’s attitude is a key determinant of one’s behavioural intention (Fishbein and Ajzen, 1975). In considering this Lee (2005) has identified that consumer purchase intentions are influenced by an impression toward the organisation, a cognitive-perceptual component of attitude, and trust in the organisation, an affective component of attitude. *Reasoned Action Theory* also identifies that the immediate antecedent of actual behaviour is the intention to perform the behaviour (Fishbein and Ajzen, 1975; Sheppard, Hartwick, and Warshaw, 1980). There has been a substantial amount of research undertaken on behavioural intention in regards to consumer’s purchase decisions (Fishbein and Ajzen, 1975; Lee, 2005; Sheppard, Hartwick, and Warshaw, 1980). Findings thus far indicate that behavioural intention is linked more highly to actual behaviour than beliefs and feelings (Fishbein and Ajzen, 1975; Lee, 2005; Sheppard, Hartwick, and Warshaw, 1980). These findings, therefore, re-enforce the concepts of *Reasoned Action Theory* and suggest that consumer purchase intentions directly impact whether or not a product is actually purchased by consumers. Lee (2005) remains one of few researchers to assess the effects of crisis response efforts on future purchase intentions. Therefore, additional studies on the effects of crisis response must be undertaken to ensure the validity of results these results, provide a greater insight into the area and consequently, allow for greater reliability amongst inferences to the general public.

2.9 Gaps in the Literature

A number of significant gaps have been identified in the existing literature. One example is the lack of research into the evaluation of consumer purchase intentions after an organisation publicly responds to a crisis.
event (Coombs, 2004; Coombs and Holladay, 2002; Lee, 2005). Addressing this shortcoming in an Australian context, the proposed study seeks to make a contribution to the existing literature. Lee (2005) has consolidated the concepts discussed in section two to develop a conceptual model which assess the impact of crisis responses on consumer purchase intentions. While quantitative research conducted by Lee (2005) proved to statistically support the conceptual model several discrepancies of the study exist and should be addressed in future research. These discrepancies, or gaps, stem from limitations which have also been identified in a number of CM studies (Coombs 1995, 1999, 2004; Coombs and Holladay, 1996, 2002; Lee, 2005). Two major gaps include the use of student samples and the collection of data from one specific cultural context.

Despite a number of significant CM studies in the past two decades, a large proportion of these have utilized undergraduate university/college student samples (Coombs, 1995; 1998; 1999; 2004; Coombs and Holladay, 1996; 2002; Lee, 2005). There is argument to suggest that research which utilizes student samples weakens the results of findings by compromising external validity (Coombs and Holladay, 1996). This is especially the case for studies which use an experimental design such as Lee (2005) (Coombs and Holladay, 1996). For this reason the established conceptual model (2005) could be questioned due the fact that a large proportion of undergraduate students were used in the sample from which her model was established. Therefore, it is suggested Lee’s (2005) study be replicated to include the use of a general population sample which is not restricted to a large proportion of student participants.

A number of studies conducted outside of the United States have shown that different relationships exist between crisis variables than those previously established by research which utilized North American participants (Lee, 2001, 2004, 2005). The literature suggests that inconsistencies arise when studies are completed in different cultural contexts (Lee, 2005). For this reason, one may face some scrutiny in using Lee’s (2005) model to make inferences on those who belong to a cultural context outside of Hong Kong. Finally, the literature has established that a great number of crisis response strategies and situations exist (Allen and Caillouet, 1994; Benoit, 1995; Coombs and Holladay, 2002). Those which have not yet been studied should be explored in order to gain a better understanding of crisis communication and make sufficient contributions to the literature.

2.10 Conceptual model for consumer’s evaluation process of an organisational crisis

The proposed research aims to largely replicate the study of Lee (2005) by assessing the effects of established crisis response strategies on consumers’ perceptions of organisational responsibility, subsequent degree of trust in, and impression of, that organisation. However, the proposed study will aim to address the limitations outlined in Section 2.9 whilst adapting the research to accommodate the time constraints associated with a study of this magnitude. Figure 1 outlines the model which is hypothesised. A serious crisis will be used due to focus group findings which indicated that a serious crisis is likely to increase participant involvement in stage 2 of the research.
3. RESEARCH OBJECTIVES

Based on identified gaps in the literature, the following research question is posed:

“What effect does an organisation’s response to a crisis have on consumers’ future purchase decisions?”

In order to answer to this question, the proposed research will be guided by the following objectives.

1. To quantify the effect of tested organisational responses to a stipulated crisis on consumers’ perceptions of organisational responsibility, subsequent degree of trust in, and impression of, that organisation.

2. To quantify the nature of any relationships between these dependent variables and consumer future purchase intentions relevant to the organisation.

The proposed study also aims to contribute to the field on Crisis Management knowledge by addressing the limitations outlined in section 2.9. However this is not one of the main research objectives.

3.2 Hypotheses

Based on the evidence provided in section 2 the following hypotheses have been derived. The hypotheses are illustrated in figure 1.

H1 – Organisational crisis response strategies influence a consumer’s judgment of organisational responsibility for a crisis.

H2 – Judgments of organisational responsibility influences a consumer’s degree of trust in the organisation.
H3 – Judgments of organisational responsibility influences a consumer’s impression of an organisation.

H4 – Organisational impression influences organisational trust.

H5 – Organisational trust influences purchase behaviour.

4. RESEARCH METHODOLOGY AND PRELIMINARY FINDINGS

4.1 Research Design

The questions and objectives of this study will be addressed via exploratory and descriptive research and will be completed in two stages. The first stage is qualitative and consists of two focus groups. The second stage is quantitative and experimental in nature and will use a self-administered questionnaire. Stage one will be used, in conjunction with existing literature, to develop the questionnaire which will be utilised in stage 2.

4.2 Stage 1: Qualitative – Focus Groups

The first stage of the research has already been completed and involved conducting two focus groups. The focus group gathered a small number of research participants together to discuss a number of issues relevant to the second stage of the research. One major advantage of conducting focus groups is that they are conducted in a natural setting, which allows participants to express their ideas and opinions freely, this will provide significantly accurate findings (Neuman, 2006).

4.2.1 Sampling Method

In the second stage of data collection questionnaires will be administered to a general population sample aged from approximately 18 – 70 years of age. For this reason the focus groups also included participants from this age group. Due to the large gap in potential respondent age two focus groups were conducted; one with participants aged 18 – 30 years and another aged 35 – 65 years old. The focus groups were conducted with individuals from diverse, socio-economic backgrounds obtained via a judgement sample. Additionally, it was a priority to ensure that the sample included an equal number of males and females. While a convenience sample, such as the one employed, has limitations, such as the risk that participants will not be representative of the general population, this sampling method is justified in cases of a qualitative and exploratory nature (Neuman, 2006).

4.2.2 Data Collection and Results

Focus groups served three essential purposes:

(1) Determine Crisis Type

Due to time constraints the proposed study will be modify Lee’s study (2005). While the original study rotated two levels of crisis seriousness; the proposed study will only test one level. In order to determine the level of crisis seriousness to be used the focus group participants were presented with three crisis examples to assess, each a different crisis type. The crisis type which evoked the most passionate response from the participants was considered to be the most ideal for the study. The reason for this is that high involvement in the crisis events will most likely lead to a higher level of involvement in the questionnaire (Mitchell, 1979), which is essential to establish reliable data. The focus group participants identified that the preventable crisis type generated the greatest involvement.
“I tend to pay more attention to a crisis when I know the organisation could have taken measures to prevent it from occurring.”

Respondent from focus group 2

(2) Determine Crisis Situation

In order to establish accurate results the crisis situation used in stage two must also evoke a high level of involvement amongst participants. The focus groups helped define crisis situations by discussing a number of different products and services which were relevant to consumers they considered similar to themselves. The purpose of this was to discover products which the general population sample were familiar with. The study by Lee (2005) used a crisis situation involving an airline. It is argued that air travel is not a common amongst the majority of Australian consumers. For this reason, a more generalisable situation is used. The participants indicated that food and beverage items were the most significant to Australian consumers. The literature reviewed for the study indicates that crisis situation such as this has not yet been assessed in terms of consumers’ purchase intentions. Additionally, the importance of brand history was also assessed to determine whether or not brand equity is significant in consumers’ evaluation process after a crisis. As this was the case, a hypothetical crisis will be used to avoid the time constraints associated with gaining ethical clearance to use an established brand to in order to test brand saliency against the participants.

There is no other item that is consumed by almost everyone in the world. [On the consumption of food products]

Respondent from focus group 1

“Organisational history would definitely impact whether or not I purchase from the organisation again after a crisis”.

Respondent from focus group 2

(3) Determine Crisis Responses to Test

As discussed, the literature identifies a number of crisis response strategies (Benoit, 1995; Coombs, 1998). However, due to time and resource constraints it is only feasible in this study to test five crisis responses amongst consumers. In order to determine this the focus group participants were asked to cluster crisis responses by the emotions which they generate. It is important that the responses which are used in this study illicit different levels of emotion. This is in order to illustrate the alternate repercussions amongst crisis response strategies. The focus group findings indicated that the following responses elicited differing levels of emotion; denial, apology, excuse, correction and no comment. The response of ‘denial’ was not tested by Lee (2005), providing an opportunity to contribute to existing knowledge of CM.

“I feel the ‘justification’ and ‘mortification’ responses would illicit the weakest reaction from consumers in times of crisis”

Respondent from focus group 2

4.3 Stage 2: Quantitative – Self Administer Questionnaire

Stage two is experimental in nature and requires participants to complete a self administered questionnaire providing an unbiased account of the selected serious crisis situation involving a hypothetical organisation and providing one of the five crisis response strategies being tested. Following this, respondents will complete question comprised of scales items used to measure perceptions of the dependent variables. Analysis will investigate and quantify any relationships found between the constructs and determine the effects of the various responses on respondent purchase intentions. The same measurement items used by Lee (2005) will
be adapted for the proposed study. The survey will require respondents to indicate their agreement with statements regarding four constructs:

1. Judgments of Organisational Responsibility
2. Judgments of Organisational Impression
3. Judgments of Organisational Trust
4. Intention to Purchase the Product in the Future

The four dependent variables will be measured using the validated nine-point Likert scales employed by Lee (2005). The items comprising each scale are shown in appendix 2.

### 4.3.1 Sampling Methods

Stage two will be completed by utilising a general population sample. Access to the sample will be achieved via snowball sampling. Despite argument that there remains a possibility that sample representativeness is compromised by non-probability sampling; snowball sampling is not uncommon in quantitative studies (Babbie, 2001). Snowball sampling is often considered acceptable when less risky sampling methods are not feasible (Lee, 2005). Due to the time constraints of the proposed research the use of probability sampling is not possible. Additionally, this sampling method is also deemed acceptable when non-probability sampling methods are used for exploratory purposes (Babbie, 2001). As discussed this study is exploratory in nature. Additionally, it will be one of the first studies to explore the simultaneous relationships among various crisis variables and Australian consumer’s evaluation process in a crisis event (Lee, 2005). In order to successfully run a regression analysis a minimum sample of 30 surveys will need to be conducted per rotated crisis response. To increase the validity of data the aim will be to increase the number of responses per cell to 50. Therefore, the total sample size for this research will be approximately 250. By statistical standards this is still a considerably small sample size; however this is in accordance with the time constraints associated with research of this scope. Approximately 30 team leaders from diverse socio-economical backgrounds will be selected to distribute the self-administered questionnaire. The survey will be designed to require no more than 5 minutes of the respondents time and will be returned for data analysis no more than four weeks after the questionnaires are first distributed to the team leaders.

### 4.4 Data Analysis

Analysis of the collected data will be completed by utilising the statistics package SPSS. Factor Analysis, regression analysis and means testing will all be used to statistically assess the outcomes of the research.

### 5. LIMITATIONS

As the case with many research efforts the proposed study includes some limitations. It should be noted that the experimental study restricts the recruitment of participants to convenience and snowball samples. There are a number of limitations associated with the use of snowball sampling (Neuman, 2006). One major limitation of snowball sampling is that there remains the possibility that an isolated group in the community will be under-sampled with the researcher’s extensive contracts and acquaintances being over-sampled. This potential bias leads to a higher probability that biases will also be visible in the social class, educational and income level of respondents (Lee, 2005). Despite this limitation this issue can be addressed. For example, Welch (1975) suggests that the amount of biases in snowball sampling appears to be inversely related to the proportion of the target population interviewed. In the initial stages when the sample is significantly small, the possibility of accessing only those within one small network of the population is large (Lee, 2005). However, as the population grows other networks will probably be found and interviewed reducing the degree of the bias (Welch, 1975).
Another limitation is that the proposed study will only test one crisis type. What participants consider an appropriate crisis response is subject to different crisis types (Coombs and Holladay, 2002). Consequently, one should be cautious in generalising the results of this study to other crisis types. A number of sources in the literature have suggested that different types of crises call for different responses. Although it will not be possible in the proposed study, future studies should test other stakeholders and crisis types in order to contribute to the knowledge of crisis management. To further enhance validity, future studies may also include the analyses of citizens opinions expressed in newspapers, the Internet, and radio programs when an organisational crisis occurs (Lee, 2005).

Additionally, the crisis situation used in stage two of the study will most likely involve a hypothetical brand. The literature suggests that the brand equity which is associated with an organisation’s products and services can impact the way consumers evaluate a crisis (Coombs, 2004). For example, an organisation with a history of crises has been found to experience greater negative effects on impression and trust than an organisation with no history (Coombs, 2004). By not addressing this issue, the study does not take into account the way brand equity is used to assess a crisis.

There are also limitations associated with the use of self-administered surveys. Errors may arise if respondents do not understand the methodology of the questionnaire or the crisis situation. In order to address this, short, simple and non confusing instructions will be provided with the questionnaire. Additionally, the language used in the crisis situation and the questionnaire will also be clear and concise.

While a number of limitations are outlined in this section the aim will be to control or minimise these factors where possible.

8. CONCLUSION

In building upon CM research, the proposed study will test an existing conceptual model and assess whether initial research findings are also applicable to Australian consumers. In doing so, this study will allow for more reliable inferences to be made concerning consumers who belong to more westernized societies (Lee, 2005). Additionally, the proposed study aims to address the limitations of the initial research by using wider range of participant demographics along with testing crisis response strategies and situations which have not yet be employed in research efforts. Finally, in completing the study the call for further research on consumer purchase intentions will also be satisfied. In achieving all of these elements the findings generated from the proposed study will make significant contributions to the field of Crisis Management and Public Relations providing future marketing managers with greater insight into the place of crisis communication in an organisation.
REFERENCES


APPENDIX 1: Crisis Communication Strategies Defined (Adapted from Coombs, 1998)

1. **Attack the accuser**: Management confront the person or group who claims that a crisis exists. This may include a threat to use force (e.g., a lawsuit) against the accuser.

2. **Denial**: Management states that no crisis exists. This may include explaining why there is no crisis.

3. **Excuse**: Management tries to minimize the organisation’s responsibility for the crisis. This can include denying any intention to do harm and/or claiming the organisation had no control of the events that lead to the crisis.

4. **Justification**: Management tries to minimize the perceived damage associated with the crisis. This may include stating there was no serious damage or injuries and/or claiming that the victim deserved what they received.

5. **Ingratiation**: Actions are designed to make stakeholders like the organisation.

6. **Corrective Action**: Management seeks to repair the damage from the crisis and/or take steps to prevent a repeat of the crisis.

7. **Full Apology**: Management publicly states that the organisation takes full responsibility for the crisis and asks forgiveness. Some compensation may be included with the apology.
APPENDIX 2: Scale Items as employed by Lee (2005)

1) Judgments of Organisational Responsibility
   - The organisation should bear responsibility for the crisis
   - The organisation should be blamed for the crisis

2) Judgments of Organisational Impression
   - My impression of the organisation is positive
   - I don’t like the organisation
   - The organisation’s overall image is favourable to me
   - I evaluate the organisation negatively
   - I am disappointed with the organisation
   - I have a negative impression of the organisation

3) Judgments of Organisational Trust
   - I lost my confidence in the organisation
   - The organisation is still trustworthy
   - The organisation is reliable
   - I doubt the organisation
   - I lost my confidence in the organisations product and/or services
   - The organisation’s products and services are reliable
   - I double the quality of the organisation’s products and services

5) Intention to Purchase the Product in the Future
   - I will still consider the organisation’s products when I shop
   - I will hesitate in choosing the organisation’s product when shop
   - How likely you are to purchase from organisation’s again.