

Rumour Outbreak: The Impact of Personal Characteristics on Consumer Decision-Making

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Statement of Authorship and Sources

This thesis contains no material published elsewhere or extracted in whole or in part from a thesis by which I have been qualified for or been awarded another degree or diploma.

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All research procedures reported in this thesis received the approval of the relevant Ethics/Safety Committees.

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14 October 2013

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Statement of Dedication

I wish to dedicate this thesis to my late mother, Mrs Avola Kobinah, who instilled in me the joy of learning, even though she never had any formal education herself. Without her guidance in those days, I would not have gained my primary school education...and I know without that foundation, this thesis would not have been written. Her modest background in the little village of Nkroful, in the Western Region of Ghana, did not hold her back from inspiring each of her children to strive to be their best at all times. She showed me the true radiance of self-sacrifice in order to make way for others.

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Abstract

The purpose of this research was to investigate the effect of brand commitment, personal values and consumer self-confidence on consumer decision-making during the outbreak of rumours in the marketplace. Word-of-mouth communication in the form of commercial rumours, have been of great concern to many marketing practitioners and consumer behaviour experts. This is because an outbreak of rumour tends to have a devastating effect not only on the target company's sales, but also a long-term negative effect on the company's reputation. In some cases, apart from negatively affecting the target products, it also affects other products manufactured by the target company through stimulus generalisation, thereby eroding the company's sales in other products under the same umbrella brand name.

The extant literature tends to attribute this phenomenon to consumers' dissatisfaction with the products, but to date, none of them has examined why in spite of the outbreak of such rumours, some consumers still continue to patronise the targeted brand, while others stop purchasing the target brand immediately after the outbreak of the rumour in the marketplace. Past research indicates that in such situations, the target companies tend to rollout a crises management strategy to counter the effect of the negative rumour by issuing a counter (positive) statement denying the rumour and persuading the affected consumers to rescind their decision and repurchase the target brand. However, it is still unclear why some consumers who initially stop purchasing the target brand change their minds upon hearing such positive messages and repurchase the target brand, but others leave the target brand on a long-term basis inspite of the persuasive strategies the target companies regain lost customers. This post rumour behaviour has also not been empirically explored in the current consumer behaviour literature.

Cognitive dissonance theory, attribution theory and the need for cognition were used to develop the hypotheses. This research examined why personal characteristics such as brand commitment, personal values and self-confidence influence consumers' loyalty to such a target brand. A two-stage field experimental design involving 236 university students was used to test the hypotheses. By using the participants' personal characteristics as the independent variables, Phase 1 investigated why immediately after a rumour outbreak, some consumers switched, but others stayed with the target brand. Phase 2 investigated why some

of those who switched in Phase 1, were later persuaded to return to the target brand by the target company, but others remained unpersuaded. The data obtained were analysed by using, multivariate data analysis techniques.

The results show that the switchers tend to stop purchasing the target brand immediately upon hearing the rumour because their brand commitment is significantly less than the stayers' brand commitment. Also, the switchers have significantly lesser uncertainty avoidance values than the stayers. In addition, although individualism on its own does not have any significant effect on either the switchers' or stayers' purchase quantities, it does have a moderating effect on the relationship between brand commitment and their purchase quantities. Furthermore, the six dimensions of consumer self-confidence have only partial influence on both the switchers' and the stayers' purchase quantities.

Regarding the effect of brand commitment, personal values and consumer self-confidence on the long-term switchers' and swayers' purchase quantities, the results showed that long-term switchers tend to leave the target brand on a long-term basis because their brand commitment is significantly less than swayers' brand commitment. Also, the long-term switchers have significantly lesser uncertainty avoidance values than the swayers. However, individualism as personal values, do not have any significant influence on either long-term switchers' or swayers' purchase quantities. Moreover, the six dimensions of consumer self-confidence have only partial influence on both the long-term switchers' and the swayers' purchase quantities.

The findings of this research contribute to the current consumer behaviour literature by demonstrating that among other factors, consumers' decision to either stay or leave a brand subjected to a commercial rumour attack, is significantly influenced by the consumers' degree of commitment to the target brand, their personal values and their self-confidence. It also, profiles a typical stayer, switcher, swayer and a long-term switcher within the context of a rumour outbreak in the marketplace.

Marketing managers and public relations experts faced with such outbreaks of rumours in the marketplace can use these profiles to segment their markets in order to effectively implement their persuasive marketing strategies to regain customers. Public policy experts willing to implement government policies that have been subjected to such rumour outbreaks can also

utilise these consumer profiles in their efforts to effectively implement government policies when subjected to similar rumours.

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List of Acronyms

CSF	Consumer-Set Formation
FIS	Feeling of Inadequacy Scale
HUA	High Uncertainty Avoidance
IA	Information Acquisition
IMC	Integrated Marketing Communication
LUA	Low Uncertainty Avoidance
MI	Marketplace Interfaces
PK	Persuasion Knowledge
PODM	Personal Outcomes Decision Making
SODM	Social Outcomes Decision Making
WOM	Word-of-Mouth

Chapter 1 - Introduction

1.1 Background and justification of research

The consumer behaviour literature abounds with a plethora of evidence which shows that Word-of-mouth (WOM) communication is considered one of the most important vehicles by which companies disseminate positive information in the marketplace. This is because instead of the information emanating from the target companies or marketers, this positive information tends to be distributed by third parties who are generally not associated with the companies that market the brands in question. Consumers therefore tend to trust such sources more than sources that are directly linked to the marketing company. As such, marketers and public relations practitioners use WOM communication in their efforts to increase awareness and spread vital information such as their value propositions, in order to persuade consumers and increase their revenues. However, sometimes instead of consumers spreading positive WOM information to enhance a company's marketing efforts; they rather propagate negative WOM information in the form of commercial rumours. Commercial rumours are hearsay in the marketplace about goods and services, which are not true, but create doubt in consumers' mind thereby negatively reshaping consumers' attitudes and reducing their patronage of the target products and services (Kimmel & Audrain-Pontvia, 2010). Such negative usage of WOM communication rather goes to dissuade consumers from patronising the target brands, resulting in devastating consequences, such as poor sales figures, tarnished brand image and sometimes, even a complete boycott of the target company's brands.

The literature on consumer behaviour indicates that different consumers behave differently to such negative WOM messages, but it also attributes consumers' behaviour predominantly to the satisfaction-dissatisfaction paradigm (e.g. Anderson 1998; Bowman and Narayandas, 2001; Richins, 1983; Yale, 1987), suggesting that consumers who are satisfied with the target companies' response to the commercial rumour issues tend to stay with the target brands. On the contrary, those who are dissatisfied with the response of the target companies, tend to stop purchasing the target brand. However, a closer examination of how consumers' brand loyalty influences their decision could reveal why

although some consumers are easily persuaded by such rumours, others continue to be loyal to the target brand, leading to their continued patronage of their favourite brands in spite of the ongoing rumour attacks. One can therefore deduce that brand loyalty has some contributing effect to the different behavioural attitudes that different consumers exhibit when subjected to such negative WOM communications.

Brand loyalty occurs when consumers make a conscious evaluation that one brand or service satisfies their needs to a greater extent than others do, and decide to buy the same brand repeatedly for that reason (Hoyer & MacInnis, 2007). According to Hoyer and MacInnis (2007), the effect of brand loyalty is manifested in some consumers as a result of their degree of commitment to the brand, and this comes about because of the positive reinforcement they have experienced by virtue of using the brand over time. This notion of brand loyalty is the behaviourists' school of thought which favours the theory of instrumental conditioning and believes that brand loyalty results from an initial product trial that is reinforced through satisfaction, leading to repeat purchase behaviour.

Cognitive researchers on the other hand, emphasise the role of mental processes in building brand loyalty. They believe that consumers engage in extensive problem-solving behaviour involving brand loyalty and attribute comparisons, leading to a strong brand preference and repeat purchase behaviour. Regardless of the different perspectives taken by these consumer behaviour experts, one common thread that links both theories is that because brand loyal consumers have a strong commitment towards their favourite brands, they are more resistant to competitive efforts and switching than other consumers (Jensen & Hanson, 2006).

With consumers having different degrees of experience with goods and services as result of their different degrees of commitment to the target brand, it is plausible that when negative WOM information in the form of a rumour breaks out in the marketplace, they are likely to react in different ways. The question is how do companies that have been hit with such commercial rumours deal with their continued spread and manage consumers' confidence, as the rumours rapidly erode consumer confidence in the target brand? How do they develop appropriate strategies in order to regain the trust of consumers, since such unfounded rumours tend to diminish their loyalty to the target

brand? Managing the outbreak of commercial rumour in such turbulent market conditions is therefore one of the most challenging tasks that can face marketing managers and public relations practitioners as they attempt to regain the confidence of consumers in such crisis situations. They have to convince current and potential customers that a rumour is not true, and try to reduce the damage done to the target company's reputation. In the current information age, where information is easily created and distributed over the internet, it has become even more critical for companies to implement contingency measures to quickly address such a rumour-outbreak before it negatively impacts on their revenue (Kimmel & Audrain-Pontavia, 2010; Pfeffer Zorback & Carley, 2014). The real challenge lies in convincing current and potential customers that a rumour is untrue, thereby reducing its damage to a company's reputation and the brand's image.

Managing the negative effect of such rumours can be troublesome because commercial rumours tend to be highly persuasive and consumers place great emphasis on them when making purchase decisions (Hoyer & MacInnis, 2010). This situation is exacerbated by the fact that unlike advertising and other forms of communication, neither the timing nor the content of the word-of-mouth (WOM) is under the control of the company or the marketing manager of the target company (Kamins, Folkes, & Perner, 1997). Moreover, negative product information (as opposed to positive product information) is generally perceived as more diagnostic and informative, and weighted more heavily in consumer judgments (Ahluwalia, 2002; Chevalier & Mayzlin, 2006; Herr, Kardes, & Kim, 1991). For example, when consumers are exposed to negative information about a product, they can easily categorise the product as low in quality, but positive or neutral information about a product is less useful, because such features are commonly possessed by high, average and low quality products (Ahluwalia, Burnkrant, & Unnava, 2000; Herr et al., 1991). What this means is that consumers are quicker to *black list* products and services based on negative publicity as compared to remembering and using any positive or neutral publicity on products and services.

According to a study by Harrison-Walker (2001), 90% of unhappy customers will not give repeat business to the company that disappointed them. Each of these people was likely to share their grievance with at least nine other people, and 13 per cent

of these disgruntled customers told more than 30 people of their negative experience. This clearly shows the avalanche effect consumers with negative experiences can cause in the marketplace. With the current information super highway, rumours can even travel exponentially, as consumers are likely to transmit this information on the numerous social network sites such as Facebook, MySpace, Twitter and Instagram. For example, a platform such as Twitter gives access to hundreds of millions of users who have the ability to read negative messages on the network and pass them on (Qualman, 2013). This can exponentially spread the negative information faster than telling friends by traditional WOM communication.

As mentioned above, consumers have a tendency to pay more attention to negative information than positive and relate news of such negative experiences to others, especially if they are considering whether to purchase a new product or service (Buttle, 1998). Furthermore, negative opinions are more likely to be attributed to the product rather than to the transmitter (source of information), giving the opinion more credibility (Mizerski, 1982). In addition, stories about product flaws may be more vivid and accessible from memory during conversations (Folkes, 1988; Herr et al., 1991), facilitating the transmittal of negative information.

Marketing practitioners are concerned about the negative effect of rumours on companies and their products, because an outbreak of rumour not only reduces a company's sales and profitability but damages its hard won reputation and brand image, and can reduce employees' morale (DiFonzo & Bordia, 2000; Kimmel, 2004). For example, when it was rumoured that McDonald's® was using red worms in its hamburgers in the early 1980's in the United States, it affected its bottom line as well as its reputation. This unfounded rumour allegedly led to a staggering 30 per cent reduction in sales in the areas where the rumour was circulated (Tybout, Calder, & Sternthal, 1981; Wilkie, 1994). Another case in point was when there was negative publicity surrounding the presence of mould and bacteria in bottles and cans of Coca-Cola® soft drinks in France and Belgium (Weinberger & Lepkowska-White, 2000). About the same time, it was alleged that Coca-Cola® bottled water in Poland was also contaminated with the presence of mould and bacteria (Weinberger & Lepkowska-White, 2000). These incidents, although not substantiated, adversely affected the target companies. In some

cases, the rumours impact evaluations of the products or services because of the mere fact that consumers attach importance to these messages when processing any other information relating to them. To illustrate this point, Tybout et al. (1981) showed that despite strong assertions by some respondents that they did not believe in the rumour which specified that McDonald's hamburgers contained worms, it adversely affected their purchase intention and evaluation of McDonald's products. Thus, the mere dissemination of negative information can be damaging in itself, as pointed out by Kapferer (1989) and Weinberger and Lepkowska-White (2000).

According to Ferrell and Hartline (2008), 78 % of the consumers in the United States say they avoid certain businesses or products because of negative perceptions about them. Similarly, consumers in other countries are also likely to avoid businesses or products because of negative perceptions. According to one survey, two-thirds of consumers in their 30s and 40s in the United Kingdom boycott brands because of perceived unethical behaviour by manufacturers. A similar study conducted in Australia also revealed that dissatisfied customers told nine people about their negative experience (Widing, Sheth, Pulendran, Mittal, & Newman, 2003). These examples show that when consumers receive negative WOM communications about products, they create unfavourable perceptions about the products, which negatively influence their subsequent purchase decisions.

Considering the amount of money that companies spend in building their image and securing their consumer base, this issue is considered to be of great concern to companies. Even as long ago as 1998, in the US alone, companies spent more than \$9 billion every year in an attempt to burnish their damaged corporate image (Biehal & Sheinin, 1998). This amount could even be higher in current estimations. The effectiveness of these advertisements, which are aimed at reducing the negative impact of the rumours, can therefore be a source of concern, as negative WOM has been shown to reduce the credibility of a firm's advertisement and tends to influence consumers' attitudes toward the target product as well as their intention to buy it (Jones, Aiken, & Boush, 2009; Smith & Vogt, 1995).

Studying the effect of rumour on products, Solomon (2011) observed that with the advent of the internet, negative WOM is even easier to spread online. According to him, many dissatisfied customers and disgruntled former employees have been ‘inspired’ in recent times to create websites just to share their tales of woe with others. For example, a website for people to complain about the Dunkin Donuts chain became so popular that the company had to buy it in order to control the bad press it was generating (Solomon, 2011). Interestingly, this website was created following a complaint from the original owner that he could not get skim milk for his coffee.

The following sections will discuss in more detail the negative impact of rumour, such as, the erosion of brand image and the financial cost that it creates for companies, in order to further build the case for the need to conduct this research. The last section will cover some of the key definitions used in this study.

1.1.1 Negative impact of rumour

When a firm becomes the subject of a rumour, the negative impact can be very severe, as the company’s sales steadily reduce with each twist and turn of the rumour. If an effective crisis management program is not immediately put in place, in the long run, the company could be forced to wind up its business as sales steadily decline. This is precisely what happened, when botulism, a severe and sometimes fatal food poisoning caused by ingestion of food containing botulin, was rumoured to have been found in Bon Vivant™ cans of soup in the US. In the absence of an effective crisis control strategy, this 100-year-old brand went into bankruptcy (Weinberger & Lepkowska-White, 2000), as a result of the continued loss of sales. As already noted, this phenomenon can occur because as more people become aware of the negative stories, some believe them and transmit the information to other customers and potential customers by WOM (Kimmel, 2004). The negative information tends to affect the company’s other products (through stimulus generalisation) as well, even if they were not the subject of the original rumour. In fact, even companies not targeted by the original commercial rumour story but which produce similar products can suffer severe consequences as a result of perceived association. When Proctor and Gamble’s™ Rely™ brand of tampon became the target of commercial rumour, the public apparently generalised the problem to all tampons and

therefore reduced patronage of this product class over an extended period of years (Weinberger & Lepkowska-White, 2000).

Under such a rumour attack, some shareholders lose faith in the company and offload their shares in the companies, thus further reducing confidence in the activities of the target company. This also reduces employees' morale, as the lack of patronage of the company's products tend to demoralise even the most trusted employees (Kimmel, 2004; DiFonzo & Bordia, 2000). A classic case is when Nevada-based AgriBioTech Inc, suffered the negative effects of a cyber-smear campaign. Although the company's fundamentals were sound and analysts' confidence in the company was reportedly high, cyber gossip posted to a Yahoo!™ Finance message board drove the company's stock to close at \$9.75 per share at the time of the cyber gossip, compared to its 52-week high of \$29.50 (Bell, 1999).

1.1.2 Erosion of brand image

A single event, especially one that is potentially dangerous to customers, can wipe out a company's image and negate the goodwill generated over decades of expensive advertising and promotional campaigns. Today, the media can report incidents through television and the Internet faster than ever before. As a result, negative stories receive more attention now than in the past (Ferrell & Hartline, 2008). Sharing similar sentiments, Shang et al. (2006) observed in their study of the value of participation in virtual consumer communities on brand loyalty, that negative messages can hurt brand image. Their study confirmed that the brand image of a company can be adversely affected by rumour to such an extent that some companies may need to redefine their brand image as a result of being negatively impacted by rumour.

1.1.3 Financial cost to companies

As outlined previously, when a company is targeted by rumour mongers, it can severely undermine its financial position as the negative message is passed on from one person to the other. The more the message spreads, the more consumers tend to believe in it (Kimmel, 2004).

Financial losses associated with rumours are even more prevalent in financial markets where most of the transactions are based on speculation. Investigating the effect of rumour on 321 traders and 63 financial journalists from leading banks and financial news providers in the European foreign exchange market, Oberlechner and Hocking (2005) found that traders and journalists rated each other as the most important information source, and that foreign exchange traders and financial journalists engage in a circular pattern of market information processing, in which trading participants and financial news services form an interdependent relationship. According to Oberlechner and Hocking, the advancement in technology such as the effects of the internet, have profoundly changed the nature of reporting and the role of news media in the foreign exchange market. Hence, traders now rate the speed of news and its anticipated impact on other market participants as more important than their perceived accuracy.

The Oberlechner and Hocking (2005) findings indicate that as the speed at which information is circulated has significantly increased over the past couple of decades, with the move into the information age, negative information and in particular rumours, have a chance of propagating very quickly, putting companies and products at significant risk in the marketplace and at times, without any warning. For example, a rumour may only be discovered by the company after it has spread through media outlets, causing destruction that the company has to mend after the fact, by using rumour mitigation strategies, which can be far more challenging than if it had been addressed at an earlier stage.

In his attempt to quantify the financial impact of negative WOM communication on firms' stock values, Luo (2009) found that negative WOM has significant and direct impact on firms' cash flow and stock prices. His investigations revealed that the higher (lower) the historical negative WOM a firm is subjected to, the more (fewer) shortfalls in the firm's future cash flows and stock returns and the higher (lower) the firm's future volatilities. He concluded that on average, an unexpected shock in negative WOM may lead to a drop of \$1.882 million in cash flows for the airline companies studied in the following month, and an accumulated loss of \$8.169 million in the next 20 months.

Luo (2009) justified these findings by arguing on the assumption that if customer equity theory (Adler, 1997) and customer life-time value literature (Petty & Cacioppo, 1979) are reliable, then higher negative WOM would diminish the target firms' intangible assets (which would have a long-term impact on stock prices) and thus generate long-term damaging effects on shareholder value.

Not only will a company suffer from loss of sales of its products and services, but it will also face the added costs of trying to combat the rumour. Companies may need to hire consultants with expertise in risk communication to develop strategies for reducing the negative impact. They may also suffer absenteeism, loss of staff and the costs of training new staff. Furthermore, the numerous added expenses to the company come with no guarantee that the negative impact of the rumour can be reduced. For example, the false rumour that Tropical Fantasy™ fruit punch contained a substance that caused African-American men to become sterile resulted in a 70% loss of sales (Aronson, 1988). Even though the company implemented a strategy to reduce the negative impact of the rumour, it persisted over a very long period of time causing severe financial loss to the company.

1.1.4 Justification for the research

As will be demonstrated in chapter 2, the literature shows that most of the research conducted so far, tends to focus on the dynamics of rumour and how to reduce its occurrence (Bansal & Voyer, 2000; Goldenberg, Libai, & Muller, 2001; Kamins et al., 1997). However, even the few researchers who have endeavoured to investigate why consumers stop patronising a company's products during the outbreak of rumour, do not delve into why some consumers continue to be loyal to the target companies even at the peak of the incidence of the rumour, while others switch to competing products, and others, who initially switch to rival products revert to the original products and companies after some time.

Each year, many companies lose millions of dollars in consumer boycotts as a result of rumour allegations levelled against such companies or their products (Chavis & Leslie, 2008). Despite their undoubted importance, relatively little is known about the negative effect of rumours in the marketplace (Kamins et al., 1997; Weinberger &

Lepkowska-White, 2000). In addition, few consumer research studies examine the factors that influence the transmission of rumours (Kamins et al., 1997; Pendleton, 1998).

One notable exception is the Wangenheim (2005) study which examined data from the telecommunication industry to show that post-switching negative word-of-mouth is propagated more frequently than post-switching positive word-of-mouth communication and that product involvement, market mavenism, perceived risk, and satisfaction with the new provider, are the key factors that motivate consumers to propagate post-switching negative word-of-mouth communication. However, in this study Wangenheim (2005) did not investigate further consumers reaction to the positive information which is usually released by the target company. This study thus provides further insight into consumers' decision making after the release of the positive information.

1.1.5 Definitions relevant for this study

This section explains some of the terms used in this study to enhance the reader's understanding within rumour context.

Commercial rumours are hearsay in the marketplace about goods and services, which are not true, but create doubt in consumers' mind thereby negatively reshaping consumers' attitudes and reducing their patronage of the target products and services.

Word-of-mouth (WOM) is the passing of information from person to person by oral communication. For this study, communication can be face-to-face, electronic or via email, electronic discussion boards, blogs and social network sites such as Twitter and Facebook.

Target brand refers to the brand which is the subject of the rumour allegation.

Company (the terms "company") refers to the organisation delivering a product or service. For the purpose of this study, company is interchangeable with the term "organisation".

Stayers are defined as consumers who continue to patronise the target brand despite the outbreak of the rumour targeting the brand. Stayers are unaffected in the event of an outbreak of rumour towards the brand they usually purchase. They will either maintain the quantity of the product bought after hearing the rumour, or increase their purchase quantity.

Switchers are consumers who change over to a competing brand upon hearing rumour allegations targeted towards a brand they usually purchase. These consumers reduce the quantity or completely stop purchasing the brand they were previously patronising after hearing the rumour, thus showing a negative predisposition towards the target brand.

Swayers refer to consumers who upon hearing a rumour targeting a brand they usually buy, switch to competing brands, but after the firm has put in place a strategy to counter the rumour in the marketplace, they are persuaded to return to the target brand. Their return is usually characterised by an increase in purchase quantity after being persuaded by the positive message put forward by the target company.

Long-term switchers refer to those who in spite of hearing the positive persuasive message from the target company, switch from the target brand on a long-term basis.

1.2 Theoretical model on rumour interception

The purpose of this study was to examine how rumour impacts on consumers' decision in relation to their attitude towards a target brand. It investigated the factors that cause some consumers to stay with a target brand even at the peak of a devastating rumour. It also examined why some consumers switch brands, while others who initially switch brands, eventually return to the target brand.

Following empirical investigation, the study proposed a model of how these factors influence consumers' decision making. By investigating the relevant factors that impact on consumers' behaviour, this study aimed to contribute to the WOM communication literature to enhance our understanding of consumer behaviour during the outbreak of commercial rumours. This will further assist in segmenting the affected

consumers in order to develop more comprehensive and effective rumour management strategies to sustain the target company's sales.

This research operated on the premise that during the outbreak of rumours, consumers would be confronted with cognitive dissonance. In their effort to restore consonance, they would be influenced by characteristics such as their brand commitment, personal values and consumer self-confidence. It was also assumed that, these factors continue to play an important role in consumers' decision making as they attempt to process any persuasive message the company releases in its efforts to retain or resume loyalty to the target brand.

To enhance understanding of the consumer decision processes within the context of a rumour outbreak, a theoretical model was proposed to enable examination of how the dynamic interactions of these factors influence the affected consumers' decision making, in order to study the challenges posed by such rampant outbreak of rumours in the marketplace. However, the objective of this research was not to test this theoretical model, but to use it as a framework to conceptualise the research problem using the interplay of consumers' personal factors and their decision to stay, switch or sway after the outbreak of rumours.

By investigating the factors that impact on consumers' behaviour in such uncertain environments the current study fills a gap in knowledge about susceptibility to the negative effect of commercial rumours within the area of negative WOM communications in particular, and in the consumer behaviour literature as a whole. Figure 1.1 illustrates the relevant interactions of the key variables that come into play when a brand is the subject of a rumour in the marketplace.

Figure 1.1: Variables that come into play during a rumour outbreak situation

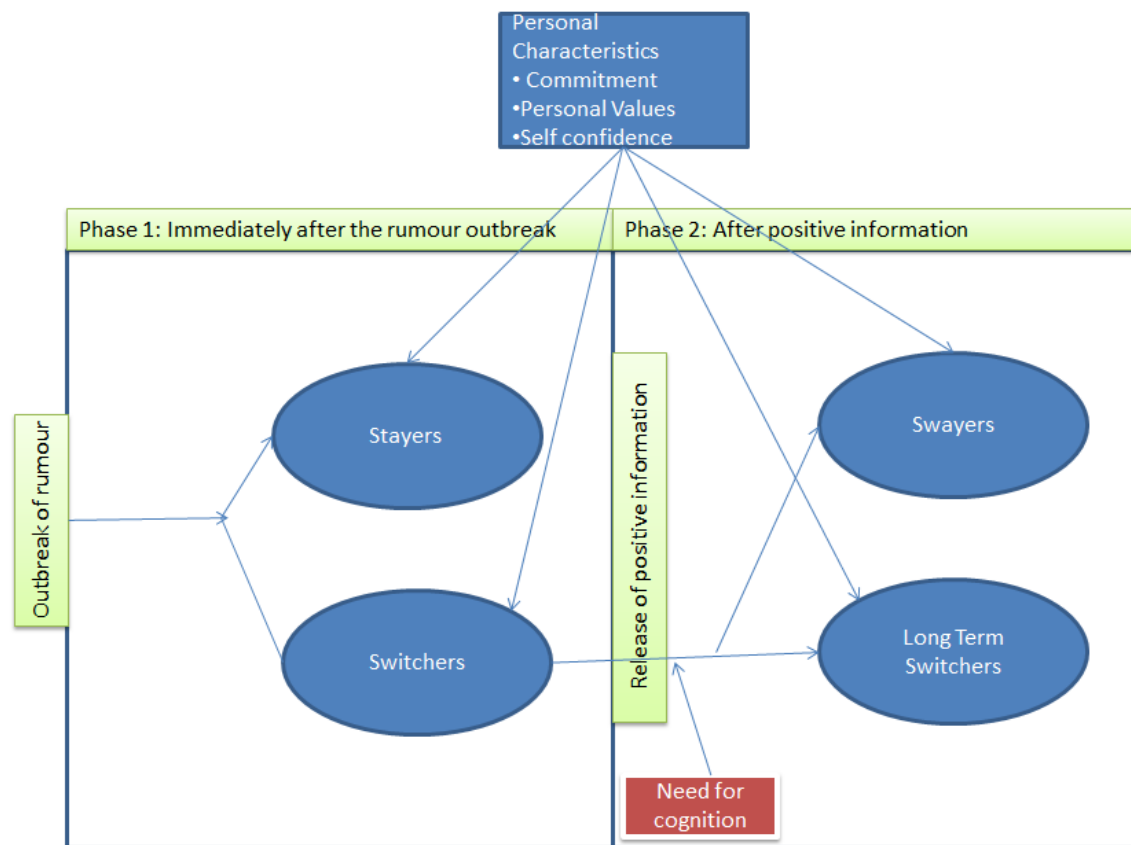


Figure 1.1 illustrates the decision making processes in two main phases. Phase 1 explains consumers' behaviour immediately after the outbreak of the commercial rumour. Phase 2 describes consumers' reaction and decision-making processes after the company has put in place positive information to refute the rumour allegation and persuade the affected switchers to return to the target brand.

According to this model, immediately after the incidence of the rumour, consumers will find themselves in a state of dissonance (Festinger, 1957; O'Neill & Palmer, 2004; Wangenheim, 2005), as they try to come to terms with the rumour message. They will then find ways to re-establish consonance in their perception of the target brand. This model proposes that their decision on whether to stay or switch from the target brand will be determined by how they manage the dissonance as a result of their personal characteristics, such as, commitment to the target brand, personal values and self-confidence.

After the target company has released a positive statement in the second stage, because the switchers reduced or stopped purchasing the target brand, they will be confronted with post-purchase dissonance. This post-purchase dissonance will create further inconsistency in their minds when the target company provides positive information to refute the rumour. To restore consonance, they will continue to rely on their personal characteristics, as they try to deal with the situation. However, because these personal characteristics are further influenced by the switchers' need for cognition, the outcome would be different from that of the first stage. Need for cognition as conceptualised by Cacioppo and Petty (1982) holds that individuals who have a high need for cognition expend more cognitive effort in evaluating messages as they enjoy effortful thinking, whereas those who have a low need for cognition avoid effortful cognitive thinking. Therefore, the switchers who have high need for cognition would process the positive information via the central route of persuasion (Petty, Cacioppo & Schumann, 1983), as their motivation and ability to assess the attitude-object is high, they are likely to change their attitude and sway back to the target brand.

Those who have a low need for cognition on the other hand, will process the positive information released by the target company via the peripheral route of persuasion (Petty et al. 1983), as their motivation or assessment skills are low. Therefore, they are likely to hold on to their negative perception about the target brand and continue to believe in the original message. Their attitude towards the target brand will therefore remain unchanged, making them long-term switchers.

This model operates on the premise that the behaviour of these four groups of consumers – stayers, switchers, swayers and long-term switchers will depend on how they deal with the dissonance created by the rumour, and the subsequent counter-information provided by the target company, as a result of their different personal characteristics.

In summary, the consumer's personal characteristics will determine the likely position they will take in the event of a rumour outbreak and the subsequent refutation by the affected company.

1.2.1 Cognitive dissonance theory

According to the cognitive consistency theory which was originally proposed by Leon Festinger (1957), and expanded by subsequent researchers, (Aronson, 1988; Steele, 1988; Wood, 2000), people tend to strive for coherence and meaning in their cognitions when confronted with ambiguous situations (Solomon, 2011; Taylor, Peplau, & Sears, 2000). This theory proposes that people who have several ideas, beliefs or values that are inconsistent with one another strive to make them consistent. Similarly, if their cognitions are already consistent and they are faced with a new cognition that might produce inconsistency, they strive to minimise that inconsistency by resisting any attempt to change their original position.

This means that people generally tend to resolve any inconsistencies in their beliefs and in the event of an adverse situation; they tend to adhere to their already established personal values. Furthermore, these values will eventually dictate the position they take in times of conflict. In the current study, cognitive consistent theory can be seen to apply, in that, consumers' personal values strongly influence the position they take when confronted with rumour outbreak and the subsequent rumour refutation message.

1.2.2 Attribution theory

As human beings search for order and meaning in situations they come across in their environment, they attempt to explain the causes of the events they observe (Mizerski, Golden, & Kernan, 1979). The quest to know and understand these situations is the focus of attribution theory. Attribution theory proposes that causal analysis is inherent in an individual's need to understand social events (Heider, 1958; Jones & Davis, 1965). However, attribution theory is made up of several theories that share common core assumptions. The seminal concept underlying attribution approaches are found in Heider's (1958) book, *The Psychology of Interpersonal Relations*.

As noted above, most attribution research deals with how people go about forming causal inferences. There are three types of antecedents for causal inferences: motivation, information and prior belief (Kelly & Michela, 1980). The motivational

antecedent argues that protecting one's esteem forms the basis for motivational biases in most attributional research, that is, the tendency to attribute good outcomes to one's self (an internal or dispositional cause) and bad outcomes to external or situational causes.

All of these human tendencies surface in the event of a rumour outbreak and subsequent rumour refutation. This study will attempt to show how this theory compliments others in the understanding of consumer decision making during the outbreak of rumours.

1.2.3 Theoretical assumptions for the model

The model developed in this research has both cognitive dissonance and attribution theories as the underlying framework. Similar theories can be applied in explaining consumer decision making processes when confronted with negative WOM communications (Tybout et al., 1981), information processing (Goldenberg et al., 2001), stochastic cellular automata (Frenzen & Nakamoto, 1993), social exchange/network and planned behaviour (Cheng, Lam, & Hsu, 2006). However, the combined effect of both cognitive dissonance and attribution theories appears to have a greater impact on consumer decision making, particularly when consumers are confronted with situations that entail uncertainty and ambiguity, such as the ones presented by the outbreak of rumours in the marketplace (Bordia, Irner, DiFonzo, & Gallois, 2003).

Attribution theory overtook cognitive dissonance theory in terms of application during the 1990s (Wangenheim, 2005). It was offered as an alternative explanation for some of the phenomena that had previously been explained by cognitive dissonance (Laczniak, DeCarlo, & Ramaswami, 2001). Moreover, because the transmission of negative WOM communication involves interpersonal and informal processes, attribution theory appears to be particularly helpful in understanding a receiver's interpretation of a sender's motives for communicating such information (Hilton, 1995; Laczniak et al., 2001). However, it has also been noted in most consumer behaviour reviews that "the evidence in favour of cognitive dissonance theory in the consumer behaviour literature looks good" (Cummings & Venkatesan, 1976, p.307). Thus, cognitive dissonance theory continues to be seen as one of the most appealing explanations for a number of important marketing phenomena, including, for example, self-prophecy (Spangenberg, 2003).

Assessing the importance of the cognitive dissonance theory, Wangenheim (2005) concluded that most of the alternative theories which are thought to be more effective, tend to somehow draw on cognitive dissonance theory to strengthen their positions.

Cognitive dissonance theory thus remains the single best theory which can account for all the results across many marketing communication studies (Souter & Sweeney, 2003). Nevertheless, in order to strengthen the theoretical framework upon which this study is based, the current research draws on both attribution and cognitive dissonance theories to effectively explain consumers' decision making during the outbreak of rumours.

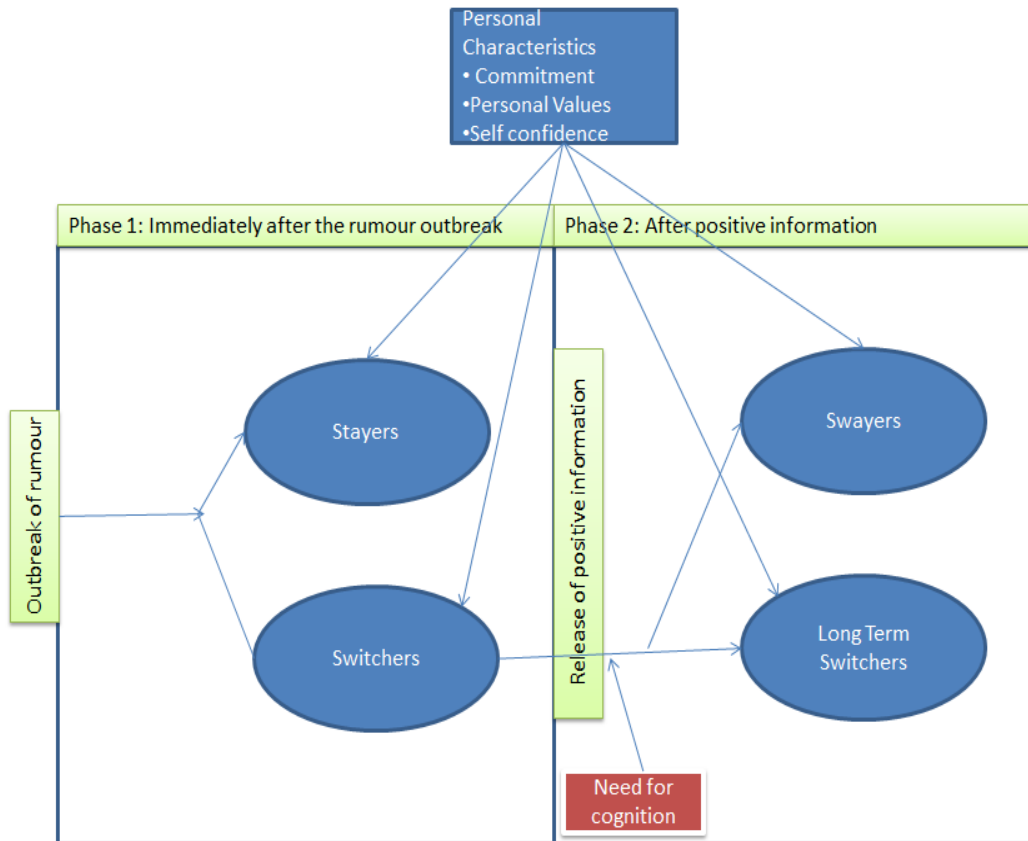
In summary, the theoretical model proposed here, which provided a framework for this study, assumes that the personal characteristics of the consumers play a key part in the position they take in the event of a rumour outbreak or the subsequent positive information released by the target company. It is important to recognise that other factors may contribute to the position taken by consumers (such as consumer's financial position), but the literature shows that personal characteristics are vital in consumer decision making and are therefore worthy of further investigation. Cognitive dissonance and attribution theories are described in the following sections.

1.2.4 Personal characteristics and decision making

Personal characteristics have been identified by many researchers as important factors that influence how consumers process information about products and services (Gounaris & Koritos, 2008; Loibl, Soo Hyun, Diekmann, & Batte, 2009; Nakos & Hadjidimitriou, 2007). In particular, consumer commitment, self-confidence and personal values have been recognised as having a key role to play in the consumer decision making processes (Ingram, Skinner, & Taylor, 2005). Investigating the influence of WOM communications on consumer decision making, Wangenheim and Bayon (2004) observed that the strength of WOM is strongly influenced by the personal characteristics of the communicator. In their investigation of the effect of need for cognition on message evaluation and recall on persuasion, Cacioppo, Petty and Morris (1983) also found evidence supporting the notion that consumers' decision making is strongly influenced by their personal characteristics.

This study therefore investigated the influence of the personal characteristics of consumers towards their decision making in an attempt to understand why some consumers are more susceptible to rumour messages, whilst others are less affected.

Figure 2.2: Variables that come into play during a rumour outbreak situation



1.3 Model phase 1: Immediately after the rumour outbreak

As mentioned above, immediately after the outbreak of a commercial rumour in the marketplace, consumers have one of three options they may choose. They will either stay with the target brand, switch to competing brands, or sway between brands. The model suggests that these decisions are influenced by the consumer's personal characteristics such as commitment to the target brand, personal values and self-confidence.

1.3.1 Brand commitment and consumer decision making

Most of the extant research suggests that consumers who are committed to a particular brand of product would tend to strive to maintain this consistency when faced with an inconsistent message which seeks to convey a contrary perception of the brand. This means that this group of committed consumers would still be inclined towards buying their preferred brand, regardless of the rumour that seeks to dissuade them from purchasing it. This is because this option makes it easier for them to restore consonance, unless the rumour is such that to ignore it threatens them physically or has a severe negative social consequence (Weinberger & Lepkowska-White, 2000). For example, when McDonald's was accused of using worm meat in their hamburgers, even some loyal customers stopped patronising the company's products in the immediate aftermath of the rumour outbreak (Kimmel, 2004).

Also, according to attribution theory (Kelly, 1967) and other studies that deal with WOM communications (e.g. Richins, 1984; Laczniak, DeCarlo & Motley, 2001), one of the important dimensions a receiver of WOM communication (a rumour) is likely to take into account in consumer decision making is their commitment to the brand. These authors argue that a favoured brand is less likely to suffer negative consequences of negative WOM communication, because any information which is not consistent with the consumers' past experience will be deflected away from the target brand. Thus, the negative information will easily be discounted by the consumers who have genuine commitment towards the target brand, in their assessment of the target brand (Hoch & Deighton, 1989). The exception is if there are extreme adverse implications to continuing to patronise one's favourite brand. Consumers who continue to buy the brand are classified as the '**stayers**' in this study.

Consumers who are less committed to the target brand than the stayers are likely to believe the rumour and be persuaded more easily, thereby refusing to purchase it in their attempt to restore consonance. This less committed group tends to argue less in favour of the rumour and are more susceptible to the negative effect of the rumour message. They are therefore likely to switch to a competing brand when they are

confronted with a negative rumour about the target brand. This group of consumers can be classified as the ‘**switchers**’ for the purpose of this study.

Tormala and Petty (2004) found that when a source presents a message with the aim of persuading and changing consumers’ attitudes positively towards a target brand, those who were originally highly committed to the product are likely to continue to purchase the product. However, those who are not committed to the product are more likely to resist this persuasive effort.

To consumers who have less commitment towards the target brand than the stayers, a positive message is incongruent with their initial negative attitude, so they are more likely to resist persuasion, leaving the initial attitude unchanged. Further, according to Tormala and Petty (2004), once the consumer is able to resist such persuasive effort from the source, it can boost the certainty with which the initial attitude is held, thus making that attitude even more resistant to future persuasion and more predictive of the consumer’s behavioural intentions.

These findings appear to be consistent with McGuire’s (1964) classic work on inoculation theory, which demonstrated that exposure to an initial attack, can increase resistance to subsequent attacks. Tormala and Petty (2004) further proposed a meta-cognitive framework to account for their findings. In essence, meta-cognition refers to people’s thoughts about their thoughts, or their awareness of their own cognitive states and processes (Bless & Forgas, 2000; Jost, Kruglanski, & Nelson, 1998). For example, in a series of experiments conducted by Tormala and Petty (2004), participants were presented with a counter attitudinal message and were instructed to counter argue it. They found that even when the participants perceived the message to be strong, they still successfully resisted being influenced by it. This shows that the certainty with which they held their initial attitudes increased (as did future resistance and attitude-behavioural intentions corrections). Therefore the current framework proposes that when people resist persuasion, they can perceive this resistance, reflect on it and form specifiable attribution-like inferences about their own attitudes. Thus, once the consumers have succeeded in resisting the initial persuasion efforts, it reinforces the certainty and consistency with which they hold a counterargument against the persuasive message,

hence, these less committed consumers are likely to end up as **“long-term switchers”** and are unlikely to return to the target brand.

Petty and Cacioppo (1986) also found out that when people are familiar with an object, their initial attitude actively guides the processing of new information about that object. Research subjects have been shown to pay more attention to attitude-consistent information than attitude-inconsistent information (Frey, 1986). People also exhibit a tendency to engage in biased processing by readily accepting attitude-consistent information (Kunda, 1990; Petty & Cacioppo, 1996) and perceiving it as more persuasive than attitude inconsistent information (Edwards & Smith, 1996; Petty & Cacioppo, 1996). Therefore, it would be expected that when consumers originally hold positive attitudes toward a brand, they will exhibit a spill over effect of this attitude-consistent positive behaviour towards the brand when confronted with negative information about that brand.

In summary, consumers who are highly committed to a target brand and are familiar with it would tend not to believe the rumour and are likely to stay with the target brand. Inversely, those who are less committed to and are less familiar with the target brand are likely to be more easily convinced by the rumour message and switch brands.

1.3.2 Personal values and consumer decision making

Personal values have also been shown to influence a wide range of basic psychological processes. In their investigation of cultural values on consumers' decision making, Aaker & Maheswaran (1997), found that individualism-collectivism is perhaps the most central dimension of cultural variability identified in cross-cultural research (Hofstede, 1990), and has received considerable attention in both cultural psychology and marketing literature (Coles, 1996; Segall, Dasen, Berry, & Poortinga, 1990). Briley and Aaker (2006) found that in general, persuasion messages are more compelling to a person if they are compatible to particular cultural values deemed to be important within their culture e.g. the value of harmony among most Chinese ethnic groups.

Studying the effect of cultural values on consumer behaviour, Doney, Cannon and Mullen (1998) found that in groups with Low Uncertainty Avoidance (LUA) cultural

values, conflict is acceptable in business negotiations, and people are willing to risk severing existing relationships. An example of LUA culture is the US where there is greater tolerance of uncertainties and ambiguities within society. People with High Uncertainty Avoidance (HUA) cultural values, are motivated more to maintain existing relationships because they value stability and fear the unknown (Doney et al., 1998). An example of HUA culture is Brazil where there is lesser tolerance of uncertainties and ambiguities than in most Western cultures (Hofstede, 2001).

Drawing from the above assertions about cultural values and their effect on consumers' decision making, it is proposed that when consumers are confronted with rumours, those with HUA cultural values would not change their attitude immediately as they value the bond already established with the target brand or provider. The rumour will, however, immediately trigger the "thought" of severing the relationship with the current provider. This initial thought will generate inconsistency in the mind of the consumer with HUA cultural values but to restore consonance, they are likely to place more emphasis on their existing relationship with the current provider and therefore remain loyal (in this study, a stayer). In contrast, consumers holding LUA cultural values are relatively likely to change their attitude towards the target brand or provider when confronted with rumours, as they place less importance on the bond existing between them and the target company.

On the other hand, individualists attribute success to their own ability while attributing failure to external factors such as task difficulty or bad luck (Heider, 1958; Triandis, 1994). However, those with high collectivists cultural values will place more importance on the bond that has been established between the consumer and the brand or the provider, and would be more likely to stay with the target brand or company than consumers with individualistic cultural values, who would not attach much importance to maintaining the relationship with the brand or company (Ueno & Sekaran, 1992).

1.3.3 Self-confidence and consumer decision making

The different positions taken by the stayers and the switchers as a result of the need to restore consonance will also be influenced by their self-confidence. Consumer self-confidence is defined by Bearden, Hardesty & Rose (2001); Chelminski & Coulter,

(2007b); as the extent to which an individual feels capable and assured with respect to their purchase decisions and behaviours. Similarly, Luce (1994) relates self-confidence to individual's ability to protect themselves from harm under emotional strain and to resist persuasive attempts emanating from others in the marketplace.

Generally, consumers who are high in self-confidence as conceptualised by Bearden, Hardesty and Rose (2001) have a greater ability to acquire and process relevant market information, identify choice alternatives, make satisfying choices, elicit positive reactions regarding purchases from sellers and function effectively in the exchange process by protecting themselves from being misled or treated unfairly in the marketplace. Also, those who are more self-confident are likely to believe that others think well of them and hence would tend to be less concerned with social rejection than those who are less self-confident. Investigating the components of self-confidence and their effect on consumer decision making, Bearden, Hardesty and Rose (2001) observed that because consumers who are more self-confident have higher self-esteem, it is more difficult to change their attitude or purchase decision than low self-esteem individuals who are more easily influenced.

In the consumer behaviour literature, Bearden and Teel (1980) suggest that more confident consumers have a greater propensity to voice more concern about a product or service, because they believe that others should be held accountable. Considering that rumour is a means by which consumers express their dissatisfaction in reaction to service or product failures, it can be deduced that consumers who are more self-confident are more likely to argue in favour of their preferred brand and are therefore likely to stay with the target brand regardless of the rumour aimed at discrediting it.

Based on these assertions, it was proposed that during the outbreak of commercial rumours, consumers who are more self-confident would not be concerned with social rejection and therefore will continue to be loyal and will not switch allegiance to a competing brand upon hearing the commercial rumour. They would therefore tend to resist the rumour allegation aimed at discrediting their favourite brand and stay with the target brand because they are more assertive and believe they can rely on their knowledge of the marketplace to make informed decisions. The less confident consumers on the

other hand would not hesitate in switching allegiance as they are unsure of their own ability to make sound marketplace decisions, especially in such an uncertain situation as the outbreak of rumour.

In summary, the research takes the position that, immediately after the outbreak of a commercial rumour, the likelihood of a consumer believing the rumour and switching to a competing brand is influenced by personal characteristics such as, commitment to the brand, their personal values and self-confidence. The next major section of this chapter deals with the second phase of the model.

1.4 Phase 2: After the target company refutes the rumour

In most cases, after the initiation of the rumour, the target company implements measures to refute the negative allegation in order to repair the damage (Tybout et al., 1985; Weinberger & Lepkowska-White, 2000). The second phase of this model therefore looks at the decision making processes that occur after the target company has released a positive message aimed at cognitive error correction (Cacioppo, Petty, & Kao, 1984).

The rumour correction message attempts to reverse the perceived risk that the commercial rumour has generated in the minds of consumers and thereby redress the damage done to its reputation and its relationship with its customers. Even at this second phase of the model, the effect of the consumers' personal characteristics such as, brand commitment, personal values and self-confidence, will continue to influence the decision to sway or become a long-term switcher. The following subsections provide an overview of the literature that relates to the second phase of this study.

1.4.1 Concepts relevant to the second phase of the model

In a series of experiments, Petty and Cacioppo (1986) found that consumers who have high need for cognition tend to expend more cognitive effort in evaluating messages, as they enjoy effortful cognitive thinking compared to their low need-for-cognition counterparts, who avoid effortful cognitive thinking. It is therefore plausible that, among the switchers identified in Phase 1 of the model, those high in need for cognition are more likely to be 'swayers' compared to those low in need for cognition.

This is because those high in need for cognition will still be in a state of post-decision dissonance after hearing the positive message from the target brand and will find ways of reducing this post-purchase dissonance in order to achieve consonance. This would compel them to deliberate further on the negative message even after they have switched to a competing brand (Lord, 2003). They will be motivated to seek further information about the alleged rumour message which would lead them to discover the naive theory surrounding the rumour (Deval, Mantel, Kardes, & Posavac, 2013).

Petty & Wegener (1993) define naive theory as the potential biasing factors that interfere in an individual's true perception of an object or a message. It is therefore likely that consumers may correct their earlier unfavourable decision about the target company and its products (Cacioppo, Petty & Kao, 1984). Furthermore, Cacioppo, Petty & Morris (1983) found that argument quality has greater impact on individuals with high need for cognition rather than those with low need for cognition. This means that it is likely that this high need for cognition group would appreciate the argument quality of the positive message released by the target company compared to the low need for cognition individuals. The high need for cognition group would therefore have the required motivation and ability to process the positive message and are likely to uncover the naive theory behind the original rumour message. Also, because this group has greater need for cognition, they are more likely to deliberate more cognitively and carefully weigh the pros and cons of both the rumour and the positive information released by the company in order to refute the negative allegation before they arrive at a position on whether they should continue to patronise the target brand (Meyers-Levy & Tybout, 1997).

The next section examines how dissonance and cognitive error correction influence the swayers' decision making as they process the positive information released by the target company.

1.4.2 Dissonance, cognitive error correction and swayers

In a further investigation of the highly successful tradition of the dual mode processing theories of heuristic/systematic model (Chaiken, Wood, & Eagly, 1996) and the elaboration likelihood model (Petty & Wegener, 1998), Wood (2000) found that the central tenet of these theories and models is that the determinants and processes of

attitude change depend on people's motivation and ability to process issue-relevant information. He observed that when people are not highly motivated (e.g. the issue is not personally involving) or they have low ability, attitude judgments are based on other easily available attributes.

For example, consumers may use the heuristic rule i.e. consensus implies correctness and thereby agree with the majority's position. In other words, the fact that more people agree with the issue makes some consumers assume that the story is true. However, when people are both motivated and able to process information carefully, their attitudes are based on a more thoughtful, systematic assessment of relevant information. According to the elaboration likelihood model, such high-elaboration processes include learning the message content, generation of cognitive responses and dissonance-induced reasoning (Petty & Wegener 1998). Thus, the switchers with high need for cognition are likely to return to the target brand after careful consideration of the situation and realising the naïve theory surrounding the rumour.

In his assessment of how consumers deal with biases, Wood (2000) observed that one of the interesting questions that emerged in recent past within the consumer behaviour literature is whether people are aware of and can counteract biases and shortcuts in their information processing strategies. Contributing to this assessment, Wegener, Petty, Blackenship and Detweiler-Bedell (2010) suggest that people engage in bias correction processes to the extent that they believe factors unrelated to the true qualities of the attitude issue may have influenced their judgments. As a result, they tend to be motivated and are able to counteract the bias after careful consideration of the issues surrounding the case. Consistent with this assertion, Cacioppo et al., (1996) found that people who enjoy effortful cognitive activity (i.e. are high in need for cognition), tend to counter argue their own position and when they realise the presence of a naïve theory in their previously held position, they do change their attitudes. This would suggest that switchers who are high in need for cognition are likely to further process the rumour message, particularly, after the target company has issued a positive statement aimed at refuting the rumour and thereby reverse their earlier decision and sway back to the target brand.

Moreover, explaining the impact of attribution theory on people's evaluation of messages, Krull (2001) observed that when people try to understand the behaviour of others, they often make a particular human error as a result of fundamental attribution error, that is, they tend to attribute too much to the character and disposition of the message sender, but too little to the situation and the context in which the information is being disseminated. But later when they seek a better balance of the situation, they can adopt a more accepting view of events around them. This is consistent with Ross' (1977) prediction of the effect of fundamental attribution error. Attribution theory thus appears to give support to the possibility that some of the switchers in Phase 1 of the model, equally re-evaluating the message sender's characteristics and disposition as well as the context in which the message was delivered and adjusting their attitudes towards the target brand. They are therefore likely to change from being switchers to swayers.

The concepts provided in this section suggest that some consumers will undergo a reassessment of their decision when a rumour refutation message is circulated and this in turn, will determine the new position they will take in relation to the target brand.

1.4.3 Brand commitment and purchase decision

The switchers who are more committed to the brand will continue to find themselves in a state of post-purchase dissonance after they have switched from the target brand. Since the issue is personally relevant to them, these relatively more committed consumers will be motivated to process the rumour further (Haugtvedt, Petty & Cacioppo, 1992). In assessing the impact of commitment on customers' relationships, Morgan and Hunt (1994) found a strong positive relationship between relationship benefits and commitment, suggesting committed individuals may consider the benefits in their relationship with the target company before severing it. In their effort to restore cognitive consistency, it is likely that this group of switchers will discover the naive theory underlying the original rumour. They are therefore likely to become swayers after careful deliberation of the issues surrounding the rumour message.

Those with low need for cognition on the other hand, would tend not to bother about further analysis of the message since further information processing on an issue they have already made a decision on, would not be congruent with their normal

behaviour. Since they are less committed to the brand or company and the issue is of less personal relevance to them, they would not see the need to exert further resources in processing or trying to analyse the positive message which would be put forward by the company of the target brand to refute the rumour allegation. Consistent with Tormala and Petty's (2004) assertion, because this group of switchers are not committed to the brand and they have initially been successful in resisting the first attempt to persuade them, any further effort to persuade them would be extremely difficult, as their initial success in resisting persuasion would boost their resistance to any further persuasive attempts. Thus, the less committed switchers are likely to remain long term-term switchers as illustrated in Phase 2 of the model.

1.4.4 Personal values influencing purchase decision

Among the switchers in Phase 2, those with HUA cultural values would be more likely to return to the target company after further considering the circumstances surrounding the rumour. This is because by virtue of placing high value on the bond existing between them and their preferred brand, it is more likely that this group will experience greater post-purchase dissonance after newly obtained information as well as post-decision dissonance. They are therefore more likely to feel the need to preserve their long term relationship with the target brand (Doney et al. 1998). They would be driven more towards repairing the damage done to the relationship, thus, making them more swayers than long-term switchers. Investigating the effect of cultural values on consumer decision making, Briley and Aaker (2006) found that when consumers are suddenly confronted with a message that requires action, their immediate response to the message is influenced mostly by their default cultural orientations, but given adequate time to reflect on the issues surrounding the case, they tend to deliberate more objectively, thereby no longer relying completely on their default cultural values.

Further deliberations on the issue are likely to enhance the ability of this group to correct any earlier bias assimilation and discover any possible naive theory that might have negatively influenced their earlier decision to switch from the target brand. Biased assimilation is the tendency of individuals to perceive attitude-consistent information as

more valid than attitude-inconsistent information (Ditto et al., 1998; Kunda, 1990; Lord et al., 1979; Ahluwalia et al., 2000).

1.4.5 Self-confidence and purchase decision

At the cognitive error correction stage, it is likely that switchers with high self-confidence will sway back to the target brand, while those with relatively low self-confidence are likely to switch from the target brand on a long-term basis. This is because those with high self-confidence will deliberate further after processing the positive information and are likely to discover the naïve theory behind the rumour outbreak. They are therefore likely to experience greater degree of post-purchase dissonance and would try to restore consonance by returning to the previous condition, that is, the brand to which they are more familiar with in order to restore consonance (Solomon, 2011; Souter & Sweeney, 2003).

Conversely, the switchers with relatively low self-confidence will remain long-term switchers. This is because those with low self-confidence will not deliberate further on the rumour, even after receiving the positive information, as they will perceive avoidance of the target brand as the safest option, in their effort to restore consonance. Moreover, because consumers who are relatively less self-confident lack the ability to conduct the necessary information search in such an uncertain situation (Wells & Prensky, 1996; Wangenheim, 2009), they are likely to be affected less by post decision dissonance and are therefore likely to remain long-term switchers. Thus, during Phase 2 of the rumour model, consumers who are more self-confident are more likely to sway back to the target brand after the target company has issued a positive statement aimed at refuting the rumour allegation, while those who are less self-confident will switch from the target brand on a long-term basis.

In summary, current psychological theory supports the researcher's argument that personal values originating from cultural influences appear to be very much a part of consumer decision making in the situation where a target company has corrected a rumour allegation.

1.5 The research problem and objectives

As described briefly previously, rumour outbreaks have been a source of concern to many companies as they impact negatively on consumers' patronage of target brands, leading to a decline in sales. This can severely damage company and brand image, undermine corporate credibility and stimulate consumer boycotts, adversely affect employee job performance and satisfaction, and have far reaching effects on financial markets. Although several researchers have investigated this phenomenon, more still remains to be done in order to understand why, in the peak of a rumour outbreak, some consumers switch to competing brands, yet others continue to patronise the target brand. Also, after the target company has released a positive message to persuade the affected consumers, a segment of them reverse their decision and repurchase the target brand, but others switch from the target brand on a long-term basis.

The main objective of this research is to examine consumer decision making during the outbreak of rumour and the subsequent rumour correction message that is normally issued by the target company, taking into account the consumers' brand commitment, personal values and self-confidence. This study will also endeavour to meet this objective by closely examining each of the resulting groups and developing a typical profile of the switcher, stayer, long-term switcher and the swayer segments, in the event of a rumour outbreak (see Figure 1.1).

The following research questions were proposed to address the research problem.

1.6 Research questions

Questions related to the outbreak of rumours (phase 1):

Research Question 1: What effect does the outbreak of rumour have on the stayers' and the switchers' purchase decision?

Research Question 2: How does the commitment of consumers to a target brand affect their purchase behaviour after the outbreak of rumour?

Research Question 3: How do the personal values of switchers and stayers (i.e. level of uncertainty avoidance and individualism or collectivism) affect their purchase behaviour after the outbreak of rumour?

Research Question 4: To what extent do the different dimensions of personal values and consumer self-confidence predict the switchers' and the stayers' purchase quantities?

Research Question 5: To what extent, do the different dimensions of personal values and consumer self-confidence moderate the relationship between the switchers' and the stayers' brand commitment and their purchase quantities after the outbreak of rumour?

Research Question 6: After the target company has released positive information to persuade consumers, what effect does it have on the long-term switchers' and the stayers' purchase decision?

Questions related to the release of positive information:

Research Question 7: How does the brand commitment of the long-term switchers and the stayers to a target brand affect their purchase behaviour after processing the positive information from the target company?

Research Question 8: How do the personal values of long-term switchers and stayers (i.e. uncertainty avoidance and individualism or collectivism) affect their purchase behaviour after processing the positive information from the target company?

Research Question 9: To what extent do the different dimensions of personal values and consumer self-confidence predict the long-term switchers' and the stayers' purchase quantities?

Research Question 10: To what extent does the different dimensions of personal values and consumer self-confidence moderate the relationship between the long-term switchers' and the stayers' brand commitment and their purchase quantities after processing the positive information from the target company?

1.7 Importance of the study

What sets this study apart from other studies is the fact that the investigations associated with this study span from the rumour outbreak to during the height of rumour outbreak and finally, after the rumour allegation has been corrected. Furthermore, this study adds a layer of knowledge by endeavouring to categorise the participants according to the position they take during the outbreak of rumour and the subsequent correction by the target company. It also examines three key factors (consumers' commitment, personal values and self-confidence) that play an important part in consumers' decision making during the outbreak and the subsequent corrective stage.

The findings of this study should assist marketing managers and public relations practitioners to anticipate which groups strongly react to such rumours in the marketplace and which groups are not affected by them. It would also help marketing practitioners to identify the appropriate demographic and psychographic segments that are most sensitive to rumours.

With a clear understanding of the behaviour of these consumers, marketing managers would be better equipped with the necessary information on consumers' characteristics to assist them in managing the numerous commercial rumours which engulf their companies in the marketplace. This will reduce the negative effects, such as the poor image these rumours create about their products and services in the minds of consumers in order to sustain the target companies' profits. This would also give them a better understanding of the characteristics of the stayers, the switchers, the long-term switchers and the swayers, so that they can develop more effective ways of retaining them during the outbreak of commercial rumours. This will also assist the affected companies in allocating their scarce resources in a more effective and efficient manner, thereby reducing any potential wastage during such crisis-management situations

An understanding of the behaviour of loyal consumers could also help marketing practitioners in formulating more effective advocacy programs that could utilise the services of the loyal customers to attract more customers to the target company through further positive communications.

Finally, this study contributes to the consumer behaviour literature by facilitating the process of segmenting potential stayers, switchers, long-term switchers and swayers during the outbreak of commercial rumours.

1.7.1 Contribution to the consumer behaviour literature

As mentioned above, what sets this research apart from other works is the fact that it covers the full cycle of a rumour and the subsequent refutation message which is normally released by the target company in order to persuade affected consumers to rescind their decision to switch to competing brands. It also profiles the consumers into switchers, stayers, long-term switchers and swayers, thus advancing the WOM communication literature and assisting marketing practitioners with a more reliable basis upon which they can develop effective strategies to manage the outbreak of rumours in the marketplace.

The outcomes of this study would make a significant contribution to the consumer behaviour literature, particularly in the area of negative WOM communication, because most of the extant literature on the phenomenon of rumour tends to centre on how rumour is propagated in the marketplace (Tybout, 1985), but none of it looks at how consumers' commitment to the target brand, personal values and self-confidence could be used as a basis for segmenting the population during the outbreak of the rumour. Although studies on consumer decision making processes in psychological processes similar to rumour have been found to be subjected to the influence of personal as well as cultural influences (Werber & Hsee, 2000), the extant literature has not taken a combined view of the interactive effect of consumers' commitment to the target brand, personal values and self-confidence in the marketplace context. Furthermore, there are no previous studies that empirically investigate the consumer decision making processes after the target company has released a positive statement aimed at refuting the rumour allegation and persuading the customers to continue to patronise the target brand.

It is anticipated that a thorough investigation of consumers' reaction to the target company's response to the rumour would pave the way for companies to develop more effective advocacy programs for the stayers as well as the swayers in order to intensify

the target companies' effort at persuading the affected customers to reconsider their decision and return to the target brand or company.

This research could also assist marketing practitioners with the necessary information in formulating strategies to prevent the outbreak of rumours in the first place, since they would be in a better position to predict which consumers are likely to be influenced by any potential negative information relating to their brands. This would make it possible for marketing practitioners to take pre-emptive measures to forestall the outbreak of rumours in the first place.

1.8 Scope of the study

This study investigates the behaviour of consumers during the outbreak of commercial rumours and aims to assist marketing practitioners in the task of managing the negative effect of commercial rumours. It does not in any way seek to provide marketing strategies to combat commercial rumours.

This study takes a crisis management perspective of the impact of commercial rumours and hence, does not aim at investigating the behaviour of consumers over a long period of time. As a result of this short-term perspective, the study investigates consumers' reaction to the rumour immediately after the outbreak and after the rumour message has been corrected by the target company. It also places emphasis on limited and habitual decision making situations and not extensive decision making situations. The implications of these decisions are clarified in the Methods chapter.

1.9 Assumptions

Consumers' behaviour varies under different conditions and the purchase situation determines their behaviour. This means that under different purchase conditions, consumers will behave differently. The consumer behaviour literature abounds with evidence that consumers' behaviour differs in three general situations (Quester, Pettigrew, & Hawkins, 2011). These are extended, limited and habitual decision making situations.

Before each type of decision process can be described and shown how it influences this study, the concept of purchase involvement must be explained as it has an important role to play in the consumer decision making processes. Purchase involvement is the level of concern for, or interest in the purchase process and is related to a particular item (Quester et al., 2011). It is a temporary state of an individual or group, and is influenced by the interaction of individual, product and situational characteristics (Venkatraman, 1990). This means that how the individual reacts towards the target brand in the event of an outbreak of rumour will depend on the individual's personal characteristics as well as their level of involvement in the purchase decision process.

This study assumes the outbreak of commercial rumour in the marketplace within a limited or habitual decision making context, where there is relatively less purchase involvement compared to situations in which consumers are involved in extensive decision making processes, such as the purchase of luxury products. Thus, the consumers who are the focus of this study would be expected to undergo shallow external and internal information search processes, followed by simple evaluations of the alternatives available to them as they make their purchase decisions.

1.10 Organisation of the thesis

This thesis begins with the Introduction chapter (Chapter 1), which outlines the key issues presented by WOM communications. It is followed by a discussion of the negative effects of WOM communications and summarises the major studies unravelling some of the areas that need further research. The Introduction chapter presents a theoretical model which maps out what happens in the event of a rumour outbreak. This sets the scene for a systematic approach for the discussions throughout this study. The Introduction chapter is followed by the Literature Review chapter (Chapter 2), which contains a detailed review of the most significant studies in the areas of both positive and negative WOM communications, pointing out the gaps in the literature that this study aims to bridge.

The Methodology chapters develop the hypotheses for this research and set out the process followed in undertaking the research. Chapter 3 includes a description of the pilot study undertaken to validate the process to be followed in the main study, and is

followed by Chapter 4 which provides a detailed description of the main study's methods. The Data Analysis chapter (Chapter 5) details the various statistical procedures adopted to produce the final results. It then examines the results for any patterns and relationships, and moves on to the observations made in the results in preparation for the Discussion and Conclusions chapter (Chapter 6).

The discussion contrasts the results with the hypotheses developed in the Methodology chapter to draw conclusions in light of the extant literature. These conclusions are taken into consideration in developing recommendations for marketing and public relations specialists for application in developing strategies to combat rumours in the marketplace.

Chapter 2 - Literature Review

2.1 Introduction

This chapter examines the relevant literature on WOM communication. The first part explores WOM communication in general, while the second part focuses on negative WOM communication, explaining its impact on consumer decision making and subsequent attitudes towards targeted companies and their products. The final part of this chapter covers how personal characteristics influence consumer decision making in the event of a rumour outbreak and the subsequent correction of the rumour allegation by a target company. Furthermore this chapter highlights the relevant gaps in the negative WOM literature which this study sets out to bridge by utilising the comprehensive framework of cognitive dissonance and attribution theories and the need for cognition as described in Figure 1.1.

2.2 WOM communication and purchase decision

WOM communication can significantly influence consumer decision making. Arndt (1967), one of the earliest researchers into the influence of WOM communication on consumer behaviour, characterised WOM as oral, person-to-person communication between a receiver and a communicator (whom the receiver perceives as non-commercial) regarding a brand, product or service. Taking a broader perspective, Luo and Homberg (2008) observed that, WOM communication need not necessarily be brand, product or service focused; it may also be organisationally focused, that is, a negative WOM attack could be directed towards a company. In the electronic age, WOM communication can be face-to-face or electronic, as consumers can communicate and receive instant feedback via email, electronic discussion boards and social network sites such as Twitter and Facebook (Jie & Daugherty, 2009).

Citing a research conducted for the White House Office of Consumer Affairs, Desatnick (1987) found that 90 per cent or more of the customers, who were dissatisfied with the service they received, would not buy again or come back to the service provider. Worse still, each of those unhappy customers would tell their story to at least 9 other

people, and 13 per cent of those unhappy former customers would tell their stories to more than 20 people. This study did not investigate how much further the negative WOM travelled, but the actual impact of negative WOM is probably even greater than described in that study, considering the rate at which consumers communicate on social media platforms such as Facebook, Twitter and Instagram. These communications via social media outlets exert a strong influence on consumer purchasing behaviour, influencing both short-term and long-term judgments.

However, as Samson (2006) pointed out, not all WOM communication has damaging effect on brands and companies. The next section therefore takes a look at both positive and negative WOM and explains why most companies tend to rely on positive WOM as integral part of their communication strategy.

2.2.1 Effect of positive and negative WOM on consumers

From a marketing management perspective, WOM can be either positive or negative. Positive WOM communication occurs when good news testimonials and endorsements desired by the company are passed on from one consumer to another. Negative WOM on the other hand, is when bad news which discredits the brand or company is passed on from one consumer to another.

Explaining the perceived value of WOM communication from both consumers' and the target company's perspective, Buttle (1998) pointed out that it is worth noting that what is negative from a corporate viewpoint may be regarded as extremely positive from a consumer viewpoint. For example, in the event of rumour outbreak, the target company is likely to perceive such an event as having a very negative effect on their consumer base. Conversely, the consumer may see a rumour outbreak situation as alerting them to the negative consequences of purchasing a target brand.

According to Cermak, File and Prince (1994) not only the valence, but also the volume of post-purchase WOM communication can be affected by management efforts. These authors cited evidence about the measured impacts of complaints management processes, service recovery programmes and unconditional service guarantees on post-purchase WOM to claim that management can influence the frequency and direction of

WOM communications. Thus, with a good understanding of how consumers process WOM communication, companies can be better equipped to deal with negative WOM. This is why a study of this nature which aims at unravelling what occurs during the outbreak of rumours could further advance the current literature on WOM communication.

Villanueva, Yoo and Hanssens (2008) asserted that most marketing management research assumes that WOM has the potential to draw customers onto the loyalty ladder, thereby converting prospective customers into loyal customers. In addition, WOM has been shown to be especially powerful in facilitating the diffusion of innovations, where customers adopt new products and services with the assurance of positive WOM (East, Hammond, & Lomax, 2008; Goldenberg et al., 2001). However, Samson (2006) and other experts (Luo & Homburg, 2008; Marsden, Samson, & Upton, 2005) argue that whilst it is conceivable that positive WOM functions to migrate a customer up a company's loyalty ladder, negative WOM communication may equally promote defection and descent. While companies perceive WOM communication from sales point of view, consumers perceive it as a way of reducing the risk involved in purchasing goods and services. To them, WOM communication helps them in reducing the uncertainty that goes with normal purchases in the marketplace.

2.2.2 Reduction of uncertainty

Consumers rely on WOM to reduce the level of perceived risk and the uncertainties that are often associated with service purchase decisions (Bansal & Voyer, 2000; Guo, 2001; Murray, 1991). Compared to purchasers of goods, Murray (1991) found that service purchasers have even greater confidence in personal sources of information as well as a greater pre-purchase preference for personal information sources as a result of the variable nature of services. He also found that personal sources have a greater influence on purchasers of services than on purchasers of products. A substantial body of research also indicates that interpersonal communication has a significant impact on consumer purchasing behaviour. Early studies attributed this impact to normative social influence (a tendency to conform to social surroundings) (Asch, 1953; Stafford, 1966; Venkatesan, 1966). However, subsequent research suggests that the informational

aspects of social influences may also have a substantial impact on purchasing behaviour (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004; Luo, 2009; Maxham & Netemeyer, 2003). In essence, what this implies is that consumers have a natural tendency to consult others and conform to their social surroundings in a rumour outbreak situation in order to reduce the risks and uncertainties associated with the purchase.

2.2.3 Accessibility-diagnostics model

According to the accessibility-diagnostics model, the influence of a particular piece of information on consumer decision making will depend on the accessibility (from memory) of that piece of information, the accessibility of alternative pieces of information, the diagnostics of the piece of information, and the diagnostics of the alternative pieces of information (Herr et al., 1991; Lynch, 2006). Diagnostics in this context refers to the degree to which information helps consumers to categorise products (i.e. high quality vs. low quality). Using the accessibility-diagnostics model, Ahluwalia et al. (2000) demonstrated that a prior characteristic of the consumer - brand commitment - can moderate the processing of and impact of negative publicity. In consecutive studies, they tested the behaviour of consumers with high and low commitment to some brands in response to negative publicity and found that the consumers with high brand commitment tended to maintain their loyalty to the brands regardless of the negative publicity. This study showed that when consumers are confronted with negative WOM, their degree of commitment to the brand influences their purchase decisions.

Related research conducted by Herr et al. (1991) supports the general view that WOM communication can easily influence consumer decision making. They found that WOM had a greater impact on product judgments than printed information. Also, they observed that consumers form favourable brand attitudes on the basis of a single, favourable WOM communication, even when extensive, diagnostic attribute information contrary to the favourable information was also available. As a result, Herr et al. (1991) suggested that the impact of WOM on product judgments is attributable to its vividness as a form of communication. They explained 'vividness' as the degree to which information is emotionally interesting, concrete, imagery-provoking and proximate in a sensory, temporal, or spatial way (Nisbett & Ross, 1980 p. 45). Vivid communication

media are believed to attract greater attention to the information, hold attention and increase information accessibility from memory thereby increasing the impact on consumer judgment (Herr et al., 1991; Swanson & Kelly, 2001). This suggests that WOM communication is even more compelling if it is transmitted through face-to-face communication and supported by relevant images.

Consequently, WOM communication can be considered to be diagnostic in nature to the degree that consumers believe that the decision implied by that input alone would accomplish their decision goals (Lynch, Marmorstein, & Weigold, 1988). This suggests that WOM may be more diagnostic in nature than non-personal sources of information such as media advertising. The effects of WOM communication appear to be reduced, however, when more diagnostic pieces of information, such as prior impressions, are available or when extremely negative attribute information is available (Herr et al., 1991; Mangold & Miller, 1999; Mason, 2008). Other factors that influence WOM communication are discussed in the next section to show how they affect the current study.

2.2.4 Effect of past experience on WOM communication

Some evidence indicates that WOM is often related to consumers' satisfaction or dissatisfaction with previous purchasing experiences, and that they appear to engage in WOM communication to satisfy their personal information needs (Ladhari, 2007). Richins (1983) for example, found that the tendency to engage in negative WOM communication was positively related to the level of dissatisfaction, and it is negatively related to the consumer's perception of the retailer's responsiveness to complaints. She also found that consumers, who blame the dissatisfaction on the marketing institutions, rather than themselves or their own behaviour, were more likely to engage in negative WOM communication. It is therefore plausible that when consumers are confronted with negative information about the target brand, they are more likely to be influenced by attribution theory, thereby blaming others when the outcome of their decision results in a negative consequence.

Richins' (1983) findings are consistent with Lacznia et al. (2001) and Swanson and Kelly (2001) who demonstrated that consumers' tendency to engage in negative

WOM was largely dependent on their perception of justice as it related to the complaint. That is, consumers were less likely to engage in negative WOM, if they felt that the procedures for complaining and the provider's response (i.e. outcome) were fair and if they had positive feelings about the manner in which they were treated (Cheng et al., 2006; Swanson & Kelly, 2001). Other factors that appear to be correlated with consumers' tendency to engage in negative WOM communication include the level of inconvenience that resulted from the problem, the extent to which the customer perceived that the problem was under management's control and management's perceived responsiveness to the customer's problem (Cheng et al., 2006).

Several experts in consumer behaviour also attest to the fact that WOM communication is considered more powerful than commercial sources because consumers generally regard friends and relatives who pass on these messages as more credible and trustworthy than commercial sources of information (Assael, 2004; Jansen, Zhang, Sobel, & Chowdury, 2009). Moreover, information from reference and family groups serve as a means of reducing perceived risk in a purchase decision.

Because consumers generally cannot process all of the information that is available at the marketplace before making purchase decisions, they often simplify their information-seeking and decision-making processes by relying on WOM communication. Thus, WOM communication helps to reduce the amount of information that must be processed in order to facilitate the decision-making process (East, Hammond, & Wright, 2007). Consumers considering the purchase of expensive items or socially visible items such as clothing are even more likely to obtain the opinion of "relevant others" such as friends and relatives. For this same reason, consumers confronted with rumour targeting a particular brand are likely to rely on other readily available WOM communication to assist them in making the right decisions. Such opinions not only provide information to reduce financial and performance risk, but serve as a means of group sanction to reduce social risk (Wetzer, Zeelenberg, & Pieters, 2007).

2.2.5 Effect of cultural values on WOM communication

Investigating the influence of WOM communications, Assael (2004) noted that WOM is related to cultural values. He observed that in cultures dominated by group

cohesion and adherence to group norms, communications from group members have more influence on their decision processes. In comparing the relative impact of WOM communication in collectivist and individualistic cultures, Assael (2004) noted that in Chinese and Japanese cultures, where adherence to group norms is ingrained from childhood, WOM communication is an even more important influence than it is in the United States. This study thus shows that any attempt to unravel the reasons why some consumers still continue to purchase a target brand even in the peak of a negative information that discredits it, needs to take into consideration consumers' personal values into account. In order to understand the nature of WOM communication and its effects on consumer decision making, the next section examines some of the important concepts and theories that influence consumers' decision making.

2.2.6 Reduction of perceived risk

In summary, consumers rely on WOM communication to reduce the perceived risk in the marketplace, and the influence of a piece of information will depend on the accessibility and the diagnosticity of the available information. Whether a particular piece of information will have an influence on consumers' decision making will also depend on the vividness of the WOM information, the effect of past experiences and the consumer's cultural orientation. The impact of the WOM communication on the consumer will depend on the extent to which the consumer interprets the message and processes the information.

2.3 Negative WOM communication

This section examines the effects of negative WOM communication, its relationship with rumour and how these two types of negative communication combine to negatively impact on consumer decision making. Although negative WOM communication has been dealt with in earlier sections, considering the importance of this concept in the current study, it is worth emphasising its effect in this chapter in order to make some vital linkages in the literature.

Hoyer and MacInnis (2010) observed that rumours are special types of WOM which tend to influence consumer decision making in the marketplace. In his study of the

phenomenon, Assael (2004) described rumour as a false message about a product or company. He observed that during the outbreak of a rumour, consumers are usually confronted with cognitive dissonance as they attempt to assess the truthfulness of the negative information. Those who are already committed to the brand tend to discount the negative information as they attempt to reach cognitive balance. Unless they have a compelling reason to believe that the message is true, they will discount the negative information and continue to purchase their favourite brand. Also, because this group is more committed to the target brand, they tend to attribute the negative information to the mischief of the source transmitting the message.

Consumers less committed to the target brand also find themselves in a state of cognitive imbalance due to a rumour outbreak. However, because this group is less committed to the target brand than the stayers, they tend to be influenced more by the negative message. Because they are less committed to the target brand, they tend to be easily persuaded by the negative information, thus believing the person who is propagating the rumour. Their weak commitment means their interpretation of the message tends to be clouded by selective distortion, so they attribute the negative information to the target brand. Selective distortion refers to the tendency for people to interpret information in a way that supports what they already believe (Halton & Rumbo, 2007). Such consumers are therefore likely to switch away from the target brand to competing brands and can therefore be described as 'switchers'.

In line with Wegener and Petty's (1995) assertion that when consumers realise that their earlier judgement was wrong, they tend to take action to correct their decision, it is plausible that those who are moderately committed to the target brand but might have somehow been persuaded to switch, are more likely to rescind their decision and sway back to the target brand. Also, according to Cacioppo and Petty (1982), those who have high need for cognition are likely to further deliberate on their decision to switch, and once they discover the naive theory in their earlier decision, they are more likely to sway back to the target brand. This group of consumers can therefore be described as 'swayers'.

Finally, consumers who, in spite of the positive persuasive message from the target company, stick to their earlier decision and switch from the target brand on a long-term basis can be described as 'long-term switchers'.

In order to have an understanding of the influence of negative WOM communication on consumer decision making, the next section examines the effects of dissatisfaction, cognitive dissonance and attribution theories on consumer decision making. This will assist in structuring this study and add value to the existing literature on negative WOM communication by demonstrating the effect of cognitive dissonance and attribution theories on consumer decision-making.

2.3.1 Dissatisfaction leads to negative WOM communication

The literature on dissatisfaction states that when consumers are dissatisfied with products or services, they tend to reduce or discontinue their purchases (Hennig-Thurau et al., 2004; Sundaram, Mitra, & Webster, 1998). Moreover, they engage in negative WOM communication (Anderson, 1998; Arndt, 1967; De Matos & Rossi, 2008; Richins, 1983). Using attribution theory as the basis for their investigation, Mizerski (1982), Richins (1963), Swanson and Kelly (2001) found that the more the consumer believes that the service failure: is due to the seller (external locus), is likely to happen again (stable), and could have been avoided (controllability), the more likely they are to believe that it would occur again, and therefore complain to others.

The effect of cognitive dissonance theory on negative WOM communication was also examined by Richins (1984) and later by Wangenheim (2005). According to Richins (1984), when negative WOM influences recipients' attitudes, it normally has a negative impact. However, several consistency approaches to attitude change (e.g. dissonance and self-perception theories) suggest that under some circumstances, negative WOM would have an opposite influence on attitude, causing a positive shift. For example, if a consumer hears negative WOM about a well-liked and highly valued product they own, cognitive imbalance and a threat to self-esteem may result. This may be handled by derogation of the source of the information or by questioning the veracity of the message in order to affirm his or her strong association with the target product. She also, observed that another avenue to restore balance was to increase the emphasis on

the positive aspects of the product, thereby decreasing the negative impact to a consumer who has positive predisposition towards the target brand.

Most of the extant literature appears to cite dissatisfaction as the primary reason for consumers' decision to contribute to negative WOM communication (Cheng et al., 2006; Mooradian & Oliver, 1997; Nyer & Gopinath, 2005). However, a greater number of these studies seem to lack sufficient explanation in relation to the cognitive mechanisms that drive consumers to become dissatisfied and behave or react to these messages the way they do (Nyer & Gopinath, 2005; Richins, 1984). In particular, most of these studies fail to adequately explain why some consumers continue to patronise the product in spite of the rumour in the marketplace (Brown, Barry, Dacin, & Gunst, 2005). Some studies that provide compelling explanations of the cognitive impact on negative WOM communications are reviewed below to justify the need for further investigation in this area of the consumer behaviour literature.

Zeelenberg and Pieters (2004) investigated why consumers engage in negative WOM communication, and concluded that such engagement is typically motivated by an initial matter of dissatisfaction which was mishandled by the company. In essence, the matter which caused their initial dissatisfaction and dissatisfaction with the company's handling of the situation compounded the consumer's overall negative view and led to engagement in negative WOM communication.

Zeelenberg and Pieters' (2004) study affirmed Richin's (1983) work, in which she studied 53 adult consumers and 72 college students, and found support for her hypothesis that the greater the blame for the dissatisfaction placed on members of the distribution channel (marketing institutions), rather than on the consumer, the greater the tendency to engage in negative WOM communication and the likelihood of switching providers. Richins (1983) also found that the greater the blame for the dissatisfaction placed on marketing institutions, the greater the effort a consumer is likely to expend in propagating negative WOM communication in response to the dissatisfaction.

However, Richins (1983) did not investigate in detail the reasons why her subjects' attributions influenced their decision regarding negative WOM communications. Although Richins cited dissatisfaction as the key explanation for her

findings and she drew some support from attribution theory to explain the behaviour of her subjects' negative attitudes towards the negative service encounter, the latter was not her main focus. This suggests that there is the need to go beyond the dissatisfaction paradigm and examine further the effect of attribution theory on consumer decision making during the outbreak of negative WOM communication.

In critiquing the over-reliance of some researchers such as Richins (1983) on the dissatisfaction and satisfaction valence approach in studying consumers' behaviour towards negative WOM communication, Zeelenberg and Pieters (2004) argued that even when consumers' expectations are met, they can experience negative effect. According to Zeelenberg and Pieters, this can happen when consumers realise that an alternative service or provider would have been a superior option. Thus, the positive and negative emotions experienced by a consumer in such situations will influence the overall degree of satisfaction or dissatisfaction with the service. Even though these specific emotions would most likely partly determine the consumer's subsequent behaviour in relation to the service provider, other factors such as cognitive dissonance could contribute to the consumers' ultimate behaviour towards the target brand. To remedy this shortcoming in the dissatisfaction approach, Zeelenberg and Pieters proposed the need to look beyond the dissatisfaction paradigm of studying negative WOM communication and combining it with an emotional approach to the problem.

In summary, the findings of the reviewed studies show that when consumers are confronted with negative WOM communication targeting their favourite brands, it tends to exert some degree of influence on their satisfaction levels. However, the extent of dissatisfaction is moderated by attribution theory. Specifically, their dissatisfaction is influenced by who they attribute the fault to. If the fault is attributed to the provider, they are more likely to be dissatisfied and would be compelled to switch providers. But if the fault is attributed to the rumour-monger, they are more likely to be less dissatisfied and are therefore likely to continue to patronise the target brand. The next section takes a critical view at attribution theory and shows why it is likely to have a significant influence on consumer decision-making during the outbreak of negative WOM communications. In this study, an examination of attribution theory shows that when consumers are confronted with a negative WOM communication that aims at discrediting

their favourite brands, they try to attribute the negative information to detractors of the that particular brand.

2.3.2 Attribution theory and negative WOM

Attribution theory, a persuasive concept first suggested by Festinger (1957) has received considerable attention by most researchers in the consumer behaviour literature as an explanation for consumer decision making in the context of negative WOM communication. Attribution theory explains how individuals think about explanations for, or causes of effects or behaviour (Swanson & Kelly, 2001; Weiner, 2000). The theory holds that, when a product or service does not fulfil consumers' needs, they attempt to find an explanation based on three factors. The first of these factors is stability - that is, whether the cause of the event is temporary or permanent. The second is focus that is, whether the problem is consumer or market-related, and the third factor is controllability - that is, whether the event is under the consumers' or the marketers' control (Hoyer & MacInnis, 2010). Thus, customers are likely to be dissatisfied if the cause of the negative event is perceived to be permanent, marketer-related and not under the customer's control.

Research suggests that attribution theory has some influence on consumer decision making during the outbreak of commercial rumours in the marketplace. Using attribution theory to explain consumers' responses to negative WOM communication, Lacznia et al. (2001) found that causal attributions mediate the negative WOM communication and brand relationships. By investigating the behaviour of a sample of 192 respondents, they developed and tested a set of hypotheses that describe consumers' attributional and evaluative responses to different types of negative WOM communication messages that are systematically varied in terms of information content. Their study extended research on negative WOM communications in two important ways. Whereas previous studies typically examined receivers' responses to a summary statement of a target brand's performance (Bone, 1995; Herr et al., 1991), their study included information about the consensus of others' views of the brand (besides the communicator), the consistency of the communicator's opinions of the target brand

versus other brands over time, and the distinctiveness of the communicator's opinions of the target brand versus other brands in the category.

These types of information corresponded with the information dimensions examined in Kelly's (1967) seminal work that deals with attribution theory. Also, although other researchers have used Kelly's work to model individual response to someone else's actions (e.g. observing someone's inability to dance), this study was the first that empirically extended Kelley's research into a context in which consumers interpreted a conversation about a brand. These studies provide some evidence that indeed, attribution theory does impact on consumer decision-making particularly in situations where there is some amount of uncertainty surrounding the issue at stake.

Moreover, while other studies posit the existence of a direct relationship between negative WOM communication and post-exposure brand evaluations (Arndt, 1967; East, 2007), Laczniak et al.'s (2001) investigation specifically examined the attributional process that explains this association. It established that consumers did not merely stop purchasing a product simply because they were dissatisfied, but go through some cognitive processes before making the final decision as to whether to continue patronising the product or not. This approach was thus consistent with the assertions of several researchers such as Bone (1995) ; Herr et al., (1991) and Smith & Vogt (1995) who had earlier posited that cognitive mechanisms are important in processing such information, as they can better explain the WOM communication and brand evaluation linkage. Laczniak et al.'s (2001) study was also consistent with other studies that suggest (but did not test the notion) that receivers' cognitive processing of negative WOM involves causal attributional reasoning (East et al., 2008; Folkes, 1988; Mizerski, 1982; Swanson & Kelly, 2001). Laczniak et al.'s (2001) work therefore showed that, because the transmission of negative WOM communication involves interpersonal processes, attribution theory is particularly helpful in understanding a receiver's interpretation of a sender's motives for communicating such negative information (Zeelenberg & Pieters, 2004). They argued that the central theme underlying attribution theory is that causal analytical drive inherent in an individual's need to understand social events, such as why another person would communicate negative information about a brand in the first place (Heider, 1958; Woodside & Chebat, 2001; Yong Jian, 2008).

Specifically, Lacznia et al.'s model proposed two important influences on the receivers' attributional responses to negative WOM communication. Firstly, the information conveyed by the sender in a negative WOM communication message is posited to be effective enough to influence the receivers' causal attributions. Secondly, the strength of the target brand is also thought to directly affect the receivers' causal attributions (Dahlen, Granlund, & Grenros, 2009; Sundaram et al., 1998). Thus, if the brand is viewed as trustworthy, consumers are likely to resist the negative effect of the rumour.

The attributional responses are expected to affect the receivers' brand evaluations. Hence, the Lacznia et al. (2001) study suggests that attributions mediate the presupposed negative WOM communication and brand evaluation relationship. This suggestion is consistent with other theoretical frameworks of interpersonal communication which show that attributions mediate the effect of interpersonal messages and the receiver's evaluation of the target object (Sundaram & Webster, 1999; Wang, 2009; Yong Jian, 2008).

2.3.3 Prior brand impressions and negative WOM

Previous research suggested that the effect of negative WOM communication on brand evaluations was likely to be reduced when prior positive brand impressions existed in consumers' memories (Herr et al., 1991). Consistent with this notion, Lacznia et al (2001) contended that the effect of a brand name was likely to influence consumers' attributional processing of negative WOM communication because impression-inconsistent information is typically deflected away from the brand and discounted, an outcome which was later confirmed by Pullig, Netemeyer and Biswas (2006). This suggests that attributions directed at the target brand are unlikely to be generated by receivers who have favourable associations with the brand (Einwiller & Kamins, 2008). Therefore, based on the cognitive process mechanisms of attributional biasing (DeCarlo, Lacznia, Motley, & Ramaswami, 2007; Jones et al., 2009; Mezulis, Abramson, Hyde, & Hankin, 2004) and discounting, (Sanbonmatsu, Kardes, & Gibson, 1989), receivers should attribute negativity away from the target brand when the negative information (about the target brand) is inconsistent with a positive brand name.

These studies show that attribution theory has a significant impact on consumers' belief in the negative WOM and their subsequent reaction to the target brand. Secondly, consumers' previous associations with the target brand contribute to how they react to the negative WOM.

2.3.4 Cognitive dissonance and negative WOM

As part of the effort to understand the negative effect of WOM communication, several researchers have focused on cognitive dissonance theory as an explanation for consumers' behaviour during the outbreak of negative WOM communication. Cognitive dissonance is caused by inconsistent cognition, which expresses humans' concern with having made a wrong decision. According to dissonance theory (Festinger, 1957), two major sources of inconsistent cognition exist:- dissonance after newly obtained information and post-decision dissonance. This means that consumers experience dissonance when faced with information which they consider to be inconsistent with their previously held beliefs about a product during the pre-decision stage. After they have made their decision, they may still be confronted with a post-decision dissonance, and this may even have a further influence on their earlier decision and subsequently any future decision.

In studying the effect of post-switching negative WOM communication on companies' performance, Wangenheim (2005) found that when consumers are confronted by negative WOM communication, their behaviour is largely influenced by cognitive dissonance. Wangenheim (2005) posited that as humans, consumers strive to reduce unpleasant feelings (such as dissonance) in order to achieve consonance. According to him, consumers can reduce this unpleasant feeling in three main ways: by attitude change, selective exposure and spreading of WOM communication. Attitude change refers to the fact that after the decision has been made, the consumer tries to rate the chosen alternative as higher than the unchosen alternative (Koller & Salzberger, 2007; Woodside & Chebat, 2001) so as to find consistency in his or her choice. Through selective exposure, consumers tend to seek information that confirms their earlier beliefs, whereas any decision-disconfirmation information is neglected (Pham & Muthukrishnan, 2002; Pullig et al., 2006). In their attempt to convince themselves that they have made

the right decision, consumers tend to convince others by spreading WOM information, a pattern of behaviour in accordance with Festinger's (1957) seminal work on cognitive consistency.

Basing his study on the strong influence of cognitive dissonance on consumer decision making during the outbreak of negative WOM communication, Wangenheim (2005) found support for his hypothesis that customers are more likely to propagate negative WOM about a dropped service provider when they are dissatisfied with the provider. He also found that when consumers switch their providers due to dissatisfaction or poor service, the effects of product involvement, market mavenism and perceived risk on post-switching negative WOM are stronger than when customers switch because of a better deal from a competing provider. Market mavens are consumers who are knowledgeable about the general marketplace, attentive to marketing and advertising information, and keen on sharing market-related information with others (Feick & Price, 1997; Gladwell, 2000; Slama, Natarajan, & Williams, 1992; Wiedmann, Walsh, & Mitchell, 2001).

2.3.5 Consumer motive and negative WOM

Some researchers have cited consumer motives as one of the main influences on consumer decision making in the face of negative WOM communications. The most comprehensive studies of motives on WOM communication were conducted by Sundaram, Mitra and Webster (1998) and White, Argo & Dahl (2005). Through analysis of 390 critical incident interviews, Sundaram et al. (1998) identified eight motives for consumer WOM communication, several of which correspond with categories originally suggested by Blackwell, Miniard and Engel (2001) and Dichter (1966). Four of these identified motives (altruism, product involvement, self-enhancement and helping the target company) explain why consumers resort to positive WOM communication, and as a result, stay with the target company. The other four motives (anxiety reduction, vengeance and advice seeking) provide reasons why some consumers resort to propagate negative WOM communication, and subsequently defect from the target company. Working with internet users who had commented about products and services, Sundaram et al. (1998) found that social benefits, economic incentives, concern for others and

extraversion or self-enhancement to be the primary motivations for consumers publishing their experiences on opinion platforms.

Using a sample of 2,063 online consumers, Hennig-Thurau et al. (2004) confirmed Sundaram et al.'s conclusions that consumers' desire for social interaction, economic incentives, concern for other consumers and the desire to enhance their own self-worth are the primary factors leading to WOM behaviour over the internet. Based on their results, they proposed that platform operators (i.e. people who design and operate interactive marketing websites) should develop programs that appeal to such basic motives that drive electronic WOM behaviour in order to increase social coherence and activity in the marketplace. Their study also revealed that consumers are not homogenous in terms of their electronic WOM motivations, and that they can be divided into distinct motive segments, such as 'self-interested', 'helpers', 'multiple motive consumers', 'consumer advocates' and 'true altruists'. With such diverse motives, it is plausible that while those with positive predisposition to the target brands might be favourable consumer advocates, those with negative predisposition towards the target company may propagate negative WOM and thereby switch to competing firms.

These diverse motivations indicate that consumers perceive and interpret the negative WOM that confront them in the marketplace differently depending on which motives are driving them. Hence, their reaction to these messages also varies. It is therefore necessary to understand these different motives and reactions if marketing managers are to implement effective strategies to reduce the negative effect of these perceptions on target brands.

2.3.6 Social media and the spread of negative WOM communications

In the current information age when there is an explosion of social media as a platform for quicker dissemination of information in the marketplace, negative WOM has even become an issue of greater concern to marketers and public relations practitioners (Qualman, 2013). Although social media platforms have been a highly beneficial environment for positive WOM communication for new products, companies and their brands have also found these platforms a fertile ground for negative WOM communications. In January 2012, McDonald's asked its customers to share their

positive stories about the company on Twitter, by making use of the hash-tag #McDStories. But after only hours, McDonald's had to withdraw the promotion because instead of consumers using the #McDStories to share their positive stories, they rather decided to share their negative customer experiences, resulting in massive amount of negative WOM communication about McDonald's products being spread on the internet (Pfeffer, Zorback, & Carley, 2013).

In a similar incident, a biker posted a video of how Kryptonite's supposed safest bike lock could easily be opened by simply using a pen on YouTube. Kryptonite had earlier promoted its bike lock as one of the safest, but this video which was posted on biker forum became very popular on the Web, exposing the inefficiency in the company's hitherto, touted device to more than two million people within a very short period of time. Before the proliferation of mobile phones and the internet, the propagation of negative WOM communication could have taken years. But on today's social media platforms, negative WOM about products or companies are formed and propagated via thousands or millions of consumers within hours (Pfeffer et al., 2013). Berger and Milkman, (2012) found that 59% of people report that they frequently share online content with others, and that someone tweets a link to a *New York Times* story once every four seconds. Electronic spread of information such as these examples is referred to as viral marketing.

Viral marketing is the online equivalent of word-of-mouth communication. Leskovec, Adamic and Huberman (2007) defined viral marketing as a diffusion of information about a product and its adoption over a network. When used positively, the goal of viral marketing is to use consumer-to-consumer or peer-to-peer communications to disseminate information about a product or service, thereby leading to more rapid and cost effective adoption by the market (Krishnamurthy, 2001). According to De Bruyn and Lilien (2008) the key driver of viral marketing is the effectiveness of unsolicited, electronic referrals to create awareness, trigger interest, and generate sales or product adoption. With the advent of social media sites, this process of information dissemination has been on the rise.

In their study to examine what makes online content viral, Berger and Milkman, (2012) also concluded that when online content evoked more of a low-arousal emotion; it

was less likely to be shared. However, when the story evoked high-arousal emotion, consumers are likely to share the information with others. Since rumours are uncertain and evoke high-arousal emotions in consumers, they led themselves easily to viral transmission over social network sites. In order to understand how consumers are influenced through WOM communications online, DeBruyn and Lilien (2008) used tie strength and perceptual affinity between those who pass on the information and recipients as the key antecedents, as tie strength had earlier been found to be one of the most significant factors that explains the influence of WOM communications. They defined tie strength as a combination of the amount of time, the emotional intensity (mutual confiding) and the reciprocal services that characterise the relationship between two people. While perceptual affinity was defined as the similarities between the two people exchanging the information in terms of their values, likes, dislikes and experience. Using a multi-stage model to investigate consumers' referral behaviour within the context of viral marketing, DeBruyn and Lilien (2008) hypothesized and found supporting evidence that tie strength facilitated awareness, and perceptual affinity triggered recipients' interest in the subject matter across different stages of the decision-making process. Thus, communication between consumers with weak ties does not result in further propagation of the story, compared to communication between those with strong ties. Therefore, they concluded that not all social networks are equally effective for harnessing the potential of peer-to-peer referrals. Given the importance of tie strength and perceptual affinity for generating awareness and triggering interest, it seems that networks of friends (as opposed to networks of professionals or colleagues) are more suited to the rapid and effective diffusion of peer-to-peer online referrals. Their study implies that the presence of close relationships is vital in the spread of viral marketing mechanisms among consumers over the internet. These findings appear to be consistent with a later study by Doer and his associates.

According to Doer, Fouz and Friedrich (2012), to date, there are two main types of rumour-spreading mechanisms that have been identified in the literature. The first is the push model, in which only nodes that know the rumour, contact neighbours to inform them and these are used predominantly to transmit information via computer networks. In contrast, to capture the effect of gossiping in social networks, it is more appropriate for uninformed nodes to actively ask for new information. Simulating a simple rumours-

spreading process on several graphs reflecting the structure of existing large social networks, Doer, Fouz and Friedrich (2012) found that a random node of the Twitter network reaches on average 45.6 million of the total of 51.2 million members within only eight rounds of communication. As a result, they concluded that social media platforms tend to accelerate the spread of rumours as a result their unique characteristics. A key observation in their mathematical proof, as well as being a good explanation for this phenomenon, is that small-degree nodes learn a rumour once one of their neighbours knows it, and then quickly forward it to other neighbours. This propagation scheme facilitates sending rumours from one large degree node to another. This partially explains why social networks are observed to spread information quickly, even though the process is not organized centrally, and the network is not designed in an intelligent way to specifically achieve that purpose. One crucial factor in this process is the fruitful interaction between hubs with many connections and average users with few friends. Their study shows that smaller hubs make the news available to a bigger audience, whereas average users quickly convey the information from one neighbour to the next. It is this ability to link nodes with fewer neighbours with nodes with larger neighbours that accelerates the spread of information on a typical social network platform compared to other communication vehicles.

In summary, as a result of the current advancement in information technology, the speed at which negative information spreads is faster than ever before. This situation therefore makes the spread of rumour in the marketplace an issue of even greater concern to many marketing managers and public relations experts, as it makes it difficult for them to control. It is therefore very important to be able to stop a rumour as quickly as possible and attract people back to the target brand. The focus of this study is on the reasons for the recipient's reaction to the rumour and the positive message counteracting the rumour, and not on the method of transmission.

An understanding of consumers' decision making, as well as their personal characteristics as a result of this study, will provide more information on how to deal with such outbreak of negative WOM communications about the affected companies and their products, in order to stem the decline of sales in such crisis situations.

2.3.7 Expectancy theories and consumer decision-making

The theory of reasoned action (Fishbein & Ajzen, 1975; Fishbein & Ajzen, 1980; Fishbein & Ajzen, 1981) is an expectancy model that is widely adopted in consumer behaviour to explain consumers' attitude change. Fishbein and Ajzen's (1975; 1980, 1981) approach to attitude formation suggests that attitudes are based on cognitions or beliefs. The expectancy value approach is deeply embedded in this model through the conception of both attitudes and subjective norms (Dabholkar, 1999). This theory states that attitude and subjective norms (towards a given behaviour) have a direct effect on intentions to engage in that behaviour and in turn, intentions have a direct effect on behaviour. In its original form, the theory of reasoned action appears as follows:

$$B \sim BI = \sum b_i e_i + \sum (NB)_i MC$$

An individual's attitude towards behaviour is thus determined by $\sum b_i e_i$, where b_i represents cognitive beliefs about the consequences (of the behaviour) for each individual and e_i represents evaluations about the consequences for each individual. The second term of this equation is made of two factors $\sum (NB)_i$, which represents subjective norms and MC which represents the motivation to comply.

Although the original Fishbein and Ajzen (1975) theory of reasoned action has received considerable empirical support (Fishbein & Ajzen, 2010; Ryan & Bonfield, 1980; Sheppard, Hartwick, & Warshaw, 1988), it has also met several conceptual challenges, specifically, with respect to the multidimensionality of expectancy-value components, cross-over effects of attitude and subjective norms, as well as the effect of past behaviour (Bagozzi, 1981; Netemeyer & Bearden, 1992; Oliver, 1997). Although a thorough discussion of these components of behavioural intentions is beyond the scope of this thesis, it is worth noting that several researchers have generally found that intentions are formed without subjective norms playing a major role (Bagozzi, 1981; Warshaw & Davis, 1985). Furthermore, some research has also demonstrated that the effects of past behaviour on intentions are sometimes not mediated fully by attitudes and/or subjective norms (Fredericks & Dossett, 1983).

Fishbein and Ajzen's (1980, 1981, 2010) approach to attitude formation suggests that attitudes are based on cognitions or beliefs. In the context of consumer behaviour, this means that attitudes can be based on consumers' thoughts about prior negative information received from a rumour-monger. Such a message can provoke thoughts about the product and stimulate negative attitude towards that target brand. However, some attitudes are highly resistant to change, while others are much more malleable (Einwiller & Kamins, 2008). Therefore, when consumers' brand attitudes are highly resistant, they make them less resistant to change. How strongly a consumer's attitude can resist such a change will however, depend on how strong a foundation the attitude has (Blackwell, Miniard & Engel, 2001). This would suggest that when consumers have experienced a product before and are highly committed to it, they are more likely to resist change, even in the wake of a vile rumour targeting their preferred brand.

In investigating consumers' resistance to attitude change, Blackwell, Miniard and Engel (2001), found that direct experience with an attitude object (equivalent to target brand) often leads to firmly entrenched attitudes that are resistant to change. In contrast, attitudes that are based on indirect experience, such as those formed after hearing what someone else has to say about the target brand, are usually more susceptible to change. This gives reason to believe that consumers, who have had previous extensive association with the target brand and are therefore more committed to it, are more likely to resist any attitude change due to any rumour aimed at dissuading them from patronising it. On the other hand, those who have not had prior association with and are not committed to the target brand are more likely to change their weak attitude towards the target brand and switch to a competing brand, since their behaviour will be based more on hearsay and not based on their personal experience of the target brand.

In line with the theory of reasoned action, which argues that consumers' attitude change, leads to intention to act and subsequently to behaviour, it is argued that because rumour, is fluid in nature and difficult to observe, this thesis uses consumers' decision making as a surrogate indicator of their willingness or unwillingness to purchase the target brand during the rumour outbreak. Thus, it is based on the premise that consumers' behaviour will be determined by their belief in the rumour and their subsequent behaviour after processing the rumour message. As suggested by Fishbein

and Ajzen (1975), when individuals decide whether to perform an act, they try to maximise the reward to be gained and minimise the costs associated with it. Hence the quantity of the target brand bought after hearing the rumour would be a good indicator of whether the consumer believes in the rumour and as a consequence an indicator of whether that consumer will continue to patronise the target brand or switch to other brands.

2.3.8 Theory of planned behaviour and negative WOM

A study by Cheng et al. (2006) demonstrated the application of the theory of planned behaviour in explaining how negative WOM communication influences consumer decision making. According to the theory of planned behaviour, which was originally proposed by Ajzen & Driver (1992) as a successor to Ajzen's (1991) earlier theory of reasoned action, human action is guided by three basic considerations: behavioural beliefs, which are about the likely consequences of one's behaviour; normative beliefs, which relate to the influence of normative expectations of others; and control beliefs, which relate to the presence of factors that may facilitate, or impede, the performance of the behaviour.

Cheng et al. (2006) justified their decision for using the theory of planned behaviour by citing its how it facilitates the accumulation of evidence as well as its usefulness in explaining most kinds of social behaviour, and finally, its application to a variety of social contexts. Using a sample of 394 diners, Cheng et al. found that perceived behavioural control of negative WOM communications was positively related to WOM intentions. Perceived behavioural control measures how well a person can execute the actions required to deal with specific situations (Abrahamse, Steg, Gifford, & Vlek, 2009; Ajzen, 1991). It reflects a consumer's perception of the presence of factors that may facilitate or impede the performance of an act, such as the availability of time and money or the possession of the required skills and the person's self-confidence in their ability to perform the act (Cheng et al., 2006). Cheng et al.'s study shows that behavioural control is one of the major factors that contribute to consumers' negative WOM intention and subsequent switching behaviour. When consumers perceived that

they had more control over the negative WOM behaviour, they were less likely to engage in negative WOM communication and thereby switch from the target company.

This perceived control of the WOM communication, suggests that consumers, who view themselves as more confident with regard to the content of the negative WOM communication, are more likely to have a positive feeling towards the target brand and are also more likely to stay with the target brand. Cheng et al.'s (2006) study also showed that apart from consumers' personal characteristics, they tend to take the social context into consideration when making decisions in connection with negative WOM communications, that is they tend to be influenced by the behaviour of the group to which they belong.

After reviewing the major theories associated with negative WOM literature, attribution and cognitive dissonance theories appear to be more relevant and have the strongest impact on consumers when they process WOM communication. Furthermore, attribution and cognitive dissonance theories account for consumers' motivation as they attempt to process any negative WOM communication. The theory of planned behaviour for example, takes into consideration the social environment surrounding the negative WOM. However, this social environment is also addressed by attribution theory. Therefore using both attribution and cognitive dissonance theories as the theoretical basis of this study, captures the underlying reasons that drive consumer behaviour during the outbreak of rumours in the marketplace.

2.4 Personal characteristics and WOM communication

The following section examines the literature relating to the effect of consumers' personal characteristics on how they process rumours. As explained in section 2.3.4 above, after the outbreak of rumour about a specific brand of product, consumers usually experience a state of cognitive dissonance (Festinger, 1957). But the degree of dissonance will be moderated by their previous experience, perception of the target brand as well as their personal characteristics. According to the confirmation/disconfirmation paradigm (Oliver, 1997; Santos & Boote, 2003; Wangenheim & Bayon, 2004), customers who have positive predisposition towards the target brand try to discount the negative information in an attempt to restore cognitive balance by continuing to patronise the

product. Their behaviour will project to their associates that they have made the right decision in spite of the prevailing negative information surrounding their preferred option.

Moreover, those who already have positive predisposition towards the target brand will attribute the negative message to the rumour mongers, instead of the target company as they are inclined to trust their preferred brand and would not be easily persuaded by the rumour to switch from their preferred brand (Laczniak et al., 2001). In fact, according to reactance theory (Brehm, 1966; Fitzsimons & Lehmann, 2004; Quick & Do Kyun, 2009), such people who have a greater commitment towards the target brand might react against the negative advice as a form of protest, and continue to buy their preferred brand. In Brehm's (1966) account, reactance is a state of arousal that motivates the maintenance of self-determination when it is under threat which has been further confirmed by East et al. (2008). East et al. also assert that reactance can even occur when people are directed to do things they want to do. That is, they might even react contrary to their initial positive attitude towards the object as a form of protest against the negative information being propagated.

On the other hand, those who already have negative predisposition towards the target brand are expected to switch from it, as the negative information will confirm their suspicion and they are likely to switch easily to a competing brand as a way of reducing the cognitive inconsistency created by the rumour. To affirm their entrenched position to their associates, they are expected to propagate negative WOM information about the brand they have switched from (East et al., 2008; Sheth & Parvatiyar, 1995).

Examining the post-decision behaviour of consumers, several researchers (Handley et al., 2009; Isbell & Wyer, 1999; Wegener & Petty, 2001), have also confirmed Wegener and Petty's (1995) observation that sometimes consumers reassess their earlier decisions, and when they discover a naive theory surrounding the issue at stake, they tend to make amendments to their previous decision. Based on this assertion, it is plausible that those who initially switch from the target brand may reassess that decision and when they realise that there is not enough evidence to support their earlier decision to defect from the target brand, they are likely to sway back to the particular

target brand from which they defected. Lin, Yen and Chuang (2006) confirm Cacioppo and Petty's (1982) assertion that those with high need for cognition tend to reassess their decision in such uncertain situations in order to rectify or confirm their earlier decisions.

These different decisions by the switchers and the stayers will be further enhanced or decreased by their degree of commitment, self-confidence and personal values. In their study of consumers' commitment on negative WOM communication, Ahluwalia, Burnkrant and Unnava (2000) found that consumers who are committed to a brand subject to negative publicity tend to disregard the negative information, and continue to patronise it. Those who are less committed to the target brand on the other hand, are easily persuaded by the negative publicity. They are therefore more likely to believe the rumour message and are more likely to switch from the target brand during the outbreak of a rumour. Similarly, in the face of negative information stemming from a product-harm crisis, Dawar and Pilluta (2000) found that customers who have some basis for holding the company in higher regard also engage in biased processing, resolving any ambiguity by discounting the negative information. Within the services context, research further suggests that relationship commitment can insulate service providers from a service failure (Hess, Ganesan, & Klein, 2003; Maxham & Netemeyer, 2003). Research by Chelminski and Coulter (2007b) also confirms that consumers who are more self-confident tend to switch providers easily during service failures as they believe that they are capable of making informed decisions in the marketplace.

In their investigation of WOM communication on consumer decision making, Charlett, Garland and Marr (1995) observed that most organisations recognise that consumer dissatisfaction can and will occur from time to time. According to them, such consumer response to dissatisfaction with a product or service can take several forms: (1) direct complaints to the seller, (2) third party responses such as, taking legal action and complaining to consumer "watchdog" groups, and (3) private responses such as brand switching and negative WOM communication, a view shared by Ingram, Skinner and Taylor (2005). Their evaluation of the three types of responses identified brand switching and negative WOM as one of the most challenging issues to deal with in consumer behaviour. The current research focuses on this third response, an alternative which they describe as being particularly, insidious for retailers and manufacturers.

2.4.1 Rumour and integrated marketing communication

Ralph Rosnow (1976), a psychologist, defines rumour as a proposition that is unverified and in general circulation. He argues that the fact that the information is unverified is important because being unverified does not mean that the rumour is untrue. He further argued that a rumour may turn out to be true, but until it is verified, it is subject to the dynamics of that particular situation. When it is verified, it is subject to the limitations presented by the facts surrounding its outbreak (Kimmel, 2004).

In his study of rumour, Mowen (1995) also defined rumour as a kind of group contagion that results from the fears and anxieties of people. He notes that during the peak of the HIV/AIDS epidemic for example, the general hysteria was one important source of rumours in the United States. According to Mowen, in at least two instances, rumours were spread that an employee of a restaurant had HIV/AIDS and was infecting food in that restaurant, leading to a drastic decrease in patronage.

Other researchers took a marketing perspective of this phenomenon in considering its negative effect on companies and their products. Notable among these researchers who took a marketplace perspective of rumour is Koenig (1985). Putting rumour in the marketing context, Koenig simply defined it as hearsay about products and producers. Considering the fluid nature of rumour, he explained that this phenomenon is different from legend, he cited which although similar to rumour in many ways, tends to be a developed story, usually with a surprise ending. To distinguish commercial rumour from a legend, he cited the example of such a rumour in the marketing context as when Procter and Gamble was accused of sponsoring the Church of Satan, which he classified as conspiracy rumour and when McDonalds was accused of using worm infested beef in its hamburgers which he classified as contamination rumour (Kimmel, 2004; Koenig, 1985).

This research takes the Koenig (1985) view of rumour in the marketplace and draws a parallel between the positive effect of integrated marketing communication and the negative effect that such unfounded rumours play in counteracting the positive impact of Integrated Marketing Communication (IMC). IMC refers to the strategic coordinated use of promotional elements, such as advertising, personal selling and public relations, to

ensure maximum persuasive impact on a firm's current and potential customers (Ferrell & Hartline, 2008). However, in an environment where rumours thrive, achieving this objective of the IMC program becomes virtually impossible, as rumour-mongers pass on messages that tend to dissuade consumers, instead of persuading them to patronise a target company's products and services.

An operational definition of commercial rumour for the purpose of this research is therefore defined as, any unverified message which is passed on from one person to another with the view of persuading a company's customers or potential customers from having a positive predisposition towards a target company or its products and services. A commercial rumour can therefore be viewed simply as information which is aimed at persuading the target's audience in order to prevent them from patronising the company's product, thus leading to a negative outcome for the target company. This definition therefore shares strong characteristics with negative WOM communication (Hoyer and MacInnis (2010), hence the use of these terms interchangeably throughout this thesis.

2.4.2 Commitment and consumer decision making

One of the key antecedents which seem to influence consumers' attitude towards commercial rumours is the strength of commitment toward the brand which is the subject of communication. This section therefore looks at some important studies that show the effect of commitment on consumers' decision making during the outbreak of rumours.

In their investigation of the moderating effect of commitment on consumer response to negative WOM communication, Ahluwalia, Burnkrant and Unnava (2000) used a series of experiments to provide a theoretical framework for understanding how consumers process negative information in the marketplace. Using a student sample of 456, Ahluwalia et al. found that commitment is an important moderator of consumer response to negative information. Specifically, they found that the response of high and low commitment consumers is very different. Consumers who are committed to a brand instinctively counter-argue the negative information about that brand when confronted with information aimed at discrediting it. These defensive processes mitigate the ill effects of that information in that, they reduce the likelihood of attitude degradation. Low commitment consumers on the other hand, counter-argue the negative information

to a lesser degree. Furthermore, they observed that even though low commitment consumers seem to like the brand as much as the high commitment consumers do, they exhibit greater attitude change and increased attitude ambivalence upon exposure to negative information about the target brand. Ahluwalia et al. attributed this attitude degradation to the receivers' perception of the diagnosticity of negative information. Their results suggest that a committed consumer can resist negative information effectively to such an extent that, it is unlikely to induce switching behaviour. This information processing bias may therefore lead to repeat purchase behaviour observed for committed consumers. Thus, their research provided an insight into why and how committed consumers engage in repeat purchase behaviour regardless of a rumour outbreak.

When Ahluwalia and her associates (2000) conducted their research, they pointed out that most companies were using a mass approach in responding to negative information about their product and service, and argued that, companies that are targets of negative WOM communication could use a targeted approach in order to effectively deal with the negative effect of such negative information. It appears that current research has still not been able to rectify this situation as some experts in the area of consumer behaviour still continue to lament the failure of researchers to adequately address this lack of targeted approach in their effort to address this issue (Hennig-Thurau et al., 2004; Ingram et al., 2005; Wangenheim & Bayon, 2004).

Even though Ahluwalia and her colleagues (2000) work was extensive in examining the impact of commitment on consumer decision making within the context of negative publicity, their research did not clarify why those who are not committed to the target brand sometimes return to it after the target company had released a positive statement designed to achieve this result. This study endeavours to cover this aspect as an extension to their work.

Using a meta-analytic approach, de Matos and Rossi (2008) demonstrated that out of satisfaction, loyalty, quality, commitment, trust and perceived value, commitment has the strongest influence on negative WOM communication. According to them, commitment has the greatest correlation with negative WOM communications. They

observed that higher commitment customers (relationship oriented customers) are those who present higher identification with the target company and hold feelings of attachment to maintaining valued relationships, thus reflecting the affective dimension of commitment (Harrison-Walker, 2001). They also observed that customers are more likely to increase their commitment with companies that recognise and reward their status as special customers (Lacey, Suh, & Morgan, 2007). As a result, these customers are likely to provide favourable WOM communication about the company in the event of a negative publicity about the company or its products. In fact, they observed that even when these customers experience occasional levels of dissatisfaction, they are likely to endorse their favoured company in order to keep cognitive consistency and justify their favourable attitude and strong identification with the company (Brown et al., 2005).

Similarly, using a longitudinal study, Brown et al. (2005) also demonstrated empirically that high commitment consumers' positive WOM goes beyond satisfaction. According to them, high commitment consumers talk positively about the target company regardless of their satisfaction level, whereas low commitment consumers, will provide favourable recommendations to the extent that they are satisfied. Using a sample of 397 in their first study and 147 in their second study, they demonstrated support for their hypothesis that consumer commitment mediates the relationship between satisfaction and positive WOM intentions and behaviours.

Commitment has been studied extensively in other related disciplines with some thought provoking outcomes that deserve a review in order to enhance our understanding of its effect on consumer decision making. The following paragraphs therefore look at the literature on the effect of commitment on other relevant disciplines such as ethics and social responsibility, politics and public policy to demonstrate the strong influence of commitment on consumer decision making in general. This approach was necessitated by the fact that the extant research shows that most consumers who resort to negative WOM communication also perceive the target companies as being unethical in the discharge of their business operations (Ingram et al., 2005; Weinberger & Lepkowska-White, 2000).

In their study of 334 participants where consumers evaluated unethical marketing behaviours, Ingram, Skinner and Taylor (2005) found that consumers' level of commitment attenuated the level of perceived fairness they attributed to the target company in the exchange relationships between the consumer and the company. Specifically, they concluded that highly committed consumers tend to forgive companies for behaviours that are generally perceived as unethical. To address the objectives of their study, Ingram et al. found evidence supporting their hypothesis that a higher level of customer commitment moderates the relationship between perceived magnitude of harm and perceived fairness by attenuating the strength of the relationship. Their study further supported their hypothesis that customer commitment is positively related to ethical expectation. Thus, when consumers are committed to a particular brand, they tend to trust that the company producing the product would be ethical in its dealings with them.

Similarly, investigating the effect of commitment on customer relationship management, Morgan and Hunt (1994) also found adequate evidence supporting their hypothesis that, there is a positive relationship between relationship commitment and cooperation. They also identified a negative relationship between relationship commitment and propensity to switch. In other words, if commitment between the consumer and the provider is lacking, the likelihood of the consumer switching from the target company is higher. This implies that in the absence of commitment between consumers and a brand, any outbreak of rumour would easily persuade them to switch to other competing brands.

Crosby and Taylor (1983) used a sample of 306 respondents in the Michigan area to demonstrate that high commitment voters exhibited more stability in their pre- and post-election preferences. Crosby and Taylor argued that commitment promotes resistant to change in preference in response to conflicting information or experience, a view confirmed by Mayer (2008) in his investigation of swinging voters. Crosby and Taylor (2008) pointed out that commitment is maximised when the individual is motivated by the need to maintain consistent relationships between commitment and salient aspects of cognitive structure, and important values and self-images are linked to the preference, leading to a state of position involvement.

In summary, these series of investigations on the moderating effect of commitment on consumer decision making seem to provide ample evidence to support the proposition that when consumers are highly committed to a particular brand, they tend to counter-argue any negative information that seeks to discredit their preferred brand. This strong commitment to the target brand and the presence of the contrary information they are confronted with creates a state of cognitive dissonance in their minds. To restore consonance or balance, consumers tend to resist any attempt by the message to change their positive attitude towards their preferred brand and therefore remain stayers.

On the other hand, those who are less committed to the target brand do not counter argue as much as the highly committed consumers. Since their commitment to the target brand is weak, the state of dissonance created in their minds rather goes to confirm their suspicions about the target brand, thus restoring their cognitive balance (Einwiller & Kamins, 2008; Festinger, 1957; Thomas, Arora, & Shainesh, 2009). They are therefore less able to resist the attempt by the negative information to change their already weak attitude towards the target brand and are easily persuaded by the message to change their attitude and switch from the target brand.

Using a combination of attribution and cognitive dissonance theories, as well as need for cognition, this research attempts to contribute to our understanding of negative WOM communication by unravelling why some consumers reassess the situation and return to the target brand after some time, thus bridging the gap in the negative WOM communication literature.

Those who prefer the target brand tend to spread positive information about it, while those who dislike the target brand switch from it, and tend to spread negative WOM communication in support of their decisions. Therefore, cognitive dissonance can be expected to result not only in positive WOM communication about the chosen brand, but also in negative WOM communication about the unchosen brand. However, although the ethical implications of commitment on relationships in general has helped in throwing more light on its effect on commitment, it is not within the scope of this study to examine the ethical issues involved in consumer decision making during the outbreak of rumours.

These studies demonstrate that when consumers are confronted with negative WOM communication about a target brand, their subsequent behaviour as to whether they will continue to patronise the product or switch to a competing brand would be moderated by their level of commitment towards the target brand.

2.4.3 Self-confidence and consumer decision making

The extant literature shows that consumer self-confidence can significantly influence consumer decision making during the outbreak of rumour. The aim of this section is to review some of the major studies in this area of the consumer behaviour literature and show how self-confidence can serve as one of the basis upon which this study can be developed.

Making the right decision regarding whether to continue to patronise one's favourite brand or switch to a competing brand in the face of a malicious rumour that seeks to discredit it, has always been stressful for many consumers (Loibl et al., 2009). The academic literature supports the notion that consumer self-confidence is closely related to positive experiences in the marketplace (Barber, Almanza, & Dodd, 2008). Analysis of consumer behaviour tends to associate self-confidence with consumers' perceptions of their product knowledge (Park, Mothersbaugh, & Feick, 1994), scepticisms towards market claims (Brown & Krishna, 2004), market expertise and individualism (Chelminski & Coulter, 2007a, 2007b). Early research in consumer behaviour addressed the issue of consumer self-confidence on decision making by resorting to measures of self-esteem developed in the psychological literature (Bearden et al., 2001). Among the most popular and well-utilised measures of self-esteem were the Rosenberg (1965) Self-esteem Scale and the Coopersmith (1981) Self-esteem Inventories. Self-esteem refers to an individual's sense of his or her value or worth. High self-esteem has been related to making deliberate, well planned, less compulsive purchasing decisions (DeSarbo & Edwards, 1996; Perry & Morris, 2005) and to consumers who are more difficult to persuade and willing to pursue their consumer rights (Chaplin & John, 2007; Ferraro, Shiv, & Bettman, 2005). Self-confidence issues (and the related self-esteem measures) have been studied principally from two perspectives in the marketing and consumer research literature: (1) laboratory experiments involving

investigations of advertising and interpersonal influences, and (2) field survey tests in which self-confidence is depicted as an antecedent of some marketing-related individual characteristic or knowledge attribute.

The use of self-esteem in laboratory-based studies of persuasion and group influence is based on the assumption that individuals high in self-esteem are more difficult to persuade than low self-esteem individuals (Bearden et al., 2001). Wood and Stagner (1994) suggest that the explanation for this assumption is twofold. Firstly, high self-esteem persons are thought to be more confident of their own judgments and consequently, less influenced by others' opinions. Secondly, high self-esteem individuals are more likely to believe others think well of them, and hence, are less concerned with social rejection than are low self-esteem persons. Each of these explanations provides impetus for the use of self-esteem scales to reflect general feelings of self-confidence in consumer decision making. However, the use of self-esteem measures to reflect consumer self-confidence has resulted in equivocal outcomes.

At least two reasons may account for the mixed results of research into consumer self-confidence. Firstly, self-esteem is a global personal trait that may have only limited correspondence with self-esteem as related to consumer and marketplace phenomena such as rumour. Secondly, the dimensionality and validity of the most frequently employed measures have been questioned (Tomas & Oliver, 1999). For example, the Janis and Field (1959) Feeling of Inadequacy Scale (FIS) was originally developed to quantify a person's feelings of inadequacy, self-consciousness, and social anxiety. However, the dimensionality of the FIS and some low item-to-total correlations have led some authors to express concern about its lack of reliability in determining consumers self-confidence (Aluja, Rolland, Garcia, & Rossier, 2007; Bearden et al., 2001; Church et al., 1980; Flemmig & Courtney, 1984). For example, Church, Truss and Velicer (1980), studied a sample of 450 respondents and demonstrated that the Janis-Field FIS is not an appropriate unitary measure of self-esteem, as it measures a distinct composite of the subjects' self-perception, which they referred to as "concern about evaluation, self-regard and interaction anxiety" p.14. The Rosenberg (1965) Self-Esteem Scale, originally designed to measure adolescents' global feelings of self-worth has also come under criticism for being susceptible to social desirability bias and for often being

so skewed as to produce low tripartite-split groups that are still relatively high in self-esteem (Blascovich & Tomaka, 1991).

2.4.3.1 Self-confidence in the marketing context

In order to address the inadequacies in the self-esteem focused measures, Bearden, Hardesty and Rose (2001) proposed a ground-breaking measure that is more closely related to consumer phenomenon, which they thought could be useful as a more reliable measure in the effort to investigate the role of confidence within the consumer behaviour context (Loibl et al., 2009). This measure is consistent with the frequently cited admonition of Kassarian (1971), who argued that for consumer researchers to effectively address the issue at stake, they need to develop measures that take into consideration the relevant consumer context in which the phenomena of interest occurs.

Consumer self-confidence is considered important to this study because it serves as a protector against stress (Luce, 1994) and also, it provides motivation for consumers to seek assistance when confronted with complex or uncertain decisions in their purchasing process. Consumer self-confidence as conceptualised by Bearden et al. (2001), comprises of six dimensions, Information Acquisition (IA), Consideration-Set Formation (CSF), Personal Outcomes decision making (PO), Social Outcomes decision making (SO), Persuasion Knowledge (PK) and Marketplace Interfaces (MI).

Bearden et al.'s (2001) first dimension of consumer self-confidence (IA) reflects the individual's confidence in his or her ability to obtain needed marketplace information and to process and understand that information (Loibl et al., 2009; Moorthy, Ratchford, & Debabrata, 1997; Punj & Staelin, 1983). While consumers' need for information varies across product categories and with experience, the ability to acquire and process the right amount and content of information prior to further decision making is an important antecedent to effective decision making (Alba & Hutchinson, 1987). Moreover, different levels of confidence in information acquisition and processing capabilities may well explain some of the variance in pre-purchase information-search activity, especially for high-ticket durable goods (Moorthy et al., 1997). One can therefore assume that consumers who are more self-confident have a greater ability to acquire the necessary information in the marketplace in order to assist them to make informed and independent

decision about a rumour message. A less confident individual on the other hand, may not have the ability to seek the necessary information to assist them in making such an independent decision and would likely be swayed by the prevailing hearsay about the target brand.

The second dimension of consumer self-confidence (CSF) represents the consumer's confidence in his or her ability to identify acceptable choice alternatives, including products, brands and shopping venues. This dimension is consistent with the frequently used heuristic in which consumers screen the large number of alternatives (e.g. brands) available to arrive at a more manageable and relevant set, frequently labelled the consideration-set or evoked-set (Hauser & Wernerfelt, 1990; Hoyer & MacInnis, 2010). Moreover, this dimension assumes that individuals vary in confidence regarding their ability to construct consideration-sets that contain choice alternatives for effectively satisfying consumption goals. Concern for one's ability to develop or identify meaningful consideration-sets is consistent with a number of basic theories and results in the behavioural sciences (Hauser & Wernerfelt, 1990). For example, Wright (1975) argues that consumers often strive to simplify their decision environment, while Alba and Hutchinson (1987) describe several phenomenon related to simplification of choice through CSF. These descriptions of CSF give reason to believe that consumers with a high level of self-confidence have greater ability to simplify their decision environment and thereby identify acceptable choice alternatives, including products, brands, or (in the case of this study) which rumours in the marketplace to believe.

Personal Outcome Decision Making (PODM) and Social Outcome Decision Making (SODM) are the fourth and fifth dimensions of Bearden et al.'s (2001) self-confidence dimensions. Through these dimensions, it is recognised that consumers must make decisions routinely regarding the choice and purchase of products and services (Bettman, Johnson, & Payne, 1991) and that, these decisions result in outcomes that elicit personal feelings of satisfaction and, in many situations, creates positive reactions from others. More formally, these aspects of consumer self-confidence are defined as the confidence in one's ability to meet purchase objectives such that choices are personally satisfying and generate positive outcomes in the form of reactions from others including friends, family, and neighbours (Wright, 1975). As such, these sub dimensions of

consumer self-confidence reflect the individual's beliefs regarding his or her ability to make sound judgements, and to draw effectively on prior experiences and learning in their efforts to arrive at satisfactory decisions. Based on these assertions, it is reasonable to assume that consumers who have low self-confidence would be less confident in making independent judgements on whether to accept or reject rumours about their favourite brands.

The Personal Knowledge (PK) reflects the individual's confidence in their knowledge regarding the tactics used by marketers in efforts to persuade consumers (Friestad & White, 1994). This dimension of consumer self-confidence reflects the individual's confidence in their ability to understand and cope with marketers' tactics. As such, this dimension recognizes that consumer self-confidence includes one's perceived ability to understand the cause and effect relationships that determine marketers' behaviour and to deal with these attempts to persuade them.

The Marketplace Interfaces (MI) facet of consumer self-confidence reflects consumers' confidence in their ability to stand up for their rights and to express their opinion when dealing with others in the marketplace (e.g., store employees and salespersons). Persons high in consumer self-confidence are more likely to express their own positions and to deal forthrightly with store clerks and other marketing boundary personnel than are persons low in consumer self-confidence. Consequently, consumers scoring high on this dimension should possess greater assurance in their own ability to interact with others in exchange situations, including requests for product demonstrations, refusals to purchase, and demands to remedy defective products (Richins, 1983).

Bearden, et al. (2001) found that consumer self-confidence was a more reliable construct than others previously used in the self-confidence literature (such as self-esteem) for measuring a consumers' ability to have control over themselves and the purchasing environment. According to them, consumer self-confidence is based on a personal history of successful goal-directed behaviour. The use of consumer self-confidence in investigating consumer decision making during the outbreak of rumour is therefore based on the premise that the confident consumer is empowered to act on the

basis of their strongly held beliefs (Barber et al., 2008; Bearden et al., 2001; Berger & Mitchell, 1989).

Consumer self-confidence can be defined as the extent to which an individual feels capable and assured with respect to their marketplace decisions and behaviours. Hence, consumer self-confidence reflects subjective evaluations of one's ability to generate positive experiences as a consumer in the marketplace (Barber et al., 2008). Consumer self-confidence is viewed as a multifaceted secondary disposition that is more closely related to consumer phenomena than are central disposition such as self-esteem (Lastovicka, 1982; Loibl et al., 2009). It therefore represents a relatively stable self-appraisal that is assumed to be readily accessible to the individual because of the pervasiveness of consumer activity in everyday life (Blascovich & Tomaka, 1991).

According to Bearden et al. (2001), consumer self-confidence results from more basic traits, such as self-esteem, perceived control (Langer, 1983), dominance (Lorr, 1991), and from the collection of the individual's prior marketing experiences that is influenced by personal characteristics such as age, income, and education (Obermiller & Spangenberg, 1998). While product-specific self-confidence will vary across product categories, feelings of global consumer self-confidence are still capable of differentiating among individuals within product-decision categories and purchase experiences. Moreover, like other consumer measures, general consumer self-confidence should be able to predict tendencies to act in a particular manner when confronted with a phenomenon such as rumour. For example, correlations with a summed index of specific self-confidence items assessed across a series of products would provide evidence of criterion validity (Obermiller & Spangenberg, 1998). Even in instances where the level of product or situation-specific confidence may be low for most consumers, consumer self-confidence will still vary across individuals.

Purchase specific factors, such as product expertise, can moderate the strength of the relationship between self-confidence and several purchase outcomes. For example, greater expertise should strengthen the positive relationship between consumer self-confidence and the exertion of influence on others and the negative relationship with persuasibility and perceived risk. Consumer expertise represents the individual's ability

to perform product-related tasks successfully (Alba & Hutchinson, 1987; Barber et al., 2008). Product expertise includes both the cognitive structure and the processes required to effectively use product information and beliefs stored in memory. As a result, expertise, which typically increases as product-related experiences accumulate, reflects product-specific issues (Moorthy et al., 1997). Thus, consumers who have adequate experience with the use of a particular product would likely have a more positive predisposition towards it, compared to those who have less experience in using it. Therefore such consumers are likely to trust the target brand and are more likely to have a greater self-confidence in the continued usage of the brand regardless of the prevalence of the negative information.

Consumer self-confidence is conceptualised as a multidimensional concept consisting initially of two higher-order factors, each made up of multiple dimensions (Bearden et al., 2001; Gerbing, Hamilton, & Freeman, 1994). It reflects the individual's perceived ability: (1) to make effective consumer decisions, including the ability to acquire and use information, and (2) to protect themselves from being misled, deceived, or treated unfairly. Consumer self-confidence functions, to enable the consumer to operate effectively when faced with complex decisions involving larger amounts of information and strain from marketplace pressures. The behaviours of persons low in consumer self-confidence are more subject to environmental circumstances and are more inclined to be inconsistent in their decision making than those who have high consumer self-confidence (Mossman & Ziller, 1968). However, overconfidence has also been found to undermine the quality of consumer decision making (Alba & Hutchinson, 2000).

The two higher-order constructs of consumer self-confidence also represent important streams of research in the consumer behaviour literature, both of which deal with the individual's ability to operate effectively in the marketplace. Firstly, the decision making component is consistent with the extensive body of consumer research that has attempted to understand and improve consumer performance through knowledge of how marketplace information is obtained, analysed and used to make purchase-related decisions (Bettman et al., 1991; Nedungadi, 1990). The second higher-order factor corresponds to the ability of the consumer to operate effectively in the exchange process, the basic unit in most consumer behaviour analysis (Oliver, 1997; Richins, 1983). These

two higher-order factors are also consistent with the most frequently studied roles of consumer self-confidence in the consumer behaviour and marketing literature. For example, Park, Whan, Mothersbaur & Fieck (1994) and Yeoh (2005) propose that self-confidence operates as an antecedent to marketplace choices and subjective knowledge perceptions. This proposition implies that the level of consumer self-confidence influences a consumer's ability to deal with a rumour that seeks to target their favourite brand.

Using 106 and 129 respondents from Canada and Singapore respectively, Lau and Ng (2001) found that one of the most important predictors of engagement in negative WOM communications is consumers' self-confidence. Their research demonstrated enough support for their hypothesis that consumers who are self-confident are more likely to engage in negative WOM dissemination. However, Lau and Ng attributed their respondents' attitude to the satisfaction/dissatisfaction paradigm, a reason which has been cited by most of the extant literature for the outbreak of negative WOM communication.

In summary, during the outbreak of rumour in the marketplace, because there is a great deal of anxiety and ambiguity surrounding the situation, self-confidence appears to be one of the factors which can have an important impact on consumer decision making.

2.4.3.2 Mavenism, self-confidence and consumer decision making

Chelminski and Coulter (2007b) found support for their proposition that consumer self-confidence is positively related to market mavenism. Market mavens are consumers who are knowledgeable about the general marketplace, attentive to marketing and advertising information and keen on sharing market-related information with others (Feick & Price, 1997; Gladwell, 2000; Slama et al., 1992; Wiedmann et al., 2001). Market mavens attend to a broad variety of information sources about the marketplace, including reading consumer reports and direct mail, and they exhibit more favourable attitudes towards direct mail as a source of information than other consumers (Clark, Goldsmith, & Goldsmith, 2008; Stokburger-Sauer & Hoyer, 2009). This influencer

group enjoys browsing and shopping and tends to be more involved in the marketplace by planning their shopping trips and paying attention to advertised promotions (Goodey & East, 2008; Price, Feick, & Guskey-Federouch, 1988). Market mavens are not only helpful information providers to other consumers but also skilful shoppers (Slama et al., 1992). Additionally, market mavens tend to be more innovative, indicating a tendency to shop for and purchase new products relatively earlier than other consumers (Goldsmith, Flynn, & Goldsmith, 2003). Because market mavens actively seek market-related information, they tend to be aware of new product offerings earlier than other consumers. Moreover, market mavens often initiate discussions about the marketplace and eagerly respond to information requests. Thus, they play an important role of a marketplace consultant about a large assortment of products to others, particularly less informed consumers (Chelminski & Coulter, 2007b; Clark et al., 2008; Stokburger-Sauer & Hoyer, 2009). The characteristics of market mavens suggest that they have higher self-confidence and are less likely to switch providers in the event of a rumour outbreak.

In their study, Chelminski and Coulter (2007b) posited that market mavens exhibit greater consumer self-confidence than other consumers, arguing that more self-confident consumers feel more comfortable sharing marketplace information with others. Walsh, Gwinner and Swanson (2004) report that market mavens feel a sense of obligation to provide marketplace information and a desire to help others. Clark and Goldsmith (2005) also demonstrated that market mavenism is positively related to consumer's self-esteem, tendency to conform, need for uniqueness, and susceptibility to normative influence. Thus, those who are considered to be market mavens are likely to have the ability to further investigate the issues when they are confronted with a rumour that seeks to credit their favourite brand.

In another study to examine the effects of cultural individualism on consumers' propensity to voice, Chelminski and Coulter (2007a) found that, self-confidence has a significant influence on consumer decision making processes. Using a sample of 280 from the US and 513 from South Korea, they observed that self-confidence was strongly and positively associated with individualism and propensity to voice in the context of dissatisfactory marketplace experience. These findings supported their initial hypothesis

that self-confidence mediates the effect of individualism on propensity to voice their displeasure during unsatisfactory marketplace experience.

Using the theory of planned behaviour to investigate consumer's intention to propagate negative WOM as a reaction to dissatisfied service experience, Cheng, Lam and Hsu (2006) found that perceived behavioural control of negative WOM communication is positively related to negative WOM intention. In other words, the consumer's intention to propagate rumour about a target brand is positively related to their perception of being in control of the negative WOM communication. In view of their dissatisfaction and also their inability to complain to the provider, such disgruntled consumers vent their anger by switching from their providers and propagate negative WOM to their friends and relatives in order to persuade them to switch from the target companies or brands as well.

2.4.3.3 Self-confidence and information search

Loibl et al. (2009) found that high consumer self-confidence customers are more likely (after adjustment for demographic differences) to implement an information search strategy. Their findings provided further empirical evidence that there is a positive relationship between consumer self-confidence and information search, thus confirming the earlier contentions from Bearden, Hardesty and Rose (2001), Wells and Prensky (1996) and Newman and Staelin (1971) that the more information consumers collect, the more comfortable they feel about making purchase decisions. However, Loibl et al. (2009) and Yeoh (2005) also observed that consumers with a higher confidence in information acquisition skills tended to practice lower information search strategy, a finding that contradicts earlier research results. They concluded that one plausible explanation for this finding was that those who are confident in the acquisition of marketplace information had no need to do an extensive search because they feel they already know how to find the information they need, thus, echoing Agnew and Szykman's (2005) finding.

One can assume that because high self-confidence consumers believe they are capable of making the right decision and therefore do not need any extensive information search when there is an outbreak of rumour, they are likely to stay with their current

providers, compared to the low self-confident individuals, who are likely to consult others and be easily persuaded by rumour mongers. Also, since high self-confidence consumers are more confident in their marketplace decision making, such consumers are more likely to take into consideration the high switching cost involved in information search and the further uncertainty surrounding the alternative brands.

2.4.4 Personal values and consumer decision making

Rokeach (1973) provided a well-known social scientific definition of “value as a criterion” p.5. He described personal value as an enduring belief that a specific mode of conduct or end-state of existence is personally preferable to an opposite or converse mode of conduct, or end-state of existence. Values therefore represent a motivational construct and form the psychological core of the “self” (Wade-Benzoni et al., 2002). Thus, values can be useful for measuring product choice, because they play central roles in consumers’ cognitive structures (Brangule-Vlagsma, Pieters, & Wedel, 2002). Therefore to examine consumers’ behaviour in the marketplace, values provide one of the most powerful ways to understand consumers’ behaviour (Doran, 2009; Durgee, O’connor, & Veryzer, 1996).

Values have traditionally been studied from two perspectives, the societal perspective and the personal perspective (McGuire, Garavan, Saha, & O’Donnell, 2006). Engel, Blackwell and Miniard (2001) make the distinction that social values define normal behaviour for a society or group, whereas personal values on the other hand, define normal behaviour for an individual. Because individual consumers learn their personal values from their social values, consumers’ personal values are determined by social values. Hence, personal values reflect the choices an individual makes from the variety of social values or value systems to which that individual is exposed. Although individuals are influenced by social values of groups to which they belong (e.g. nation, religion and family), individuals pick and choose from social values to develop their own personal values.

At the group level of analysis for example, Earley (1989, 1993) found that the degree of collectivistic values of an organisation will significantly influence the affective commitment of individual employees within that organisation, while at the societal level, Hofstede’s (1980) seminal work notes the significance of values in explaining the

productivity of nations. A large body of literature takes Hofstede's (Hofstede, 1980, 2001) societal or national values perspective to examine consumer decision making within a variety of contexts (Myers & Tan, 2002). For example, Lam, Lee and Mizerski (2009) used it with respect to consumer decision making within the WOM communication context, while Reimann, Lunemann and Chase (2008) did the same to study consumer decision making within the perceived service quality and customer satisfaction contexts. However, the usage of Hofstede's societal or national perspective of values has come under severe criticism as pointed out in the introductory section of this study. Several experts in the consumer behaviour and cross-cultural communication literature have criticised his over reliance on societal or national values as the sole explanations for national or group behaviour. In his criticism of Hofstede and his followers for their national approach to societal values, McSweeney (2002a, 2002b) questioned whether, other than a priori belief, any basis exists for claims that influential national cultural values exist. He lamented that, frequently, within the management discipline in particular, researchers justify their reliance on the notion of national cultural values merely by citing Hofstede (1980). McSweeney further argued that it is possible to assume the existence of national culture but without attributing significant and unique (indeed any) social patterning effects to such cultures. He therefore questioned the validity of Hofstede's idea of crediting of strong (often absolute) causality of consumer behaviour to national cultures which essentially endorses national cultural determinism.

Following McSweeney's argument, Myers and Tan (2002) explained that an increasing number of researchers have found that the relationship between national cultural values and culturally-influenced work-related values and attitudes is extremely complex and that these constructs have not been well explained by Hofstede's model. However, they cautioned that they do not suggest that culture can only be studied via qualitative approaches such as ethnography, nor that the concept of national culture should be abandoned altogether, but because national cultural values are continually being invented and re-invented (often by politicians), researchers need to adopt a more dynamic view - one that sees cultural values as contested, temporal and emergent. Thus, this study examines the impact of consumers' personal values on consumer decision making in the rumour context, by drawing on some of the published literature which focus on societal or group perspective of values, but endeavours to examine consumers'

decision making from a personal perspective. For example, exploring how consumers' values influence consumer-brand relationship quality and outcomes including satisfaction, trust, affective commitment and loyalty, Zhang and Bloemer (2008) found that value congruence has a significant, positive effects on satisfaction, trust and affective commitment to the target brand. Specifically, using a sample of 1,037 consumers, their findings revealed that when consumers' values are in congruence with a particular brand, they tend to be more committed, trust the providers and are less inclined to switch to competing brands. Thus, consumers whose values attest to the fact that they should maintain a continuous relationship with their favourite brands or companies with whom they have long been associated, tend to place greater emphasis on the relationship and will remain stayers upon hearing the rumour, while those whose values attest to the fact that their association with the target brand is only temporary, are likely to switch to competing brands upon hearing the rumour.

In view of these criticisms levelled against the usage of national values by other consumer behaviour experts, and the fact that to date, there has been very limited studies that take the individual perspective of values to examine consumer decision making (McGuire, Garavan, Saha & O'Donnell, 2006), this study takes the personal perspective of values to explain consumer decision making within the context of rumour outbreak.

2.4.4.1 Uncertainty avoidance and consumer decision making

Uncertainty avoidance addresses the concept of risk, risk aversion and reliance on risk-reducing strategies. Since rumours invoke uncertainty and anxiety in consumers' minds when evaluating products that are subjects of rumours, it is plausible to assume that consumers would be influenced by uncertainty avoidance when confronted with rumour allegations. Doney, Canon and Mullen (1998) showed that consumers with HUA values place emphasis on continuing with their current relationships, thus affecting the benevolence dimension of their beliefs. To support their findings, they argued that consumers with HUA values tend to frown on conflict and value compromise, so such consumers would have benevolent intentions towards a company subjected to rumour allegations (Doney et al., 1998; Hwang, 2009).

In line with Doney et al.'s (1998) work, Furrer, Liu and Sundharshan's (2000) study of the relationship between consumers' values and behavioural intentions toward services also revealed that consumers with HUA values are more likely to praise the service provider if they experience positive service quality. However, if such consumers experience a problem, they show a lower intention to switch to another service provider, propagate negative WOM or complain. Cheng, Lam and Hsu (2006) outlined a similar view in their assessment of consumers' tendency to propagate negative WOM communication. Using the theory of planned behaviour, they argued that consumers with HUA values tend to avoid criticism and also tend to have the desire to win approval from their business partners by being loyal.

Research findings about UA to date show that consumers' personal values influence their perception of the degree of negative service encounter and their subsequent reaction to it. It can therefore be inferred that when consumers from HUA values are confronted with a rumour that seeks to discredit a target brand, whether they believe it or not, would be influenced by the degree of their uncertainty avoidance values. Those with HUA will tend to be more benevolent in behaviour towards the target brand and stay, while those with LUA values will be less benevolent and are more likely to switch to competing brands.

2.4.4.2 Individualism/collectivism and consumer decision making

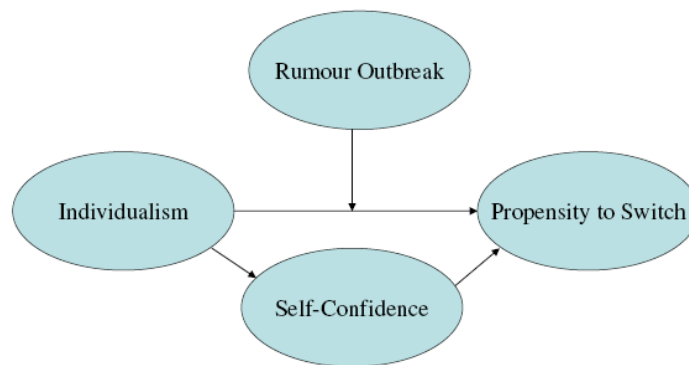
Chelminski and Coulter (2007a) concluded that individualistic consumers have greater propensity to complain compared to collectivist consumers. According to these authors, individualists complain more frequently because they have less concern about violating relational harmony when confronting the person or company responsible for the product or service failure. Several studies have also provided some empirical evidence to support the correlation between individualism and propensity to voice dissatisfaction. For example, in individualistic societies, in which social circles are large and constantly changing, people typically favour methods of adjudication to facilitate an all-or-nothing outcome (Lim, Leung, Sia, & Lee, 2004). In addition, research contrasting the impact of less versus more individualistic values on customer relationship management, has

demonstrated that collectivist consumers prefer non-adversarial procedures (Oyserman & Lee, 2008). Similarly, compared with individualistic respondents, Trubinski, Ting-Toomey and Sung-Ling (1991) found that collectivistic respondents prefer obliging and avoiding styles in conflict resolution. Examining these findings specifically in the marketplace environment, Huang (1994) determined that when individualist consumers are dissatisfied, they are more likely than collectivists to complain directly to the seller or to take legal action in response to a dissatisfying purchase, whereas collectivists are more likely to take no action at all. People living in individualistic societies are more concerned with their own needs and goals than citizens of collectivist societies, and are more likely to take things into their own hands. They rely on contractual agreements and their perceived personal right often drive social behaviour when contracts are violated (Triandis, 1995). Thus, when consumers are faced with service or product failures, it is anticipated that those with individualistic values are likely to unilaterally take action in search of a remedy. Indeed, some research shows that individualistic consumers favour direct communication styles and solution-oriented actions, more than their collectivistic counterparts (Leung, 1988; Patterson, Cowley, & Prasongsukarn, 2006). Similarly, Liu and McClure (2001) demonstrated that collectivist consumers are less prone than individualist consumers to voice their dissatisfaction directly to a firm which is at fault in its service or product delivery. Collectively, these findings suggest that the more individualistic a consumer is, the more likely they would engage in voicing dissatisfaction directly to the firm at fault and that such consumers are also more likely to switch from the target brand.

Chelminski and Coulter (2007a) concluded that individualistic consumers' tendency to voice is mediated by self-confidence. Other researchers have documented that people who exhibit more individualistic tendencies are more assertive (Markus & Kitayama, 1991; Triandis, 1995) and exhibit greater self-assurance. Indeed, Tafarodi and Swann (1996) documented that people with individualistic values exhibit higher levels of self-confidence than those with collectivistic values. In the consumer behaviour literature, Bearden and Teel (1980) suggest that more confident consumers have greater propensity to voice their dissatisfaction, because they believe that others should be held accountable. Thus, these studies appear to show that in spite of the individualists' showing a greater sign of self-confidence, they are more likely to sever their relationship with the provider

in the event of a rumour outbreak, since they do not put greater importance on their relationship with the provider. They are also not likely to feel any sense of obligation to the provider; hence, leaving the target brand will not be of any concern to them, as compared to their collectivist counterparts who are likely to put greater value on their relationship with the target company. Figure 2.1 illustrates a melding of Chelminski and Coulter's (2007b) and Bearden, Hardesty and Rose's (2001) concepts of consumer self-confidence and shows how they can be adapted in a rumour context to explain consumers' switching behaviour.

Figure 3.1: Effect of self-confidence and individualism on rumour outbreak



Adapted from: Chelminski and Coulter (2007a); Bearden, Hardesty and Rose (2001)

In their examination of the relationship between culture and behavioural intentions toward services Liu, Furrer and Suhdarshan (2001), concluded that customers holding more individualistic values have a lower intention to praise the service provider, even when they experience positive service quality, yet they exhibit a higher intention to switch to another service provider or to propagate negative WOM if they experience negative service quality. This behaviour seems to support the view that, individualists are more likely to switch from the service provider in the event of a rumour aimed at discrediting the target brand.

The studies reviewed in this section give credence to the fact that consumers' decisions, particularly, during the outbreak of rumours are strongly influenced by their personal values. The implication is that consumers with individualistic personal values have a greater tendency to voice their dissatisfaction in the event of a rumour that seeks to discredit a target brand and are more likely to voice dissatisfaction in the event of a rumour that seeks to discredit a target brand and are more likely to switch from the target brand. On the other hand, the research suggests that consumers with collectivistic personal values are likely to complain less when confronted with a rumour about a target brand and are therefore more likely to stay with the target brand in spite of the rumour allegations, since they tend to put greater importance on the relationship with the target provider and appear to be less self-confident in their decision to switch to competing brands.

In summary, when consumers are confronted with rumours that aim at discrediting a target brand in the marketplace, they tend to process the information in ways predicted by attribution and cognitive dissonance theories. These information processing strategies are moderated by the consumer's personal characteristics, such as their level of commitment to the target brand, self-confidence in the marketplace and personal values.

2.5 Conclusion

This chapter has reviewed the relevant literature upon which this thesis is based. It showed that consumers' decision making during the outbreak of rumour is influenced by their brand commitment, personal values and self-confidence. It highlighted the link between the extant literature and the current study and also pointed out the gaps in the literature that the current study seeks to address in order to advance the quality of the WOM literature and the consumer behaviour literature in general.

Chapter 3 - Pilot Study Methods

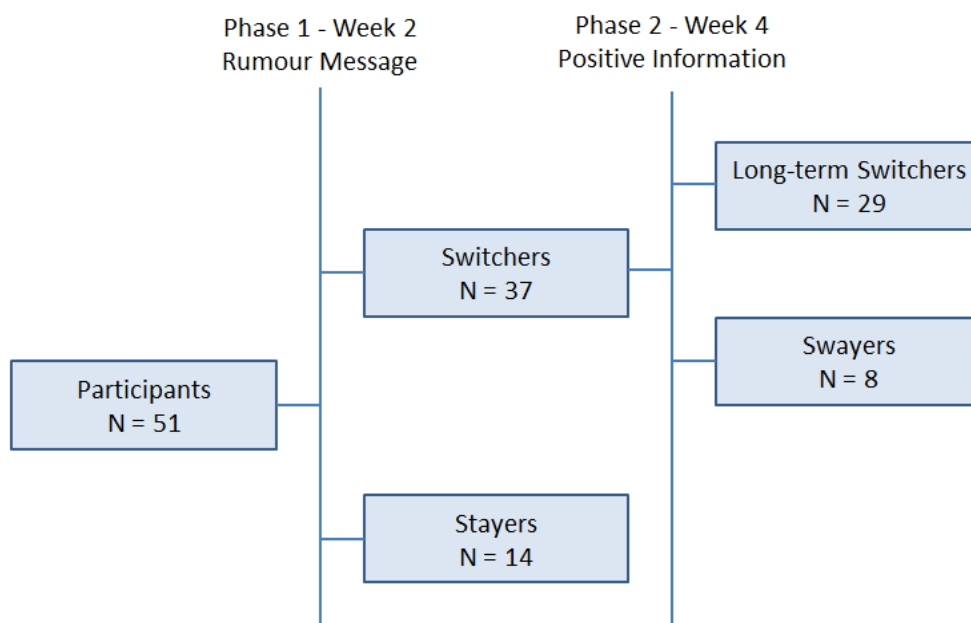
3.1 Introduction

This chapter highlights the key areas within the literature that derive the relevant hypothesis for the study. To examine the effect of brand commitment, personal values and self-confidence on consumer decision making during the outbreak of rumours, it was necessary to construct a rigorous methodology. The research was divided into two parts. The first part dealt with the pilot study, the findings of which enabled the methods to be refined for the main study. This chapter outlines the methods and outcomes of the pilot study.

3.2 The pilot study

The purposes of the pilot study were to determine the feasibility of the proposed research design and to determine the practicability of using this design in the main study in order to obtain valid and reliable information to address the proposed research questions. To achieve these objectives, the pilot study was divided into two phases as illustrated in the pilot study flow diagram Figure 3.1 below.

Figure 4.1: Pilot study flow diagram



The aim of phase 1 was to test whether the rumour message will have a significant negative impact on the consumers' purchase decision, such that majority of the participants would reduce their purchase quantity after exposure to it. Phase 1 also served as a way of validating the categorisation of the purchasers into stayers and switchers (see section 1.1.5). In this research, stayers are defined as consumers who maintain or increase their purchase quantity of the target brand, in spite of the outbreak of rumour targeting it. In contrast, switchers are consumers who reduce their purchase quantities immediately after the outbreak of a rumour.

In phase 2, the researcher tested whether positive information released by the owner of the target brand to persuade the affected consumers to continue to patronise it, had a significant positive impact on the switchers' purchase decision, such that majority of the participants will maintain or increase their purchase quantity after exposure. It also served as a way of validating the categorisation of the switchers into further consumer subgroups (swayers and long-term switchers). In this study, the swayers were defined as those who upon hearing the positive corrective message released by the target company, reversed their decision and recommenced purchase of the target brand. Long-term switchers are consumers who, in spite of hearing the positive persuasive message from the target company, do not reverse their decision and switch from the target brand on a long-term basis.

3.3 Pilot study phase 1: Rumour (negative information)

The aim of phase 1 was to validate the feasibility of evaluating the effect of the rumour in the main study. It examines whether the negative information relayed by the rumour had a significant negative effect on the participants' purchase decisions about the target brand. As described in chapter 2, the consumer behaviour literature abounds with numerous studies of effect of negative WOM communication on target brands (Bambauer & Mangold, 2011; Luo & Homburg, 2008; Tybout et al., 1981) which show that consumers reduce or stop patronising products if they are subjected to negative WOM communications. Based on these findings, it was expected that pilot study participants exposed to the rumour about a target brand would slow or stop their purchasing of the target brand. The extent of consumers' negative attitude towards such negative

information was expected to depend on the degree of uncertainty, ambiguity, as well as the richness and strength of the rumour and its delivery method (Kimmel, 2004; Sweeney, Soutar, & Mazzarol, 2008). Therefore, to test whether the negative information released by the target company in this study will have the strength to negatively impact on the participants' purchase decision, and thereby lead to the categorisation of the resulting groups, Hypotheses P1_a, P1_b, P1_c and P1_d were proposed and tested as described below.

3.3.1 Hypotheses for the pilot study

Hypothesis P1_a was made under the premise that if indeed the rumour message is effective enough, the majority of the participants will reduce their purchase quantity when they are exposed to it. Furthermore, these participants would also attribute the reason for reducing or stopping the purchase of the target brand to the negative information they received compared to other reasons. Therefore Hypothesis P1_a is proposed as follows.

Hypothesis P1_a: After being exposed to the rumour, the participants will consider the rumour as an important reason for changing their purchase quantity of the target brand compared to the reason that rumour has no impact on their purchase decision.

3.3.2 Switchers and stayers

The extant literature supports the view that after processing a rumour, consumers who are more committed to the brand tend to argue in favour of it and remain with it (Ahluwalia, 2000). Those who are less committed tend to be persuaded by the rumour message and ultimately switch from the target brand. Hypothesis P1_b and P1_c were proposed to assist in categorising participants as switchers and stayers.

Hypothesis P1_b: After processing the rumour, the switchers' purchase quantity of the target brand will reduce significantly.

Hypothesis P1_c: After processing the rumour, the stayers' purchase quantity will not change significantly.

In order to check whether the stayers and the switchers' purchase quantities differed significantly after processing the rumour, Hypothesis P1_d was proposed.

Hypothesis P1_d: The stayers' mean purchase quantity will be significantly greater than the switchers' after being exposed to the rumour.

3.3.3 Methods for phase 1 of pilot study

This section outlines the information regarding the methodology for Phase 1 of the pilot study. The first part focuses on the design of the pilot study, followed by the measurement tools and recruitment of the participants.

3.3.3.1 Design

A field experiment was constructed in which a rumour message was manipulated to obtain varying responses from the participants and permit evaluation of the hypotheses (P1_a, P1_b, P1_c and P1_d). A field experimental design was utilised because it allowed examination of cause and effect relationships (Sekaran, 2000; Zikmund, 2000; Salkind, 2012). The rumour served as the independent variable, while the quantity of the target brand purchased by the participants was used as the dependent variable.

3.3.3.2 Participants for pilot study

A convenient sample consisting of 60 undergraduate students was recruited from an introductory marketing class at the Australian Catholic University (Melbourne Campus). Five participants dropped out during the data collection process, giving a retention rate of 92 per cent. Of the 55 left, 4 participants also indicated that they did not have money to buy any of the products, leaving a final usable sample of 51. The final sample consisted of 31 females and 20 males, and they were all between the ages of 18 to 28 years. These participants were chosen because as students, they were a group of consumers that reflect the general population in terms of their regular consumption of soft drinks. They were therefore viewed as appropriate target participants to represent the general population of regular soft drink consumers. These participants were used in both phase 1 (Rumour) and phase 2 (Positive information) of the pilot study.

3.3.3.3 Questionnaires

The main tools used for Phase 1 of the pilot study were two questionnaires that measured the participants' purchase behaviour toward Coca-Cola[®], Ribena[®] - a black currant fruit drink, and Dairy Milk[®] in week 1 and 3, and copies of the original rumour messages that circulated in sections of the print and electronic media outlets when the rumour initially broke out. The questionnaires were developed and sent for review to three senior academics whose special expertise is in the area of questionnaire design. After they have been reviewed, they were pretested on 10 students who were recruited during a normal tutorial session at the Australian Catholic University's Melbourne campus to evaluate their effectiveness and reliability. The pre-rumour questionnaire measured the participants' consumption behaviour, while the post-rumour questionnaire measured their purchase behaviour. Finally, the third section measured their typical weekly purchase quantity. Below is a copy of week 1 questionnaire.

Figure 3.2: Pilot study questionnaire

Information Processing Exercise		
Please ensure that you have entered your Code Number here:		
<div></div>		
Section 1: In a typical week, indicate how many bottles of these products you purchase for your own consumption by ticking the number that best describes your purchase quantity?		
Ribena (bottles)	Coca-Cola (bottles)	Dairy Milk (bottles)
0	0	0
1	1	1
2	2	2
3	3	3
4 or more	4 or more	4 or more

The post-rumour questionnaire was administered after the participants had been exposed to the rumour messages. It had a second section that required the participants to indicate the most important reason for their purchase behaviour as shown in figure 3.3 below.

Figure 3.3: Pilot study post-rumour questionnaire

Information Processing Exercise			
Please ensure that you have entered your Code Number here:			
Section 1 Purchase quantity: In a typical week, indicate how many bottles of these products you purchase for your own consumption by ticking the number that best describes your purchase quantity?			
Ribena (bottles)	Coca-Cola (bottles)	Milk (bottles)	
0	0	0	
1	1	1	
2	2	2	
3	3	3	
4 or more	4 or more	4 or more	
Section 2 Reason: With reference to the three products, indicate by ticking the number that best reflects the most important reason for your purchase decision.			
Important reason for purchase decision	Ribena	Coca-Cola	Dairy Milk
Because of the negative information I received	①	①	①
Because the negative information had no impact on my purchase decision	②	②	②
Because I had no money	③	③	③

Section 2 was based on the assumption that those who will be negatively influenced by the negative information will reduce their purchase quantity and test for Hypothesis P1_a. Such participants were expected to choose ① as the reason for their purchase behaviour. Those who are less susceptible to the negative impact of the rumour were expected to choose ②, as the rumour would not have any impact on their behaviour. It is also plausible that some of the participants, particularly as they are students, might not choose either of the first two reasons because they might not have enough money to purchase any of the products. Such participants were expected to choose ③.

The next section provides information about the set of rumour messages that were exposed to the participants in week 2. These rumours were the original messages that circulated in the marketplace when the rumours initially broke out in the marketplace, and the sources are indicated in the messages.

3.1.3.3 Set of rumours

Below are reproductions of the original rumour messages that circulated in the media when the rumour originally broke out. The message about Ribena was retrieved from a website on which concerned consumers discussed the ramifications of the rumour on their decision making.

The rumour relating to Coca-Cola® was retrieved from the Coca-Cola Company's website, when the company issued a statement to explain the situation to consumers as part of the company's strategy to quell the rumour, while the rumour on Dairy Milk was obtained from the online version of the *Dairy Reporter*.

Figure 3.4: Set of rumours

Instructions to Participants

Please read these articles.



Ribena-A lesson in Redemption

Let's look at the facts: GlaxoSmithKline, the large multinational pharmaceutical company and owner of Ribena, a blackcurrant-based drink product, has been making misleading claims about the Ribena product. These claims relate to the Vitamin C content in the ready-to-drink products. These claims, specifically state that "...the blackcurrants in Ribena contain four times the Vitamin C of oranges".

Source: <http://mediatips.blogspot.com/>



Cold Soft Drinks Help Create Toxins that Can Lead to the Development of Various Diseases

This particular rumour claims that soft drinks are usually served at a much lower temperature than what is optimum for proper functioning of digestive enzymes, putting stress on the digestive system and causing less food to be digested. The claim is that this undigested food creates toxins that are absorbed by the intestines and then circulated to the body, creating a condition that causes various diseases.

Source: <http://thecoca-colacompany.com>



Dairy
reporter.com

Breaking News on Dairy Processing and Markets

Milk Consumption Could Raise the Risk of Parkinson's Disease

Findings from a study of over 7000 middle-age people suggest milk consumption could raise the risk of Parkinson's disease, although the risk is small. After tracking 7504 people for 30 years, researchers in the US identified a twofold “excess” of Parkinson's disease in those people with the highest intake, more than 16 ounces a day, compared to those who consumed no milk. While the scientists are unclear as to which ingredient or compound could influence the onset of this degenerative disease, they suggest it is not calcium. “Whether observed effects are mediated through nutrients other than calcium or through neurotoxic contaminants warrants further study,” they report in the April issue of *Neurology*. The researchers calculated that in the course of a year, 6.9 cases of the disease would be expected among 10,000 people who drank no milk each day. By contrast, 14.9 cases would be expected if each of those 10,000 people drank more than 16 ounces per day.

Source: <http://thedairyreporter.com>

3.3.4 Procedure

At the beginning of a normal tutorial class, a senior student assisting the researcher told the students that ACU's School of Business was conducting research into students' attitudes towards selected products. (The research assistant was given this task to ensure that the researcher, who is the lecturer-in-charge of the subject, did not coerce the participants in any way as part of the data collection process). To increase the

likelihood of the participants' cooperation, they were told by the research assistant that the research will be carried out over the next five weeks, so that the participants will have the patience to go through this research process during the five-week period. The research assistant told the participants that this research had been approved by the University's Human Research Ethics Committee, and that as part of the committee's guidelines, he had to read a two-page instructions guide to the participants. The participants were assured that any information they provided will be held in the strictest confidence, and that any published work that emerged from the study will be published only in aggregate form, thereby protecting their privacy. They were also assured that they were at liberty to withdraw from participating in the research at any stage if they felt that they could no longer continue with the research process. The research assistant also provided contact details of the researcher and the researcher's supervisor, as well as contact details of the University's Human Research Ethics Committee to ensure that if the participants had any grievances in relation to the conduct of the data collection exercise; they could contact the appropriate authorities for redress.

After reading the guidelines to the students, the research assistant distributed the week 1 questionnaire which sought to measure the participants' purchase behaviour towards Coca-Cola[®], Ribena[®] and Dairy Milk[®]. Although the focus of this study is to examine the participants' purchase behaviour of Coca-Cola[®], which is the target brand, the other two non-target products were included to disguise the target brand at this stage of the study, as was done in Ahluwalia et al (2000) in order to prevent excessive attention being focused on the target brand. The participants were also given code numbers so that their responses would be traced over the five-week data collection period without being identified by name.

In week 2, the participants were given a folder containing the three rumour messages which were published in some daily newspapers. To address the problem of position effect (Ahluwalia, 20001), the negative articles about the products were presented in this order (N_{Ribena} , $N_{\text{Coca-Cola}}$, $N_{\text{Dairy Milk}}$). In this way, it was difficult for the participants to easily identify the target brand and focus undue attention on it, thereby influencing their decision.

At the beginning of the third week's tutorial, they were given another copy of the questionnaire (post-rumour questionnaire, refer to Figure 3.3) which was similar to the one given to them during the first week to solicit their purchase quantity of the three products after they had been exposed to the set of three rumours. The questionnaire included a section that required them to provide the reason for either increasing or decreasing their purchase quantity. So in effect, the questionnaire measured the purchase quantity as well as the reason for change in purchase decision after the participants were exposed to the rumour. The quantity of Coca-Cola[®] bought was used as the dependent variable, while the rumour served as the independent variable. The quantity of Coca-Cola[®] bought before the rumour was introduced and the quantity bought after the introduction of the rumour were used as surrogate indicators of the participants' willingness or unwillingness to continue to patronise the target brand or switch from the target brand.

3.3.5 Results of phase 1 of the pilot study

This section summarises the data obtained from the pilot study and the outcomes of the statistical analysis. The first section analyses the participants' reaction to the rumour, while the second section examines the resulting categories after the participants had processed the rumour. It also showed the contrast between the participants' purchase quantity before and after processing the rumour.

3.3.5.1 Validating the impact of rumour

An examination of the participant's responses indicated that 4 out of the 55 participants who continued the field experiment to the end, said they did not buy any of the products because they did not have money. These 4 participants were therefore removed from the data for any further analysis. To find out whether majority of the participants attributed the reduction in their purchase quantity to the rumour message, a "reason for reducing purchase quantity" percentage distribution table was developed which showed that out of the 51 participants, the 37 who reduced their purchase quantity attributed their purchase decision to the rumour message. The remaining 14 who either maintained or increased their purchase quantity, after being exposed to the rumour indicated that the negative information had no negative impact on their decision making,

indicating that they are stayers. These results are therefore consistent with Hypothesis P1_a, showing in Table 3.1 that majority of the participants 37 (67.3%) reduced their purchase quantity after being exposed to the rumour, and they also attributed their reason for reducing their purchase quantity to the negative information they received. These participants are therefore classified as switchers.

Table 3.1: Reasons for change in quantity of target brand after exposure to the rumour

Important reason for purchase decision	Count	Per cent	Chi-Square Test Value DF=2	p-value
Because of the negative information I received	37	67.3		
Because the negative information had no impact on my purchase decision	14	25.5	31.24	0.00
Because I had no money	4	7.3		
Total	55	100.0		

**p < .01

A McNemar test performed between the 37 switchers' purchase quantity and the 14 stayers' purchase quantity further showed that there was a significant difference between the two groups in terms of their purchase quantities, $p < .05$. A McNemar test was used instead of a t-test as the numbers were small, with 14 and 4 being less than 30 which is the generally accepted minimum figure for a t-test (Siegel & Castellan, 1988).

3.3.5.2 Validating the categorisation of switchers and stayers

This section describes an investigation of whether the quantity of the target brand bought by the 37 participants who attributed their purchase behaviour to the rumour, was less than the quantity bought before they were exposed to the rumour. It also details the analysis of whether the quantity of the target brand bought by the 14 participants, who indicated that the negative information had no effect on their purchase behaviour, was more or equal to the quantity bought before they were exposed to the rumour.

Consumers who – following exposure to the rumour – reduced their purchase quantity of Coca-Cola[®] were classified as switchers, while those who bought the same or more were classified as stayers. Therefore, to find out whether the mean quantity of the target brand bought by those who identified themselves as switchers after processing the

rumour was significantly different to the mean quantity bought before the rumour was introduced; their week 3 purchase quantity was subtracted from their week 1 purchase quantity. Table 3.2 shows the results.

Table 3.2: Differences between switchers' pre-rumour and post-rumour Coke purchase

	Week	Mean	N	SD	Std. Error Mean	t	df	Sig
Week 1 purchase - Week 3 purchase	1	3.03	37	0.69	0.11	12.04	36	0.00
	3	1.19	37	0.66	0.11			

*p < .05

The results in Table 3.3 show that the switchers' week 3 purchase quantity was significantly lower than their week 1 purchase quantity, confirming Hypothesis P1_b, p < .05.

Table 3.3 shows the results of an investigation of whether the mean purchase quantity of those who identified themselves as stayers after the introduction of the rumour was significantly different to the quantity bought before the introduction of the rumour. To find out this, similarly, their week 3 purchase quantity was subtracted from their week 1 purchase quantity.

Table 3.3: Difference between stayers' pre-rumour and post rumour Coke purchase

	Week	Mean	N	SD	Std. Error Mean	t	df	Sig
Week 1 purchase - Week 3 purchase	1	1.29	14	0.61	0.16	-1.59	13	0.14
	3	1.64	14	0.93	0.25			

*p > .05

The results in Table 3.3 indicate that after processing the rumour, the 14 stayers' mean purchase quantity was not significantly different from their mean purchase quantity before the introduction of the rumour. Hence, Hypothesis P1_c was supported p > .05. The results show that because the rumour did not influence the stayers' purchase decision, there was no significant difference between their pre-rumour purchase quantity and their post-rumour purchase quantity.

A McNemar t-test was performed to test whether a significant difference existed between the switchers and the stayers mean purchase quantities (Hypothesis P1_d). The

results shown in Table 3.4 indicate that stayers' mean purchase quantity was significantly greater than switchers'.

Table 3.4: Validating the categorisation of switchers and stayers

Groups	Condition for switching or staying	Mean Purchase Quantity (Week 3)	N	Percentage	McNemar Change Test Chi-Square Value DF=1
Switchers	Week3 purchase < Week1 purchase	2.00	37	90.2	24.976***
Stayers	Week3 purchase = or > Week1 purchase	2.58	14	9.8	

*** <0.001

3.3.6 Conclusion

The results shown in section 3.3.5 above confirm Hypotheses P1_a, P1_b P1_c and P1_d. Hence, the pilot study confirms that the rumour had significant negative impact on the participants' purchase quantity, and the switchers and the stayers' purchase quantities differed significantly as predicted.

The results obtained from the pilot study indicate that the rumour message had a significant negative impact on the participants' purchase decision, as the majority of the participants reduced or stopped purchasing Coca-Cola® after exposure to the rumour. Those who increased or bought the same quantity of Coca-Cola® after hearing the rumour message were classified as stayers, while those who stopped or reduced the quantity bought after exposure to the rumour message were classified as switchers. It was also found that there was a significant difference between the switchers and the stayers in terms of their purchase quantities after exposure to the rumour. These findings indicate that the same rumour message is likely to be effective when used in the main study.

3.4 Pilot study phase 2: Positive information

The aim of this phase was to test the effect of the positive information released by the Coca-Cola Company to combat the negative effect of the rumour on their product's reputation and sales, and to validate the study's categorisation of the long-term switchers and the swayers.

As previously described, the extant literature indicates that most companies who experience rumour attacks tend to release positive information to counteract the negative effect of the rumour and to persuade consumers to ignore the negative information and continue to patronise the target brand (Doney et al., 1998; Kimmel, 2004; Tybout et al., 1981). Consumers who have high need for cognition tend to deliberate on the issues surrounding the rumour, and when they discover the naïve theory of how potentially biasing factors might have influenced their perception of the target brand, they change their negative attitudes towards the target brand (Wegener & Petty, 2001). Accordingly, this phase of the pilot study examined whether a target company's release of positive information had a significant influence on the participants' decision to sway to the target brand or switch on a long-term basis.

3.4.1 Hypotheses for the pilot study, phase 2

Hypothesis P2_a: After being exposed to the positive information, the switchers will increase their purchase quantity of the target brand, and attribute their reason for the increase to the positive information compared to other reasons.

As posited by Cacioppo and Petty (1982), the switchers with high need for cognition are likely to further deliberate on the rumour as well as the positive statement released by the target company. Their decision is also expected to be influenced by attribution theory as they continue to find reasons why the rumour came about in the first place. It is therefore likely that because this group of switchers have a higher need for cognition, they are more likely to discover the naïve theory surrounding the rumour and rescind their decision, thereby changing their earlier decision and becoming swayers. However, those with lower need for cognition will be expected to stick to their earlier decision and remain long-term switchers. In this study, the swayers are those who upon

exposure to the positive information reverse their decision and increase their purchase quantity while the long-term switchers are those who tend to stop purchasing the target brand on a long term basis. Based on this extant literature, the following hypotheses were proposed and tested.

Hypothesis P2_b: After processing the positive information released by the target company, the quantity of the target brand bought by the long-term switchers will be less than the purchase made before the introduction of the positive information.

Hypothesis P2_c: After processing the positive information released by the target company, the quantity of the target brand bought by the swayers will be more than the purchase made before the introduction of the positive information.

Hypothesis P2_a: The long-term switchers' purchase quantity will be less than the purchase quantity of the swayers, after being exposed to the positive information.

3.4.2 Method for phase 2 of the pilot study

This section explains the steps taken in conducting Phase 2 of the pilot study. As a follow up to Phase 1, a copy of the positive persuasive message which was released by the Coca-Cola Company when the rumour first broke out was exposed to the participants to obtain varying responses from the switchers from Phase 1 of the pilot experiment. This allowed the possibility of measuring the effect of the positive message on the switchers' decision-making after they had been exposed to it for a week. The positive information served as the independent variable, while the quantity of the target brand purchased by the switchers was used as the dependent variable.

3.4.2.1 Participants

The participants who took part in phase 2 were the 37 individuals who switched from the target brand after being exposed to the rumour in Phase 1.

3.4.2.2 Questionnaire

Data were collected for Phase 2 of the pilot study using a questionnaire that measured the participants' purchase behaviour toward Coca-Cola[®], Ribena[®] and Dairy

Milk[®] in week 5. This post-positive message questionnaire was sent to senior academics with special expertise in the area of questionnaire design to be reviewed, and was then pretested on 10 students at the Australian Catholic University Melbourne campus to ensure their effectiveness and reliability, as was done in Phase 1 (See section 3.1.3.2). The post-positive message questionnaire measured the participants' purchase behaviour as well as the reason for their purchase behaviour after exposing them to the positive persuasive message. Below is a copy of the week 5 questionnaire.

Figure 3.5: Week 5 questionnaire

Information Processing Exercise			
Please ensure that you have entered your Code Number here:			
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
Section 1 Purchase quantity: In a typical week, indicate how many bottles of these products you purchase for your own consumption by ticking the number that best describes your purchase quantity?			
Ribena (bottles)	Coca-Cola (bottles)	Dairy Milk (bottles)	
0	0	0	
1	1	1	
2	2	2	
3	3	3	
4 or more	4 or more	4 or more	
Section 2 Reason: With reference to the three products, indicate by ticking the number that best reflects the most important reason for your purchase decision.			
Important reason for purchase decision	Ribena	Coca-Cola	Dairy Milk
Because of the positive information I received	①	①	①
Because the positive information had no impact on my purchase decision	②	②	②
Because I had no money	③	③	③

3.4.2.3 Set of positive information

Positive persuasive messages were released by the target companies in print and electronic media outlets after the relevant rumours began circulating in the marketplace and are reproduced below. The message on Ribena[®] was retrieved from one of the consumer websites where there was active discussion of the story. The positive information on Coca-Cola[®] was retrieved from the Coca-Cola[®] website, while the positive information about Dairy Milk[®] was retrieved from the Dairy Reporter.com.

Figure 3.6: Set of three positive information

Instructions to Participants

Further to the previous articles you read about Ribena, Cola-Coca, and Dairy Milk, the affected companies have issued corrective statement in relation to the stories you read last week. Please read these corrective statements from GlaxoSmithKline, the Coca-Cola Company and the Dairy Reporter.com

CORRECTIVE NOTICE
A correction from
Ribena



Claims about the Vitamin C content in certain Ribena products may have been misleading

The makers of Ribena, GlaxoSmithKline Australia, have been made aware that certain representations made in relation to Ribena products may have misled consumers. GlaxoSmithKline would like to help correct these representations by publishing this notice.

In the past, Ribena has claimed that “The Black Currants in Ribena contain four times the Vitamin C of oranges” There is a concern that this may have misled consumers into believing that Ribena products contain four times the Vitamin C of orange juice products. This is not the case. In the future Ribena will no longer be making this claim.

On the nutritional information panels on some Ribena Ready to Drink products, Ribena claimed an amount of Vitamin C that could not be substantiated by acceptable testing methods. As a result, Ribena Ready to Drink products no longer make any claims regarding the Vitamin C content and any claim made in the future about the Vitamin C content will be substantiated by validated testing methods. This issue relates to the Vitamin C content of the Ribena Ready to Drink products; it does **not** relate to the safety of these

products. Also, this issue only relates to the Ribena Ready to Drink products and does **not** relate to the Ribena Syrup products.



This corrective advertisement has been paid for by GlaxoSmithKline Australia Pty Ltd and placed pursuant to an undertaking to the Australian Competition and Consumer Commission given under section 87B of the *Trade Practices Act 1974*.

Source: <http://gsk.com.au>



Cold Soft Drinks Help Create Toxins that Can Lead to the Development of Various Diseases

Body temperature is a constant 37C (98.6F). Eating hot food does not raise body temperature. Just the same, eating cold foods does not lower body temperature. Everything we eat and drink turns to the same temperature in the body. Most people eat many kinds of foods - - some hot and some cold. The temperature of the foods does not affect how the body uses or metabolizes the food.

Source: <http://thecoca-colacompany.com>



Dairy
reporter.com

Breaking News on Dairy Processing and Markets

The Dairy Reporter apologises for the article on dairy milk which erroneously sought to create an impression that middle-age people who consumed a large amount of milk risk the chance of developing Parkinson's disease. The Dairy Reporter wishes to assure the general public that this research is still ongoing and there has not been any substantial evidence to suggest that consuming large quantities of milk could cause Parkinson's disease.

Source: <http://dairyreporter.com>

3.4.3 Procedure

In order to examine the effectiveness of the positive information released by the target company, in week 4, the participants were exposed to a set of three positive messages (error correction messages) which were released by GlaxoSmithKline, the Coca-Cola Company and the Dairy Reporter. GlaxoSmithKline apologised for the misleading wording in their previous advertisement and assured the public of the company's commitment to ensure such an incident would not occur again. The Coca-Cola Company refuted the rumour about Coca-Cola®. This message from the Dairy Reporter explained that there was no substantial evidence to show that consumption of milk leads to Parkinson's disease as alleged in the earlier publication (See section 3.1.4.2).

In week 4, a week after exposure to the positive messages, the participants were issued with the post-positive message questionnaire. The aim of this questionnaire was to measure students' purchase quantities after reading the positive corrective messages. After they had completed the questionnaire, they were reminded to insert their code numbers in the space provided at the top left hand corner of the questionnaire before dropping them in a box near the lecture theatre's exit.

At the end of the research, the research assistant debriefed the participants by directing them to the target article and told them that these rumour outbreaks occurred some years back and therefore they should disregard them. When the data collection process had been completed, the questionnaires were collated, and entered into SPSS software for processing.

3.4.4 Results of phase 2 of pilot study

This section outlines the results obtained from phase 2 of the pilot study. The first section analyses the effect of the positive information on the switchers from Phase 1, while the second part categorises the groups that emerged from the experiment after being exposed to the positive information.

3.4.4.1 Validating the impact of positive information

To find out whether the majority of the 37 switchers who participated in Phase 2 increased their purchase quantities after being exposed to the positive information, the participants' week 3 purchase quantities were subtracted from their week 5 purchase quantities. The results are shown in Table 3.5 that out of the 37 switchers who migrated from Phase 1, 29 (78.4%) increased their purchase quantity after processing the positive information. To find out whether these 29 participants attributed the increase in their purchase quantity to the positive corrective message, a "reason for increasing percentage quantity" distribution table was developed, which showed that out of the 37 participating consumers, the 29 who increased their purchase quantity also attributed their purchase decision to the positive information, confirming Hypothesis P2_a.

Table 3.5: Reasons for increasing the target brand bought after error correction

Important reason for purchase decision	N	Per cent	Chi-Square Test Value DF=2	Chi-Square Test P-Value
Because of the positive I information I received	29	78.4		
Positive information did not have any impact on my purchase decision	8	21.6	36.38	<0.01
No money	0	0.0		
Total	37	100.0		

*p < 0.01

Table 3.5, shows that majority of the participants 29 (78.4%) increased their purchase quantity after being exposed to the positive information. These participants attributed the increase in their purchase quantities to the positive information they received.

3.4.4.2 Validating the categorisation of long-term switchers and swayers

This analysis investigated whether, after processing the positive information, the quantity of the target brand bought by the long-term switchers and the swayers were significantly different to the quantity bought before the introduction of the positive information.

Those who bought less of the target brand after the introduction of the positive information were classified as long-term switchers, while those who bought more after the introduction of the positive information were classified as swayers. The participants' week 5 purchase quantity was subtracted from their week 3 purchase quantities. The results as shown in Table 3.6 reveal that their week 5 purchase quantity was less than their week 3 purchase quantity, and the change in purchase quantity was significant at, $p < .05$. Hence, Hypothesis P2_b was supported. The eight participants who did not significantly increase their purchase quantity of the target brand, regardless of being exposed to the positive persuasive message, were therefore classified as 'long-term switchers'.

Table 3.6: Differences between long-term switchers' pre and post-positive information Coke purchase

	Week	Mean	N	SD	Std. Error Mean	t	df	Sig
Week 3 purchase - Week 5 purchase	3	2.12	8	0.61	0.35	9.00	7	0.00
	5	1.00	8	0.93	0.00			

* $p < .05$

The quantity of Coca-Cola[®] bought by the 29 participants who increased their purchase quantity after processing the positive information was compared with their purchase quantity before the positive information was introduced by subtracting their week 3 purchase quantities from their week 5 purchase quantity. Table 3.7 shows the results.

Table 3.7: Differences between swayers' pre and post-positive information Coke purchase

	Week	Mean	N	SD	Std. Error Mean	t	df	Sig
Week 5 purchase - Week 3 purchase	3	1.96	29	1.09	0.20	4.68	28	0.00
	5	1.21	29	4.12	0.08			

* $p < 0.05$

The results as indicated in Table 3.7 shows that their week 5 purchase quantity was greater than their week 3 purchase quantity confirming Hypothesis P2_c. These 29 switchers were therefore classified as swayers, since upon exposure to the positive information; they increased their purchase quantity of the target brand as defined in this study.

To test whether there was a significant difference between the long-term switchers' and the swayers' purchase quantities, a McNemar t-test was performed on the 8 long-term switchers and the 29 swayers' purchase quantities.

Table 3.8: The effect of the positive information on the switchers' decision making

Group	Condition for Long-Term switching or Swaying	Mean of purchase quantity (Week 5)	N	Percentage	McNemar Change Test Chi-Square Value DF=1
Long-Term Switchers	Week 5 purchase = or < Week 3 purchase	1.5	8	21.6	10.811
Swayers	Week 5 purchase > Week 3 purchase	3.0	29	78.4	

*** $p < 0.000$

The results as shown in Table 3.8 indicate that there was a significant difference between the long-term switchers and the swayers in terms of their purchase quantity after processing the positive information, confirming Hypothesis P2_d.

3.4.5 Discussion

The results obtained from Phase 2 of the pilot study indicate that the positive information had a significant positive impact on the switchers' purchase behaviour of the target brand, as majority (swayers) of them increased the quantity of Coca-Cola® bought after processing it. These switchers also attributed their increased purchase quantity of the target brand to the positive information they received.

Pilot study participants who decreased or stopped purchasing Coca-Cola® after processing the positive information released by the target company were classified as long-term switchers. The results are therefore consistent with Hypothesis P_{2a}. It also supported Hypotheses 2_b, 2_c and 2_d. Hence, phase 2 of the pilot study confirms that the positive information had a significant positive impact on the switchers' purchase behaviour, as it persuaded majority of them to return to the target brand. It was also strong enough to distinguish the long-term switchers from the swayers in terms of their purchase quantities.

The results are therefore consistent with the findings of Cacioppo & Petty (1982) that some consumers tend to process further any negative information that targets their favourite brands, and if they realise the naïve theory that might have influenced their earlier decisions, they are likely to rescind their decision and continue to patronise the target brand. On the other hand, others tend to switch from the target brand on a long-term basis, even after they have been exposed to a positive persuasive message from the target company, with the view of convincing them to reconsider their decision and continue to patronise the target brand. The findings of the second phase of the pilot study thus, indicate that the positive information is also effective enough to be used for the main study.

3.5 Conclusion

The results obtained from the pilot study indicate that the rumour message had a significant negative impact on the participants' purchase quantity of Coca-Cola®. Most of the participants in Phase 1 attributed their decision to switch to the negative information they received. Similarly, the positive information significantly influenced

the switchers' decision as to whether to disregard the rumour and continue to patronise the target brand or to reject it and switch from the target brand on a long-term basis. Most of the switchers who were exposed to the positive information and increased their purchase quantity (thereby becoming swayers) attributed the increase to the persuasive effect of the positive information they received from the target company.

The pilot study showed that it was possible to measure the effectiveness of a rumour, as well as classify participants into switchers and stayers in Phase 1. It also allowed measurement of the effectiveness of positive information, as well as the further categorisation of the switchers into long-term switchers and swayers in phase 2. Finally, the successful conduct of the pilot study showed that its procedures were suitable for investigation of the effect of rumour and subsequent positive statements in the much larger main study.

Chapter 4 - Method: Main study

4.1 Introduction

This chapter describes how the main study was conducted. It begins with a brief recap of the key relevant issues discussed in the consumer behaviour literature and shows their linkages to the development of the hypotheses. As explained in the introductory chapter, the purpose of this study is to examine the effect of brand commitment, personal values and self-confidence on consumer decision making during the outbreak of rumour in the marketplace. The extant literature shows that consumers are negatively influenced when confronted with rumours targeting brands they usually buy. Such outbreak of rumour influences their decision making to the extent that some consumers switch to other brands, while others continue to patronise the target brand in spite of the negative information circulating in the marketplace. Research conducted by Cacioppo and Petty (1982) shows that, some consumers do return to the target brand upon hearing positive information released by the target company aimed at persuading them to rescind their earlier decision to switch. However, some switchers leave the target brand on a long-term basis. Few researchers have investigated why some consumers stay with the target brand while others switch to competing brands. Also, it is not known why some switchers return to the target brand upon hearing positive information from the target company but others switch on a long-term basis. This research attempts to fill this gap in the WOM communication literature.

The methods employed in this study are described in this chapter in two phases. The first phase investigates the consumers' decision to either switch or stay with the target brand immediately after the rumour outbreak, while the second phase examines the switchers' decision to either sway back to the target brand or switch on a long-term basis, after exposure to the target company's positive persuasive message.

4.2 Main study phase 1: Consumer decision making after outbreak of rumour

When consumers encounter rumours that seek to discredit a brand, they experience cognitive dissonance (see section 2.3.4 for details). They rely on their experience in the marketplace to restore their cognitive balance (Wangenheim, 2005). Consumers who have a positive predisposition towards the target brand tend to disregard the rumour and hence continue to purchase the product. In contrast, those who have negative predisposition towards the target brand tend to avoid it by switching to competing brands.

Attribution theory (see section 2.3.2) provides another and complementary explanation for consumer decision making when confronted with rumours. Consumers attempt to find the reason why the target brand would attract such rumours; this induces consumers to apportion blame to anyone likely to have caused harm to the target brand (Laczniak et al, 2001). Those who have positive predisposition towards the target brand blame the rumour-mongers and will discount the rumour and continue to purchase the product. However, those who have a negative predisposition towards the product experience more negative feeling towards the target brand and are likely to believe the rumour; they are therefore more likely to blame the manufacturer of the target brand, and are likely to switch to competing brands. Based on these assessments of consumers' initial reactions to the rumour, the following research question was proposed.

Research Question 1: What effect does the outbreak of rumour have on the stayers' and the switchers' purchase decision?

To address this research question, hypothesis one was proposed as follows.

Hypothesis 1: After the outbreak of rumour, the switchers' purchase quantity will be significantly less compared to the stayers' purchase quantity.

4.2.1 Effect of brand commitment after the outbreak of rumour

This section examines how consumers' commitment influences their decision making during the outbreak of rumour. To structure the development of a hypothesis related to brand commitment, the following research question was proposed.

Research Question 2: How does consumers' commitment to a target brand affect their purchase behaviour after the outbreak of rumour?

Consumer commitment is an attitudinal variable which involves an individual's beliefs and acceptance of goals and values of the organisation, expression of genuine interest in the company's welfare, expenditure of considerable effort on its behalf, and desire to remain a consumer of the organisation's products and services (Kelley & Davis, 1994). In their investigation of commitment on consumer decision making, Moorman, Zaltman, and Deshpande (1992) also defined commitment as "an enduring desire to maintain a valued relationship" (p. 316). Commitment is therefore considered an essential ingredient for successful long-term consumer relationships (Dwyer, Schurr, & Oh, 1987; Morgan & Hunt, 1994; Sung & Choi, 2010).

Studying the moderating effect of commitment on consumers' response to negative WOM communication, Ahluwalia et al., (2000) demonstrated the importance of commitment as a moderator of consumer response to negative information. Specifically, they concluded that the response of high- and low-commitment consumers is very different. They observed that consumers who are committed to a brand instinctively counter-argue the negative information about that brand when confronted with information aimed at discrediting it. These defensive processes mitigate the ill effects of that information, in that they reduce the likelihood of attitude degradation.

Low-commitment consumers on the other hand, counter-argue the negative information to a lesser degree. Furthermore, they observed that even though low-commitment consumers seem to like the brand as much as the high-commitment consumers do, they exhibit greater attitude change and increased attitude ambivalence upon exposure to negative information about it. Ahluwalia et al., (2000) attributed this attitude degradation to the receivers' perception of the diagnosticity of the negative

information. Ahluwalia et al's (2000) results suggest that a committed consumer can resist negative information effectively that, it is unlikely to induce switching behaviour. This information processing bias may therefore lead to repeat purchase behaviour observed for committed consumers even in the face of the existence of a malicious rumour aimed at discrediting their favourite brands. Thus their research provided an insight into why and how committed consumers engage in repeat purchase behaviour, but less committed consumers do not. It also supported their proposed hypothesis that, low-commitment consumers will exhibit a greater amount of attitude change in response to negative information as compared with positive information (i.e. negative effect) but high-commitment consumers are not expected to exhibit a negativity effect. They also found evidence to support their hypothesis that although the effect of valence (i.e. negative or positive) of the information on attitude change is likely to be mediated by the perceived diagnosticity of information for the low-committed consumers, this is likely to be mediated by counterarguments generated for the high-committed consumers.

Ahluwalia et al, (2000) thus, concluded that the level of commitment that the consumer has towards the brand moderates the processing of negative information about a well-liked brand. According to them, consumers highly committed to a brand are expected to counter-argue the information and resist attitude change. However, consumers whose commitment to the brand is lower are expected to counter-argue negative information too, but less so than their high-commitment counterparts thus leading to switching behaviour.

In their evaluation of unethical marketing behaviours, Ingram, Skinner and Taylor (2005) also found that consumers' level of commitment attenuated the level of perceived fairness they attributed to the target company with whom they are transacting the business. Specifically, they concluded that highly committed consumers tend to forgive companies for behaviours that are generally perceived as unethical. Thus, when consumers are committed to a particular brand, they tend to expect that the company producing the product would tend to be ethical in its dealings with them. Morgan and Hunt (1994) also made similar conclusions in their study, when they found that there is a positive relationship between relationship commitment and cooperation between marketers and consumers. These series of investigations about the moderating effect of

commitment on consumers' decision making seem to provide ample evidence that when consumers are highly committed to a particular brand, they tend to counter-argue any negative information that seeks to discredit their preferred brand. This strong commitment to the brand and the presence of the contrary information they are confronted with create a state of cognitive dissonance in their minds (Szmigin, Carrigan, & McEachern, 2008). To restore consonance or balance, they tend to resist any attempt by the message to change their positive attitude towards their preferred brand and therefore remain stayers.

On the other hand, those who are less committed to the target brand do not counter argue as much as the highly committed ones. Since their commitment to the target brand is weak, the state of dissonance created in their minds rather goes to confirm their suspicions about the target brand, thus restoring their cognitive balance (Ahluwalia et al., 2000; Schumann et al., 2010). They are therefore less able to resist the attempt by the negative information to change their already weak attitude towards the target brand and are easily persuaded by the message to change their attitude towards the target brand, thereby switching from the target brand.

The extant literature shows that limited research has examined the impact of consumers' brand commitment on their decision to switch or stay with the target brand in the event of a rumour outbreak. This research therefore seeks to fill this gap in the consumer behaviour literature. On the basis of the literature reviewed, the following hypothesis about consumers' brand commitment in the context of a rumour outbreak is proposed.

Hypothesis 2: The switchers' initial brand commitment will be significantly less than the stayers' initial brand commitment.

Testing this hypothesis will assist researchers and marketing practitioners to gain a better understanding of the impact of brand commitment and its contribution to why some consumers buy less of the target brand in the event of an outbreak of rumour, while others continue to purchase either their normal quantity or sometimes, even exceed their normal purchase quantity of the target brand. This information could further enhance the

target company's ability to formulate more effective rumour management strategies to reduce the negative effect of the rumour on sales.

4.2.2 Effect of personal values after the outbreak of rumour

Personal values have also been identified as relevant elements in consumer decision making within the WOM communication context. However, most of the literature on WOM tends to view consumers' behaviour from societal or national culture perspective. For example, Lam, Lee and Mizerski (2009); Schumann et al (2010); Money (2004) investigated WOM from the societal perspective, where participants were recruited from different countries in order to determine differences in their decision making as a result of their diverse cultural values. Arguably, the most comprehensive study to date on cultural difference has been undertaken by Hofstede (Hofstede, 1980). In his fundamental theoretical approach, Hofstede (1980) concentrated on four basic dimensions of culture in which some key selected countries were found to have different cultural orientations. Of these four dimensions, uncertainty avoidance and individualism/collectivism appear to have the strongest impact on consumer decision making during the outbreak of rumours (Schumann et al, 2010). Therefore, as explained in section 2.4.4, consumers' decision-making during the outbreak of rumour is likely to be influenced by these two personal values, as they attempt to process the negative information.

Such a perspective has been a subject of some contentious debates in the consumer behaviour literature. This is because groups of people with a particular cultural orientation still contain individuals whose behaviour differs significantly (Sweeney et al., 2008; Tan & Tan, 2007). A major aim of the research described in this thesis was to examine the effect of different personal values on the consumer's decision-making processes during the outbreak of rumours. Within this context, the consumer is viewed as an individual decision maker, regardless of his or her ethnic or national cultural orientation. Kim and Choi (2005) utilised this approach successfully in the green marketing context as did Jagel, Keeling, Reppel and Gruber, (2012) in the ethical clothing marketing context.

This section therefore looks at how personal values influence consumers' decision to switch or stay, as they process the factors that contribute to the rumour outbreak and find ways to make the best decision in order to understand the ambiguity, and reduce any risk associated with the rumour outbreak. In order to review the literature on personal values and their effect on consumers' decision making within rumour context, research question 3 was proposed as follows:

Research Question 3: How do the personal values of switchers and stayers (i.e. uncertainty avoidance and individualism or collectivism) affect their purchase behaviour after the outbreak of rumour?

4.2.3 Effect of uncertainty avoidance after the outbreak of rumour

Over the past two decades, many researchers have tried to make specific predictions of intercultural differences and their related behaviour (Hall & Hall, 1990; Schwartz, 1999; Trompenaars & Hampden-Turner, 1998). Doney, Canon, and Mullen (1998) for example, observed that consumers from cultures with high uncertainty avoidance values place emphasis on continuing with their current relationships, which affect the benevolence dimension of their beliefs. To support their findings, they argued that consumers with high uncertainty avoidance tend to frown on conflict and value compromise, providing further evidence that such high uncertainty avoidance consumers would have benevolent intentions towards a company subjected to rumour allegations (Doney et al., 1998; Hwang, 2009). Choi and Kim (2008) suggest that consumers with high uncertainty avoidance values are more tolerant of uncertainty and ambiguous situations, while consumers with low uncertainty avoidance values are less tolerant of uncertainty and ambiguous situations.

Furrer, Liu and Sundharshan's (2000) study on the relationship between consumers' values and their behavioural intentions toward services also revealed that consumers with higher uncertainty avoidance values have a higher intention to praise a service provider if they experience positive service quality. However, if they experience a problem, they show a lower intention to switch to other service providers, propagate negative WOM or complain. Cheng, Lam and Hsu (2006) share a similar view in their assessment of consumers' tendency to propagate negative WOM communication. Lam,

Baum and Pine's (2003) earlier work confirmed that the behavioural norms of some consumers reinforce the avoidance of criticism and the desire to win approval by fitting in with the situation. Further examination of their findings revealed that this behaviour on the part of some of their subjects could be attributed to their high uncertainty avoidance tendencies. Investigating the effect of uncertainty avoidance on consumers' online decision making, Hwang (2009) concluded that consumers with high uncertainty avoidance values tend to avoid conflict and put more value on compromise relationships. Contrarily, those with low uncertainty avoidance values are associated with less regard for stability, permanence and benevolent relationships, and tend to take greater risk by switching. Thus, the stability inherent in high uncertainty avoidance societies permits individuals to develop confidence in the relationships and believe that the trustees will do good to the trustors to sustain the relationship. In support of this view, Hwang (2009) confirmed Pelto's (1968) earlier assertion that individuals with high uncertainty avoidance, value durability, permanence and solidarity, which can be explained by some consumers' benevolence dimension towards trusting some online organisations. Based on the literature reviewed above, the following hypothesis was formulated:

Hypothesis 3: The switchers' uncertainty avoidance values will be significantly less compared to the stayers' uncertainty avoidance values.

It is envisaged that examination of Hypothesis 3 will contribute in strengthening our understanding of why during the outbreak of rumour; the switchers tend to have less uncertainty avoidance compared to the stayers, thus extending the current literature on the effect of uncertainty avoidance values within the rumour context, thereby enriching the current literature on rumour effects. This will further assist marketing managers and public relations practitioners' to understand how uncertainty avoidance influence consumer decision making during the outbreak of rumours when they are confronted with such rumour-related crises situations in the course of their work.

4.2.4 Effect of collectivism and individualism on purchase quantity

In their study to investigate why some consumers complain during service or product failures, Chelminski and Coulter (2007a) concluded that individualistic consumers have a greater propensity to complain compared to collectivist consumers.

They asserted that individualist and collectivists engage in complaining more because they have less of a concern about violating relational harmony when confronting the person or company responsible for the product or service failure. In contrast, Oyserman and Lee (2008) demonstrated that collectivist consumers prefer non-adversarial procedures in their decision making. Examining the influence of cultural values on the measurement of service quality, Laroche, Ueltschy, Abe, Cleveland and Yannopoulos (2004) concluded that even though collectivists are more critical of inferior service encounters, they are more forgiving compared to those with individualistic values. Hence, the following hypothesis was proposed:

Hypothesis 4: The switchers will have values that are significantly more individualistic than those of the stayers.

A test of Hypothesis 4 can further shed more light on current knowledge of the influence of individualism on consumer decision making during rumour crises situations, thus contributing to the literature on rumour in particular and WOM communications in general. The findings would also assist marketing and public relations practitioners, as well as public policy developers who often have to deal with such rumour outbreaks in the course of their work on a regular basis.

4.2.5 Personal values and consumer self-confidence as predictors of switcher and stayer status

Consumers' personal values and self-confidence may predict whether they are likely to switch or stay with the target brand in the event of an outbreak of rumour in the marketplace. Several studies suggest that consumers' personal values and their self-confidence shape their decision making in conditions of uncertainty and ambiguity. Barber, Almanza and Dodd (2008) concluded that high self-confidence and involvement reduced the anxiety and the risk involved in wine purchase. Paridon (2008) shares a similar view in his study to reconcile the apparent contradiction between emotional shopping experiences and task-focused shopping success within WOM communications context, showing that consumers with high self-confidence tend to be less anxious when choosing which brand of wine to purchase. Similarly, other researchers (Chelminski & Coulter, 2007a; Schumann et al., 2010) have documented the effect of personal values on

consumer decision-making in the face of negative WOM communications. To investigate personal values as well as self-confidence on consumer decision making during the outbreak of rumour, research question 4 was proposed as follows:

Research Question 4: To what extent do the different dimensions of personal values and consumer self-confidence predict the switchers' and the stayers' purchase quantities?

4.2.6 Effect of personal values after the outbreak of rumour

Personal values appear to exert an important predictive effect on how consumers process information, especially when consumers need to make purchase decisions under conditions of uncertainty and ambiguity. One of the early investigations of the effect of personal values on consumer decision making was conducted by Hofstede (1980), who suggested a link between consumer decision making and their personal values. Recent studies conducted by several researchers such as Briley, Morris and Simonson (2000); Kim, Choi and Kim (2010) have added credence to the fact that consumers' decision making are influenced by their personal values. In the research conducted for this thesis, the aim was to determine whether personal values have any predictive effect on consumers' decision making when they process information aimed at discrediting their favourite brands in the marketplace. Specifically, how do consumers' levels of uncertainty avoidance or individualism influence their decision making during the outbreak of rumours? Section 4.2.6.1 examines the effect of uncertainty avoidance on consumer decision making, while section 4.2.6.2 investigates the effect of individualism/collectivism on their decision making within the rumour context.

4.2.6.1 Predictive effect of uncertainty avoidance after the outbreak of rumour

Doney, Cannon, and Mullen (1998) observed that consumers from cultures with HUA prefer continuing with their current relationships, thus enhancing the benevolence dimension of their beliefs. Similarly Briley, Morris and Simonson (2000) found that consumers with HUA tend to frown on conflict and value compromise, providing further evidence that those with such HUA values would have benevolent intentions towards a company subjected to rumour allegations. Kim, Choi and Kim (2008) also confirmed that consumers with HUA values are more tolerant of uncertainty and ambiguous

situations, while those with LUA values are less tolerant of uncertainty and ambiguous situations. Based on research on uncertainty avoidance to date, the following hypotheses were developed

Hypothesis 5: When confronted with commercial rumours, uncertainty avoidance as a personal value will be a significant negative predictor of the switchers' purchase quantity.

Hypothesis 6: When confronted with commercial rumours, uncertainty avoidance as a personal value will be a significant positive predictor of stayers' purchase quantity.

Findings to these hypotheses will demonstrate the effect of uncertainty avoidance on consumer decision making during the outbreak of rumours, thus contributing to the advancement of our current understanding of the literature on WOM communications. Furthermore, they will give consumer behaviour and public relations practitioners a deeper understanding of how these cultural dimensions influence consumers' decision making during the outbreak of rumour, so that they can develop appropriate marketing strategies to persuade them to ignore the rumour and continue to patronise their companies' brands.

4.2.6.2 Predictive effect of individualism after the outbreak of rumour

In their investigation of cultural values on consumers' motivation to propagate positive electronic WOM communications, Zhang and Lee (2012) concluded that collectivist tend to show more empathy towards a company subjected to negative information compared to individualist and are more likely to promote altruistic actions in order to promote group welfare. Collectivism has also been found to be correlated more strongly with altruism than individualism due to the centrality of interdependence and social ties in collectivist cultures (Finkelstein, 2010). Zhang and Lee argue that although individualists are also associated with altruism, they choose to engage in reciprocal altruism (Trivers, 1971) in which they foresee personal benefits (e.g., increased social status) for their "altruistic" behaviours. Their helping behaviour is mostly driven by personal choice and the anticipated personal benefits to be gained, rather than interdependence and social ties. Therefore, in the event of a rumour outbreak, consumers who are collectivist (i.e., low in individualism) are expected to be generally more

sympathetic to the target company because of their interdependent cultural predisposition. Because collectivist tend to maintain and foster social harmony, and exhibit empathy toward others, they are more likely to be inclined to preserve their existing relationship with the target company. On the basis of these past studies, the following hypotheses were proposed in order to test whether individualist and collectivist will react differently in terms of whether to continue to patronise the target brand or stop when subjected to rumour allegations.

Hypothesis 7: When confronted with commercial rumours, individualism as a personal value will be a significant negative predictor of the switchers' purchase quantity.

Hypothesis 8: When confronted with commercial rumours, collectivism as a personal value will be a significant positive predictor of stayers' purchase quantity.

It is believed that findings from these hypotheses will show how consumers' individualistic or collectivist values could be a good indicator of whether they will continue to stay or switch from the target brand in the event of a rumour outbreak, thus contributing to the current literature on consumer decision making during the outbreak of rumours. Furthermore, these hypotheses would assist marketing and public relations practitioners who often have difficult times managing such crises situations, to have an extra tool in their arsenals to assist them in their effort to combat the negative effect of rumours, thereby reducing its impact on their brands.

4.2.7 Predictive effect of self-confidence after the outbreak of rumour

Consumer self-confidence is defined as the extent to which an individual feels capable and assured with respect to his or her marketplace decisions and behaviours. As such, it reflects subjective evaluations of one's ability to generate positive experiences as a consumer in the marketplace (Adelman, 1987; Bearden et al., 2001). As discussed earlier in section 2.4.3.1, self-confidence has also been one of the most important factors in consumer decision making, particularly, in situations where consumers need to make a choice under conditions of uncertainty (Chelminski & Coulter, 2007b; Valencia & Crouch, 2008). The extant literature abounds with evidence pointing to the fact that consumers who are more self-confident tend to take more risky decisions compared to

those who are less confident. During the outbreak of rumour, because the circumstances under which the rumour breaks out tend to be generally ambiguous, and uncertain, it is plausible to believe that self-confidence would have some impact on consumers' decision making in relation to whether to continue to patronise the target brand or stop purchasing it.

Investigating the effect of self-confidence on consumers' decision making within the wine industry, Barber, Almanza and Dodd (2008) also observed that those who have high consumer self-confidence tend to rely on their personal judgement when making decisions in the face of uncertainty. On the contrary, those who have low consumer self-confidence, tend to rely on others when making decisions under uncertain and ambiguous situations. Based on these studies, it can be hypothesised that those who have more self-confidence are more likely to stay with their providers, since they are more likely to rely on their own judgement as they tend to rely more on their own personal experiences. They are also more likely to take their time to critically assess the situation before switching to competing brands.

The extant research on negative WOM reviewed in chapter 2, section 2.4.3 suggests that consumer self-confidence can have a significant impact on consumers' decision making during the outbreak of rumours (Loibl et al., 2009). Analysis of consumer behaviour tends to associate self-confidence with consumers' perceptions of their product knowledge (Park et al., 1994), scepticisms towards market claims (Brown & Krishna, 2004; Tan & Tan, 2007), market expertise and individualism (Chelminski & Coulter, 2007a, 2007b). The use of self-esteem measures in studies of persuasion and group influence is based on the assumption that individuals high in self-esteem are more difficult to persuade than low-self-esteem individuals (Bearden et al., 2001).

Wood and Stagner (1994) suggest that the explanation for this assumption is twofold. First, people with high self-esteem are thought to be more confident of their own judgments and consequently, less influenced by others' opinions. Second, individuals with high-self-esteem are more likely to believe that others think well of them, and hence, are less concerned with social rejection than people with low-self-esteem. Thus, it would be difficult for any rumour monger to persuade a consumer

whose self-confidence is relatively high to believe the rumour and subsequently switch from their preferred brand. Each of these explanations provides impetus for the use of self-esteem scales to reflect general feelings of self-confidence. However, to date there has not been an empirical research that examines the effect of consumer self-confidence in predicting how some consumers switch to competing brands when confronted with rumours in the marketplace. This research therefore seeks to address this shortcoming in the extant literature in order to fill the gap in the consumer behaviour literature, particularly within the area of WOM communications. Based on the support provided by these previous studies, and their linkages to the current study, the following hypotheses are proposed to test whether the dimensions of consumer self-confidence will be a significant predictor of switchers and stayers in the event of a rumour outbreak:

Hypothesis 9: When confronted with commercial rumours, the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant negative predictors of the switchers' purchase quantity.

Hypothesis 10: When confronted with commercial rumours, the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant positive predictors of stayers' purchase quantity.

A deeper understanding of the differential influence of the six dimensions of consumer self-confidence will further enhance the current literature on the effect of self-confidence on consumer decision making by testing whether self-confidence can serve as important predictor of switching behaviour within the context of rumour outbreak. This will also make it easy for public relations and consumer behaviour experts to effectively tackle the issue of rumour outbreaks in the marketplace.

4.2.8 Moderating effect of self-confidence and personal values

This section sheds light on the effect of personal values and consumer self-confidence on consumer decision making during the outbreak of rumour. The aim of this section is to take the investigation further by examining whether personal values and consumer self-confidence have any significant moderating effect on the relationship between the switchers' and the stayers' brand commitment and their purchase quantities. To address this issue, the following research question was proposed.

Research Question 5: To what extent, do the different dimensions of personal values and consumer self-confidence moderate the relationship between the switchers' and the stayers' brand commitment and their purchase quantities after the outbreak of rumour?

Miller (2005) observed that consumers' individual values tend to influence their belief in negative information directed towards their favourite brands. Fedorikhin and Cole (2004) concluded that the effect of consumers' emotions in such situations is moderated by individualism/collectivism. They demonstrated that, collectivism dimensions moderated the negative effect of anger and that, those who scored high on the collectivism dimensions were less likely to stop patronising the service provider even when they were angry, compared to those who scored high on individualism. Therefore, those who are more individualistic are likely to switch to competing brands, while those with collectivistic values are likely to stay with the target brand since they are inclined to place more importance on the bond that has already been established between them and the brand or provider (Fedorikhin & Cole, 2004). Chelminski, Piotr and Coulter (2007) used similar approach to investigate the effect of consumers' individualistic values on their propensity to complain in the context of dissatisfied marketplace experiences, while Scott (2000) used similar individualistic approach to examine moral decision making and its manifestation in different contexts.

Bell (1967) observed that consumers who have high self-confidence are more difficult to persuade than relatively low self-confident consumers. Also, those who are more self-confident are likely to believe that others think well of them and hence would tend to be less concerned with social rejection than those who are less self-confident. Similarly, Bearden, Hardesty and Rose (2001) observed that because consumers who are

more self-confident have higher self-esteem, it is more difficult to change their attitudes or purchase decisions than low-self-esteem individuals. From the above discussion of the extant literature, it seems plausible that consumers' self-confidence could also potentially have a significant moderating influence on the relationship between commitment to the target brand and their decision making. Hence the following hypotheses were proposed;

Hypothesis 11: After the outbreak of rumour, personal values and the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant negative moderators of the relationship between switchers' brand commitment and their purchase quantity.

Hypothesis 12: After the outbreak of rumour, personal values and the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant positive moderators of the relationship between stayers' brand commitment and their purchase quantity.

The current literature lacks greater insight into the moderating effect of the six dimensions of consumer self-confidence on consumer decision making within the rumour context. Although there has been enough evidence in the literature to show that personal values and consumer self-confidence influence consumers' decision making, none of them demonstrates their specific moderating effect on the relationship between commitment and purchase quantity within the context of rumour outbreak. Testing of both Hypotheses 11 and 12 will unravel the interactive effects of both personal values and the six dimensions of consumer self-confidence on switchers' and stayers' decision making within the context of rumour outbreak, thus contributing to the depth and breadth of the existing literature on rumour effects.

4.3 Main study phase 2: Consumer decision making after release of positive information

After a company targeted by a rumour has released a positive statement aimed at denying the negative information and persuading the affected consumers to continue to patronise the target brand, the switchers will be in a state of post-purchase dissonance. This state of post-purchase dissonance is expected to be influenced by their need for cognition. As posited by Cacioppo and Petty (1982b) and discussed in detail in section 1.4.1, those with high need for cognition are expected to continue to further deliberate on the rumour as well as the positive statement released by the target company. Their decision is also influenced by attribution theory as they find reasons why the rumour arose. Switchers with a higher need for cognition are likely to discover the naïve theory surrounding their decision and are likely to reverse their decision and become swayers. Hence, the following research question was proposed:

Research Question 6: After the target company has released positive information to persuade consumers, what effect does it have on the long-term switchers' and the swayers' purchase decision?

Accordingly, Hypothesis 13 was proposed as follows

Hypothesis 13: After processing the positive information released by the target company, the long-term switchers' purchase quantity will be significantly less compared to the swayers' purchase quantity.

An investigation of Hypothesis 13 would provide a greater understanding of the switchers' behaviour after they have processed the positive information which is usually released by target companies in their efforts to persuade the affected consumers to return to the target brand. This will take current understanding of consumer decision making during the outbreak of rumours beyond the immediate aftermath of the rumour, but further probe into consumers' behaviour after processing the positive persuasive message which is usually released by the target company by taking into consideration the effect of need for cognition and naïve theory on consumers' decision making. It will also further advance the current literature on WOM communications by providing further insight into

consumers' behaviour when marketing managers and public relations experts are confronted with the issue of how to address similar rumour outbreaks in the marketplace.

The next section describes the development of hypotheses related to how decision making processes are influenced by consumers' personal characteristics such as, commitment to the target brand, personal values and consumer self-confidence, after the target company has released a positive statement in response to a rumour.

4.3.1 Effect of commitment after error correction

The seventh research question was proposed as follows:

Research Question 7: How does the brand commitment of the long-term switchers and the swayers to a target brand affect their purchase behaviour after processing the positive information from the target company?

As described in detail in section 1.4.3, the switchers who are relatively more committed to the brand will continue to find themselves in a state of post-purchase dissonance when exposed to information correcting the rumour. Since the issue is personally relevant to them, these relatively more committed consumers will be motivated to process the information further (Echebarria-Echabe, 2010; Haugtvedt, Petty, & Cacioppo, 1992). In assessing the impact of commitment on customer relationships, Morgan and Hunt (1994) found a strong positive relationship between relationship benefits and commitment. Thus, the more committed individuals tend to value the benefits they derive from their relationship with the target company the less likely they are to sever the relationship. Therefore, in their effort to restore cognitive consistency, it is likely that this group of relatively more committed switchers will discover the naive theory underlying the original rumour. As a result of this discovery, they are likely to become 'swayers' after careful deliberation of the issues surrounding the rumour message. Those with low need for cognition on the other hand, are unlikely to bother with further deliberation of the message, since any further information processing on an issue they have made a decision on, would not be congruent with their normal behaviour (Zhang & Bloemer, 2008). As Tormala and Petty (2004) asserted, because this group of

switchers are not committed to the brand, and they resisted the first attempt to persuade them, any further effort to persuade them would be unlikely to succeed. Thus, the less committed switchers are likely to remain long-term switchers. Thus, Hypothesis 14 was proposed as follows:

Hypothesis 14: The long-term switchers' brand commitment will be significantly less than the swayers' brand commitment.

A test of Hypothesis 14 would further deepen our understanding of how the need for cognition interacts with consumers' brand commitment to show why some switchers tend to purchase less of the target brand even after the target company has released a positive persuasive message to the general public, and appear to have weathered the storm generated by the negative information. Yet, others seem to be persuaded enough to return to the target company, thereby advancing the literature on WOM communications. Unravelling the linkage between need for cognition and consumers' brand commitment will also assist marketing and public relations practitioners, when faced with the task of persuading consumers to disregard an outbreak of rumour in their effort to manage rumour-induced crises in the marketplace.

4.3.2 Effect of personal values after error correction

As in the case of the initial outbreak of the rumour, the switchers' decision as to whether to remain long-term switchers or reconsider their decision and return to the target brand as swayers after the release of the positive persuasive information will be influenced by their personal values. Schuman et al (2010) found that consumers with HUA values tend to be influenced more by received positive WOM communication. This implies that such consumers would be influenced more than LUA consumers by positive referral messages they receive after the outbreak of the rumour, particularly, if this information is received after the target company releases its positive message. To examine the effect of personal values during the error correction phase, and guide formulation of relevant hypotheses, research question 8 was proposed as follows:

Research Question 8: How do the personal values of long-term switchers and swayers (i.e. uncertainty avoidance and individualism or collectivism) affect their purchase behaviour after processing the positive information from the target company?

Hypotheses about the effect of uncertainty avoidance on long-term switchers' and swayers' decision making after release of positive information are constructed in the next section.

4.3.3 Effect of uncertainty avoidance after error correction

The influence of uncertainty avoidance on consumer decision making has been investigated by several experts in the consumer behaviour literature. As described in section 2.4.4.1 of the literature review, uncertainty avoidance addresses the concept of risk, risk aversion, and reliance on risk-reducing strategies. Doney, Canon, and Mullen (1998) observed that consumers with high uncertainty avoidance values, place more emphasis on continuing with their current relationships, thus they tend to be more sympathetic to their current provider. To support their findings, they argued that consumers with high uncertainty avoidance values tend to frown on conflict and value compromise, providing further evidence that such consumers would have empathy towards a company subjected to rumour allegations (Doney et al., 1998; Hwang, 2009). The tendency of people with high uncertainty avoidance values to be more conciliatory towards their providers in the midst of service failures has also been given support by Kim, Choi and Kim (2010), who concluded that consumers with high uncertainty avoidance values are more tolerant of uncertainty and ambiguous situations, compared to those with low uncertainty avoidance values. Furrer, Liu and Sundharshan's (2000) work on the relationship between values and behavioural intentions toward services also revealed that consumers with higher uncertainty avoidance values have a higher intention to praise a service provider if they experience positive service quality. However, if they experience a problem, they show a lower intention to switch to another service provider, propagate negative WOM or complain. The above literature provided the basis for Hypothesis 15:

Hypothesis 15: Long-term switchers' uncertainty avoidance values will be significantly less than the swayers' uncertainty avoidance values.

Findings to Hypothesis 15 will further enhance researchers' current understanding of whether the long-term switchers with low uncertainty avoidance values tend to buy less of the target brand even after the target company has released a positive and persuasive message compared to the swayers. Equipped with these new findings, consumer behaviour researchers will be in a better position to advance the current literature to further enrich the current literature on WOM communications. Such new addition to the literature will also afford marketing managers and public relations practitioners the necessary information to develop effective and practical solutions to the issue of persuading switchers to return to the target brand after an outbreak of rumours in the marketplace.

4.3.4 Effect of collectivism and individualism on purchase quantity

Chelminski and Coulter (2007a) concluded that individualistic consumers have greater propensity to complain than collectivist consumers. They observed that the greater the consumer's individualistic orientation, the greater is their propensity to voice dissatisfaction when faced with product failures. Chelminski and Coulter (2007a) demonstrated that individualists engage in complaining more because they have less concern for violating relational harmony when confronting the person or company responsible for the product or service failure. Other researchers have also provided some empirical evidence to support the correlation between individualism and propensity to voice dissatisfaction. Trubinski, Ting-Toomey and Sung-Ling (1991) found that compared with individualistic consumers, collectivist consumers prefer obliging and avoiding styles in conflict resolution. Examining these findings specifically in the marketplace environment, Huang (1994) found that when individualistic consumers are dissatisfied, they are more likely than collectivists to complain directly to the seller or take legal action in response to a dissatisfying purchase. Taking into consideration the above information and the prior research on individualism and collectivism described in section 2.4.4.2, Hypothesis 16 was proposed as follows:

Hypothesis 16: After processing the positive information released by the target company, the long-term switchers will have significantly higher individualistic values compared to the swayers.

It is anticipated that an exploration of Hypothesis 16 will further enlighten us on our current understanding of how need for cognition interacts with individualism to influence both long-term switchers' and swayers' decision making after the target company has released a positive message in their attempt to persuade consumers to reconsider their decision and continue to patronise the target brand. This will also assist consumer behaviour and marketing managers to effectively address the negative effect of rumour outbreaks in the marketplace, taking into account the effect of individualism on long-term switchers' and swayers' decision-making.

4.3.6 Personal values and consumer self-confidence as predictors of long-term switchers and swayers

As discussed in sections 4.2.7 and 4.2.8, it seems plausible that dimensions of personal values and consumer self-confidence can be used to predict the purchase quantity of the long-term switchers and the swayers. Research question 9 was proposed as follows:

Research Question 9: To what extent do the dimensions of personal values and consumer self-confidence predict the long-term switchers' and the swayers' purchase quantities?

4.3.7 Predictive effect of uncertainty avoidance after error correction

As discussed under Phase 1, and in section, 2.4.4.1 in the literature review, Doney, Canon and Mullen (1998) found that consumers from cultures with HUA values put relatively high importance on continuing with their existing relationships; this in turn enhances the benevolence dimension of their beliefs. Other researchers (Kim, Choi and Kim, 2010; Furrer, Liu & Sundaram, 2000; Schumann et al., 2010) have produced similar findings. These studies suggest that uncertainty avoidance will continue to influence the long-term switchers' and the swayers' purchase decisions as they process the positive persuasive information released by the target company.

On the basis of this supporting literature, the following hypotheses were proposed to test whether the level of uncertainty avoidance will be an important predictor of which

segment of the switchers from phase 1 are likely to be long-term switchers or swayers after processing the positive information released by the target company.

Hypothesis 17: After processing the positive information released by the target company, uncertainty avoidance as a personal value will be a significant negative predictor of the long-term switchers' purchase quantity.

Hypothesis 18: After processing the positive information released by the target company, uncertainty avoidance as a personal value will be a significant positive predictor of swayers' purchase quantity.

Answers to these hypotheses will assist in further advancing the current literature on consumers' decision making after the target company has released a positive persuasive message aimed at denying the rumour and encouraging the affected consumers to reconsider their decision and continue to repurchase the target brand. Such an outcome will also make it possible for marketing practitioners dealing with the negative consequence of rumour to predict which consumers are more likely to switch and those who are likely to sway back to the target company, in order to put in place appropriate marketing strategies that will persuade the long-term switchers to change their negative behaviour towards the target company and its brands.

4.3.8 Predictive effect of individualism after error correction

As the switchers from Phase 1 ponder the negative consequences of the rumour allegation, the effect of individualism will continue to influence the long-term switchers' and swayers' decision making, as they process the positive information released by the target company (Chelminski and Coulter, 2007). As the more individualistic consumers complain more than those with collectivist values, and are more likely to sever their relationships with their current providers, they are more likely to be long-term switchers than swayers as explained in section 2.4.4.2 of the literature review.

Moreover, those who are more collectivist are likely to be swayers as they are more likely to put more emphasis on their long-term relationship with their provider compared to the individualist (Laroche, Ueltschy, Abe, Cleveland and Yannopoulos, 2004). Also, it is more likely that the collectivist will make a greater effort to further

investigate the cause of the rumour, since they are inclined to have a greater need for cognition (Cacioppo & Petty, 1982) than the individualists. They are therefore more likely to recognise the naïve theory behind the rumour and more inclined to rescind their earlier decision and return to the target brand (Lau & Ng, 2001; Lee & Lee, 2009; Lee & Youn, 2009; Weinberger & Lepkowska-White, 2000). Hence, the collectivists are more inclined to be swayers, than their individualistic counterparts. Hypotheses 19 and 20 address these issues.

Hypothesis 19: After processing the positive information released by the target company, individualism as a personal value will be a significant negative predictor of the long-term switchers' purchase quantity.

Hypothesis 20: After processing the positive information released by the target company, collectivism as a personal value will be a significant positive predictor of swayers' purchase quantity.

It is believed that a deeper understanding of how the interaction of need for cognition and collectivism influence consumers' decision to sway or switch on a long-term basis will be an important contribution to the current literature on the characteristics that determine the decision making processes of switchers after target companies release positive persuasive messages with the view of persuading them to repurchase brands that have previously been subjected to rumour attacks. This knowledge will also assist marketing managers and public relation practitioners who are usually confronted with the difficult task of persuading consumers to reverse their earlier decisions and continue to patronise the target brand.

4.3.9 Predictive effect of consumer self-confidence after error correction

During the error correction stage, it is expected that consumer self-confidence will influence the switchers' decision as to whether to remain long-term switchers or sway back to the target brand after the company has released its positive statement. As previously discussed (Sections 1.4.5 and 2.4.3.3), it is likely that switchers with high self-

confidence will become swayers, while those with relatively low self-confidence are likely to become long-term switchers (Solomon et al. 2007; Souter & Sweeney, 2003).

As a result of their high self-confidence, the swayers will experience more cognitive dissonance. According to Festinger's (1957) dissonance theory, two major sources of inconsistent cognition exist, which affect consumers' decision making; dissonance after newly obtained information and post-decision dissonance. The switchers who are relatively high self-confident are expected to be influenced more by both types of dissonance, thereby showing greater concern for having made the wrong decision after switching away from the target brand, particularly, after they have carefully re-considered the positive message put forward by the target company (Wangenheim, 2009).

Moreover, because consumers who are relatively less self-confident in their ability to find the necessary information in such an uncertain situation (Wells & Prensky, 1996; Wangenheim, 2009), they are likely to be affected less by post-decision dissonance (Cacioppo and Petty, 1982). They are therefore likely to remain long-term switchers. Thus, consumers who are more self-confident are more likely to sway after the target company issues a positive statement aimed at refuting the rumour allegation, while those who are less self-confident will switch from the target brand on a long-term basis. Hence, the following hypotheses were proposed:

Hypothesis 21: After processing the positive information released by the target company, dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant negative predictors of the long-term switchers' purchase quantity.

Hypothesis 22: After processing the positive information released by the target company, dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant positive predictors of swayers' purchase quantity.

An investigation of Hypotheses 21 and 22 will advance the current knowledge on the effect of consumers' self-confidence in predicting consumer decision making, when companies release positive corrective messages with the view of persuading the affected consumers to reconsider their earlier decision and continue to patronise the target brand. With a better understanding of the switchers' likely decision making styles in such crises situations, marketing managers and public relations practitioners will be better equipped to develop more effective marketing strategies to arrest the usual decline in sales that follows the outbreak of rumours in the marketplace, as these finding will facilitate the task of predicting which segments of switchers are more likely to switch on a long-term basis and which segments are likely to sway back to the target brand.

4.3.10 Moderating effect of personal values and self-confidence on cognitive error correction

This section examines the combined moderating effect of personal values and self-confidence on the relationship between the switchers' brand commitment and their purchase quantity after the target company has issued a positive statement aimed at persuading the switchers to return to the target brand. Accordingly, research question 10 was developed as follows:

Research Question 10: To what extent do the different dimensions of personal values and consumer self-confidence moderate the relationship between the long-term switchers' and the swayers' brand commitment and their purchase quantities after processing the positive information from the target company?

In a similar information processing approach as discussed in phase 1, consumers with HUA values are more likely to sway back to the target brand while those with LUA values are more likely to switch on a long-term basis, as they are unlikely to deliberate further over their relationship with the target brand. In contrast, the switchers who are more collectivist are expected to reconsider their decision, and are more likely to sway back to the target brand to try to restore cognitive balance. As discussed earlier, the more individualistic switchers are the more likely they are to become long-term switchers.

Switchers who are relatively more self-confident will reappraise their actions and upon realising the naive theory, under which their earlier decision was made, sway back to the target brand. The less self-confident switchers are likely to remain long-term switchers in order to maintain cognitive balance. On the basis of these theoretical foundations, Hypotheses 23 and 24 were proposed as follows:

Hypothesis 23: After processing the positive information from the target company, personal values and the dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant negative moderators of the relationship between the long-term switchers' brand commitment and their purchase quantity.

Hypothesis 24: After processing the positive information from the target company, personal values and the dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant positive moderators of the relationship between swayers' brand commitment and their purchase quantity.

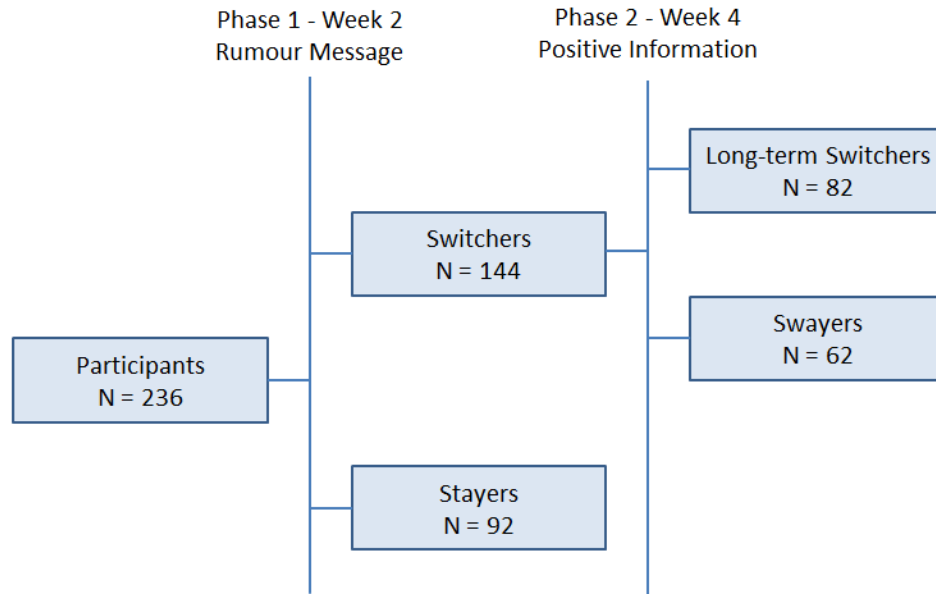
An examination of these hypotheses would shed more light on the moderating effect of personal values and consumer self-confidence on the relationship between brand commitment and purchase quantity of both long-term switchers and swayers after the target company has released positive information to persuade the switchers to rescind their decision and continue to patronise the target band. This will address the issue of lack of adequate information on the interactive effect of both personal values and consumer self-confidence which had hitherto existed within the context of rumour outbreak in order to enrich this area of the consumer behaviour literature.

Furthermore, findings to these hypotheses will assist marketing managers and public relations practitioners to develop more effective marketing strategies to deal with such rumour-induced crises which are common occurrence in the marketplace, thereby contributing to improving the current rumour-control strategies being practised by marketing managers.

4.4 Research method

Figure 4.1 is a flow diagram of the study and the categorisation of the participants.

Figure 4.1: Main study flow diagram



4.4.1 Main study phase 1: Rumour (negative information)

The aim of Phase 1 was to examine whether brand commitment, personal values and consumer self-confidence significantly influence decision making during the outbreak of a rumour about a favoured brand, as suggested by the WOM communication literature, and to determine how consumers can be categorised based on their different responses to the rumour.

4.4.1.1 Main study research method

In order to test the hypotheses, several possible data collection approaches were considered. Among these methods were telephone interview, internet survey and face-to-face data collection. After discussion with experts on consumer behaviour research, it was determined that the most appropriate approach was to create field experimental conditions that formed a valid basis for an empirical assessment of the rumour and its impact on consumers. In their study of consumers' need for cognition, Haughtvedt, Petty and Cacioppo (1992) observed that conducting studies using stimuli and exposure

conditions close to those in the typical consumer situation is an important first step in understanding the role of personality factors in processing information such as advertising messages. Indeed, as pointed out by Mathews, Deary and Whiteman (2003), the weak results in previous personality and consumer behaviour research may be partly due to the tendency of researchers to ignore important differences between the situations and stimulus conditions employed in research and the kinds of situations that consumers naturally confront in their everyday lives.

This study therefore took into consideration Haugtvedt et al., (1992) and Mathews et al.'s (2003) advice, and sought to generate systematic and relevant experimental circumstances and stimuli, so as to allow for the valid demonstration of the effect of brand commitment, consumer self-confidence, and personal values in the context of an outbreak of rumour. A field experimental design was utilised to evaluate the hypotheses, as it allowed the possibility of examining the cause and effect relationships among the variables under investigation (Sekaran, 2000; Zikmund, 2000). A scenario approach to investigation in which respondents are given various scripts, usually in a narrative form and then asked how they would respond in each of the given scenarios – was selected as it has been used successfully in similar value-based and psychological studies (Briley & Aaker, 2006; Eckardt & Houston, 2002). This approach is also recommended as a way of discovering the hidden meanings in such value-focused studies (Triandis, 1995). To eliminate the possible confounding effects that varying mediums may have on the results, a hard-copy newspaper article (the original source of the rumour) was used to operationalise the rumour-spreading strategy. The newspaper story served as a means of concealing the precise purpose of the study from the participants to reduce any errors that might result from demand effect but at the same time was a consistent and simple method of introducing the rumour messages as well as the counter messages.

4.4.1.2 Participants

A fundamental point of sampling is that the sample of people selected for the study must accurately reflect the population from which they are drawn (Hague & Harris, 1993). It is equally important that the population from which the sample is to be selected

must be precisely defined. For this study, the respondents were a convenience sample of students from the Melbourne campus of the Australian Catholic University

The validity of the use of student participants has been under scrutiny in many social science disciplines, including management (Dobbins, Lane, & Steiner, 1988) psychology (Wintre, North, & Sugar, 2001), legal research (Bornstein, 1999) and international business (Bello, Leung, Radebaugh, Tung, & Witteloostuijn, 2009). This is because many of such student-based sample research lack both internal and external validity. However, discussing the pros and cons of using student sample in international business for example, Bello et al., (2009) argue that when the study seeks to investigate fundamental processes and outcomes, they can be explored by using student samples.

Bello et al., (2009) outlined four broad conditions for the legitimate use of student samples in the social sciences. First, if a study is guided by a well-defined theory with sophisticated predictions, and if the results based on student participants confirm the predictions, it is likely that these results can be generalised to a target population. This type of work is likely to be experimental or longitudinal in nature, involving complex predictions (Chapman & Barsade, 1995; Lau & Murnighan, 2005). Second, results based on students are likely to be ecologically valid if they are replicated or corroborated by results based on employees or managers. A good example is provided by Hui, Au and Fock, (2004) who explored the relationship between culture and empowerment in three studies. Hui et al., showed that data from an experimental study with undergraduates can corroborate and extend the results based on employees. Third, if authors do not have employee-based results to cross-check the external validity of their student-based results, they need to provide a convincing, strong argument for the generalisability of their results to the working population based on the extant literature (Friedman, Chi, & Liu, 2006). Fourth, the use of student data may also be acceptable when it is used in concert with comparable managerial samples to simultaneously explore differences in views and values within as well as between countries and cultural groups. In fact, studies designed to cross-culturally assess life stage and/or generational differences (Egri & Ralston, 2004) benefit by including student data.

Researchers use student samples because of their accessibility, convenience and low cost. Students are also more receptive of complex designs, yielding data that are difficult to collect from groups such as employees and managers (Bello et al., 2009). They assert that in the final analysis, it is a matter of a research question-design fit that ultimately determines the type of sample. Nevertheless, it is the responsibility of the author(s) to demonstrate the generalisability of the findings based on the particular student sample. Several researchers have used student samples to arrive at reliable results in very important marketing studies (Ahluwalia, et al., 2000; Briley & Aaker, 2006; Weber & Hsee, 1999).

Since the purpose of this study is to investigate the effect of consumers' brand commitment, self-confidence and personal values on their decision making process during the outbreak of commercial rumours, the relevant variables can be measured by using such a student population, particularly, when the target brand is a fast moving consumer product such as Coca-Cola®. Thus, students' brand commitment, self-confidence and personal values are likely to be distributed in a similar manner as those within the general population. Also, most university students are familiar with Coca-Cola® and purchase it on a regular basis - a relatively low involvement decision making process. Coca-Cola® was also chosen as the target brand because of its wide distribution of commitment score and narrow distribution of attitude scores. Hence, the choice of student sample in this study fulfils Bello et al.'s (2009) conditions for the legitimate use of student sample, as it readily lends itself to complex field experimental designs over five weeks, which could yield data that are difficult to obtain from other samples which can be derived from other populations.

A convenience sample of 251 undergraduate students was recruited from the Melbourne Campus of the Australian Catholic University to participate in the main study. However, in the course of the data collection process, 10 of them dropped out. A further 5 indicated that they did not have money to buy the target brand, leaving 236 participants to continue with the exercise, resulting in a return rate of 94 per cent. These participants ranged in age from 18 to 35 years, with an average age of 22; 130 were female and 106 male. The participants were predominantly first year Principles of Marketing students, second year Marketing Research and Accounting students.

A field experiment was used in which the rumour message was manipulated to obtain varying response from the participants. The field experiment consisted of two phases. Phase 1 involved manipulating the rumour to explore how the participants' brand commitment, personal values and consumer self-confidence affected their purchase behaviour. In the case of Hypotheses 1 to 4, the switchers and the stayers were used as the independent variables while their purchase quantity, brand commitment, uncertainty avoidance and individualism were used as their dependent variables respectively.

With regards to Hypotheses 5 to 8, their brand commitment was used as the independent variables, while their respective purchase quantities served as the dependent variables.

With Hypotheses 9 and 10, the six dimensions of consumer self-confidence were used as the independent variables, while their respective purchase quantities were used as the dependent variables.

Finally, with Hypotheses 11 and 12, the switchers' and the stayers' brand commitment were used as the independent variables, while their purchase quantities served as the dependent variables and both their personal values and the six dimensions of consumer self-confident were used as the moderating variables.

4.4.1.3 Questionnaire

Phase 1 of the main study involved two questionnaires: one administered in week 1 and the other in week 3 (see figure 4.2), and the three rumour messages that circulated in sections of the print and electronic media outlets when those rumours originally broke out in the general public. The Phase 1 questionnaires were used to measure the participants' purchase behaviour towards Coca-Cola®, Ribena® and Dairy Milk® before and after rumour exposure. To maximise the questionnaires' reliability and effectiveness, in a process similar to that used in the pilot study, they were reviewed by a senior academic and pretested on 15 students at the Australian Catholic University Melbourne campus. The rumour messages were pretested in the pilot study to ensure their effectiveness in negatively influencing the participants' decision making as described in Chapter 3.

The week 1 questionnaire had seven sections. The first section measured the participants' purchase quantity before being exposed to the rumour, whilst the second section measured their commitment to the target brand. The third section measured the participants' uncertainty avoidance values, while the fourth section measured the participants' individualism values. The fifth section measured their collectivism values.

Although Hofstede's (1980) original personal value dimensions have a societal or group focus, this study took an individual perspective of values. Hofstede's (1980) societal perspective has been criticised by consumer behaviour experts such as McSweeney (2002a; 2002b), and Jones (2007) for not effectively addressing consumers' individual decision making. So, in effect, Hofstede's (1980) dimensions were utilised in this study as a channel to address the issue of how consumers' personal values influence negative WOM communication. Of the four dimensions originally proposed by Hofstede (1980), only two have direct relevance to this study: individualism/collectivism and uncertainty avoidance. Hence, to address these contextual differences, some of the original questions in Hofstede's (1980) scale were modified to address the issues in a consumer behaviour context. For example, one of the questions was structured this way: 'How often do you feel nervous or tense when purchasing a product under uncertain conditions (1 = Never, 2 = Rarely, 3 = Sometimes, 4 = Often, 5 = Always)?' The third section measured the participants' individualism/collectivism values using all the questions in Hofstede's (1980) original scale, as the circumstances are similar to those reported by Hofstede. To calculate the uncertainty avoidance and the individualism/collectivism index, Hofstede et al's. (2008) formula (shown below) for calculating cultural values was utilised.

Formula for calculating uncertainty avoidance and individualism index

The index formula for individualism is:

$$IDV = 35(m04 - m01) + 35(m09 - m06) + C(ic)$$

in which m01 is the mean score for question 01, etc.

According to Hofstede (2008), the index normally has a range of about 100 points between strongly collectivist and strongly individualist. C(ic) is a constant (positive or

negative) that depends on the nature of the samples. It can be chosen by the user to shift his/her IDV scores to values between 0 and 100. Similarly, the index formula for uncertainty avoidance is:

$$UAI = 40(m_{20} - m_{16}) + 25(m_{24} - m_{27}) + C(ua)$$

in which m_{16} is the mean score for question 16, etc.

Using Hofstede's (1980) formula, the uncertainty avoidance and individualism index for this study were calculated as follows:

$$UAI = 40(m_{pv01} - m_{pv02}) + 25(m_{pv03} - m_{pv04}) + C(ua)$$

Where, m_{pv01} = mean of personal value question 1

m_{pv02} = mean of personal value question 2

m_{pv03} = mean of personal value question 3

m_{pv04} = mean of personal value question 4

$$IDV = 35(m_{05} - m_{06}) + 35(m_{07} - m_{08}) + C(ic)$$

Where, m_{pv05} = mean of personal value question 5

m_{pv06} = mean of personal value question 6

m_{pv07} = mean of personal value question 7

m_{pv08} = mean of personal value question 8

as was done in DeLorenzo et al. (2009) as well as Pheng and Yuquan (2002).

The sixth section measured the participants' self-confidence, using Bearden et al.'s (2001) self-confidence dimensions. The self-confidence measure has six dimensions, all of which measure different aspects of the consumer's self-confidence in the marketplace. Each of the six dimensions has six items, a sample item for each dimension is provided below.

- Information acquisition (IA) e.g. “I know where to find the information I need prior to making a purchase”,
- Consideration-set formation (CSF), e.g. “I am confident in my ability to recognise a brand worth considering”,
- Personal outcome decision making (PO) e.g. “I often have doubts about the purchase decisions I make”,
- Social outcome decision making (SO), e.g. “My friends are impressed with my ability to make satisfying purchase”,
- Persuasion knowledge (PK), e.g. “I know when an offer is too good to be true” and
- Marketplace interfaces (MI), e.g. “I am afraid to ask to speak to the manager”.

The participants rated each item on Bearden et al’s (2001) 36-item self-confidence measure on a 5-point likert scale, where 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree. The overall, self-confidence scores were calculated by summing across all items, but making sure that all negatively framed questions had been reversed. The complete set of questions can be found in the questionnaire in Appendix A.

The Coefficient alpha estimates of internal consistency reliability for each of Bearden et al’s (2001) dimensions were as follows: IA = 0.82; CSF = 0.80; PO = 0.80; SO = 0.83; PK = 0.86; and MI = 0.75. A reliability test performed on these dimensions showed the following results; IA = 0.78, CSF = 0.77, PO = 0.82, SO = 0.72, PK = 0.76 and MI = 0.74 respectively, indicating high reliability estimates for the self-confidence dimensions used in the current study. Finally, the seventh section measured the participants’ demographic information (gender and age).

The reported quantity of Coca-Cola[®], Ribena[®] and Dairy Milk[®] bought before the rumour was introduced and the quantities bought after the introduction of the rumour were used as surrogate indicators of the participants’ willingness or unwillingness to continue to patronise the target brand or switch from the target brand. Those who bought the same or more quantity of Coca-Cola[®] after being exposed to the rumour were considered to be stayers, whereas those who bought less after the introduction of the rumour were classified as switchers.

As in the pilot study, the week 3 questionnaire was a modified version of the week 1 questionnaire. It had only two sections. Section one measured the participants’

Coca-Cola purchase quantity after being exposed to the rumour, and section two measured their reason for either increasing or decreasing their purchase quantities (post-rumour). The week 5 questionnaire was identical to the week 3 questionnaire, except that while the latter solicited information on purchase quantity and reasons for the purchase after being exposed to the rumour, the former solicited information on purchase quantity and reason for purchase after exposure to positive information about the three brands. The week 1 questionnaire is reproduced in Figure 4.2.

Figure 4.2: Week 1 questionnaire

Information Processing Exercise		
Please ensure that you have entered your Code Number here:		
Section 1 – Purchase quantity: In a typical week, indicate how many bottles of these products you purchased for your consumption by ticking the number that best describes your purchase quantity?		
Ribena (bottles)	Coca-Cola (bottles)	Milk (bottles)
0	0	0
1	1	1
2	2	2
3	3	3
4 or more	4 or more	4 or more

Section 2 - Brand commitment: Please indicate whether you agree or disagree with each of the statements below by shading one of the numbers that best reflects your opinion on the statements below.

		Strongly Disagree		Strongly Agree
a.	If Ribena were not available at the store, it would make no difference to me if I had to choose another brand.	①	② ③ ④ ⑤	
b.	I consider myself to be highly loyal to Ribena.	①	② ③ ④ ⑤	
c.	When another brand is on sale, I will generally purchase it rather than Ribena.	①	② ③ ④ ⑤	
		Strongly Disagree		Strongly Agree

a.	If Coca-Cola were not available at the store, it would make no difference to me if I had to choose another brand.	① ② ③ ④ ⑤
b.	I consider myself to be highly loyal to Coca-Cola as a soft drink.	① ② ③ ④ ⑤
c.	When another brand is on sale, I will generally purchase it rather than Coca-Cola.	① ② ③ ④ ⑤
		Strongly Disagree Strongly Agree
a.	If Dairy Milk were not available at the store, it would make no difference to me if I had to choose another brand.	① ② ③ ④ ⑤
b.	I consider myself to be highly loyal to Dairy Milk.	① ② ③ ④ ⑤
c.	When another brand is on sale, I will generally purchase it rather than Dairy Milk.	① ② ③ ④ ⑤

Personal Values

Section 3 – Uncertainty avoidance: In the context of the message you just read, to what extent do you agree or disagree with each of the following statements?

1. How often do you feel nervous or tense when purchasing a product under such uncertain conditions? Please shade only one answer.

① Never ② Seldom ③ Sometimes ④ Usually ⑤ Always

		Strongly Agree Strongly Disagree
2.	How likely is it that for the sake of the taste of Coke, you will continue to buy it?	① ② ③ ④ ⑤
3.	Is it likely for you to complain to the Coca-Cola company before making your decision?	① ② ③ ④ ⑤
4	A company's or an organisation's rules should not be broken – not even when the employee thinks it is in the company's best interest.	① ② ③ ④ ⑤

Section 4 – Individualism/collectivism: To what extent do you agree or disagree with each of the following statements? Please shade one answer in each line across.

		Strongly Agree Strongly Disagree
5.	One can be a good manager without having precise answers to most questions that subordinates may raise about their work.	① ② ③ ④ ⑤
6.	Competition between employees usually does more harm than good.	① ② ③ ④ ⑤
		Highly Highly

		Unlikely Likely
7.	Is it likely that you will rely on the opinion of a family member or a close friend?	① ② ③ ④ ⑤
8.	Is it likely that for the sake of variety, you would use this opportunity to switch your allegiance to other similar drinks?	① ② ③ ④ ⑤

Section 5 - Consumer Self-confidence: Please indicate how you agree or disagree with each of the statements below by shading one of the numbers ① ② ③ ④ ⑤ that best reflects your opinion on the statements below.

		Strongly Disagree	Strongly Agree
IA	Information Acquisition		
1.	I know where to find the information I need prior to making a purchase.	① ② ③ ④ ⑤	
2.	I know where to look for to find the product information I need.	① ② ③ ④ ⑤	
3.	I am confident in my ability to research important purchases.	① ② ③ ④ ⑤	
4.	I know the right questions to ask when shopping.	① ② ③ ④ ⑤	
5.	I have the skills required to obtain needed information before making important purchases.	① ② ③ ④ ⑤	
CSF	Consideration-set formation		
6.	I am confident in my ability to recognise a brand worth considering.	① ② ③ ④ ⑤	
7.	I can tell which brands meet my expectations.	① ② ③ ④ ⑤	
8.	I trust my own judgement when deciding which brands to consider.	① ② ③ ④ ⑤	
9.	I know which stores to shop.	① ② ③ ④ ⑤	
10.	I can focus easily on a good few brands when making a decision.	① ② ③ ④ ⑤	
PO	Personal outcome decision making		
11.	I often have doubts about the purchase decisions I make.	① ② ③ ④ ⑤	
12.	I frequently agonise over what to buy.	① ② ③ ④ ⑤	
13.	I often wonder if I've made the right purchase selection.	① ② ③ ④ ⑤	
14.	I never seem to buy the right thing for me.	① ② ③ ④ ⑤	
15.	Too often the things I buy are not satisfying.	① ② ③ ④ ⑤	
SO	Social outcome decision making		
16.	My friends are impressed with my ability to make satisfying purchases.	① ② ③ ④ ⑤	
17.	I impress people with the purchases I make.	① ② ③ ④ ⑤	
18.	My neighbours admire my decorating ability.	① ② ③ ④ ⑤	
19.	I have the ability to give good presents.	① ② ③ ④ ⑤	
20.	I get compliments from others on my purchase decisions.	① ② ③ ④ ⑤	

PK	Personal knowledge					
21.	I know when an offer is “too good to be true”.	①	②	③	④	⑤
22.	I can tell when an offer has strings attached.	①	②	③	④	⑤
23.	I have no trouble understanding the bargaining tactics used by salespersons.	①	②	③	④	⑤
24.	I know when a marketer is pressuring me to buy.	①	②	③	④	⑤
25.	I can see through sales gimmicks used to get customers to buy.	①	②	③	④	⑤
26.	I can separate fact from fantasy in advertising.	①	②	③	④	⑤
MI	Marketplace interfaces					
27.	I am afraid to “ask to speak to the manager”.	①	②	③	④	⑤
28.	I don’t like to tell a salesperson something is wrong in the store.	①	②	③	④	⑤
29.	I have a hard time saying no to a salesperson.	①	②	③	④	⑤
30.	I am too timid when problems arise while shopping.	①	②	③	④	⑤
31.	I am hesitant to complain when shopping.	①	②	③	④	⑤

Section 6 - Demographic information: Finally, we would like to ask some questions about your background. The aim of these questions is to help us understand a bit about your background. Please tick your responses to each statement. If you are uncomfortable with some of the questions, please skip to the next question. Again, we assure you of the complete anonymity of your responses.

a. What is your gender? (*Please tick only **one***)

☐ Male ☐ Female

b. Your age (*Please tick only **one** age group*)

☐ 18-24 ☐ 25-40 ☐ 41-60

Thank you for participating in this study.

4.4.1.5 The set of rumours used

The set of rumours used in this main study was the same as those used and validated in the pilot study (see section 3.1.3.3). Briefly, the first rumour was that the blackcurrants in Ribena contained four times the vitamin C of oranges; the second rumour, which targeted Coca-Cola[®], claimed that soft drinks are usually served at a much lower temperature than what is optimum for proper functioning of the digestive system, causing food to be improperly digested, thereby creating toxins that cause various diseases; the third rumour suggested that high milk consumption raises the risk of Parkinson’s disease.

4.4.1.6 Procedure

To investigate the participants’ purchase behaviour towards the target brand during the outbreak of the rumour, at the beginning of a normal tutorial class, a senior

student who was assisting the researcher told the participants that the School of Business was conducting research to investigate students' attitudes towards some selected products. The use of the research assistant was to ensure that the researcher, who is also the lecturer-in-charge of the subject, did not coerce the participants in any way, as part of the data collection process. To increase the participants' cooperation, they were told by the research assistant that the research will be carried out over the next five weeks, so that the participants will have the patience to go through this research process during the five-week period.

The research assistant also told the participants that this research had been approved by the University's Human Research Ethics Committee, and that as part of the committee's guidelines, he had to read a two-page instructions guide to the participants. In this short guideline, the participants were assured that any information they provided will be held in the strictest confidence, and that any published work that emerged from this study will be published in its aggregate form, thereby protecting their privacy. They were also assured that they were at liberty to withdraw from participating in the research at any stage, if they felt that they could no longer continue with the research process. The research assistant also provided contact details of the researcher and the researcher's supervisor, as well as that of the University's Human Research Ethics Committee to ensure that if the participants had any grievances in relation to the conduct of the data collection exercise; they could contact the appropriate authorities for redress (A copy of this information is provided in appendix A). These measures were put in place by the University's Human Research Ethics Committee to ensure that the participants were not subjected to any undue pressure to provide information for the researcher.

After reading the guidelines to the students, the research assistant distributed the self-administered week 1 questionnaire which sought to measure the participants' commitment, personal values, self-confidence as well as their purchase behaviour towards Ribena, Coca-Cola® and Dairy Milk. As explained in the pilot study, although the focus of this study is to examine the participants' purchase behaviour of Coca-Cola®, which is the target brand, the other two non-target products were included to disguise the target brand at this stage, as was done in Ahluwalia et al 2000, in order to prevent excessive attention being focused on the target brand. The participants were also given

code numbers so that their responses would be traced over the five-week data collection period without being identified by name.

During the second week's tutorial, the participants were given a folder containing three rumour messages which had earlier been published in some daily newspapers See Figure 3.4. To address the problem of position effect, the articles about the products were presented in this order (N_{Ribena} , $N_{\text{Coca-Cola}}$, $N_{\text{Dairy Milk}}$).

At the beginning of the third week's tutorial, they were given another copy of the questionnaire which was similar to section 1 of the one given to them during the first week to solicit their purchase quantity of the three products after they had been exposed to the three set of rumours. However, the third week's questionnaire included a second section that required them to provide the reason for either increasing or decreasing their purchase quantity after indicating their purchase quantity, as was done in the pilot study.

Thus the questionnaire measured the participants' purchase quantity as well as the reason for change in purchase decision after being exposed to the rumour. The quantity of Coca-Cola[®] bought was used as the dependent variable, while the rumour served as the independent variable. The quantity of Coca-Cola[®] bought before the rumour was introduced and the quantity bought after the introduction of the rumour were used as surrogate indicators of the participants' willingness or unwillingness to continue to patronise the target brand or switch from the target brand.

The data obtained from these surveys were checked to ensure that all responses had been clearly marked. Fifteen of the returned questionnaires had missing values and had to be rejected. Post data collection investigations revealed that the missing values occurred as a result of some of the participants forgetting their code numbers which were given to them during the first week, while others simply dropped out, making it difficult to track their subsequent responses to the next set of questionnaires.

4.4.1.7 Statistical analysis

In arriving at the final results, three types of statistical analysis were deemed appropriate in analysing the set of hypothesis. With regards to Hypothesis 1 to 4,

independent sample t-tests were used. This is because each of them sought to test the differences between two comparable independent groups (Salkind, 2012).

Linear regression analysis was used to analyse Hypothesis 5 to 8 because the aim of these hypotheses was to investigate whether there was an important predictive relationship between the different dimensions of consumer self-confidence and their purchase quantities (Baron & Kenny, 1986; Cohen & Cohen, 1983). Hypothesis 9 and 10 were tested using multiple regression, as it made it possible to examine the relationship between the six dimensions of consumer self-confidence and the purchase quantity.

Hierarchical linear regression was used to analyse Hypotheses 11 and 12, as the purpose of these hypotheses was to investigate whether there were any moderating influence of personal values and consumer self-confidence on the relationship between consumers' brand commitment and their purchase quantity (Baron & Kenny, 1986; Cohen & Cohen, 1983). By utilising the power of a hierarchical regression it was possible to find out the direct, main effect of the moderating variables, as well as their interactive effects on the relationship between the consumers' brand commitment and their purchase quantity in a stepwise manner. In this way, it was possible to observe the contribution of each of the moderating variables and their interactive effects on both the switchers and the stayers.

Section 4.4.2 investigated further the purchasing behaviour of the 144 switchers who decreased their purchase quantity upon exposure to the rumour by examining their behaviour after the target company had released a positive persuasive message aimed at denying the rumour and persuading them to continue to patronise the target brand.

4.4.2 Phase 2: Positive information (error correction)

The aim of Phase 2 was to investigate whether the switchers would reconsider their decision and repurchase the target brand after the target company had released positive information aimed at persuading them to return to the target brand, thereby becoming swayers or long-term switchers. The literature on WOM communication shows that most companies who experience rumour attacks tend to release positive

information to counteract the negative effect of the rumour and to persuade consumers to ignore the negative information and continue to patronise the target brand (Doney et al., 1998; Kimmel, 2004; Tybout et al., 1981). Consumers who have a high need for cognition tend to deliberate on the issues surrounding the rumour, and when they discover the naïve theory of how potentially biasing factors might have influenced their perception of the target brand, they do change their negative attitudes towards the target brand (Wegener & Petty, 2001). Therefore, this section examines the switchers' decision making after receiving the positive information released by the target company.

4.4.2.1 Method for phase 2

This section outlines the relevant information that explains the approach used in conducting Phase 2 of the main study. It provides a description of the participants, the design, and finally the tools used in measuring the effects of all the variables used in this second phase of the study. It also delineates the procedure followed to examine the effect of brand commitment, personal values and consumer self-confidence on the switchers' purchase behaviour towards the target brand after being exposed to the positive information. During the fourth week (see Figure 4.1), the three set of positive information which were released by GlaxoSmithKline, the Coca-Cola Company, and the *Dairy Reporter* were given to the participants.

4.4.2.2 Participants in phase 2

Although all the 236 participants took part in Phase 2 of the experiment, only those who decreased or stopped purchasing the target brand's purchase behaviour were further analysed. These participants were the 144 participants who were classified as switchers in Phase 1. It is important to note that none of these 144 participants indicated that they had no money as a reason for change in purchase quantity of the target product.

4.4.2.3 Questionnaire

The main tool used in Phase 2 was a questionnaire that measured the participants' purchase behaviour towards Ribena[®], Coca-Cola[®], and Dairy Milk[®] after the participants had been exposed to the set of positive information released by GlaxoSmithKline, the Coca-Cola Company and the Dairy Reporter. To ensure that this

questionnaire was effective, valid and reliable, it was reviewed by the same senior academics that reviewed the questionnaires that were used in Phase 1 of the experiment, and pretested on 15 students at the Australian Catholic University, Melbourne campus. Below is a copy of week 5 measurement tool, showing the three main sections.

Figure 4.3: Week 5 questionnaire

Students Purchase and Consumption Survey			
Please ensure that you have entered your Code Number here:			
Section 1- Purchase quantity: In a typical week, indicate how many bottles of these products you have purchased and consumed by ticking the number that best describes your purchase quantity?			
Ribena (bottles)	Coca-Cola (bottles)	Milk (bottles)	
0	0	0	
1	1	1	
2	2	2	
3	3	3	
4 or more	4 or more	4 or more	
Section 2: Reason for purchase: With reference to the three products, indicate by ticking the number that best reflects the most important reason for your purchase decision.			
	Ribena	Coca-Cola	Dairy Milk
Because of the positive information I received	①	①	①
Because the positive information had no impact on my purchase decision	②	②	②
Because I had no money	③	③	③

4.4.2.4 The set of positive information used

The set of positive persuasive information used in this main study was the same three sets of information used in the pilot study. The first one was positive corrective information which explained that in the past, GlaxoSmithKline had claimed that the black currants in the Ribena contain four times vitamin C of oranges, but this was not the case

and apologised for misleading their customers. The statement went further to assure consumers that it will ensure that such a claim was not repeated in the future.

The statement released by the Coca-Cola Company (see 3.1.4.2), the company explained that drinking soft drink does not cause any of the rumoured problems.

The corrective message released by the *Dairy Reporter* apologised for the earlier report that created an impression that middle-age people who consume a large amount of milk risk developing Parkinson's disease.

4.4.2.5 Procedure

At the beginning of the fourth week's tutorial, the participants were exposed to copies of the original set of three positive messages released by GlaxoSmithKline, the Coca-Cola Company and the *Dairy Reporter*.

In the fifth week's tutorial, they were issued with the week 5 questionnaires (Figure 4.3). After they had completed filling out the week 5 questionnaires, they were reminded to insert their code numbers in the space provided at the top left hand corner of the page before dropping them in a box near the room's exit. The research assistant debriefed the participants by directing them to the source of the original rumour articles. The questionnaires were checked for errors and entered into SPSS version 19 software for analysis.

4.4.2.6 Statistical analysis

Three types of statistical analysis were utilised to test the hypotheses. To test Hypotheses 13 to 16 in Phase 2, independent sample t-tests were used; these hypotheses lend themselves to independent t-test, as they posited the existence of differences between long-term switchers and swayers (Salkind, 2012).

Linear regression analysis was used to test Hypotheses 17 to 22 as these hypotheses asserted the existence of predictive relationships between the different dimensions of consumer self-confidence and the long-term switchers' (swayers') purchase quantities.

Hierarchical linear regression was used to analyse Hypotheses 23 and 24, as these hypotheses were concerned with the existence of moderating influences of personal values and consumer self-confidence on the relationship between the long-term switchers' and the swayers' brand commitment and their purchase quantity (Baron & Kenny, 1986; Cohen & Cohen, 1983). Hierarchical linear regression enabled measurement of the direct effects of the moderating variables, as well as their interactive effects on the relationship between the long-term switchers' or the swayers' brand commitment and their purchase quantity. This approach made it feasible to observe the contribution of each of the moderating variables and their interactive effects on both the long-term switchers and the swayers. Table 4-1 provides an overview of the hypotheses and the statistical techniques used in each test.

4.5 Summary

This chapter outlined the main issues discussed in the extant literature in order to derive the relevant hypotheses for this study. It outlined the characteristics of the participants, the tools used, as well as the procedure adopted in conducting this study. Participants were subjected to a quasi-field experiment in which rumour messages and subsequent positive corrective messages were administered to solicit participants' responses. Methods of data analysis were described.

The next chapter provides the results of the statistical analysis of the data, and of the hypothesis testing in particular. Table 4.1 provides a summary of the hypotheses, variables and the corresponding statistical tests.

Table 4.1: Hypotheses, variables and corresponding statistical tests

Phase1

Hypothesis	Independent Variable	Dependent Variable	Moderator Variable	Statistical Technique
H1: After the outbreak of rumour, the switchers' purchase quantity will be significantly less than the stayers' purchase quantity.	Switcher Stayer	Purchase Quantity	Not Applicable	Independent Samples T- test
H2: The switchers' initial brand commitment will be significantly less than the stayers' initial brand commitment.	Switcher Stayer	Brand Commitment	Not Applicable	Independent Samples T- test

Hypothesis	Independent Variable	Dependent Variable	Moderator Variable	Statistical Technique
H3: The switchers' uncertainty avoidance values will be significantly less than the stayers' uncertainty avoidance values.	Switcher Stayer	Uncertainty Avoidance	Not Applicable	Independent Samples T-test
H4: The switchers will have significantly more individualistic values than the stayers.	Switcher Stayer	Individualism Collectivism	Not Applicable	Independent Samples T-test
H5: When confronted with commercial rumours, uncertainty avoidance as a personal value will be a significant negative predictor of the switchers' purchase quantity.	Uncertainty avoidance	Purchase Quantity	Not Applicable	Multiple Linear Regression
H6: When confronted with commercial rumours, uncertainty avoidance as a personal value will be significant positive predictor of stayers' purchase quantity.	Uncertainty Avoidance	Purchase Quantity	Not Applicable	Multiple Linear Regression
H7: When confronted with commercial rumours, individualism as a personal value will be a significant negative predictor of the switchers' purchase quantity.	Individualism	Purchase Quantity	Not Applicable	Multiple Linear Regression
H8: When confronted with commercial rumours, collectivism as a personal value will be a significant positive predictor of stayers' purchase quantity.	Collectivism	Purchase Quantity	Not Applicable	Multiple Linear Regression
H9: When confronted with commercial rumours, the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant negative predictors of the switchers' purchase quantity.	Self Confidence (6 dimensions)	Purchase Quantity	Not Applicable	Multiple Linear Regression
H10: When confronted with rumours, the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant positive predictors of stayers' purchase quantity.	Self Confidence (6 dimensions)	Purchase Quantity	Not Applicable	Multiple Linear Regression
H11: After the outbreak of rumour, personal values and the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant negative moderators of the relationship between switchers' brand commitment and their purchase quantity.	Brand Commitment	Purchase Quantity	Personal values (uncertainty avoidance and individualism) & Self Confidence (6 dimensions)	Hierarchical Linear Regression

Hypothesis	Independent Variable	Dependent Variable	Moderator Variable	Statistical Technique
H12: After the outbreak of rumour, personal values and the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant positive moderators of the relationship between stayers' brand commitment and their purchase quantity.	Brand Commitment	Purchase Quantity	Personal values (uncertainty avoidance and individualism) & Self Confidence (6 dimensions)	Hierarchical Linear Regression
Phase 2				
Hypothesis	Independent Variable	Dependent Variable	Moderator Variable	Statistical Technique
H13: After processing the positive information released by the target company, the long-term switchers' purchase quantity will be significantly less than the swayers' purchase quantity.	Long Term Switcher Swayer	Purchase Quantity	Not Applicable	Independent Samples T-test
H14: The long-term switchers' brand commitment will be significantly less than the swayers' brand commitment.	Long Term Switcher Swayer	Brand Commitment	Not Applicable	Independent Samples T-test
H15: Long-term switchers' uncertainty avoidance values will be significantly less than the swayers' uncertainty avoidance values.	Long Term Switcher Swayer	Uncertainty Avoidance	Not Applicable	Independent Samples T-test
H16: After processing the positive information released by the target company, the long-term switchers will have significantly higher individualistic values compared to the swayers.	Long Term Switcher Swayer	Individualism Collectivism	Not Applicable	Independent Samples T-test
H17: After processing the positive information released by the target company, uncertainty avoidance as a personal value will be a significant negative predictor of the long-term switchers' purchase quantity.	Uncertainty avoidance	Purchase Quantity	Not Applicable	Multiple Linear Regression
H18: After processing the positive information, uncertainty avoidance as a personal value will be a significant positive predictor of swayers' purchase quantity.	Uncertainty avoidance	Purchase Quantity	Not Applicable	Multiple Linear Regression
H19: After processing the positive information, individualism as a personal value will be a significant negative predictor of long-term switchers' purchase quantity.	individualism	Purchase Quantity	Not Applicable	Multiple Linear Regression
H20: After processing the positive information, collectivism as a personal value will be a significant positive predictor of swayers' purchase quantity.	Collectivism	Purchase Quantity	Not Applicable	Multiple Linear Regression

Hypothesis	Independent Variable	Dependent Variable	Moderator Variable	Statistical Technique
H21: After processing the positive information, the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant negative predictors of the long-term switchers' purchase quantity.	Self Confidence (6 dimensions)	Purchase Quantity	Not Applicable	Multiple Linear Regression
H22: After processing the positive information, the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant positive predictors of swayers' purchase quantity.	Self Confidence (6 dimensions)	Purchase Quantity	Not Applicable	Multiple Linear Regression
H23: After processing the positive information, personal values and the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant negative moderators of the relationship between the long-term switchers' brand commitment and their purchase quantity.	Brand Commitment	Purchase Quantity	Personal values (uncertainty avoidance and individualism) & Self Confidence (6 dimensions)	Hierarchical Linear Regression
H24: After processing the positive information from the target company, personal values and the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant positive moderators of the relationship between swayers' brand commitment and their purchase quantity.	Brand Commitment	Purchase Quantity	Personal values (uncertainty avoidance and individualism) & Self Confidence (6 dimensions)	Hierarchical Linear Regression

Chapter 5 - Data Analysis and Discussion

5.1 Main study

This chapter focuses on the results of the analysis of the data obtained from the field experiment described in Chapter 4. The field experiment used a real-life rumour and corrective message about Coca-Cola® to simulate participants' reaction to negative and positive information in the marketplace. The first phase of this chapter explores the data on the entire 236 participants surveyed in the first phase, while the second phase deals with only the 144 participants who were classified as switchers after stopping or reducing the quantity of the target brand purchased upon hearing the rumour. The first part of this analysis section examines the participants' purchase behaviour in Phase 1 of the proposed model of consumers' decision-making during the outbreak of commercial rumours, while the second part (Phase 2), investigates the switchers' purchase behaviour after the positive information is released by the target company.

5.2 Phase 1: After the outbreak of rumour

Phase 1 produced data allowing examination of the effect of a rumour on consumers' purchase decisions (Hypothesis 1). The data also permitted investigation of the extent to which consumers' brand commitment, personal values and self-confidence influence the purchase behaviour of the switchers and stayers after the outbreak of the rumour (Hypotheses 2 to 12).

Independent t-tests were used to test Hypotheses 1 to 4 as all of them sought to test whether there were significant differences between the switchers and the stayers in terms of brand commitment, personal values and self-confidence.

5.2.1 Comparison between the purchase quantity of switchers and stayers after rumour

This section investigates whether the rumour had different impact on the switchers compared to the stayers in terms of their purchase quantities. To address this question, Hypothesis 1 was tested.

Independent sample t-test was then used to test whether there was a significant difference between the switchers' and the stayers' purchase quantities after the outbreak of rumour.

Table 5.1: Comparison of purchase quantities of switchers and stayers

Group	N	Mean Quantities	SD	t-value
Switchers	144	0.61	0.85	7.99**
Stayers	92	1.54	0.92	
Total	236			

**** $p < 0.01$**

The results as shown in Table 5.1 indicate that the switchers' purchase quantity was significantly less than the stayers', supporting the hypothesis that, after the outbreak of rumour, the switchers' purchase quantity will be significantly less than the stayers' (Hypothesis 1). Whilst the switchers purchased significantly less quantities of the target brand (Mean = 0.61), the stayers purchased more (Mean = 1.54).

5.2.2 Comparison of brand commitment of switchers and stayers

This section examined the effect of brand commitment on the purchase quantity of both the switchers and the stayers after being exposed to the rumour. In order to determine whether there was a significant difference between the brand commitment of the switchers and that of the stayers, Hypothesis 2 was tested as follows.

The switcher and the stayer groups were used as the independent variables, while brand commitment was used as the dependent variable. Table 5.1, shows the results of the independent sample t-test for Hypothesis 2.

Table 5.2: Comparison of brand commitment between switchers and stayers

Group	N	Mean Commitment	SD	t-value
Switchers	144	8.92	3.64	10.61**
Stayers	92	12.76	1.89	
Total	236			

**** $p < 0.01$**

The independent sample t-test results in Table 5.2 reveal that the switchers brand commitment is significantly less (Mean = 8.92) than the stayers' (Mean = 12.76), $p < 0.01$, supporting the hypothesis that after processing the rumour, the switchers' brand commitment will be significantly less compared to the stayers' brand commitment (Hypothesis 2). In summary, it is evident from these tests, that during the outbreak of rumour, brand commitment of the consumers plays a significant role in determining whether they will continue to patronise the target brand or switch to competing brands. While the stayers have a significantly higher brand commitment, the switchers have a significantly lower brand commitment.

5.2.3 Comparison of personal values of switchers and stayers

This section examines whether the switchers' and the stayers' personal values (uncertainty avoidance and individualism/collectivism) were significantly different after exposure to the rumour. Initially, the participants' uncertainty avoidance and individualism index were calculated using Hofstede et al's (2008) formula for calculating cultural dimensions (Refer to section 4.4.1.3). Subsequently, the groups' mean from the calculation is used to calculate the levels of uncertainty avoidance using independent sample t-test. The switcher and the stayer groups were used as the independent variables, while the level of uncertainty avoidance was used as the dependent variable. The results are shown in Table 5.3.

Table 5.3: Comparison of uncertainty avoidance between switchers and stayers

Group	N	Mean UA	SD	t-value
Switchers	144	111.53	7.14	4.91**
Stayers	92	116.33	116.33	
Total	236			

** $p < 0.01$

The results show that switchers have significantly smaller (Mean = 111.53) mean uncertainty avoidance value than the stayers' (Mean = 116.33), $p < 0.01$. Hence, the results support the hypothesis that after the outbreak of rumour, the switchers' uncertainty avoidance values will be significantly less compared to the stayers' uncertainty avoidance values (Hypothesis 3). In summarising the effect of uncertainty avoidance on both switchers and stayers, it can be concluded that when there is an outbreak of rumour, the

switchers' uncertainty avoidance values are likely to be lower compared to the stayers' uncertainty avoidance values.

This section investigates whether the switchers' individualism values were significantly different from the stayers' individualism values after processing the rumour.

Table 5.4: Differences in individualism between switchers and stayers

Group	N	Mean Individualism	SD	t-value
Switchers	144	131.14	4.70	1.79
Stayers	92	132.19	3.95	
Total	236			

$p > 0.05$

As shown in Table 5.4, no significant difference exists between the levels of individualism of switchers and that of the stayers; hence, the hypothesis that the switchers will have significantly more individualistic values than the stayers after processing the rumour (Hypothesis 4) was not supported. It appears that consumers' decision to switch or stay with a target brand after the outbreak of a commercial rumour is not influenced by their individualism values.

5.2.4 Correlations and descriptive statistics for switchers

This section examined the effect of all the study variables on the switchers' purchase decision.

Table 5.5: Descriptive statistics and Pearson's correlations among major study variables on switchers

Variables	Mean	SD	1	2	3	4	5	6	7	8	9
1.Uncertainty avoidance	111.53	7.14									
2.Individualism	131.14	4.50	-.41**								
3.Information acquisition	16.82	2.97	.32	.08*							
4.Consideration-Set formation	17.44	3.16	.06	.12	.65**						
5.Personal outcome decision making	13.71	3.43	.04	.14	.34**	.18*					
6.Social outcome decision making	16.01	3.18	.03	.12	.32**	.29**	.09				
7.Personal knowledge	20.63	4.74	.28**	.06	.39**	.53**	.05	.47**			
8.Marketplace interfaces	14.49	4.49	.29**	.22**	.57**	.38**	.36**	.12	.35**		
9.Brand commitment	8.92	3.64	.05	.08	.09	.17*	.18*	.04	.24**	.11	
10.Switchers purchase quantity	.61	.85	.37**	.17*	.15	.13	.29**	.01	.02	.15	.62**

* $p < 0.05$; ** $p < 0.01$

The correlation findings from Table 5.5 reveal that both uncertainty avoidance and individualism are correlated with the switchers' purchase quantity. Also, personal outcome decision making (PODM) ($r = 0.29$) and brand commitment ($r = 0.62$) are significantly correlated with the switchers' purchase quantities. Hence, the switchers' personal values, their ability to make relevant marketplace decisions that elicit personal satisfaction and their commitment to the target brand are factors that influence the switchers' purchase quantity.

5.2.5 Direct effect of personal values and consumer self-confidence on switchers' purchase quantity

To further investigate the relationship between personal values and switchers' purchase quantity, this section describes the analysis of the direct and moderating effects of personal values and consumer self-confidence on the switchers' decision making after the outbreak of rumour, by testing Hypotheses 5, 7 and 9, as these are the relevant

hypotheses that specifically address the direct effect of personal values and consumer self-confidence on a typical switcher's purchase quantity. Two separate multiple linear regressions were performed. Section 5.2.5.1 outlines the direct effect of personal values on the switchers' purchase quantities, while section 5.2.5.2 presents the direct effect of consumer self-confidence on switchers' purchase quantities. This approach made it possible to examine the direct effect of personal values and consumer self-confidence on the switchers' purchase quantity.

5.2.5.1 Direct effect of personal values on switchers' purchase quantity

This section evaluates the direct effect of personal values on the switchers' decision making after the outbreak of rumour. The two dimensions of personal values (uncertainty avoidance and individualism) were used as the independent variables, while the switchers' purchase quantities were used as the dependent variables. Table 6 shows the results of the multiple linear regression of uncertainty avoidance and individualism against switchers' purchase quantities.

Table 5.6: Regression analysis of the effect of personal values on the switchers' purchase quantity

Group	Switchers
Dependent variables	Purchase quantity
Independent variables	Beta
Uncertainty avoidance	-0.36**
Individualism	0.02
R-Square	0.37

$N = 144$

* $p < 0.05$; ** $p < 0.01$

Table 5.6 reveals that personal values account for 37 per cent of variation in the switchers' purchase quantities after processing the rumour and that this is significant ($F(2, 141) = 11.16, p < 0.01$). Uncertainty avoidance has a significant and independent negative influence on the switchers' purchase quantity after processing the rumour, but individualism has no significant influence. The *Beta* values also indicate that uncertainty avoidance ($\beta = -0.36$) has a significant negative influence on the switchers' purchase quantity. Hence, Hypothesis 5, which states that when confronted with commercial rumours uncertainty avoidance as a personal value will be a significant predictor of

switchers' purchase quantity, was supported. However, Hypothesis 7, that when confronted with commercial rumours, individualism as a personal value will be a significant predictor of switchers' purchase quantity, was not supported.

5.2.5.2 Direct effect of consumer self-confidence on switchers' purchase quantity

A second multiple linear regression was performed to test Hypothesis 9. The six dimensions of consumer self-confidence were used as the independent variables, while the switchers' purchase quantity was used as the dependent variable. Table 5.7 shows the results.

Table 5.7: Regression analysis of the effect of consumer self-confidence on the switchers' purchase quantity

Group	Switchers
Dependent variables	Purchase quantity
Independent variables	Beta
Information acquisition (IA)	0.01
Consumer-set formation (CSF)	-0.14
Personal outcome decision making (PODM)	-0.26**
Social outcome decision making (SODM)	-0.04
Persuasion knowledge (PK)	0.14
Marketplace interfaces (IM)	0.05
R-Square	0.10

N = 144

p* < 0.05; *p* < 0.01

As indicated in Table 5.7, consumer self-confidence accounts for 10 per cent of the variation in the switchers' purchase quantity of the target brand after processing the rumour, which is significant ($F(6, 137) = 2.58, p < 0.05$). Of the six dimensions of consumer self-confidence, PODM is the only important (negative) predictor of the switchers' purchase quantity ($\beta = -0.26, p < 0.01$). Hence, Hypothesis 9, that when confronted with commercial rumours the different dimensions of consumer self-confidence will be significant predictors of the switchers' purchase quantity was only partially supported.

5.2.6 Moderating effect of personal values and consumer self-confidence on switchers' purchase quantity

This section investigates the moderating effect of personal values and consumer self-confidence on the relationship between the switchers' brand commitment and their purchase quantity after the outbreak of the rumour. To assess the influence of personal values and consumer self-confidence on the relationship between switchers' brand commitment and purchase quantity (Hypothesis 11), the purchase quantities were used as the dependent variable in a hierarchical linear regression where brand commitment served as the independent variable and personal values and the six dimensions of consumer self-confidence served as the moderating variables.

The hierarchical linear regression was performed in three steps. In Step 1, the main effect, represented by the switchers' brand commitment was entered. In Step 2, the main personal values variables (uncertainty avoidance and individualism/collectivism) and the six consumer self-confidence dimensions were entered. Finally, in Step 3, all the moderating effects (interaction effects) of dimensions of personal values and consumer self-confidence were entered.

The interaction effect was obtained by multiplying commitment and each of the personal values as well as the six dimensions of consumer self-confidence. This order was adopted because it allowed the effects of the interactions to be observed over and above the independent variables and the main effects (Petrocelli, 2003). The results of this regression are provided in Table 5.8.

Table 5.8: Summary of moderation effect of personal values and self-confidence on the relationship between switchers' brand commitment and their purchase quantity

Predictor	Switchers	
	ΔR^2	β
Step 1		
Brand Commitment (BC)	0.38**	0.62**
Step 2		
Uncertainty Avoidance (UA)	0.23**	-0.48**
Individualism/Collectivism (IC)		-0.02
Information Acquisition (IA)		0.16
Consumer-Set Formation (CSF)		-0.19**
Personal Outcome Decision Making (PODM)		-0.17**
Social Outcome Decision Making (SODM)		-0.14*
Personal Knowledge (PK)		-0.30**
Marketplace Interfaces (MI)		-0.05
Step 3 – Moderation		
BC*UA	0.18**	-0.37**
BC*IC		-0.03
BC*IA		0.05
BC*CSF		0.26**
BC*PODM		0.21**
BC*SODM		-0.28**
BC*PK		-0.34**
BC*MI		-0.14
Total R²	0.79	

N = 92

p* < 0.05; *p* < 0.01

The results in Table 5.8, show that when brand commitment was entered into the hierarchical linear regression, it accounted for 38 per cent variation in the switchers' purchase quantity, and this was significant ($F(1,142) = 86.76$, $p < 0.01$). The *Beta* value revealed that brand commitment is a significant positive predictor of the switchers' purchase quantity ($\beta = 0.62$, $p < 0.01$). Adding the dimensions of personal values and consumer self-confidence in the model in Step 2, the model accounted for an additional 23 per cent variation in the switchers' purchase quantity. This variation in purchase quantity was also significant ($F(9,134) = 23.42$, $p < 0.01$). Out of the two dimensions of personal values, uncertainty avoidance had a significant *Beta* value of ($\beta = -0.48$, $p < 0.01$), showing that uncertainty avoidance is an important negative predictor of switchers' purchase quantity. Among the six dimensions of consumer self-confidence, personal outcome decision making ($\beta = 0.17$, $p < 0.01$), and social outcome decision

making ($\beta = 0.14$, $p < 0.05$) are both important negative predictors of the switchers' purchase quantity. Moreover, the *Beta* values for personal knowledge ($\beta = -0.30$, $p < 0.01$) and consumer-set formation ($\beta = -0.19$, $p < 0.01$), were significant, indicating that they are all important negative predictors of the switchers' purchase quantity.

In Step 3, the interactive effects of personal values and the six dimensions of consumer self-confidence accounted for a further 18 per cent in the switchers' purchase quantity ($F(17,126) = 27.39$, $p < 0.01$). Only uncertainty avoidance had significant moderating effect on the relationship between brand commitment and switchers' purchase quantity ($\beta = -0.37$, $p < 0.01$). Of the six interactive effects of the dimensions of consumer self-confidence entered, consumer's confidence in their ability to identify acceptable choice alternatives (CSF) ($\beta = 0.26$, $p < 0.01$) and confidence in their ability to make decisions that result in outcomes that elicit personal feelings of satisfaction (PODM) ($\beta = 0.21$, $p < 0.01$), had significant positive moderating effects on the relationship between the switchers' brand commitment and their purchase quantity after processing the rumour. However, consumers' confidence in their ability to understand marketers' tactics and to cope with these tactics (PK) ($\beta = -0.34$, $p < 0.01$), and consumers' confidence in their ability to make purchase decisions that generate positive outcomes in the form of positive reactions from others (SODM) ($\beta = -0.28$, $p < 0.01$) had significant negative moderating effect on the relationship between the switchers' brand commitment and their purchase quantity after processing the rumour.

In summary, consumer's confidence in their ability to identify acceptable choice alternatives, confidence in their ability to make decisions that generate personal satisfaction, confidence in their ability to make purchase decisions that generate positive outcomes in the form of positive reactions from others and their knowledge of the tactics used by marketers in efforts to persuade them, are important negative moderators of switchers' decision making.

Hence, the hypothesis that after the outbreak of rumour, personal values and the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant negative

moderators of the relationship between switchers' brand commitment and their purchase quantity (Hypothesis 11), was partially supported.

5.2.7 Correlations and descriptive statistics for stayers

This section examined the effect of all the study variables on the stayers' purchase decision. Table 5.9 shows the summary statistics and the correlations among the major study variables.

Table 5.9: Descriptive statistics and Pearson's correlations among major study variables on stayers

Variables	Mean	SD	1	2	3	4	5	6	7	8	9
1.Uncertainty avoidance	116.33	7.64									
2.Individualism collectivism	132.19	3.95	.22*								
3.Information acquisition	18.60	3.88	.07	.28**							
4.Consideration-set formation	18.49	4.07	.05	.22*	.80**						
5.Personal outcome decision making	14.86	3.50	.01	-.44**	-.42**	.49**					
6.Social outcome decision making	17.21	3.02	.11	.23*	.43**	.54**	.31**				
7.Persuasion knowledge	22.63	4.38	.06	.19	.81**	.67**	.36**	.44**			
8.Marketplace interfaces	13.47	4.57	.08	-.40**	-.54**	.47**	.55**	.31**	.38**		
9.Brand commitment	12.76	1.89	.02	.11	.10	.21*	.18	.17	.27**	.22*	
10.Stayers' purchase quantity	1.54	.85	.03	.10	.06	.04	.37**	.26*	.05	.36**	.27**

* $p < 0.05$; ** $p < 0.01$

The Pearson correlation Table 5.9 shows that of the six dimensions of consumer self-confidence, consumers' confidence in their ability to make decisions that result in outcomes that elicit personal feelings of satisfaction (PODM) ($r = 0.37$), consumers' confidence in their ability to make purchase decisions that generate positive outcomes in the form of positive reactions from others (SODM) ($r = 0.26$) and consumers' confidence in their ability to stand up for their rights and to express their opinion when dealing with

salespeople (MI) ($r = 0.36$) are correlated with stayers' purchase quantity, and they are all significant at $p < 0.05$. Thus, stayers' confidence to make marketplace choices that elicit personal feelings of satisfaction, their confidence to make decisions that generate positive outcomes in the form of positive reactions from others, and their confidence to stand up for their rights and to express their opinion when dealing with salespeople have important relationship with their purchase quantities. Furthermore, brand commitment ($r = 0.27$) has a strong correlation with the switchers' purchase quantity ($p < 0.01$).

5.2.8 Direct effect of personal values and consumer self-confidence on stayers' purchase quantity

This section presents results of evaluation of the direct effect of personal values and consumer self-confidence on the stayers' decision making during the outbreak of rumour by testing Hypotheses 6, 8 and 10, as they are also the relevant hypotheses that address the direct effect of personal values and consumer self-confidence on the profile of a typical stayer. To achieve these objectives, firstly a multiple linear regression was performed to test Hypothesis 6 using the two dimensions of the stayers' personal values (uncertainty avoidance and individualism) as the independent variables, while their purchase quantity was used as the dependent variable.

With regards to the effect of consumer self-confidence on the stayers' decision making, another multiple linear regression was performed to test Hypothesis 8. The six dimensions of consumer self-confidence were used as the independent variables, while their purchase quantity was used as the dependent variable. Section 5.2.8.1 explains the regression analysis of the direct effect of personal values on the stayers' purchase quantity, while section 5.2.8.2 outlines the steps undertaken to analyse the direct effect of consumer self-confidence on the stayers' purchase quantities.

5.2.8.1 Direct effect of personal values on stayers' purchase quantity

To investigate further the relationship between personal values on the stayers' purchase quantity, this section analyses the direct effect of personal values on the stayers' purchase quantity by testing Hypothesis 6. To achieve this objective, a multiple linear regression was performed by using the two dimensions of personal values (uncertainty

avoidance and individualism) as the independent variables and the stayers' purchase quantity as the dependent variable. A summary of the output can be found in Table 5.10.

Table 5.10: Regression analysis of the effect of personal values on the stayers' purchase quantity

Group	Stayers
Dependent variables	Purchase quantity
Independent variables	Beta
Uncertainty avoidance	0.19*
Collectivism	-0.22
R-Square	0.11
<i>N</i> = 92	
* <i>p</i> < 0.05	

Table 10 reveals that personal values account for 11 per cent of the variation in the stayers' purchase quantity after processing the rumour, and it is significant ($F(2, 89) = 0.94$, $p < 0.01$). Thus, the hypothesis that when confronted with commercial rumours, uncertainty avoidance as a personal value will be significant positive predictor of stayers' purchase quantity (Hypothesis 6) was supported. However, the hypothesis that when confronted with commercial rumours, individualism as a personal value will be a significant negative predictor of stayers' purchase quantity (Hypothesis 8) was not supported.

5.2.8.2 Direct effect of consumer self-confidence on stayers' purchase quantity

This section investigates the direct effect of the six dimensions of consumer self-confidence on the stayers' purchase quantity. To achieve this goal the six dimensions of consumer self-confidence served as the independent variables, while the stayers' purchase quantity was used as the dependent variable. Table 5.11 shows a summary of the output of the regression analysis.

Table 5.11: Regression analysis of the effect of self-confidence on the stayers' purchase quantity

Group	Stayers
Dependent variables	Purchase quantity
Independent variables	Beta
Information acquisition	-0.05
Consumer-set formation	-0.34**
Personal outcome decision making	0.31**
Social outcome decision making	0.29**
Persuasion knowledge	-0.04
Marketplace interfaces	0.29
R-Square	0.28

N = 92

p* < 0.05, *p* < 0.01

Table 5.11 shows that consumer self-confidence accounts for 28 per cent of the variation in the stayers' purchase quantity of the target brand after processing the rumour, and this is significant ($F(6, 85) = 5.38, p < 0.05$). The *Beta* values also indicate that consumers' confidence in their ability to identify acceptable choice alternatives (CSF) ($\beta = -0.34, p < 0.01$) is an important negative consumer self-confidence predictor of the stayers' purchase quantity. Consumers' confidence in making purchase decisions that generate positive outcomes in the form of positive reactions from others (SODM) ($\beta = 0.29, p < 0.01$) and consumers' confidence in making decisions that result in outcomes that elicit personal feelings of satisfaction (PODM) ($\beta = 0.31, p < 0.01$) are important positive consumer self-confidence predictors of the stayers' purchase quantity.

Hence, the hypothesis that when confronted with rumours, the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interphases) will be significant positive predictors of stayers' purchase quantity (Hypothesis 10) was partially supported.

5.2.9 Moderating effect of personal values and consumer self-confidence on stayers' purchase quantity

In this section, the results of analysis of the moderating effect of personal values and the six dimensions of consumer self-confidence on the relationship between the stayers' brand commitment and their purchase quantity are presented. The brand

commitment of the stayers was used as the independent variable, their purchase quantities were used as the dependent variables and personal values as well as the six dimensions of consumer self-confidence were used as the moderating variables. Initially, brand commitment was entered into the model as Step 1. This was followed by the six dimensions of consumer self-confidence as Step 2. Finally, the interaction effects of the personal values and the six dimensions of consumer self-confidence were entered into the model as Step 3. Table 5.12 contains the results.

Table 5.12: Summary of moderation effect of personal values and self-confidence on the relationship between stayers' brand commitment and purchase quantity

Predictor	Stayers	
	ΔR^2	β
Step 1	0.07**	
Brand commitment (BC)		0.27**
Step 2	0.27**	
Uncertainty Avoidance (UA)		0.01
Individualism/Collectivism (IC)		-0.18
Information Acquisition (IA)		0.18
Consumer-Set Formation (CSF)		-0.46**
Personal Outcome Decision Making (PODM)		0.38**
Social Outcome Decision Making (SODM)		0.32**
Personal Knowledge (PK)		-0.20
Marketplace Interfaces (MI)		-0.26*
Step3 – Moderation	0.14**	
BC*UA		0.09*
BC*IC		0.20
BC*IA		0.11
BC*CSF		-0.14
BC*PODM		-0.09
BC*SODM		0.26*
BC*PK		0.08
BC*MI		0.10
Total R²	0.41**	

N= 92,

* $p < 0.05$; ** $p < 0.01$

The results in Table 5.12 show that when brand commitment was entered into the hierarchical linear regression in Step 1, it accounted for 7 per cent of the variance in the stayers' purchase quantity, and this was significant ($F(1,90) = 7.14$, $p < 0.01$). It also shows that brand commitment is a significant predictor of the stayers' purchase quantity ($\beta = 0.27$, $p < 0.01$). Adding personal values and the six dimensions of consumer self-

confidence in the model in Step 2, accounted for an additional 27 per cent variation in the stayers' purchase quantity ($F(9,82) = 4.77, p < 0.01$). This variation in purchase quantity was also significant. Moreover, consumer's confidence in their ability to identify acceptable choice alternatives (CSF) ($\beta = -0.46, p < 0.0$) predictor of the stayers purchase quantity is a negative predictor of the stayers purchase quantity. However, consumers' confidence in making purchase decisions that elicit personal feelings of satisfaction (PODM) ($\beta = 0.38, p < 0.01$) and, consumers' confidence in making purchase decisions that generate positive outcomes in the form of positive reactions from others (SODM) ($\beta = 0.32, p < 0.01$) are significant positive predictors of the stayers' purchase quantity.

In Step 3, the interactive effect of personal values and the six dimensions of consumer self-confidence were entered, producing a significant variation of 14 per cent in the stayers' purchase quantity ($F(17,74) = 4.02, p < 0.01$). However, only uncertainty avoidance and consumers' confidence in making purchase decisions that generate positive outcomes in the form of positive reactions from others (SODM) were significant ($p < 0.05$). Thus, uncertainty avoidance and social outcome decision making are the only personal values and consumer self-confidence dimensions that have important positive moderating effect on the relationship between stayers' brand commitment and their purchase quantity after processing the rumour.

Hence, the hypothesis that personal values and the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interphases) will be significant positive moderators of the relationship between stayers' brand commitment and their purchase quantity was only partially supported (Hypothesis 12).

5.3 Phase 2: During the refutation of rumour

Phase 2 of the proposed model on the outbreak of rumour involved simulation of participants' reactions to the target company's release of a positive statement aimed at refuting the rumour. This section describes the investigation of the behaviour of consumers classified as switchers in Phase 1. Switchers who stopped purchasing or

decreased the quantity of the target brand bought after the release of the positive information were classified as long-term switchers, while those who purchased the same or an increased quantity of the target brand were considered to be swayers.

5.3.1 Comparison between purchase quantity of long-term switchers and swayers after the positive persuasive message

This section examined whether the positive information released by the target company had a different impact on the long-term switchers compared to the swayers in terms of their purchase quantities. Independent sample t-test was used to test whether there was a significant difference between the long-term switchers' and the swayers' purchase quantities. Table 5.13 shows the results.

Table 5.13: Comparison of purchase quantities of long-term switchers and swayers

Group	N	Mean	SD	t-value
Long-term switchers	82	0.49	0.63	12.73**
Swayers	62	2.65	1.22	
Total	236			

**** $p < 0.01$**

Table 5.13 indicates that the long-term switchers' purchase quantity was significantly less (Mean = 0.49) than the swayers' (Mean = 2.65), $p < 0.01$, supporting the hypothesis that after processing the positive information released by the target company, the long-term switchers' purchase quantity will be significantly less compared to the swayers' purchase quantity (Hypothesis 13).

5.3.2 Comparison between brand commitment of long-term switchers and swayers

This section examined whether there was a significant difference between the brand commitment of the long-term switchers and that of the swayers. An independent sample t-test was used to test for a significant difference between the brand commitment of the long-term switchers and the swayers. Table 5.14 shows the results.

Table 5.14: Differences in brand commitment between switchers and swayers

Group	N	Mean	SD	t-value
Long-term switchers	82	8.37	3.66	2.11*
Swayers	62	9.65	3.53	
Total	144			

* $p < 0.05$

Table 5.14 revealed that the long-term switchers brand commitment was significantly less (Mean = 8.37), than the swayers' brand commitment (Mean = 9.65), $p < 0.05$, thus supporting the hypothesis that after receiving the positive information from the target brand, the long-term switchers' brand commitment will be significantly less compared to the swayers' brand commitment (Hypothesis 14).

In summary, the results show that after processing the positive corrective message from the target company, the brand commitment of the switchers plays a significant role in determining whether they will be long-term switchers or swayers.

5.3.3 Comparison between personal values of long-term switchers and swayers

This section examines whether the long-term switchers' and the swayers' personal values (uncertainty avoidance and individualism/collectivism) are significantly different after exposure to the positive information. These groups' mean level of uncertainty avoidance was compared using independent sample t-test. The long-term switcher and the swayer groups were used as the independent variables, while the level of uncertainty avoidance was used as the dependent variable. The results are shown in Table 5.15 below.

Table 5.15: Differences in uncertainty avoidance between long-term switchers and swayers

Group	N	Mean UA	SD	t-value
Long-term switchers	82	109.84	6.31	3.38**
Swayers	62	113.76	7.60	
Total	144			

** $p < 0.01$

The results show that long-term switchers have significantly smaller (Mean = 109.84) mean uncertainty avoidance value than the stayers' (Mean = 113.76), $p < 0.01$. Hence, the results support the hypothesis that after the outbreak of rumour, the long-term switchers' uncertainty avoidance values will be significantly less compared to the swayers uncertainty avoidance values (Hypothesis 15).

In summarising the effect of uncertainty avoidance on both long-term switchers and swayers, it can be concluded that when there is an outbreak of rumour, the long-term switchers' uncertainty avoidance personal values are likely to be lower compared to the swayers' uncertainty avoidance values.

This section examines whether the long-term switchers' individualism values will be significantly different from the swayers' individualism values.

Table 5.16: Differences in individualism between long-term switchers and swayers

Group	N	Mean Individualism	SD	t-value
Long-term switchers	82	130.62	5.06	1.54
Swayers	62	131.83	4.11	
Total	236			

As shown in Table 5.16, no significant difference exists between the levels of individualism of long-term switchers and the swayers; hence, the hypothesis that the long-term switchers will have significantly more individualistic values than the swayers after processing the rumour (Hypothesis 16) was not supported. It appears that consumers' decision to switch on a long-term basis or sway back to the target brand after exposure to the positive information is not influenced by their individualism values.

5.3.4 Correlation and descriptive statistics for long-term switchers

This section aims to investigate the effect of the study variables on the long-term switchers. To achieve this goal the Pearson's correlation test was conducted, and the results are shown in Table 5.17 below.

Table 5.17: Descriptive statistics and Pearson's correlations among the major study variables on long-term switchers

Variables	Mean	SD	1	2	3	4	5	6	7	8	9
1.Uncertainty avoidance	109.84	.63									
2.Individualism collectivism	130.62	3.66	-.48								
3.Information acquisition	16.88	2.72	.57**	.03							
4.Consideration-set formation	17.66	2.39	.14	.12	.46**						
5.Personal outcome decision making	13.68	2.99	-.08	-.21	-.49**	-.59**					
6.Social outcome decision making	15.83	2.40	.08	-.09	.35**	-.08	.07				
7.Persuasion knowledge	20.12	3.86	-.34**	-.11	.13	.19	-.23*	.42**			
8.Marketplace interfaces	14.90	3.80	-.37**	.18	-.59**	-.47**	.48**	-.35**	-.34**		
9.Brand commitment	8.37	3.66	.15	-.04	-.06	.10	.18	-.33**	.06	.04	
10.Long-term switchers' purchase quantity	.49	.63	-.26*	.04	-.52**	-.35**	.30**	-.40**	-.04	.40**	.70**

N = 82

**p*<0.05; ** *p*<0.01

Table 5.17 revealed that of the two personal values examined, only uncertainty avoidance ($r = -0.26$) has a significant correlation with the long-term switchers' purchase quantity. Of the six dimensions of consumer self-confidence examined, five (all but personal knowledge - PK) have significant correlation ($p < 0.01$) with the long-term switchers' purchase quantity. Furthermore, brand commitment ($r = 0.70$) has significant correlation ($p < 0.01$) with the long-term switchers' purchase quantity.

Hence, there is an important association between long-term switchers' purchase quantity and their commitment to the target brand, their ability to obtain and process needed marketplace information, their ability to identify acceptable choice alternatives, their confidence to make decisions that result in outcomes that elicits feelings of personal satisfaction, generate positive outcomes in the form of positive reactions from others, as well as their ability to stand up for their rights and express their opinion when dealing with salespeople.

5.3.5 Direct effect of personal values and consumer self-confidence on long-term switchers' purchase quantity

To further evaluate the observations made in the correlation table, this section investigates the direct and moderating effect of personal values and consumer self-confidence on the long-term switchers' decision making, by testing Hypotheses 17, 19 and 21, as they are the relevant hypotheses which directly address the effect of personal values and consumer self-confidence on the profile of a typical long-term switcher. A multiple linear regression was performed using the two dimensions of personal values as the independent variables and the long-term switchers' purchase quantity as the dependent variable. Similarly, to investigate the direct effect of consumer self-confidence on the long-term switchers' decision making after processing the positive information from the target company, another multiple linear regression was performed by using the six dimensions of consumer self-confidence as the independent variables and the purchase quantity as the dependent variable. Section 5.3.5.1 explains the effect of personal values on the long-term switchers' purchase quantity, while section 5.3.5.2 explains the effect of the six dimensions of consumer self-confidence on the long-term switchers' purchase quantity.

5.3.5.1 Direct effect of personal values on long-term switchers' purchase quantity

This section analyses the regression performed to access the direct effect of personal values (uncertainty avoidance and individualism) on the long-term switchers' purchase quantity. The long-term switchers' personal values were regressed against their purchase quantity. Table 5.18 shows the output.

Table 5.18: Regression analysis of the effect of personal values on the long-term switchers' purchase quantity

Group	Long-term switchers
Dependent variables	Purchase quantity
Independent variables	Beta
Uncertainty avoidance	-0.26*
Individualism	-0.20
R-Square	0.25

N = 82

**p* < 0.05

As Table 5.18 shows, personal values account for 25 per cent of the variation in the long-term switchers' purchase quantity after processing the positive information from the target company, and this figure is significant ($F(2, 141) = 4.88, p < 0.05$). Uncertainty avoidance is a significant negative predictor of the long-term switchers' purchase quantity. Thus, the hypothesis that when confronted with commercial rumours, uncertainty avoidance as a personal value will be a significant negative predictor of the long-term switchers' purchase quantity (Hypothesis 17) was supported. In contrast, the *Beta* value for individualism was not significant so Hypothesis 19 was not supported.

5.3.5.2 Direct effect of consumer self-confidence on long-term switchers' purchase quantity

This section describes the results of analysis of the direct effect of consumer self-confidence on the long-term switchers' purchase decisions after processing the positive information released by the target company. To achieve this objective, the six dimensions of consumer self-confidence were used as the independent variables, while the long-term switchers' purchase quantities were used as the dependent variables. Table 5.19 shows the results of the multiple linear regression.

Table 5.19: Regression analysis of the effect of consumer self-confidence on the long-term switchers' purchase quantity

Group	Long-term switchers
Dependent variable	Purchase quantity
Independent variables	Beta
Information acquisition	-0.09
Consumer-set formation	-0.24*
Personal outcome decision making	0.15
Social outcome decision making	-0.47**
Personal knowledge	0.28**
Marketplace interfaces	0.04
R-Square	0.42

$N = 82$,

* $p < 0.05$; ** $p < 0.01$

As indicated in Table 5.19, consumer self-confidence accounts for a significant 42 per cent of the variation in the long-term switchers' purchase quantity of the target brand after processing the positive information ($F(6,75) = 9.06, p < 0.05$). CSF and SODM are

both ($\beta = -0.24, p < 0.05$) ($\beta = -0.47, p < 0.01$) significant negative predictors of the long-term switchers' purchase quantity. In addition, PK is a significant ($\beta = 0.28, p < 0.01$) positive predictor of the long-term switchers' purchase quantity.

These findings partially support the hypothesis that after processing the positive information, the different dimensions of consumer self-confidence will be significant negative predictors of the long-term switchers' purchase quantity (Hypothesis 21). Hence, the long-term switchers' lack of ability to identify acceptable choice alternatives, make decisions that generate positive outcomes in the form of positive reactions from others and their ability to understand marketers' persuasive tactics and cope with these tactics, are important predictors of long-term switchers' purchase quantity after processing the positive information released by the target company.

5.3.6 Moderating effect of personal values and consumer self-confidence on long-term switchers' purchase quantity

This section presents the results of an examination of the moderating effect of personal values and consumer self-confidence on the relationship between the long-term switchers' brand commitment and their purchase quantity. Brand commitment of long-term switchers was used as the independent variable and the purchase quantities served as the dependent variables, while personal values and the six dimensions of consumer self-confidence were used as the moderating variables. Brand commitment was entered into the model as Step 1. Uncertainty avoidance, individualism/collectivism and the six dimensions of consumer self-confidence were entered as Step 2. Finally, the interaction effects of personal values and the six dimensions of consumer self-confidence were entered into the process as Step 3. The results are presented in Table 5.20.

Table 5.20: Summary of moderation effect of personal values and consumer self-confidence on the relationship between long-term switchers' brand commitment and purchase quantity

Predictor	Long-term switchers	
	ΔR^2	β
Step 1	0.49**	
Brand Commitment (BC)		0.70**
Step 2	0.15**	
Uncertainty Avoidance (UA)		-0.44**
Individualism/Collectivism (IC)		-0.15
Information Acquisition (IA)		-0.40**
Consumer-Set Formation (CSF)		-0.35**
Personal Outcome Decision Making (PODM)		-0.31**
Social Outcome Decision Making (SODM)		0.04
Personal Knowledge (PK)		-0.00
Marketplace Interfaces (MI)		0.13
Step3 – Moderation	0.10**	
BC*UA		-0.51**
BC*IC		0.32
BC*IA		-0.59*
BC*CSF		-0.17
BC*PODM		-0.29**
BC*SODM		0.09
BC*PK		-0.17
BC*MI		-0.15
Total R²	0.74	

$N = 82$,

* $p < 0.05$; ** $p < 0.01$

The results in Table 5.20, show that when brand commitment was entered into the hierarchical linear regression in Step 1, the model accounted for 49 per cent significant variation in the long-term switchers' purchase quantity ($F(1,80) = 77.00$, $p < 0.01$). The *Beta* value shows that brand commitment is a significant predictor of the long-term switchers' purchase quantity ($\beta = 0.70$, $p < 0.01$). Adding personal values and the six dimensions of consumer self-confidence in the model as Step 2, accounted for an additional significant 15 per cent variation in the long-term switchers' purchase quantity ($F(2,78) = 16.71$, $p < 0.01$). Of the two dimensions of personal values examined, only uncertainty avoidance is a significant negative predictor of the long-term switchers' purchase quantity ($\beta = -0.44$, $p < 0.01$). The *Beta* values for consumers' ability to obtain needed marketplace information and to process them (IA) ($\beta = -0.40$, $p < 0.01$),

consumer's confidence in their ability to identify acceptable choice alternatives (CSF) ($\beta = -0.35$, $p < 0.01$), and consumers' confidence in making decisions that result in outcomes that elicit personal feelings of satisfaction (PODM) ($\beta = -0.31$, $p < 0.01$), were all significant, showing that these consumer self-confidence dimensions are important negative predictors of the long-term switchers' purchase quantity.

In Step 3, the interactive effect of the personal values and six dimensions of consumer self-confidence were entered, producing a significant variation of 10 per cent in the long-term switchers' purchase quantity $F(6, 48) = 6.48$ $p < 0.01$). The *Beta* value of uncertainty avoidance had a significant effect on the long-term switchers' purchase quantity ($\beta = -0.51$, $p < 0.01$), showing that uncertainty avoidance has an important negative moderating effect on the long-term switchers' purchase quantity. Furthermore, out of the six interactive effects of consumer self-confidence dimensions entered, only consumers' confidence in their ability to obtain needed marketplace information and process them (IA) ($\beta = -0.59$, $p < 0.05$) and consumers' confidence in making decisions that result in outcomes that elicit personal feelings of satisfaction (PODM) ($\beta = -0.29$, $p < 0.01$) had significant negative moderating effect on the relationship between the long-term switchers' brand commitment and their purchase quantity after processing the positive information. This partially supports the hypothesis that after processing the positive information, personal values and the different dimensions of consumer self-confidence will be significant negative moderators of the relationship between long-term switchers' brand commitment and their purchase quantity (Hypothesis 23).

Therefore, in addition to uncertainty avoidance, the ability to obtain and process relevant marketplace information, coupled with the ability to make decisions that generate personal satisfaction in the marketplace, are important negative moderators of the long-term switchers' purchase quantity.

5.3.7 Correlation and descriptive statistics for swayers

This section aims at investigating the effect of the study variables on the swayers' decision making. To achieve this goal, the Pearson Correlation analysis was conducted, and the results are shown in Table 5.21 below.

Table 5.21: Descriptive statistics and Pearson's correlation among the major study variables on swayers

Variables	Mean	SD	1	2	3	4	5	6	7	8	9
1.Uncertainty avoidance	113.76	7.60									
2.Individualism	131.83	4.11	-.47								
3.Information acquisition	16.74	3.30	.05	.23							
4.Consideration-set formation	17.16	3.40	.05	.16	.78**						
5.Personal outcome decision making	13.74	3.99	.01	.56**	.21	.06					
6.Social outcome decision making	16.26	3.98	.14	.19	.31*	.48**	.10				
7.Personal knowledge	21.29	5.66	.33**	.23	.60**	.74**	.07	.48**			
8.Marketplace interfaces	13.94	5.25	.20	.32*	.56**	.35**	.28	.02	.34**		
9.Brand commitment	9.65	3.53	.38**	.21	.28*	.27	.19	.18	.38**	.22	
10.Swayers' purchase quantity	1.22	2.65	-.40**	.55**	-.15	.18	.32*	.04	.16	.28*	.45**

N = 62

p*<0.05; *p*<0.01

Table 5.21 shows that uncertainty avoidance ($r = -0.40$) and individualism ($r = -0.55$) are moderately correlated with the swayers' purchase quantities. Also, of the six dimensions of consumer self-confidence, consumers' confidence in their ability to make decisions that result in outcomes that elicit personal feelings of satisfaction (PODM) ($r = 0.32$) and consumers' confidence in standing up for their rights and to express their opinion when dealing with salespersons (MI) ($r = 0.28$) are correlated with swayers' purchase quantity, and they are all significant ($p < 0.05$). Swayers' brand commitment ($r = 0.45$) has a significant correlation ($p < 0.01$) with purchase quantity.

These findings indicate that personal values, the ability to make marketplace decisions that elicit personal feelings of satisfaction and the ability to stand up for one's rights and to express one's opinion when dealing with salespeople have important association with swayers' purchase quantity. The table also shows that brand commitment ($r = 0.45$) has a significant relationship ($p < 0.01$) with the swayers' purchase quantity.

5.3.8 Direct effect of personal values and consumer self-confidence on swayers' purchase quantity

The aim of this section is to further examine the direct effect of personal values and consumer self-confidence on the swayers' decision making after processing the positive information from the target company by testing Hypotheses 18, 20 and 22, as they are the relevant hypotheses that address the effect of personal values and consumer self-confidence on the profile of a typical swayer. A multiple linear regression was performed, using their personal values as independent variables and their purchase quantities as the dependent variables.

Similarly, to investigate the direct effect of consumer self-confidence on the swayers' decision making after processing the positive information from the target company, a multiple linear regression was performed by using the six dimensions of consumer self-confidence as the independent variables and the purchase quantity as the dependent variable. Section 5.3.8.1 explains the direct effect of personal values on the swayers' purchase quantity, while Section 5.3.8.2 shows the process used in examining the direct effect of consumer self-confidence on the swayers' purchase quantity.

5.3.8.1 Direct effect of personal values on swayers' purchase quantity

Uncertainty avoidance and collectivism were regressed against swayers' purchase quantity. Table 5.22 summarises the output of this multiple linear regression.

Table 5.22: Regression analysis of the effect of personal values on the long-term switchers' purchase quantity

Group	Swayers
Dependent variables	Purchase quantity
Independent variables	Beta
Uncertainty avoidance	0.31*
Collectivism	0.47**
R-Square	0.42

N = 62,

* $p < 0.05$; ** $p < 0.01$

Table 5.22 indicates that personal values account for 42 per cent of the variation in the swayers' purchase quantity, which is significant ($F(2, 59) = 6.39, p < 0.05$). The

Beta value for uncertainty avoidance ($\beta = 0.31$, $p < 0.05$) shows that it is an important positive predictor of the swayers' purchase quantity. Thus, Hypothesis 18 which states that after processing the positive information uncertainty avoidance as a personal value will be a significant positive predictor of the swayers' purchase quantity, was supported. The *Beta* value for collectivism ($\beta = 0.47$, $p < 0.01$), indicates that it is also an important positive predictor of the swayers' purchase quantity, confirming Hypothesis 20.

5.3.8.2 Direct effect of consumer self-confidence on swayers' purchase quantity

This section describes an investigation of the direct effect of consumer self-confidence on the swayers' purchase decisions. The six dimensions of consumer self-confidence were used as the independent variables, while the swayers' purchase quantities were used as the dependent variables. Table 5.23 shows the results of the multiple linear regression.

Table 5.23: Regression analysis of the effect of self-confidence on the swayers' purchase quantity

Group	Swayers
Dependent variables	Purchase quantity
Independent variables	Beta
Information acquisition	0.51*
Consideration-set formation	0.61**
Personal outcome decision making	0.11
Social outcome decision making	-0.20
Personal knowledge	0.18
Marketplace interfaces	0.24
R-Square	0.31

$N = 62$,

* $p < 0.05$; ** $p < 0.01$

Table 5.23 shows that consumer self-confidence accounts for 31 per cent of the variation in the swayers' purchase quantity of the target brand, and this is significant ($F(6,55) = 4.02$, $p < 0.01$). The *Beta* values also indicate that consumers' confidence in their ability to obtain needed marketplace information and to process them (IA) ($\beta = 0.51$, $p < 0.05$) and consumer's confidence in their ability to identify acceptable choice alternatives (CSF) ($\beta = 0.61$, $p < 0.01$) are important positive predictors of swayers' purchase quantity. These findings partially support Hypothesis 22.

Therefore, consumers' confidence to obtain and process relevant marketplace information, and confidence in their ability to identify acceptable choice alternatives are both important self-confidence predictors of swayers' purchase quantity.

5.3.9 Moderating effect of personal values and consumer self-confidence on swayers' purchase quantity

Section 5.3.9 analyses the moderating effect of personal values and the six dimensions of consumer self-confidence on the relationship between the swayers' brand commitment and their purchase quantity. The brand commitment of the swayers were used as the independent variable, the purchase quantities were also used as the dependent variables, while the dimensions of personal values and consumer self-confidence were used as the moderating variables. Initially, brand commitment was entered into the model as Step 1. This was followed by the entry of personal values and the six dimensions of consumer self-confidence as Step 2. Finally, the interaction effect of personal values and the six dimensions of consumer self-confidence were entered into the model as Step 3. Table 5.24 shows the summary of the results of Hypothesis 24.

Table 5.24: Summary of moderation effect of personal values and consumer self-confidence on the relationship between swayers' brand commitment and purchase quantity

Predictor	Swayers	
	ΔR^2	β
Step 1	0.20**	
Brand commitment (BC)		0.45**
Step 2	0.23**	
Uncertainty avoidance (UA)		0.32*
Individualism/Collectivism (IC)		-0.13
Information Acquisition (IA)		-0.64**
Consumer-Set Formation (CSF)		-0.28**
Personal Outcome Decision Making (PODM)		-0.03
Social Outcome Decision Making (SODM)		0.22**
Personal Knowledge (PK)		-0.01
Marketplace Interfaces (MI)		0.31**
Step 3 – Moderation	0.17*	
BC*UA		0.20**
BC*IC		-0.16**
BC*IA		0.16**
BC*CSF		-0.28**
BC*PODM		0.13**
BC*SODM		0.25**
BC*PK		0.21**
BC*MI		0.16**
Total R²	0.50**	
<i>N</i> = 62		
* <i>p</i> < 0.05; ** <i>p</i> < 0.01		

As shown in Table 24, when brand commitment was entered into the hierarchical linear regression in Step 1, the model accounted for 20 per cent of the variation in the swayers' purchase quantity, and this was significant ($F(1,60) = 15.40, p < 0.01$). The *Beta* value showed that brand commitment is a significant positive predictor of the swayers' purchase quantity ($\beta = 0.45, p < 0.01$). Adding personal values and the six dimensions of consumer self-confidence in the model in Step 2, accounted for an additional significant 23 per cent variation in the swayers' purchase quantity ($F(6,54) = 6.38, p < 0.01$). However, of the two personal values dimensions, only uncertainty avoidance is a positive predictor of the swayers' purchase quantity ($\beta = 0.32, p < 0.05$). Furthermore, consumers' confidence in their ability to obtain needed marketplace information and to process them (IA) ($\beta = -0.64, p < 0.01$), and consumer's confidence in their ability to identify

acceptable choice alternatives (CSF) ($\beta = -0.28, p < 0.01$) were significant negative predictors of the swayers' purchase quantity. Conversely, consumers' confidence in their ability to make purchase decisions that generate positive outcomes in the form of positive reactions from others (SODM) ($\beta = 0.22, p < 0.01$) and consumers' confidence to stand up for their rights and to express their opinion when dealing with salespersons (MI) ($\beta = 0.31, p < 0.01$) were positive predictors of the swayers' purchase quantity.

In Step 3, the interactive effects of personal values and the six dimensions of consumer self-confidence were entered, producing a further significant variation of 17 per cent in the swayers' purchase quantity ($F(13, 48) = 9.54, p < 0.05$). The *Beta* values indicate that while uncertainty avoidance ($\beta = 0.20, p < 0.01$) had a positive moderating effect on the swayers' purchase quantity, collectivism ($\beta = -0.16, p < 0.01$) had a significant negative moderating effect on the relationship between the swayers' brand commitment and their purchase quantities.

Consumers' confidence in their ability to obtain needed marketplace information and to process them (IA) ($\beta = 0.16, p < 0.01$), consumers' confidence in making decisions that result in outcomes that elicit personal feelings of satisfaction (PODM) ($\beta = 0.13, p < 0.01$), consumers' confidence in their ability to understand marketers' tactics and to cope with these tactics (PK) ($\beta = 0.21, p < 0.01$), and consumers' confidence to stand up for their rights and to express their opinion when dealing with salespersons (MI) ($\beta = 0.16, p < 0.01$), are all significant positive moderators of the relationship between the swayers' brand commitment and their purchase quantities. On the other hand, consumer's confidence in their ability to identify acceptable choice alternatives (CSF) ($\beta = -0.28, p < 0.01$) was an important negative predictor of swayers' purchase quantity.

These results partially support the hypothesis that the dimensions of personal values and consumer self-confidence are significant positive moderators of the relationship between swayers' brand commitment and their purchase quantity (Hypothesis 24).

5.4 Summary

This chapter analysed the results of the effect of commitment, personal values, and self-confidence on consumers' decision making during the outbreak of rumour, as well as their subsequent reaction to the positive persuasive information that is normally released by the target brand to persuade consumers to continue to patronise the target brand.

Brand commitment, personal values and self-confidence were examined using independent samples t-tests, while the relationship between consumers' commitment and their purchase quantities was examined using multiple regression analysis. To identify the moderating effects of personal values and self-confidence on the relationship between consumers' brand commitment and purchase quantity, hierarchical moderated multiple regression analyses were utilised.

The results show that switchers brand commitment is significantly less than stayers brand commitment. Also the switchers have significantly lesser uncertainty avoidance values than the stayers. Individualism as personal values does not have any significant influence on either the switchers' or stayers' purchase quantities. The six dimensions of consumer self-confidence have partial influence on both the switchers and the stayers purchase quantities.

Regarding the effect of brand commitment, personal values and consumer self-confidence on the long-term switchers' and swayers' purchase quantities, the results show that long-term switchers' brand commitment is significantly less than swayers' brand commitment. Also, the long-term switchers have significantly lesser uncertainty avoidance values than the swayers. Individualism as personal values does not have any significant influence on either long-term switchers' or swayers' purchase quantities. The six dimensions of consumer self-confidence have partial influence on the both the long-term switchers and the swayers purchase quantities.

Chapter 6 - Discussion and Conclusions

6.1 Introduction

The aim of this study was to examine the effects of brand commitment, personal values and consumer self-confidence on consumer decision making during the outbreak of commercial rumours in the marketplace. It has investigated the factors that account for why some consumers stay with the target company even at the peak of a devastating rumour, while others switch to competing brands immediately after the outbreak of the rumour. It has also investigated why some of those who initially switch to competing brands return to the target brand after the company had released a positive message aimed at refuting the rumour allegation and persuading consumers to return.

The following sections discuss:

- the impact of rumour on consumer decision making,
- how the switchers were segmented, and
- profiles of the switchers and the stayers.

Following the profiles of the switchers and stayers, a comparison of the behavioural attributes of the switchers and the stayers is presented to assist consumer behaviour and marketing practitioners in their decision making during the immediate aftermath of rumour outbreak in the marketplace.

Furthermore, a discussion of the impact of the positive information is presented, as well as a discussion of how the long-term switchers and the swayers were segmented. This is followed by typical profiles of the long-term switchers and the swayers, the behavioural attributes of the long-term switchers and the swayers. Finally, the chapter ends with a summary of the discussions, limitations, implications for managers, implications for public policy, future research and conclusion.

6.2 The impact of rumour on consumers' decision making

Cognitive dissonance theory, as propounded by Festinger (1957) and later utilised by others such as Wangeheim, (2005) and Solomon (2011), which was explained in section 2.3.4, of the literature review provided convincing evidence that when consumers encounter rumours targeting brands they usually purchase; it creates a state of cognitive imbalance in their thought processes. This compels them to draw on their previous usage experience of the product. Those who have had positive and extensive usage experience counter argue the rumour and continue to patronise the target brand in order to restore cognitive balance. However, those who have not had any extensive usage experience, also argue in favour of the product, but because they are less attached to the product, their support for the target brand weakens with subsequent exposure to the negative information (Ahluwalia, 2000). Eventually, they succumb to the negative influence of the rumour and switch to competing brands in order to restore balance to their cognitive imbalance, since switching is congruent to their normal behaviour (Zhang & Bloemer, 2008).

6.3 Segmenting of switchers and stayers

This research segments consumers into switchers and stayers based on consumer purchase decision making during the outbreak of rumours. Previous research has dealt with the effect of negative WOM communication on consumer decision making (Cheng et al., 2006; East et al., 2008; Wangenheim, 2005; Wangenheim & Bayon, 2004), but little attention was devoted to the behavioural characteristics of the switchers and the stayers in the event of an outbreak of rumours in the marketplace. Studying the effect of post-switching negative WOM communication on companies' performance, Wangenheim (2005) found that because by nature, any dissonance induces unpleasant feelings, consumers strive to reduce such unpleasant feelings by spreading negative WOM communication about the dropped product in order to achieve consonance. Thus, by attributing the cognitive imbalance to other events surrounding the purchase situation, they are able to achieve cognitive consistency. Although in an earlier study, Wangenheim and Bayon (2004) classified switchers as those who have recently been acquired by the target company, and stayers as those who have been with the target

company on a long-term basis, they did not investigate the possibility of using the amount of the target brand purchased after processing the rumour to classify the switchers and the stayers. Since the quantity purchased after processing the rumour message is an important indicator of the switchers' and the stayers' willingness or unwillingness to patronise the target brand, an examination of these quantities could be an important factor in categorising these two groups. The current study has shown that, similarly, when consumers are subjected to a rumour allegation, it creates a state of cognitive inconsistency in their minds. This cognitive inconsistency compels them to alter their purchase behaviour in an attempt to achieve cognitive consistency. For example, in this study, it was found that switchers bought less of the target brand after the rumour, whereas stayers either purchased the same or more quantity of the target brand after the outbreak of rumour. In their effort to achieve cognitive consistency, they tend to attribute the situation to either the target company or the rumour mongers. Those who already have a negative predisposition towards the target brand are likely to believe the rumour. These consumers are therefore more inclined to switch in order to justify their negative perception about the target brand. Contrarily, those who have a positive predisposition towards the target brand might find the situation to be inconsistent with their beliefs, and are therefore more likely to stay with the target brand regardless of the prevailing rumour circulating in the marketplace. Hence, by using Wangenheim and Bayon's (2004) study as a theoretical basis, this study has extended the current literature by showing how cognitive dissonance theory enhances consumers' attributions to differentiate the potential switchers from the stayers on the basis of their purchase quantities, in the event of an outbreak of rumours in the marketplace.

6.4 The switcher profile

In this section, the relationship between the findings of the current study and those of previous studies is discussed, thus making it possible to delineate the contributions the current study has made to the literature on rumours in the marketplace. Finally, it explains how commitment, personal values and consumer self-confidence as the study variables, impact on the switchers' decision making after processing the rumour. It also summarises the behavioural attributes of the switchers in order to segment the potential switchers in the event of a rumour outbreak, thus, making it possible for researchers and

marketing practitioners to develop relevant crisis management programs to address their needs.

6.4.1 The influence of cognitive and attribution theories on switchers

Most of the previous research conducted on WOM communications focused on the satisfaction-dissatisfaction paradigm (Cheng, et al., 2006; Mooradian & Oliver, 1997; Nyer & Gopinath, 2005) to explain why some consumers switch from the target brand immediately after hearing the rumour allegation targeting the brands they usually purchase (Cheng et al., 2006; Nyer & Gopinath, 2005; Zeelenberg & Pieters, 2004). Others based the switchers' behaviour after the outbreak of rumours on attribution theory (Hoyer & MacInnis, 2010; Laczniak et al., 2001). A few also attributed the switchers' purchase behaviour to cognitive dissonance theory (Wangenheim, 2005) but none of them combined the effect of cognitive and attribution theories as a possible multiple effect on consumers' purchase quantities in the event of a rumour outbreak. This is the only study that has empirically investigated the combined effect of cognitive and attribution theories on the switchers' decision making in order to demonstrate why the switchers stop or purchase a smaller quantity of the target brand after outbreak of rumours in the marketplace.

6.4.2 The influence of brand commitment on switchers

Brand commitment has been previously used to explain why some consumers switch from the target brand during negative publicity (Ahluwalia et al., 2000; De Matos & Rossi, 2008; Brown et al., 2005). However, none of these studies empirically investigated the effect of brand commitment on the switchers' decision making within the context of rumour outbreak. In Ahluwalia et al.'s (2000) study for example, even though they demonstrated the moderation effect of brand commitment on consumer decision making, their focus was on which strategies could effectively reduce the negative effect of the negative publicity on consumer decision making, and not on a comprehensive profile of the typical switcher or stayer as a result of the psychological processes they experienced. It has demonstrated empirically that switchers' brand commitment is significantly less than stayers' brand commitment. Hence, this research extends the literature on rumour research conducted by Ahluwalia et al. (2000) and others such as

Bordia and DiFonzo (2004) by establishing that the lower brand commitment of switchers influences their reduced purchase quantity of the target brand in the rumour context.

6.4.3 The influence of personal values on switchers

Previous researchers claimed that consumers' personal values have some influence on consumers' decision making (Cheng et al. 2006; Hwang, 2009). However, none empirically examined how uncertainty avoidance and individualism influence consumer decision making within the rumour context. The findings of the current study thus expand Liu et al.'s (2001) study by demonstrating that after the outbreak of rumours, the switchers have significantly lower uncertainty avoidance values than the stayers. Furthermore, while Liu et al.'s conclusions were based on consumers' intention to switch from service providers, the current study was based on the actual purchase behaviour of the switchers, after the outbreak of rumours in the marketplace, thus providing a more reliable assessment of the switchers' behaviour.

6.4.4 The influence of consumer self-confidence on switchers

Consumer self-confidence has been identified as one of the most important elements in consumer decision making, particularly in situations where there is a great deal of ambiguity and uncertainty (Chelminski & Coulter, 2007; Lau & Ng, 2001). However, no previous researchers examined the effect of consumer self-confidence on consumer decision making during the outbreak of rumours in the marketplace. The current research extends the effect of consumer self-confidence by revealing that consumers' confidence in their ability to make purchase decisions that are personally satisfying (PODM), is a significant negative predictor of switchers' purchase quantity. In other words, consumers who are less confident in their ability to make purchases they consider to be personally satisfying are more likely to switch to competing bands in the event of an outbreak of rumour. Uncertainty avoidance, ability to understand marketers' tactics, as well as the confidence to stand up for their rights and express their opinion when dealing with salespersons, negatively moderate the switchers' purchase quantity.

This research expands Lau and Ng's (2001) findings that less confident consumers are more inclined to switch, because although they tend not to complain about the product, they lack the confidence to defend the brand they usually purchase when subjected to rumour allegations.

6.4.5 Behavioural attributes of switchers

In summary, the research contributes to the consumer behaviour literature by showing that following the outbreak of rumours; switchers purchase significantly smaller quantities of the target brand than before the outbreak. Switchers are (on average) less committed to the target brand, and have LUA values. Finally, in the event of an outbreak of rumour, this research shows that switchers are less confident than stayers in their ability to make purchases they consider to be personally satisfying. Although these results are partial, they are useful explanations for the longstanding consumer behaviour problem of why some consumers switch from the target brand in the event of an outbreak of rumours in the marketplace.

6.5 The stayer profile

This section explains the influence of brand commitment, personal values and consumer self-confidence on the stayers' decision making in the event of an outbreak of rumours in the marketplace. It also outlines the current study's contribution to the consumer behaviour literature in terms of stayers' behavioural attributes with respect to rumours in the marketplace.

6.5.1 The influence of cognitive and attribution theories on stayers

Integrating attribution theory and retail equity perceptions as the basis of their argument, Laczniak, DeCarlo and Motley (1996) found that the resulting perceptions about the target company depend on the attributional processes employed by the consumer during their exposure to the negative WOM communications. This implies that depending on the consumers' attributional processes, they may continue to patronise the target brand or switch to competing brands. In an attempt to understand the reasons responsible for the behaviour of stayers in the service industry, Sood and Praveen (2005)

also found that temporal convenience, purchase involvement, ego involvement, and active loyalty, play a significant role in influencing the consumer towards staying with their existing providers. However, in all these studies, none of them used a combination of both attribution and cognitive dissonance theory to examine the behaviours of the stayers in the event of a rumour outbreak. In contrast, the current study empirically examined the combined effect of cognitive and attribution theories on the stayers' decision making and revealed that stayers tend to continue to purchase the same quantity or sometimes even a greater quantity of the target brand after the outbreak of the rumours in the marketplace.

6.5.2 The influence of brand commitment on stayers

Although, Ahluwalia, Burnkrant and Unnava (2000) and other researchers such as, Brown et al. (2005); De Matos and Rossi, (2008) identified commitment as a moderator of negative information, none of them empirically investigated the effect of brand commitment on the stayers' decision making within the context of rumour outbreak. Studying how high- and low-brand commitment consumers use information processing strategies, Raju, Unnava and Montgomery (2008) observed that high-commitment consumers use a disconfirmatory processing strategy, focusing on the dissimilarities between their preferred brand and the competitor's brand. Hence, this bias in information processing strategy, lead to high-commitment consumers discounting the negative information about their preferred brands in the event of an outbreak of rumours.

Furthermore, using a meta-analytic review approach, DeMatos and Rossi's (2008) study also showed that brand commitment is an important predictor of WOM activity. However, none of these past studies demonstrated that as a result of the close association of consumers brand commitment to their purchase quantities, brand commitment can be used to categorise the stayers in the event of a rumour outbreak. Thus, by using Raju, et al. (2009) and DeMatos and Rossi's (2008) work as a guide to understanding stayers' behaviour, the findings of this study extends the literature on rumour research, by showing that within the context of rumour outbreak, after processing the rumour, the stayers tend to be more committed to the target brand.

6.5.3 The influence of personal values on stayers

In their attempt to investigate consumers' decision making during the outbreak of rumours, previous research have stressed the important influence exerted by personal values on consumer decision making (Briley & Aaker, 2006; Furrer, Liu & Sudharshan, 2000; Lee, Garbarino and Lerman, 2007). For example, examining how people with varying uncertainty avoidance values use information about product uncertainty when evaluating products, Lee, Garbarino and Lerman (2007) found that consumers with high uncertainty avoidance values evaluated high product uncertainty offerings less positively, and held weaker behavioural intentions to purchase them, compared to those with low uncertainty avoidance values. In a related study using prospect theory, Marshall, Huang, Xu and Nam (2011) found that Singaporeans and Chinese are less risk averse than Dutch and New Zealand people over both a gain and a loss frame when making a personal financial decision. They also observed in their subsequent investigation that when switching is framed as a risky decision, the same pattern of behaviour occurs. Hence, they concluded that New Zealand and American consumers are more risk averse than those from Japan and Singapore, who are more likely to change suppliers under both a gain and a loss frame. However, in these studies the authors did not explore how the link between uncertainty avoidance, individualism and purchase quantity could be used to predict the stayers' decision making during the outbreak of rumours. As a contribution to the literature, this study extends the WOM communication literature, by demonstrating that after the outbreak of rumours, the stayers tend to be more collectivist and have higher uncertainty avoidance as personal values.

6.5.4 The influence of consumer self-confidence on stayers

The influence of consumer self-confidence on consumer decision making during negative WOM communication has been studied by other researchers, notably, Barber et al. (2008) and Chelminski and Coulter (2007). However, these authors did not examine the effect of consumer self-confidence on stayers' decision making during the outbreak of rumours in the marketplace. The current research extends their work by showing that both PODM and SODM are positive predictors of stayers' purchase quantity following a rumour outbreak. The findings of this study also suggest that uncertainty avoidance

values and their ability to make decisions that generate positive feedback from others SODM, positively moderate the relationship between the stayers' brand commitment and their purchase quantity. Thus, when consumers are more committed to the target brand, their uncertainty avoidance values and level of SODM make these consumers more likely to stay with the target brand in the event of an outbreak of rumours.

6.5.5 Behavioural attributes of stayers

In summary, the current research has contributed to the WOM communication literature by demonstrating empirically that during the outbreak of rumours the stayers are likely to purchase the same or a larger quantity of the target brand than before the outbreak of the rumour. They are also more committed to the target brand than switchers. Moreover, they are more likely to have collectivist and higher uncertainty avoidance values. Finally, in the event of an outbreak of rumour, stayers are more self-confident in their ability to make purchases they consider to be personally satisfying (PODM) and generate positive response from their relatives and friends (SODM).

The research thus answers the question as to why some consumers switch to competing brands immediately after the outbreak of rumours, but others continue to patronise the target brand in spite of the negative information circulating in the marketplace. With a clear understanding of the behaviour and the profiles of switchers and the stayers, this research provides a solid basis upon which the literature on rumour can be further advanced.

6.6 The impact of positive post-rumour information on consumers' decision-making

The findings of this research showed that the positive information issued by the target company has differential effects on the long-term switchers' and swayers' decision making. The results of this study suggest that the variations in both the long-term switchers' and swayers' decision-making can be attributed to the differences in their brand commitment, personal values and consumer self-confidence. The findings showed that while the long-term switchers resisted the positive information released by the target

company, the swayers apparently reconsidered their earlier decision to switch. The findings also showed that personal values and the six dimensions of consumer self-confidence are important predictors of the long-term switchers' and the swayers' purchase quantities. Moreover, the dimensions of personal values and consumer self-confidence are important moderators of the relationship between long-term switchers' and the swayers' brand commitment and their purchase quantities. Hence, this study has shared more light on the behaviour of consumers when exposed to the positive persuasive information released by the target brand, thus enriching the literature on WOM communication.

6.7 Segmenting long-term switchers and swayers

The findings of this research have shown that based on the extant literature, cognitive dissonance and attribution theories can be used to segment switchers into long-term switchers and swayers. Although previous researchers have studied consumer decision making during the outbreak of rumours, none of them delved into switchers' decision making following release of a positive persuasive message about the target brand from the target company. Most previous studies (Heller & Darling, 2011) used case studies to highlight the challenges companies encounter in their attempts to win consumers trust and confidence after their brands have been subjected to negative publicity; they did not conduct empirical research. Thus, the current study extends the literature on WOM communication by empirically showing how cognitive dissonance and attribution theories and the switchers' need for cognition, explain the differentiation of long-term switchers from the swayers after they have processed a positive persuasive message from the target company.

6.8 The long-term switcher profile

In this section, the relationship between the findings of the current study about long-term switchers and those of previous studies is discussed. The section explains how commitment, personal values and consumer self-confidence as the study variables impact on the long-term switchers' decision making after processing the positive information released by the target company. It also summarises the behavioural attributes of the long-

term switchers in order to segment the potential long-term switchers in the event of a rumour outbreak, thus, making it possible for researchers and marketing practitioners to develop relevant crisis management programs to address their needs.

6.8.1 The influence of cognitive and attribution theories on long-term switchers

In their effort to investigate consumers' responses to negative publicity, many of the researchers (DeCarlo, et al., 2007; Lacznia, et al., 2001; Wetzler, Zeelenberg, & Pieters, 2007) focused on consumers' reactions to the negative information, none of them attempted to investigate how consumers react after the target company releases a positive message to persuade the switchers to return to the target brand. This is the first known study that has not only examined consumers' reaction to the rumour, but has empirically explored the switchers' decision making after the target company has issued a positive statement aimed at persuading them to rescind their earlier decision and return to the target brand. Hence, this study has examined through the literature, how cognitive dissonance theory, attribution theory and need for cognition interact to unravel why after processing the positive information issued by the target company; the long-term switchers purchase less of the target brand.

6.8.2 The influence of brand commitment on long-term switchers

Ahluwalia et al. (2000) and other researchers (De Matos & Rossi, 2008; Fullerton, 2005; Garbarino & Johnson, 1999; Morgan & Hunt, 1994; Sung & Choi, 2010) investigated the effect of commitment on negative WOM communications. However, none of them examined further the effect of brand commitment on the long-term switchers' purchase behaviour after processing the positive message that most companies that are subjected to rumour allegations issue to the public in order to persuade the affected consumers to return to the target brand. In his investigation of the extent to which brand commitment determines customer loyalty, Fullerton (2005) found that commitment exerts a negative impact on switching intentions, but it has positive impact on advocacy intentions. However, he did not investigate further what impact commitment had on the switchers' decision making when exposed to positive information

from the target company. Secondly, his study was not conducted within the context of rumour outbreak, as was done in the current study. Taking these similarities and differences between his study and the current study, it is evident that the current study has significantly extended his study by examining the effect of commitment within the rumour context, using cognitive dissonance and attribution theories as the basis to understand how the level of commitment interacts with need for cognition to influence the switchers' purchase behaviour.

Specifically, this study has extended the literature on the effect of brand commitment on consumer decision making by showing that after processing the positive information from the target brand, the long-term switchers will have lower brand commitment, thus, extending the work of Ahluwalia et al. (2000) and the others' work on brand commitment within the WOM communication literature.

6.8.3 The influence of personal values on long-term switchers

The effects of personal values on consumer decision making have been well documented in the negative WOM communication literature (Cheng, et al., 2006; Choi & Kim, 2008; Doney, et al., 1998; Hwang, 2009), but none of these studies specifically explored how personal values influence the switchers' decision making after rumour correction. This study is therefore the first known study to empirically examine further the behaviour of the switchers' purchase decision after processing the positive information, and revealing that the long-term switchers have low uncertainty avoidance values relative to swayers. By investigating further the personal values of the switchers' purchase behaviour, this study also showed that individualism has no significant independent influence on the long-term switchers' purchase decisions after processing the positive persuasive information issued by the target company.

6.8.4 The influence of consumer self-confidence on long-term switchers

The influence of consumer self-confidence on consumer decision making during the outbreak of rumours has been explored by other researchers (Loibl, Cho, Diekmann & Batte, 2009; Chelminski & Coulter, 2007) and has been identified as one of the most important elements in consumer decision making, particularly when ambiguity and

uncertainty exist. For example, Loibl et al. (2000) found that high-self-confidence consumers engage in more intensive search activities and that demographic patterns shape consumer self-confidence scores, but did not investigate the effect of the switchers' purchase decision after processing a positive message issued by a target company which had previously been subjected to a rumour allegation. The current research shows that CSF and SODM are significant negative predictors of long-term switchers' purchase quantity. This implies that the switchers who lack the confidence to identify acceptable choice alternatives, as well as the confidence to make decisions that generate positive reactions from their relatives and friends, are likely to be long-term switchers. Moreover, when the relationship between the long-term switchers' brand commitment and their purchase quantity is moderated by LUA values, as well as the lack of confidence in their ability to obtain needed marketplace information (IA); their propensities to switch from the target brand on a long-term basis increase.

6.8.5 Behavioural attributes of long-term switchers

In summary, this research has contributed to the literature by showing that during the outbreak of rumours; the long-term switchers are likely to purchase less quantities of the target brand than the swayers. They are also likely to be less committed to the target brand. Furthermore, they are likely to have lower uncertainty avoidance values. Finally, after processing the positive information, they will show a greater tendency to switch on a long-term basis, especially, if they lack confidence in both their ability to obtain needed marketplace information and identify acceptable choice alternatives, as well as having a lower uncertainty avoidance values.

6.9 The swayer profile

This section explains the influence of brand commitment, personal values and consumer self-confidence on the swayers' decision making in the event of an outbreak of rumours in the marketplace. It also outlines the current study's contribution to the consumer behaviour literature in terms of swayers' behavioural attributes with respect to the positive information which is usually released by the target company to persuade the affected switchers to rescind their decision.

6.9.1 The influence of cognitive and attribution theories on swayers

In their effort to investigate consumers' response to negative publicity, most previous researchers (Houghton, Kardes, Mathieu, & Simonson, 1999; Lau & Ng, 2001; Lee & Youn, 2009; Weinberger & Lepkowska-White, 2000) restricted their studies to consumers' reactions to the rumour. None investigated how consumers react after the target company releases a positive message to persuade the switchers to return to the target brand. For example, although, Houghton, Kardes, Mathieu and Simonson (1999) concluded that consumers sometimes recognise that irrelevant contextual factors may influence their judgments and decisions and that, when such factors are detected, consumers might engage in correction processes to counteract the unwanted influences in their judgments and decisions, they did not investigate this behaviour within the rumour context. Secondly, they did not investigate the possibility of segmenting the switchers on the basis of their purchase quantities in order to determine the behavioural characteristics of those who eventually return to the target brand after careful consideration of the positive persuasive statement which is usually issued by the target company. This is therefore the first known study to have empirically examined why after processing the positive information from the target company, the swayers purchase more of the target brand.

6.9.2 The influence of brand commitment on swayers

In previous investigations of the effect of brand commitment on consumers' decision making, most researchers focused on its effect on the consumer immediately after the outbreak of the rumour (Ahluwalia et al, 2000; Fullerton, 2005). Although Ahluwalia et al. demonstrated the moderating effect of brand commitment on consumers' decision making in the event of negative publicity, their work did not consider the behavioural characteristics of the switchers after they process positive information from the target company. The current study is therefore the first to have empirically tested the effect of brand commitment on the swayers' purchase decision making. As demonstrated in Chapter 5, the swayers were more committed than the long-term switchers, so brand commitment positively moderates the swayers' purchase quantity after they process corrective information released from the target company.

6.9.3 The influence of personal values on swayers

Personal values have been shown to affect consumers' decision making (Lam et al., 2009). However, few researchers have studied their effect on the decision making of consumers after processing positive rumour-correcting information released by the target company. For example, even though Lam, Lee and Mizerski (2009), highlighted the importance of personal values to consumers' decision making within the WOM communication context, their focus was on how WOM communication spreads. In contrast, the current study empirically examined the behaviour of swayers within a rumour context, and found that the swayers are more likely to be collectivist than the long-term switchers. It also found that the swayers have higher uncertainty avoidance values.

6.9.4 The influence of consumer self-confidence on swayers

As discussed earlier, consumer self-confidence has been identified as one of the most important elements in consumer decision making, particularly in situations involving ambiguity and uncertainty in the marketplace (Chelminski & Coulter, 2007b; Loibl, et al., 2009). However, the existing literature has not identified a typical swayer within the context of a rumour outbreak. Neither does the existing literature profile a typical swayer after the target company has issued positive information with the view of quelling the rumour and persuading the affected switchers to return to the target brand. On the contrary, the current research has revealed that after processing the positive information issued by the target company, only consumer's confidence in their ability to identify acceptable choice alternatives (CSF) is a positive predictor of the swayers' purchase quantity. Moreover, when the swayers' brand commitment is moderated by uncertainty avoidance, individualism, and all the six dimensions of consumer self-confidence (with the exception of confidence in their ability to identify acceptable choice alternatives), their propensity to return to the target brand is significantly increased.

6.9.5 Behavioural attributes of swayers

In summary, the current research has contributed to the literature by showing that during the outbreak of rumours; the swayers are likely to purchase more quantities of the

target brand than the long-term switchers. They are also likely to be more committed to the target brand. Furthermore, they are more likely to be collectivist and have higher uncertainty avoidance values. After processing the positive corrective information, the swayers are likely to be moderately self-confident in their ability to obtain needed marketplace information (IA), make decisions that result in feelings of personal satisfaction (PODM). Moreover, the swayers will be more self-confident in their ability to make purchase decisions that generate positive reaction from relatives and friends (SODM), understand marketers' tactics (PK), and stand up for their rights when dealing with salespersons (MI).

Finally, when the relationship between the swayers' brand commitment and their purchase quantity is moderated by HUA values, confidence in their ability to make purchases that elicit both positive personal and social outcomes, an increased confidence in their ability to understand marketers' tactics and greater ability to stand up for their rights, their propensities to sway back to the target brand increase.

6.10 Summary of discussions

Ten research questions guided this study – five relating to the negative information; and five relating to the positive persuasive information released by the target company. This section reiterates the research questions and details how they were addressed. These questions were used to derive 24 hypotheses – 12 relating to the negative information and 12 relating to the positive persuasive information. A summary of the research questions, the hypotheses and the results are shown in Figure 6.1 below.

Figure 6.1: Summary of hypotheses and results

Research Questions	Phase 1: Hypotheses	Results
RQ 1: What effect does the outbreak of rumour have on the stayers' and the switchers' purchase decision?	H1: After the outbreak of rumour, the switchers' purchase quantity will be significantly less compared to the stayers' purchase quantity.	Supported
RQ 2: How does consumers' commitment to a target brand affect their purchase behaviour after the outbreak of rumour?	H2: The switchers' initial brand commitment will be significantly less compared to the stayers' initial brand commitment.	Supported

Research Questions	Phase 1: Hypotheses	Results
RQ 3: How do the personal values of switchers and stayers (i.e. uncertainty avoidance and individualism or collectivism) affect their purchase behaviour after the outbreak of rumour?	H3: The switchers' uncertainty avoidance values will be significantly less compared to the stayers' uncertainty avoidance values.	Supported
	H4: The switchers will have significantly more individualistic values compared to the stayers.	Not supported
RQ 4: To what extent do the different dimensions of personal values and consumer self-confidence predict the switchers' and the stayers' purchase quantities?	H5: When confronted with commercial rumours, uncertainty avoidance as a personal value will be a significant negative predictor of the switchers' purchase quantity.	Supported
	H6: When confronted with commercial rumours, uncertainty avoidance as a personal value will be significant positive predictor of stayers' purchase quantity.	Supported
	H7: When confronted with commercial rumours, individualism as a personal value will be a significant negative predictor of the switchers' purchase quantity.	Not supported
	H8: When confronted with commercial rumours, collectivism as a personal value will be a significant positive predictor of stayers' purchase quantity.	Not supported
	H9: When confronted with commercial rumours, the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant negative predictors of the switchers' purchase quantity.	Partially supported
	H10: When confronted with rumours, the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant predictors of stayers' purchase quantity.	Partially supported

Research Questions	Phase 1: Hypotheses	Results
RQ 5: To what extent, do the different dimensions of personal values and consumer self-confidence moderate the relationship between the switchers' and the stayers' brand commitment and their purchase quantities after the outbreak of rumour?	H11: After the outbreak of rumour, personal values and the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant moderators of the relationship between switchers' brand commitment and their purchase quantity.	Partially supported
	H12: After the outbreak of rumour, personal values and the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant moderators of the relationship between stayers' brand commitment and their purchase quantity.	Partially supported
Research Questions	Phase 2: Hypotheses	Results
RQ 6: After the target company has released positive information to persuade consumers, what effect does it have on the long-term switchers' and the swayers' purchase decision?	H13: After processing the positive information released by the target company, the long-term switchers' purchase quantity will be significantly less compared to the swayers' purchase quantity.	Supported
RQ 7: How does the brand commitment of the long-term switchers and the swayers to a target brand affect their purchase behaviour after processing the positive information from the target company?	H14: The long-term switchers' brand commitment will be significantly less compared to the swayers' brand commitment.	Supported
RQ 8: How do the personal values of long-term switchers and swayers (i.e. uncertainty avoidance and individualism or collectivism) affect their purchase behaviour after processing the positive information from the target company?	H15: The long-term switchers' uncertainty avoidance values will be significantly less compared to the swayers' uncertainty avoidance values.	Supported
	H16: After processing the positive information released by the target company, the long-term switchers will have significantly higher individualistic values compared to the swayers.	Not supported

Research Questions	Phase 1: Hypotheses	Results
RQ 9: To what extent do the dimensions of personal values and consumer self-confidence predict the long-term switchers' and the swayers' purchase quantities?	H17: When confronted with commercial rumours, uncertainty avoidance as a personal value will be a significant negative predictor of the long-term switchers' purchase quantity.	Supported
	H18: When confronted with commercial rumours, uncertainty avoidance as a personal value will be a significant positive predictor of swayers' purchase quantity.	Supported
	H19: When confronted with commercial rumours, individualism as a personal value will be a significant predictor of long-term switchers' purchase quantity.	Not supported
	H20: When confronted with commercial rumours, collectivism as a personal value will be a significant predictor of swayers' purchase quantity.	Supported
	H21: When confronted with commercial rumours, the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant predictors of the long-term switchers' purchase quantity.	Partially supported
	H22: When confronted with rumours, the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant predictors of swayers' purchase quantity.	Partially supported
RQ 10: To what extent does the different dimensions of personal values and consumer self-confidence moderate the relationship between the long-term switchers' and the swayers' brand commitment and their purchase quantities after processing the positive information from the target company?	H23: After processing the positive information from the target company, personal values and the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant positive moderators of the relationship between the long-term switchers' brand commitment and their purchase quantity.	Partially Supported

Research Questions	Phase 1: Hypotheses	Results
	H24: After processing the positive information from the target company, personal values and the different dimensions of consumer self-confidence (information acquisition, consideration-set formation, personal outcome decision making, social outcome decision making, persuasion knowledge and marketplace interfaces) will be significant moderators of the relationship between swayers' brand commitment and their purchase quantity.	Partially supported

6.11 Research questions relating to rumour

Research Question 1 asked: what effect does the outbreak of rumour have on switchers' and stayers' purchase decisions? This study has shown that switchers tend to buy less quantity of the target brand, and the stayers either buy the same or more quantities of the target brand after the outbreak of rumour. This implies that the behaviour of the different groups of switchers and stayers which emerged as a result of their purchase quantities can be used to segment those who are likely to switch from the target brand and those who are likely to stay with the target brand in the event of an outbreak of rumour, so as to put in place an effective strategy to quickly address the potential switchers' concerns.

Research Question 2 sought to investigate how the commitment of consumers to a target brand affects their purchase behaviour after processing a rumour. The findings of the current study demonstrated that when consumers have greater brand commitment to the target brand, in the event of an outbreak of rumour, they are more likely to continue to patronise the target brand than those who have lower brand commitment.

Research Question 3 asked: how do the personal values of consumers affect their purchase behaviour after the outbreak of rumours? The current research showed that the switchers will have significantly lower uncertainty avoidance values and the stayers will have significantly higher uncertainty avoidance values. Hence, consumers with HUA

values are more tolerant of uncertainty and ambiguous situations than consumers with LUA values.

Research Question 4 sought to investigate the extent to which the different dimensions of personal values and consumer self-confidence predict the switchers' and the stayers' purchase quantities. While uncertainty avoidance is a significant negative predictor of switchers' purchase quantity, individualism is not a significant predictor of switchers' purchase quantities. Furthermore, while personal outcome decision making is a significant negative predictor of switchers' purchase quantity, both consumers' confidence in their ability to make decisions that result in personal satisfaction (PODM) and consumers' confidence in their ability to make purchase decisions that generate positive outcomes in the form of positive reactions from others, especially from friends and relatives (SODM) are significant positive predictors of stayers purchase quantity.

Research Question 5 sought to investigate the extent to which the different dimensions of personal values and consumer self-confidence moderate the relationship between the switchers' and the stayers' brand commitment and their purchase quantities after the outbreak of rumours. The findings show that uncertainty avoidance has a significant negative impact on the switchers' purchase quantity and a significant positive impact on the stayers' purchase quantity. It also revealed that when individualism interacts with band commitment it exerts a strong negative influence on the relationship between switchers' brand commitment and their purchase quantity. The findings of the current study also contribute to the literature by indicating that consumer's confidence in their ability to identify acceptable choice alternatives (CSF) significantly and negatively influence the relationship between the switchers' brand commitment and their purchase quantity during the outbreak of rumours. Furthermore, with the exception of CSF, all the other dimensions of consumer self-confidence have positive moderating influence on the relationship between the stayers' brand commitment and their purchase quantities. This implies that those who are generally confident in their purchasing skills are more likely to stay with the target brand regardless of the rumour outbreak.

6.12 Research questions relating to positive information

Research Question 6 sought to investigate the effect of the positive information released by the target company on the long-term switchers' and the swayers' purchase decisions. The findings show that the long-term switchers bought less quantity of the target brand and the swayers either bought the same or more quantities of the target brand after processing the positive information. This implies that if researchers are able to distinguish between the long-term switchers and the swayers by way of their purchase quantities after the target company has released its positive information, they will be able to categorise the long-term switchers and swayers in order to put in place an effective strategy to quickly identify the potential long-term switchers and swayers so that they can effectively address their concerns.

Research Question 7 asked how the brand commitment of the long-term switchers and the swayers affected their purchase behaviour after processing positive information from the target company. This study showed that after processing the positive information from the target brand, the long-term switchers will have lower brand commitment compared to the swayers. It has also contributed to the body of knowledge on rumour effects by showing that in the event of an outbreak of rumours, because of the different levels of commitment; the long-term switchers are likely to purchase a smaller quantity of the target brand compared to the swayers. Hence, the swayers are likely to reverse their earlier decision and increase their purchase quantity, while the long-term switchers are likely to reduce their purchase quantity and switch on a long-term basis.

Research Question 8 sought to investigate how the personal values of long-term switchers and swayers affect their purchase behaviour after processing positive information from the target company. The research revealed that long-term switchers have significantly lower uncertainty avoidance values than the swayers and that collectivism has a significant positive influence on the swayers' purchase quantity. This implies that knowledge of the switchers' level of uncertainty avoidance and collectivism values can assist researchers and marketing practitioners to classify both long-term switchers and swayers into separate segments, thus making it easier for them to develop

relevant programs to effectively manage the purchase behaviour of the two groups in the event of a rumour outbreak.

Research Question 9 addressed the extent to which the different dimensions of personal values and consumer self-confidence can predict the long-term switchers' and the swayers' purchase quantities. This research found that personal values and consumer self-confidence are important predictors of switchers' and swayers' purchase quantities. The study found that long-term switchers have lower uncertainty avoidance compared to the swayers. It also showed that CSF and SODM are significant negative predictors of long-term switchers' purchase quantities. On the contrary, CSF is a positive predictor of the swayers' purchase quantity. This implies that researchers and marketing practitioners should be able to use personal values and consumer self-confidence to predict which of the switchers are likely to become swayers after processing positive information from the target brand.

Finally, Research Question 10 asked to what extent the different dimensions of personal values and consumer self-confidence moderate the relationship between the long-term switchers' and the swayers' brand commitment and their purchase quantities after processing the positive information from the target company. The findings of this study confirm that only uncertainty avoidance has a significant negative moderating effect on the long-term switchers' purchase quantity after processing the positive information. However, both uncertainty avoidance and individualism have significant moderating effects on the swayers' purchase quantity after processing the positive information. In addition, when brand commitment interacts with individualism, the negative effect of individualism on swayers' purchase quantity is significantly enhanced.

The findings also indicate that while information acquisition, personal outcome decision making and consumer's confidence in their ability to identify acceptable choice alternatives have significant negative moderating effects on the long-term switchers' purchase quantity, personal outcome decision making and the other dimensions of consumer self-confidence have significant positive moderating effect on the swayers' purchase quantity after processing the positive information. This implies that those who

have greater self-confidence in their decision making skills are generally more likely to sway to the target brand regardless of the rumour outbreak.

6.13 Limitations

To be able to test the impact of brand commitment, personal values and consumer self-confidence on consumers' decision making during the outbreak of rumours, it was important to choose a product which was popular among the target respondents. Coca-Cola[®] was a logical choice as it is very popular among the participants, and also because it has been the target of many rumours (including the one used in this study). However, in-depth interviews with most of the participants indicated that although most of them were loyal consumers of Coca-Cola[®], they also recognised its deleterious effect on their health due to its high sugar content and the gas it contains. Post-data collection analysis indicates that this recognition might have interfered in the respondents' perception of the product in general, thus influencing their attitudes towards the product on other key issues examined in this study. In other words, some of the participants might not have rated Coca-Cola[®] highly after reading the negative information specifically because of its poor nutritional value and not necessarily as a result of the rumour they were exposed to. Another study that uses a product with a less controversial nutritional and historical background may further enhance our knowledge of rumour theory.

Secondly, Coca-Cola[®] is an archetypal fast-moving consumer item, and as such, it may have attracted a specific consumer response from the target population used in this study. Another study that uses a high-ticket item may provide further insights into how brand commitment, personal values and consumer self-confidence affect consumer decision making in a more extended consumer decision making context.

Thirdly, the number of participants was reduced as the experiment progressed from the consumer decision making during the outbreak of rumour to the investigation of the switchers' behaviour towards the positive information. Hence in the swayer group for example, the sample size reduced from 236 to 62. However, in spite of this attrition, the sample size had sufficient power to test all the hypotheses relating to the swayers.

Finally, as discussed in Chapter 4, the validity of the use of student participants has been debated in many social science disciplines, including management (Dobbins, Lane, & Steiner, 1988), psychology (Wintre, et al., 2001), legal research (Bornstein, 1999) and international business (Bello, et al., 2009) as a result of its apparent lack of internal and external validity. However, other researchers (Egri & Ralston, 2004; Lau & Murnighan, 2005) notable among them, Bello, Leung, Radebaugh and Witteloostuijn (2009), have pointed out that when a study seeks to investigate fundamental processes and outcomes, student samples are appropriate. In addition, students are more receptive to complex data collection than groups such as employees or managers. In the final analysis, the research question-design fit determines the type of sample employed and that, it is the burden of the author(s) to demonstrate the generalisability of the findings based on the particular student sample. Since the purpose of this study was to investigate the effect of consumers' brand commitment, self-confidence and personal values on their decision making process during the outbreak of commercial rumours, the relevant variables could be measured by using such a student population, particularly, when the target brand is a fast moving consumer product such as Coca-Cola[®]. Also, most university students are familiar with Coca-Cola[®] and purchase it on a regular basis - a relatively low involvement decision making process. Coca-Cola[®] was also chosen as the target brand because of its wide distribution of commitment score and narrow distribution of attitude scores. Hence, the choice of student sample in this study fulfils Bello et al.'s (2009) and other researchers' conditions for the legitimate use of student sample, as it readily lends itself to the complex field experimental designs embarked on in this study, which made it possible to yield data that otherwise would have been extremely difficult to obtain from other samples.

6.14 Implications for managers

The findings of this study imply that marketing and public relations practitioners who need to quell rumours that are negatively impacting on their businesses can segment their consumers based on their level of brand commitment, uncertainty avoidance values and self-confidence in order to develop effective strategies to address their concerns. Consumers with LUA values must be particularly targeted, with the most extensive

strategies, since they are the ones who are likely to be strongly influenced by the negative impact of the rumour allegation in the short term.

The research also shows that consumers with higher levels of UA values and greater self-confidence can be recruited to assist in quelling the rumour in any short-term strategy, as they are more likely to sympathise with the company and argue on its behalf in order to justify their continued usage of the product, regardless of the rumour in circulation.

The findings of this study suggest that, regardless of their veracity, rumours about brands and companies are dangerous and can lead to the demise of many companies or their products as demonstrated in this study. The results support findings from the consumer behaviour literature that some consumer subgroups are more vulnerable to negative WOM communications than others. These findings should enable managers to be better prepared for the negative influence rumours have on some groups of consumers, which make them reduce or stop purchasing their preferred brands in the event of a rumour outbreak. Finally, any company's strategy for responding to a negative rumour needs to be carefully planned. A credible response strongly dampens the negative effect of the rumour and helps in motivating some switchers to reassess their earlier negative attitudes towards the target brand and eventually returning to it.

The findings of this study also suggest that personal values should be considered in management's efforts to retain the loyalty of customers during the outbreak of a commercial rumour. Personal values are measurable constructs, like gender and socio-economic class, which condition how individuals interact with others and should be taken into account in any attempt to better understand consumers' behaviour, particularly during crises situations, such as the outbreak of a damaging rumour in the marketplace.

6.15 Implications for public policy

Communities sometimes resist the implementation of government programs because they encounter rumours that poison their attitudes against these projects. For example, when the governments of Australia and the state of Victoria attempted to solve the state's greenhouse gas emissions problem by building a pilot carbon dioxide storage

facility deep underground, the project attracted negative rumours, with some community advocates comparing it to the Lake Nyos disaster which occurred in Cameroon in 1986. Even though experts argued that the demonstration project would be highly controlled and have world class environmental monitoring systems, concerned residents continued to propagate unfounded rumours about its risks. Although the impact of this adverse coverage was not measured, it instilled fear in some landholders who lived close to the project, thereby delaying landholder cooperation which ultimately affected the project milestones (Ranasinghe, 2013).

In another incident which occurred in Ghana, a deworming exercise jointly organised by the Ghana Health Service, the Ghana Education Service, and UNICEF, on February 12–16, 2007 was almost ruined when the media reported that there have been deaths and serious side effects from the treatment. Some aggrieved parents who initially heard the rumour attacked teachers, leading to the shut-down of some schools where the deworming exercise was taking place to forestall order and protect the health workers and teachers who were implementing the program at the time (Dodoo, Adjei, Couper, Hugman, & Edwards, 2007).

The findings of this research, if properly implemented, can significantly assist policymakers to identify the segments of the population who are more vulnerable to such rumour allegations, and take proactive measures to reduce any resistance to such government programs.

6.16 Future research

The data in this study were collected over a period of five weeks, a short period of time relative to the lifetimes of most commercial rumours. However, because rumours tend to be fluid and elusive, it is challenging to monitor their effects over longer periods of time (East, 2007). A longitudinal study of the effects of rumour would unravel other relevant information about consumers to assist marketing, public relations practitioners, and consumer behaviour experts interested in the effects of rumour over longer periods of time. This might reveal other important behavioural attributes of consumers which this study might not have been able to address.

In each stage of the field experiment, the participants were given a week to process the rumour and the positive information, after which the participants' responses were recorded. This one-week interval between each data collection period might not have given the participants adequate time to analyse all the relevant issues relating to the rumour or the positive information issued by the target company before making their final judgements.

Moreover, the study investigated the effect of rumour and corrective information on a fast moving consumer item, so the findings might be applicable only to such items. Research that uses different items – for example, luxury brands, or consumer durables – could be conducted to examine the effect of consumer decision-making on the outbreak of rumours which target such product categories to further enhance the quality of the literature on WOM communications.

Methodological issues have always been of great concern to many researchers and the suggested solutions are not always perfect in resolving all the issues that one could raise. In view of this, the researcher had to make difficult decisions between several approaches while keeping in mind their advantages and disadvantages. As a result, some of the conclusions may involve compromises, and may lead to some being discounted on methodological grounds. For example, the debatable issue of student cohort as a sample could be of concern to some consumer behaviour experts. However, students samples have also been regarded as appropriate samples in situations where the phenomenon being investigated has to be observed over a considerable period of time. Future research could involve other representative samples in order to further advance the contribution made by this study. In his work to explain when and why student samples are appropriate in such experimental research, Thomas (2011) found that in behavioral experiments that are focused on maximizing precision and control, student samples are often more justifiable than other samples. Much of the methodological efforts made in this study were aimed at achieving precisely these important objectives. Thus, in spite of the seeming lack of external validity, the contribution of this study to the literature in terms of its internal validity is significant, in that it lays down a solid methodological foundation for future researchers to investigate this subject further by using other representative samples.

Perhaps some comfort can be sought from Geertz's (1973) assertion that it is not necessary to know everything in order to understand something. These difficulties notwithstanding, the findings of this study albeit tentative, can contribute some important information to this field of study which is still in its early stages of development.

6.17 Conclusion

In conclusion, the results suggested that during the outbreak of rumours, consumers of fast moving consumer goods experience cognitive imbalance. To restore cognitive consistency, consumers try to find reasons for the outbreak of the rumour and attribute the problem to either the target company or the rumour-mongers. Those who have positive predisposition towards the target brand tend to apportion blame to the rumour-mongers, hence continuing their patronage of the target brand, while those who have negative predisposition towards the target brand tend to blame the target company and switch to competing brands.

The research conducted in this thesis has shown that consumers with higher brand commitment tend to stay with the target brand in spite of the negative effect of a rumour, while those who have lower brand commitment tend to switch from the target brand. With regards to the effect of personal values, it was found that consumers who have higher uncertainty avoidance values are more likely to stay with the target brand than those who have low uncertainty avoidance values. The study has also shown that while individualism has some effect on the switchers and stayers, in that it moderates the relationship between brand commitment and their purchase quantities, individualism on its own does not have any significant effect on either switchers' or stayers' purchase quantities.

Of the six dimensions of consumer self-confidence, only consumers' confidence in their ability to make decisions that result in outcomes that elicit personal feelings of satisfaction (PODM) had a negative influence on the switchers purchase quantity. Furthermore, PODM, as well as satisfaction from others (SODM), were important negative moderators of the switchers' purchase quantity. Thus, the results of this study suggest that, as hypothesised, most of the variation in both switchers' and stayers' decision-making can be attributed to differences in their brand commitment, personal

values, and consumer self-confidence. While the stayers tend to resist the negative effect of the rumour and continue their patronage of the target brand, the switchers appear to be more vulnerable to the negative impact of the rumour, hence their reason for either stopping or reducing their purchase quantities after processing the rumour.

Personal values and the six dimensions of consumer self-confidence are important predictors of the switchers' and the stayers' purchase quantities. Moreover, the dimensions of both personal values and consumer self-confidence are important moderators of the relationship between switchers' and stayers' brand commitment and their purchase quantities.

It was also found that when the target company releases a positive statement to deny the rumour allegation, it continues to produce a further cognitive imbalance in the minds of consumers. To address this imbalance, those who have relatively higher need for cognition tend to reconsider their earlier decision to switch. Because of their higher need for cognition, they are able to recognise the naïve theory surrounding the situation, and tend to sway back to the target brand. On the other hand, those who have lower need for cognition tend to switch from the target brand, since further processing of the rumour as well as the positive information released by the target company is not congruent to their normal behaviour (Tormala & Petty, 2004), as they have lower need for cognition. The study showed that the positive information persuades some switchers to sway – reassigning their brand commitment towards the target brand, while consumers with relatively lower brand commitment resist the positive information, switching from the target brand on a long-term basis. Consumers with relatively high uncertainty avoidance are more likely to sway back to the target brand than those with lower uncertainty avoidance values. The study showed that while individualism moderates the relationship between brand commitment and their purchase quantities, on its own, individualism has no significant effect on either switchers' or stayers' purchase quantities.

Only confidence in their ability to identify acceptable choice alternatives (CSF) influenced negatively the swayers' purchase quantity. Furthermore, the dimensions of consumers' self-confidence (other than CSF) are important positive moderators of the swayers' purchase quantity.

In conclusion, this study has produced evidence which suggests that brand commitment, personal values and consumer self-confidence are strongly associated with consumers' decision making during the outbreak of rumour. The findings of this study also implies that brand commitment, personal values and consumer self-confidence influence how consumers respond to the positive information issued by target companies to deny the rumour and persuade consumers to return to the target brand.

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Appendix A - Sample Participation Invitation

Australian Catholic University
Ballarat Sydney Canberra Brisbane Melbourne



15 November 2007

Australian Catholic University Limited
ABN 15 050 192 660
Melbourne Campus (St Patrick's)
115 Victoria Parade Fitzroy VIC 3065
Locked Bag 4115 Fitzroy MDC VIC3065
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INFORMATION LETTER TO PARTICIPANTS

TITLE OF PROJECT: RUMOUR OUTBREAK: THE IMPACT OF PERSONAL CHARACTERISTICS ON CONSUMER DECISION-MAKING

STUDENT RESEARCHER: Thomas Kobinah

PROGRAMME IN WHICH ENROLLED: PhD Marketing

Dear Participant

You are invited to participate in students' purchase and consumption survey which is being conducted by the School of Business and Informatics, and your task is to evaluate recent newspaper articles related to some products.

This study is being conducted as part of Thomas Kobinah's PhD thesis. There is no foreseeable harm or risks associated with this survey, as all the questions relate to your general attitude towards some selected products and are non-evasive in nature.

Your participation in this research will involve the completion of four questionnaires over five weeks. Each questionnaire is expected to take about 10 minutes to complete.

As a prospective new participant, you will suffer no disadvantages, penalties or adverse consequences, if you choose not to participate in the research or withdraw from it at any point in time. You may also withdraw or discontinue participation in the study at any stage without giving any reason for doing so.

This survey adheres to a very high standard of privacy requirements, therefore your responses will be held in the strictest confidence. The surveys will not be circulated or collected by the student researcher and code numbers will be used as identifiers, thereby protecting your identity. Furthermore, confidentiality will be maintained in any reports or publications resulting from this research, as all identifiers will be destroyed after the data has been analysed. Also, the data will only be reported in aggregate form.

Any questions regarding this project should be directed to the Principal Investigator or the Student Researcher whose details appear below:

PRINCIPAL INVESTIGATOR
Dr Sugumar Mariappanadar
Senior Lecturer
(03) 9953 3167
School of Business and Informatics
Melbourne Campus (St Patricks)
115 Victoria Parade
FITZROY VIC 3065

STUDENT RESEARCH
Thomas Kobinah
Student Researcher
(03) 9953 3166
School of Business and Informatics
Melbourne Campus (St Patricks)
115 Victoria Parade
FITZROY VIC 3065

If you are interested in the research findings, please feel free to contact the Student Researcher.

This survey has been approved by the Human Research Ethics Committee at the Australian Catholic University. In the event that you have any complaint or concern about the way you have been treated during the study, or if you have any query that the Principal Investigator or Student Researcher has not been able to satisfy, you may write to the following address:

Chair of the Human Research Committee
C/O Research Services
Australian Catholic University
Melbourne Campus
Locked Bag 4115
FITZROY VIC 3065
Phone: (03) 9953 3158
Fax: (03) 9953 3315
res.eithics@patrick.acu.edu.au

Any complaint or concern will be treated in confidence and fully investigated and you will be informed of the outcome. The return of this questionnaire will be taken as a voluntary consent to participate in this research. If there are any concerns with participation, please raise these matters with the Student Researcher.

Please ensure that **ALL** questions are answered and do not remove any pages.

Thank you for participating in this survey.

Dr Sugumar Mariappanadar
Senior Lecturer
(03) 9953 3167

Thomas Kobinah
Student Researcher
(03) 9953 3166

If you have read and understood this information letter and agree to participate in this study, please pick a code number and insert it in the space below. **You will need to remember or make a note of this number for future questionnaires.**

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This survey is hosted by the Australian Catholic University and approved by Human Research Ethics Committee.

Appendix B - Questionnaire

STUDENTS' PURCHASE AND CONSUMPTION SURVEY

Week 1 Questionnaire

Information Processing Exercise		
Please ensure that you have entered your Code Number here:		
Section 1 – Purchase quantity: In a typical week, indicate how many bottles of these products you purchased for your consumption by ticking the number that best describes your purchase quantity?		
Ribena (bottles)	Coca-Cola (bottles)	Milk (bottles)
0	0	0
1	1	1
2	2	2
3	3	3
4 or more	4 or more	4 or more

Section 2 - Brand commitment: Please indicate whether you agree or disagree with each of the statements below by shading one of the numbers that best reflects your opinion on the statements below.

		Strongly Disagree		Strongly Agree
1.	If Ribena were not available at the store, it would make no difference to me if I had to choose another brand.	①	②	③ ④ ⑤
2.	I consider myself to be highly loyal to Ribena.	①	②	③ ④ ⑤
3.	When another brand is on sale, I will generally purchase it rather than Ribena.	①	②	③ ④ ⑤
		Strongly Disagree		Strongly Agree
4.	If Coca-Cola were not available at the store, it would make no difference to me if I had to choose another brand.	①	②	③ ④ ⑤
5.	I consider myself to be highly loyal to Coca-Cola as a soft drink.	①	②	③ ④ ⑤
6.	When another brand is on sale, I will generally	①	②	③ ④ ⑤

	purchase it rather than Coca-Cola.	
		Strongly Disagree Strongly Agree
7.	If Dairy Milk were not available at the store, it would make no difference to me if I had to choose another brand.	① ② ③ ④ ⑤
8.	I consider myself to be highly loyal to Dairy Milk.	① ② ③ ④ ⑤
9.	When another brand is on sale, I will generally purchase it rather than Dairy Milk.	① ② ③ ④ ⑤

Personal Values

Section 3 – Uncertainty avoidance: In the context of the message you just read, to what extent do you agree or disagree with each of the following statements?

2. How often do you feel nervous or tense when purchasing a product under such uncertain conditions? Please shade only one answer.

① Never ② Seldom ③ Sometimes ④ Usually ⑤ Always

		Strongly Agree Strongly Disagree
2.	How likely is it that for the sake of the taste of Coke, you will continue to buy it?	① ② ③ ④ ⑤
3.	Is it likely for you to complain to the Coca-Cola company before making your decision?	① ② ③ ④ ⑤
4.	A company's or an organisation's rules should not be broken – not even when the employee thinks it is in the company's best interest.	① ② ③ ④ ⑤

Section 4 – Individualism/collectivism: To what extent do you agree or disagree with each of the following statements? Please shade one answer in each line across.

		Strongly Agree Strongly Disagree
5.	One can be a good manager without having precise answers to most questions that subordinates may raise about their work.	① ② ③ ④ ⑤
6.	Competition between employees usually does more harm than good.	① ② ③ ④ ⑤
		Highly Unlikely Highly Likely
7.	Is it likely that you will rely on the opinion of a family member or a close friend?	① ② ③ ④ ⑤
8.	Is it likely that for the sake of variety, you would use this opportunity to switch your allegiance to other similar drinks?	① ② ③ ④ ⑤

Section 5 - Consumer Self-confidence: Please indicate how you agree or disagree with each of the statements below by shading one of the numbers ① ② ③ ④ ⑤ that best reflects your opinion on the statements below.

		Strongly Disagree			Strongly Agree
IA	Information Acquisition				
1.	I know where to find the information I need prior to making a purchase.	①	②	③	④ ⑤
2.	I know where to look for to find the product information I need.	①	②	③	④ ⑤
3.	I am confident in my ability to research important purchases.	①	②	③	④ ⑤
4.	I know the right questions to ask when shopping.	①	②	③	④ ⑤
5.	I have the skills required to obtain needed information before making important purchases.	①	②	③	④ ⑤
CSF	Consideration-set formation				
6.	I am confident in my ability to recognise a brand worth considering.	①	②	③	④ ⑤
7.	I can tell which brands meet my expectations.	①	②	③	④ ⑤
8.	I trust my own judgement when deciding which brands to consider.	①	②	③	④ ⑤
9.	I know which stores to shop.	①	②	③	④ ⑤
10.	I can focus easily on a good few brands when making a decision.	①	②	③	④ ⑤
PO	Personal outcome decision making				
11.	I often have doubts about the purchase decisions I make.	①	②	③	④ ⑤
12.	I frequently agonise over what to buy.	①	②	③	④ ⑤
13.	I often wonder if I've made the right purchase selection.	①	②	③	④ ⑤
14.	I never seem to buy the right thing for me.	①	②	③	④ ⑤
15.	Too often the things I buy are not satisfying.	①	②	③	④ ⑤
SO	Social outcome decision making				
16.	My friends are impressed with my ability to make satisfying purchases.	①	②	③	④ ⑤
17.	I impress people with the purchases I make.	①	②	③	④ ⑤
18.	My neighbours admire my decorating ability.	①	②	③	④ ⑤
19.	I have the ability to give good presents.	①	②	③	④ ⑤
20.	I get compliments from others on my purchase decisions.	①	②	③	④ ⑤
PK	Personal knowledge				
21.	I know when an offer is "too good to be true".	①	②	③	④ ⑤
22.	I can tell when an offer has strings attached.	①	②	③	④ ⑤
23.	I have no trouble understanding the bargaining tactics used by salespersons.	①	②	③	④ ⑤
24.	I know when a marketer is pressuring me to buy.	①	②	③	④ ⑤
25.	I can see through sales gimmicks used to get customers to buy.	①	②	③	④ ⑤

26.	I can separate fact from fantasy in advertising.	①	②	③	④	⑤
MI	Marketplace interfaces					
27.	I am afraid to “ask to speak to the manager”.	①	②	③	④	⑤
28.	I don’t like to tell a salesperson something is wrong in the store.	①	②	③	④	⑤
29.	I have a hard time saying no to a salesperson.	①	②	③	④	⑤
30.	I am too timid when problems arise while shopping.	①	②	③	④	⑤
31.	I am hesitant to complain when shopping.	①	②	③	④	⑤

Section 6 - Demographic information: Finally, we would like to ask some questions about your background. The aim of these questions is to help us understand a bit about your background. Please tick your responses to each statement. If you are uncomfortable with some of the questions, please skip to the next question. Again, we assure you of the complete anonymity of your responses.

a. What is your gender? (*Please tick only **one***)

☐ Male ☐ Female

b. Your age (*Please tick only **one** age group*)

☐ 18-24 ☐ 25-40 ☐ 41-60

Thank you for participating in this study.

Set of rumours

Instructions to Participants

Please read these articles.



Ribena-A lesson in Redemption

Let's look at the facts: GlaxoSmithKline, the large multinational pharmaceutical company and owner of Ribena, a blackcurrant-based drink product, has been making misleading claims about the Ribena product. These claims relate to the Vitamin C content in the ready-to-drink products. These claims, specifically that "...the blackcurrants in Ribena contain four times the Vitamin C of oranges".

Source: <http://mediatips.blogspot.com/>



Cold Soft Drinks Help Create Toxins that Can Lead to the Development of Various Diseases

This particular rumour claims that soft drinks are usually served at a much lower temperature than what is optimum for proper functioning of digestive enzymes, putting stress on the digestive system, causing less food to be digested. The claim is that this undigested food creates toxins that are absorbed by the intestines and then circulated to the body, creating a contrition that causes various diseases.

Source: <http://thecoca-colacompany.com>



Dairy
reporter.com

**Breaking News on Dairy Processing and Markets
Milk Consumption Could Raise the Risk of Parkinson's
Disease**

Findings from a study of over 7000 middle-age people suggest milk consumption could raise the risk of Parkinson's disease, although the risk is small. After tracking 7504 people for 30 years, researchers in the US identified a twofold "excess" of Parkinson's disease in those people with the highest intake, more than 16 ounces a day, compared to those who consumed no milk. While the scientists are unclear as to which ingredient or compound could influence the onset of this degenerative disease, they suggest it is not calcium. "Whether observed effects are mediated through nutrients other than calcium or through neurotoxic contaminants warrants further study," they report in the April issue of *Neurology*. The researchers calculated that in the course of a year, 6.9 cases of the disease would be expected among 10,000 people who drank no milk each day. By contrast, 14.9 cases would be expected if each of those 10,000 people drank more than 16 ounces per day.

Source: <http://thedairyreporter.com>

STUDENTS' PURCHASE AND CONSUMPTION SURVEY

Pilot study post-rumour questionnaire

Week 3 Questionnaire

Information Processing Exercise			
Please ensure that you have entered your Code Number here:			
Section 1 Purchase quantity: In a typical week, indicate how many bottles of these products you purchase for your own consumption by ticking the number that best describes your purchase quantity?			
Ribena (bottles)	Coca-Cola (bottles)	Milk (bottles)	
0	0	0	
1	1	1	
2	2	2	
3	3	3	
4 or more	4 or more	4 or more	
Section 2 Reason: With reference to the three products, indicate by ticking the number that best reflects the most important reason for your purchase decision.			
Important reason for purchase decision	Ribena	Coca-Cola	Dairy Milk
Because of the negative information I received	①	①	①
Because the negative information had no impact on my purchase decision	②	②	②
Because I had no money	③	③	③

Thank you for participating in this study.

Set of three positive information

Instructions to Participants

Further to the previous articles you read about Ribena, Cola-Coca, and Dairy Milk, the affected companies have issued corrective statement in relation to the stories you read last week. Please read these corrective statements from GlaxoSmithKline, the Coca-Cola Company and the Dairy Reporter.com

CORRECTIVE NOTICE

**A correction from
Ribena**



GlaxoSmithKline

Claims about the Vitamin C content in certain Ribena products may have been misleading

The makers of Ribena, GlaxoSmithKline Australia, have been made aware that certain representations made in relation to Ribena products may have mislead consumers. GlaxoSmithKline would like to help correct these representations by publishing this notice.

In the past, Ribena has claimed that "The Black Currants in Ribena contain four times the Vitamin C of oranges" There is a concern that this may have misled consumers into believing that Ribena products contain four times the Vitamin C of orange juice products. This is not the case. In the future Ribena will no longer be making this claim.

On the nutritional information panels on some Ribena Ready to Drink products, Ribena claimed an amount of Vitamin C that could not be substantiated by acceptable testing methods. As a result, Ribena Ready to Drink products no longer make any claims regarding the Vitamin C content and any claim made in the future about the Vitamin C content will be substantiated by validated testing methods. This issue relates to the Vitamin C content of the Ribena Ready to Drink products; it does **not** relate to the safety of these

products. Also, this issue only relates to the Ribena Ready to Drink products and does **not** relate to the Ribena Syrup products.



This corrective advertisement has been paid for by GlaxoSmithKline Australia Pty Ltd and placed pursuant to an undertaking to the Australian Competition and Consumer Commission given under section 87B of the *Trade Practices Act 1974*.

Source: <http://gsk.com.au>



Cold Soft Drinks Help Create Toxins that Can Lead to the Development of Various Diseases

Body temperature is a constant 37C (98.6F). Eating hot food does not raise body temperature. Just the same, eating cold foods does not lower body temperature. Everything we eat and drink turns to the same temperature in the body. Most people eat many kinds of foods - - some hot and some cold. The temperature of the foods does not affect how the body uses or metabolizes the food.

Source: <http://thecoca-colacompany.com>



Dairy
reporter.com

Breaking News on Dairy Processing and Markets

The Dairy Reporter apologises for the article on dairy milk which erroneously sought to create an impression that middle-age people who consumed a large amount of milk risk the chance of developing Parkinson's disease. The Dairy Reporter wishes to assure the general public that this research is still ongoing and there has not been any substantial evidence to suggest that consuming large quantities of milk could cause Parkinson's disease.

Source: <http://dairyreproter.com>

STUDENTS' PURCHASE AND CONSUMPTION SURVEY

Week 5 Questionnaire

Students Purchase and Consumption survey			
Please ensure that you have entered your Code Number here:			
Section 1- Purchase quantity: In a typical week, indicate how many bottles of these products you purchased and consumed by ticking the number that best describes your purchase quantity?			
Ribena (bottles)	Coca-Cola (bottles)	Milk (bottles)	
0	0	0	
1	1	1	
2	2	2	
3	3	3	
4 or more	4 or more	4 or more	
Section 2: Reason for purchase: With reference to the three products, indicate by ticking the number that best reflects the most important reason for your purchase decision.			
	Ribena	Coca-Cola	Dairy Milk
Because of the positive information I received	①	①	①
Because the positive information had no impact on my purchase decision	②	②	②
Because I had no money	③	③	③

Thank you for participating in this study.

Appendix C - Ethics Approval

Australian Catholic University
Ballarat Sydney Canberra Brisbane Melbourne



Human Research Ethics Committee

Committee Approval Form

Principal Investigator/Supervisor: Dr Sugumar Mariappanadar, Melbourne

Co-Investigators: n/a Melbourne Campus

Student Researcher: Thomas Kobinah, Melbourne Campus

Ethics approval has been granted for the following project: Outbreak of Rumour: The Impact of Personal Characteristics on Consumer Decision-Making

For the period: 16.02.2008 to 28.04.2008

Human Research Ethics Committee (HREC) Register Number: V200708 16

The following standard conditions as stipulated in the *National Statement on Ethics Conduct in Research Involving Humans (2007)* apply:

- (i) that Principal Investigators/Supervisors provide, on the form supplied by the Human Research Ethics Committee, annual reports on matters such as:
 - security of records
 - compliance with approved consent procedures and documentation
 - compliance with special conditions, and
- (ii) that researchers report to the HREC immediately any matter that might affect the ethical acceptability of the protocol, such as:
 - proposed changes to the protocol
 - unforeseen circumstances or events
 - adverse effects on participants

The HREC will conduct an audit each year of all projects deemed to be of more than low risk. There will also be random audits of a sample of projects considered to be of negligible risk and low risk on all campuses each year.

Within one month of the conclusion of the project, researchers are required to complete a *Final Report Form* and submit it to the local Research Services Officer.

If the project continues for more than one year, researchers are required to complete an *Annual Progress Report Form* and submit it to the local Research Services Officer within one month of the anniversary date of the ethics approval.

Signed:..... *Ms Haiduk* Date:.... 4.12.07.....
(Research Services Officer, Melbourne Campus)

