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The buffering effect of industry-wide crisis history during crisis

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Buffering
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Abstract

Purpose – Two questions guide this study: “Do two crisis history types (i.e. organization-specific vs industry-wide) have the same effect on publics’ perception of the organization in a crisis?” And “Is there any significant difference in public responses between the high and low levels of issue involvement?” The paper aims to discuss these issues.

Design/methodology/approach – A two organization-specific crisis history (frequent vs infrequent) × two industry-wide crisis history (frequent vs infrequent) × two consumer issue involvement (high vs low) between-subjects experimental design was employed.

Findings – This experiment suggests that an industry-wide crisis history can mitigate negative damages of a crisis, while an organization-specific crisis history intensifies the damages. This indicates that crisis history types should be considered as an important factor when diagnosing appropriate crisis response strategies during crisis. This study also identifies a stronger negative impact of an organization-specific crisis history among highly issue-involved publics than less involved publics.

Originality/value – This study extends situational crisis communication theory by identifying the buffering impact of an industry-wide crisis history and adding crisis history type as an influencer in the process of the publics’ crisis responsibility attributions.

Keywords Attribution, Crisis management, Crisis history, Crisis issue involvement, Industry crisis history

Paper type Research paper

Introduction

Situational crisis communication theory (SCCT) matches crisis response strategies to types of crisis situations, i.e., suggesting which strategies should be effective in which situations (Coombs, 2004, 2011). According to SCCT, publics tend to attribute different levels of crisis responsibility to the organization by crisis type (Claeys *et al.*, 2010; Utz *et al.*, 2013). For instance, publics tend to blame the company in a crisis more when the crisis is a preventable type (e.g. organizational misdeeds) than a victim type (e.g. product tampering by unknown outsiders). In addition to this main predictor of public attributions (i.e. crisis type), three intensifiers such as crisis history, relationship history, and crisis severity have been identified to have significant influences on how publics perceive the organization in crisis (e.g. Brown and White, 2011; Coombs, 2004, 2011; Vanhamme and Grobbsen, 2009).

Although previous studies have explicated significant correlations between the presence of crisis history and less positive perceptions of organizational reputation (Coombs, 2004; Vanhamme and Grobbsen, 2009), most have focused on testing the impact of an organization-specific crisis history. Thus, a fundamental issue still



remains in question: whether the impact of crisis history differs by crisis history type. In other words, would an industry-wide crisis history have the same impact as an organization-specific crisis history? What would be the case if an organization confronts a crisis for the first time (i.e. no organization-specific crisis history) but the industry has encountered similar crises before, such as a competitor's past crises or industry-wide similar crises? Does this indirect crisis history affect how publics perceive the organization in crisis? To this end, our research attempts to fill the void by testing the consequences of an industry-wide crisis history during a crisis.

In addition, given that issue management is important as part of pre- and post-crisis communication (Jaques, 2009), publics' issue involvement levels prior to a crisis could also affect how they attribute crisis responsibility to the organization. However, relatively little attention has been paid to the impact of publics' involvement levels in the process of crisis responsibility attributions. Thus, this study also explores the extent individual differences in issue involvement influences public perceptions in crisis.

Taken as a whole, two questions guide this study: do two crisis history types (i.e. organization-specific vs industry-wide) have the same effect on publics' perception of the organization in a crisis? And is there any significant difference in public responses between the high and low levels of issue involvement? This study adds to the growing literature on crisis communication (e.g. Brown and White, 2011; Coombs, 2004, 2011; Sheldon and Sallot, 2008) by testing the effects of two different crisis history types and issue involvement. Specifically, this study extends SCCT in terms of diagnosing proper organizational crisis responses by adding an industry-wide crisis history as part of important moderators. The findings provide valuable insights regarding how to develop more accurate and nuanced prescriptions for crisis communication and to better assess a crisis threat considering the type of crisis history.

Literature review

Crisis history intensifier

The three-staged model of crisis management involves the ongoing processes of prevention and preparation, response and recovery, and evaluation and revision stages (Coombs, 2011). Specifically, with regard to the response and recovery stage, SCCT provides principles for crisis prescription, diagnosis, and response strategy selection (Claeys and Cauberghe, 2012; Coombs and Holladay, 2010; Huang, 2006; Schwarz, 2008). SCCT stresses the importance of crisis type identification in crisis management, applying attribution theory (Weiner, 1986). Depending upon whether the cause of a crisis is stable (stability), controllable (controllability), and internal (locus), organizational crisis responsibility is perceived differently by the public (Weiner, 1986; McAuley *et al.*, 1992). As people perceive the cause of crisis as more stable, more controllable, and more internal to the organization, they tend to attribute higher crisis responsibility to the organization. A victim crisis type produces very low attributions of crisis responsibility because publics tend to perceive the cause of the crisis as not stable and not controllable, and having an external crisis locus. Examples of victim crisis type include natural disasters and product tampering by unknown outsiders. An accidental type, often perceived as having a cause that is not stable and not controllable but having an internal crisis locus, tends to produce moderate levels of responsibility attributions. An intentional type tends to be perceived as a stable and controllable crisis that occurs within the organization, thus producing strong crisis responsibility and severely damaging the organization's reputation. Since publics attribute different levels of crisis responsibility by crisis type, an organization's crisis

responses and communication should include a different persuasive strategy as the crisis type varies (Coombs, 2011; Jeong, 2009).

SCCT further suggested three important intensifiers: crisis history, relationship history, and crisis severity (Brown and White, 2011; Coombs, 2004, 2011; Vanhamme and Grobbsen, 2009). Previous studies (Coombs and Holladay, 1996, 2001; Coombs, 1998, 2004) have found significant differences in the attribution of responsibility and perception of reputation between no crisis history and similar crisis history situations. When publics acknowledge that an organization had similar crises before, they are more likely to blame the organization (Coombs, 1998). Coombs and Holladay (2002) termed the negative influence of the previous crisis history as the Velcro effect (p. 338) in that the negative history “sticks to” the organization. Thus, SCCT recommended that when there is a crisis history, the organization in a current crisis should adopt more accommodative crisis response strategies (Coombs, 2011). For an accidental crisis, diminishing strategies are recommended in no crisis history situations by SCCT. However, when a similar crisis history is present, the organization should adopt more accommodative strategies (i.e. rebuilding strategies) such as apology or compensation even for the same type of accidental crisis. The reason is that publics tend to blame the company more harshly when the company has a crisis history. For instance, the BP oil spill crisis in 2010 can be categorized as a technical error. By definition, a technical error is an accidental type of crisis where a diminishing strategy is recommended as a proper crisis response strategy (Coombs, 2011, pp. 73, 158). However, a diminishing strategy may not have been a good strategy selection, considering BP’s previous oil spill history such as the Prudhoe Bay oil spill in Alaska in 2006 and crisis severity. In other words, BP should have responded to the crisis with rebuilding strategies that are more accommodative than diminishing strategies, due to its crisis history and crisis severity.

In spite of the previous crisis research on the impact of crisis history (Coombs, 2004, 2011; Ogrizek and Guillery, 1999; Vanhamme and Grobbsen, 2009), it has been tested only in the context of an organization-specific crisis history. What if a brand-new oil company with no previous oil spill history experiences an accidental oil spill? Do the past oil spill events in the oil industry caused by BP and Exxon have any impact on the newcomer’s crisis? To answer these questions, this study investigates the effects of an industry-wide crisis history. The impact of an industry-wide crisis history is likely to be indirect compared to an organization-specific history since it is not directly related to the organization in crisis. However, a history of frequent industry-wide crises could still be salient to publics as opposed to a history of infrequent industry-wide crises, resulting in a stronger impact on public perception.

In addition, previous crisis research has mainly tested the impact of a crisis history in terms of its presence (Coombs, 2004, 2011), duration (Vanhamme and Grobbsen, 2009), or valence (Sheldon and Sallot, 2008) rather than the frequency of previous crises. That is, most studies compared an organization with a crisis history to one with no crisis history or a positive history to a negative history. To address this research gap, this study attempts to examine the impact of histories of frequent industry-wide crises and organization-specific crises. Moreover, although a significant negative impact of an organization-specific crisis history has been widely supported by previous crisis research, especially by the stream of SCCT research (Claeys *et al.*, 2010; Coombs, 2004, 2011), some failed to identify the impact of organizational crisis history. For instance, Coombs (2004) indicated in his follow-up tests that there were no relationships among crisis history, crisis responsibility attributions, and organizational reputation for a technical-error recall crisis. This may imply that the impact of crisis history can differ

depending on crisis situations. Thus, the negative impact of a frequent organizational crisis history is also examined in this study to support the solid intensifying effects of the organizational crisis history. Based on the aforementioned discussion, the following hypotheses are proposed:

- H1.* Publics will perceive that the cause of the crisis is more internal (a), stable (b), and controllable (c), and in turn attribute higher crisis responsibility (d) and perceive less favorable corporate reputation (e) for the organization with a history of frequent organization-specific crises than one with a history of infrequent organizational crises.
- H2.* Publics will perceive that the cause of the crisis is more internal (a), stable (b), and controllable (c), and in turn attribute higher crisis responsibility (d) and perceive less favorable corporate reputation (e) for the organization with a history of frequent industry-wide crises than one with a history of infrequent industry-wide crises.

Crisis issue involvement

Although there are many different definitions of involvement within both social and consumer psychology, there has been a considerable agreement on that high involvement messages have greater personal relevance and consequences with and elicit more personal connections from publics than low involvement messages (e.g. Zaichkowsky, 1985). Considering that crisis refers to an “unexpected or unpredicted” event which threatens the organization and/or its publics (Lerbinger, 1997, p. 9), when a crisis event happens, publics’ involvement in the crisis issue will be increased (Celsi and Olson, 1988). That is, since crisis leads people to think about and respond to a related issue, publics’ responses to a crisis situation are inherently related to the outcomes of the specific crisis. Thus, issue involvement seems to be most appropriate in the crisis communication context among the three types of involvement identified by Johnson and Eagly (1989) – value-relevant, impression-relevant, and outcome-relevant (aka issue involvement) involvement. By definition, issue involvement addresses message recipients’ motivation to process information about the issue raised by a specific crisis (Petty and Cacioppo, 1979) while value-relevant involvement is linked to people’s enduring values and impression-relevant involvement deals with the responsive impression that people make on others (Johnson and Eagly, 1989, p. 290). To illustrate, when an oil spill accident happens, a consumer will be strongly involved with the environmental issues.

Dual-process models such as the Elaboration Likelihood Model (ELM) (Petty and Cacioppo, 1986) and the Heuristic-Systematic Model (Chaiken *et al.*, 1989) have been widely used to explain the influences of issue involvement. That is, when an individual perceives an issue to be more personally relevant, he or she tends to be motivated to treat issue-related information more centrally or thoughtfully. Publics with high involvement in a crisis issue will present more negative responses than those with low involvement. The reason is that those with high involvement tend to process crisis information more diligently with increased cognitive elaboration (Berger *et al.*, 1999) and perceive higher personal relevance to the crisis.

Given that crisis communication cannot be managed apart from issue management (Jaques, 2009), individual differences in crisis-related issue involvement should influence public perception in crisis. Compared to the diversity of attention paid to issue involvement in other academic areas such as psychology (e.g. Cheah, 2006) and

advertising (Petty and Cacioppo, 1981), relatively little attention has been paid to issue involvement in crisis management. Since issue involvement is related to personal relevance, different levels of publics' crisis-related issue involvement would be present in crisis situations. The different levels of personal relevance will also affect the way people process crisis information, and in turn, will influence their perceptions of the crisis and the organization. Thus, the following hypotheses are proposed:

- H3.* Publics with higher crisis-related issue involvement will perceive that the crisis is more internal (a), stable (b), and controllable (c), and in turn attribute higher crisis responsibility (d) and perceive less favorable organizational reputation (e) than those with lower crisis-related issue involvement.

Interaction effects between crisis history and issue involvement

An expectation-evidence framework, known as motivated reasoning or confirmatory bias (Kunda, 1990), has been applied to explain publics' tendency to selectively perceive and search evidence that is consistent with their prior expectations or beliefs during crisis (Dawar and Pillutla, 2000). When publics have strong beliefs or expectations prior to a crisis, they tend to be motivated to engage in selective information processing to maintain internal cognitive consistency. In other words, publics tend to selectively pay more attention to information that is more consistent with their previous expectations or beliefs. This process is called confirmatory bias (Dawar and Pillutla, 2000; Kunda, 1990). Thus, publics with high personal relevance to crisis-related issues (i.e. high involvement) would consider current crisis information such as what caused the crisis and why it happened (e.g. crisis type) as more important than other intensifiers or peripheral information such as the presence of crisis history. According to SCCT, the presence of crisis history only functions as an intensifier when publics attribute crisis responsibility to the organization and evaluate its reputation, while a main predictor of public perception during crisis is the type of crisis (Coombs, 2004).

Although publics with high crisis issue involvement would still pay more attention to all crisis relevant information (Beatty and Smith, 1987), they could be more motivated to engage in selective information processing of current crisis information since they have high personal relevance to the current crisis. Thus, regardless of crisis history, those with high involvement would attribute high crisis responsibility to the organization. In contrast, those with low issue involvement would be more affected by the frequency of crisis history (i.e. frequent previous crises) since they are not as motivated as others with high issue involvement to perform selective information processing (Burnkrant and Sawyer, 1983). Thus, the impact of crisis history would be greater for publics with low issue involvement than for those with high issue involvement. Based on the discussion above, the following hypotheses are proposed in relation to the interaction effects between the frequency of crisis history and the levels of issue involvement:

- H4.* The negative impact of a frequent organization-specific crisis history presence on locus (a), stability (b), and controllability attributions (c), crisis responsibility attributions (d), and corporate reputation (e) will be greater for publics with low issue involvement than for those with high issue involvement.
- H5.* The negative impact of a frequent industry-wide crisis history presence on locus (a), stability (b), and controllability attributions (c), crisis responsibility attributions (d), and corporate reputation (e) will be greater for publics with low issue involvement than for those with high issue involvement.

Methods

Design and materials

To shed light on explicit relationships among crisis history type, issue involvement, crisis causality (i.e. locus, stability, controllability) and responsibility attributions, and corporate reputation, this study employed a two organization-specific crisis history (frequent vs infrequent) × two industry-wide crisis history (frequent vs infrequent) × two consumer issue involvement (high vs low) between-subjects experimental design. An accidental crisis type, a technical-error accident, was chosen because an accidental type of crisis allows a more flexible attribution than other crisis types (victim and intentional crises) (Coombs, 2004). An online privacy issue was selected for the crisis-related issue involvement variable because online security and privacy issues have become one of the main concerns due to the fast growth of online purchases among consumers (Forrester Research Inc., 2013a).

An online retailer industry was employed due to its high relevance and familiarity among our participants. Convenience and cost savings are driving the growth of online shopping for the internet retailer industry. According to the US Department of Commerce, e-retail sales, such as those for Amazon.com, totaled \$194 billion in 2011. Forrester Research Inc. (2013a) projected that online shoppers in the USA will spend \$327 billion in 2016, up 45 percent from \$226 billion this year and 68 percent from \$194 billion in 2011. Considering that online shopping is common for young adults (Horrihan, 2008), an online privacy issue seems closely related to our participants. A fictitious company, Anderson & Smith was used to prevent any previous company judgments that might be attributed to actual organizations.

All participants were randomly assigned to one of the eight conditions. At the outset, respondents were provided with two different scenarios to manipulate high vs low online privacy issue involvement levels. Respondents were asked to imagine the online privacy issue-related situation described in the assigned scenario. In the high online privacy involvement condition, participants were informed that their private information such as names, IDs, e-mail addresses, and mobile phone numbers had been leaked online, along with many other consumers' private information, while those in the low online privacy involvement group were informed their private information was intact and safe online. Then, their online privacy involvement levels were measured. After that, participants were provided with messages describing the online retailer industry's crisis history and the company's crisis history, respectively. A history of infrequent industry-wide crises was depicted as having had some minor data leakage incidents in the online retailer industry, while in the history of the frequent industry-wide crisis condition, the industry was described as having had frequent major data leakage incidents in the past. For the frequent vs infrequent organization-specific crisis history manipulations, the company was specifically described as having had significant data leakage incidents in the history of frequent organization-specific crises, but a minor data leakage of the company was mentioned for the infrequent organization-specific crisis history condition.

After that, respondents were asked to read a news article about the company's current crisis. The crisis news article described that the company was experiencing a technical-error crisis (i.e. an online server glitch incident), resulting in its one million online customers' personal information leakage including customers' names, phone numbers, and credit card information. After reading the current crisis news article, respondents completed the questionnaire that included items measuring causality attributions, crisis responsibility attributions (i.e. blame), and corporate reputation.

Participants

A total of 297 undergraduate students in a large Southern University in the USA participated in our study in exchange for extra credit. After excluding incomplete answers, 235 cases were analyzed. Participants were 71.1 percent ($n = 167$) female and 28.9 percent ($n = 68$) male. The average age of respondents were 20.4 years ($SD = 1.7$). On average, 29 students were exposed to one of the eight conditions (min.: 28; max.: 30 students).

Measures

To measure consumers' involvement in the online privacy issue, three items were adapted from a previous study (Smith *et al.*, 1996, see Table I for measure items). All dependent variables were measured with the established scales adopted from previous studies (Klein and Dawar, 2004; McAuley *et al.*, 1992; Ponzi *et al.*, 2011, see Table I). For the manipulation check of the two crisis history types, "The online retailer industry has had serious problems with its personal data leakage in the past" and "Anderson & Smith has had serious problems with its personal data leakage in the past" were used. All items including issue involvement, locus, stability, controllability, blame, corporate reputation, and manipulation check variables were measured by a seven-point Likert scale anchored by 1 = strongly disagree and 7 = strongly agree (see Table I).

Pretest

To better simulate all independent variable manipulations and message readability, two pretests were conducted. Although the first pretest ($n = 36$) revealed successful manipulations of all variables, the second pretest ($n = 34$) was conducted again after a small revision of issue involvement manipulation to improve the significance level.

Measures	Measure items	Cronbach's α
Issue involvement	I would be very sensitive about the way online organizations handle my personal information	0.90
	I would be concerned about threats to my online privacy	
	To me, it would be the most important thing to keep my privacy intact from online organizations	
Locus	The cause of the crisis reflects an aspect of the company	0.70
	The cause of the crisis is something inside of the company	
	The cause of the crisis is something about the company	
Stability	The cause of the crisis is a permanent issue for the company	0.78 (after deleting)
	The cause of the crisis will remain an issue over time	
	The cause of the crisis will change over time (deleted)	
Controllability	The cause of the crisis is something that the company could manage	0.87
	The cause of the crisis is something that the company could regulate	
	The cause of the crisis is something that the company could control	
Blame	The company is highly responsible for the crisis	0.92
	The company should be accountable for the crisis	
	The crisis is the fault of the company	
Corporate reputation	I blame the company for the crisis	0.91
	I have a good feeling about the company	
	I trust the company	
	I admire the company	
	I think the company has a good overall reputation	

Table I.
Scale reliability test
for variables

Involvement manipulations were found successful as intended, $t(32) = 2.45, p = 0.02$. Both types of crisis history were also successfully manipulated, indicating organization-specific crisis history with $t(32) = 7.29, p < 0.001$ and industry-wide crisis history with $t(32) = 5.79, p < 0.001$. Message readability was examined to ensure all message conditions had the same levels of perceived message strength and readability. Pretests suggested there were no significant differences across all conditions.

Results

Manipulation checks

As intended, the manipulations of the online privacy issue involvement, industry-wide crisis history, and organization-specific crisis history variables were successful in the main test. Participants in the high issue involvement conditions revealed a stronger concern about the online privacy issue ($M = 6.6, SD = 0.55$) than those in the low issue involvement conditions ($M = 5.9, SD = 1.18, t(235) = 6.21, p < 0.001$). Respondents in the history of frequent organization-specific crises identified higher levels of the organization's previous crises ($M = 5.9, SD = 1.10$) than those in the infrequent organizational crises ($M = 3.3, SD = 1.28, t(235) = 16.60, p < 0.001$). Respondents in the history of frequent industry-wide crises identified higher levels of industry-wide prior crises ($M = 5.6, SD = 1.03$) than those in the history of infrequent industry-wide crises ($M = 3.7, SD = 1.40, t(234) = 11.99, p < 0.001$).

Hypotheses testing

Independent t -tests were performed to test $H1-H3$, and two-way analysis of variance (ANOVA) for $H4$ and $H5$. $H1a-H1e$ posited that publics would perceive more negative crisis causality and blame attributions and less favorable corporate reputation for the organization with a history of frequent organizational crises than one with a history of infrequent organizational crises. The results of independent t -tests supported the impact of organization-specific crisis history on all dependent variables except for the controllability ($t(234) = -1.58, p = 0.116$). Participants in a history of frequent organization-specific crises perceived that the cause of the crisis was more internal ($t(234) = -2.54, p = 0.012$, Cohen's $d = 0.290$) and stable ($t(233) = -3.08, p = 0.002$, Cohen's $d = 0.37$), attributed higher crisis responsibility ($t(233) = -4.37, p < 0.001$, Cohen's $d = 0.53$), and perceived less favorable organizational reputation ($t(233) = 5.03, p = 0.000$, Cohen's $d = 0.67$) than those in a history of infrequent organizational crises (see Table II for descriptive statistics).

	Locus	Stability	Controllability	Blame	Reputation
<i>Organization-specific crisis history (H1)</i>					
High ($n = 116$)	5.23 (1.05)	4.70 (1.45)	5.28 (1.15)	5.52 (1.22)	2.99 (1.12)
Low ($n = 119$)	4.88 (1.01)	4.16 (1.22)	5.06 (1.04)	4.87 (1.06)	3.68 (0.97)
p -value	0.012*	0.002*	0.116	0.000*	0.000*
<i>Industry-wide crisis history (H2)</i>					
High ($n = 117$)	4.95 (1.14)	4.27 (1.37)	4.95 (1.08)	4.95 (1.22)	3.37 (1.13)
Low ($n = 118$)	5.16 (0.93)	4.58 (1.35)	5.38 (1.07)	5.43 (1.10)	3.31 (1.09)
p -value	0.125	0.081	0.002*	0.002*	0.687

Notes: Numeric values are means in each condition (standard deviation in parentheses). *Significant at the 0.05 level

Table II. Means and SDs of dependent variables for each type of crisis history

H2a-H2e proposed that a history of frequent industry-wide crises would have more negative impacts on public perceptions than a history of infrequent industry-wide crises. The results of independent *t*-tests found the significant impact of industry-wide history, but the directions of the relationships between the two histories of industry-wide crises were opposite to our hypotheses. That is, participants in a history of frequent industry-wide crises perceived that the crisis was less controllable and blamed the organization less than those in a history of infrequent industry-wide crises (controllability, $t(233) = 3.09$, $p = 0.002$, Cohen's $d = 0.37$; blame: $t(233) = 3.16$, $p = 0.002$, Cohen's $d = 0.34$). However, no significant differences were found in locus ($t(233) = 1.54$, $p = 0.125$), stability ($t(233) = 1.75$, $p = 0.081$), and corporate reputation ($t(233) = -0.40$, $p = 0.687$) (see Table II for descriptive statistics).

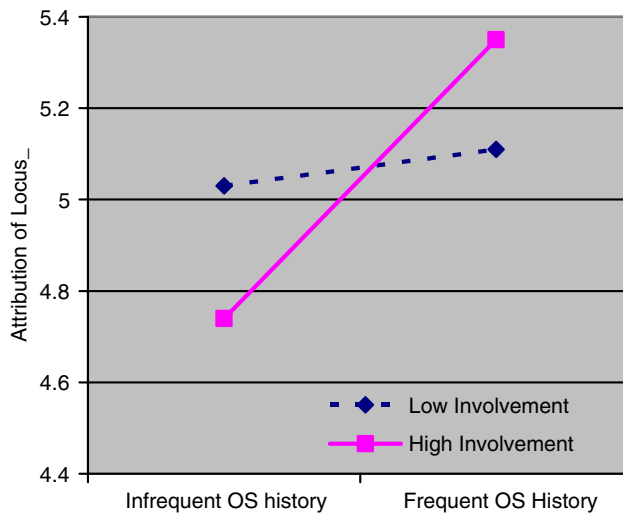
H3a-H3e proposed the significant negative impact of publics' issue involvement on all dependent variables. The results of independent *t*-tests found a significant effect of issue involvement only on controllability ($t(233) = -2.35$, $p = 0.020$). The highly involved group ($M = 5.3$, $SD = 1.09$) perceived the crisis as more controllable than did the less involved group ($M = 5.0$, $SD = 1.08$), supporting *H3c*. However, the results revealed no significant differences in locus ($t(233) = 0.30$, $p = 0.766$), stability ($t(233) = -0.46$, $p = 0.649$), blame ($t(233) = -1.89$, $p = 0.061$), and corporate reputation ($t(233) = 1.65$, $p = 0.100$) between the two issue involvement levels.

H4 and *H5* posited the interactive relationships between issue involvement and each type of crisis history. Specifically, highly involved publics would be less influenced by the frequency of previous organization-specific crises (*H4*) and industry-wide crises (*H5*) than would less involved publics. Two-way ANOVAs examined the interaction effect among issue involvement, industry-wide crisis history, and organization-specific crisis history to test *H4* and *H5*. The results showed a significant involvement \times organization-specific crisis history effect on crisis locus attribution ($F(1, 231) = 3.93$, $p < 0.05$). However, the direction of the result was opposite to the hypothesis. Contrary to the hypothesis, a less involved group in the crisis issue was less sensitive to the frequency of previous organization-specific crises. The negative impact of a frequent organization-specific crisis history presence was greater in the highly involved group than the less involved group in terms of crisis locus attribution (see Figure 1). No other interaction effects were found between issue involvement and organization-specific crisis history: stability $F(1, 231) = 0.20$, $p = 0.653$; controllability $F(1, 231) = 0.914$, $p = 0.340$; blame $F(1, 231) = 1.75$, $p = 0.187$; corporate reputation $F(1, 231) = 1.92$, $p = 0.167$). Similarly, there were no significant interactions between issue involvement and industry-wide crisis history for all dependent variables: locus $F(1, 231) = 0.01$, $p = 0.943$; stability $F(1, 231) = 0.08$, $p = 0.777$; controllability $F(1, 231) = 2.37$, $p = 0.125$; blame $F(1, 231) = 0.87$, $p = 0.351$; corporate reputation $F(1, 231) = 0.18$, $p = 0.672$).

Discussion

This study investigated the impacts of two types of crisis history (industry-wide and organization-specific) and issue involvement on three crisis causality attributions, responsibility attributions, and corporate reputation. This study yields valuable insights regarding the mitigating impacts of an industry-wide crisis history, the intensifying effects of an organizational crisis history, and stronger negative impacts of an organizational crisis history among publics with high involvement. Both theoretical and practical implications of our findings are discussed in the following sections.

Figure 1.
Interaction between
issue involvement
and organization-
specific history



Crisis history (industry-wide vs organization-specific)

Consistent with the previous crisis literature (e.g. Claeys *et al.*, 2010; Coombs, 2004), this study supported a strong negative impact of an organization-specific crisis history on causality attributions, blame, and reputation. Specifically, the findings indicate that having a history of frequent previous organizational crises is more detrimental to the organization in crisis than a history of infrequent organizational crises. This leads publics to perceive the cause of the crisis as more stable and internal, to blame the organization more harshly, and to perceive more negative corporate reputation for the organization with frequent organizational crises.

Most interestingly, this study identified unpredicted findings regarding the impact of a frequent industry-wide crisis history. Specifically, in terms of publics' controllability and crisis responsibility attributions, this study found a significant mitigating effect of a frequent industry-wide crisis history, contrary to our hypotheses. In other words, when a frequent industry-wide crisis history was present, publics tended to perceive the current crisis as less controllable and blame the organization less than when an infrequent industry-wide crisis history was present.

Considering that our original predictions were based on the literature mainly regarding an organization-specific crisis history, this unpredicted finding adds new insights to how an industry-wide crisis history plays a different role in the public's crisis responsibility attributions as opposed to the organization-specific history. Counterfactual thinking in the process of attributions (Coombs and Holladay, 2010; Roese, 1997; Weiner, 1986) might serve to explain these unexpected findings. Counterfactual thinking indicates people's tendency to imagine alternatives to reality such as "what if" or "if only" (Kahneman and Miller, 1986; Roese, 1997). When applying the counterfactual thinking tendency to the situations of the organization having frequent organization-specific crises in the past, publics may not be able to find any alternative explanations of why the crisis happened other than the fault of the organization, especially given the frequent similar crises that happened in the past to the organization (Claeys *et al.*, 2010; Coombs, 2004; Weiner *et al.*, 1988). However, publics might be able to find alternative explanations more easily in the situations of

frequent industry-wide crises. Since publics acknowledge frequent industry-wide crises happened in the past, they may find alternative excuses of the current crisis that can negate the negative outcomes of crisis (Roese, 1997). In other words, when publics perceive a similar crisis is common in a specific industry, they might attribute the crisis controllability and responsibility to the structural defects of the industry, not to the fault of the organization. They might perceive that the crisis was not controllable given the prevalence of the industry-wide similar crises and, in turn, blame the organization less harshly. This counterfactual thinking and alternative attribution tendency might explain buffering effects of an industry-wide crisis history in terms of public perceptions of crisis controllability and responsibility attributions.

However, our study found no significant impact regarding locus and stability attributions, and corporate reputation. That is, even when publics acknowledged similar crises were prevalent in the company's industry, they did not perceive that the cause of the crisis was less internal or stable and did not reveal more positive perceptions of corporate reputation. This implies that publics might not be able to find alternatives easily for locus and stability attributions even with the presence of an industry-wide crisis history. Hence, even if publics acknowledge that similar crises are prevalent in the entire industry, they still perceive the cause of the crisis as more internal and distinguish the stability of organization-specific crisis from industry-wide crisis.

Moreover, a frequent industry-wide crisis history presence does not buffer the negative impact of the current crisis on public perceptions of corporate reputation. That is, even if similar crises are prevalent in the organization's industry, failing to prevent the current crisis is still the realm of the organization, thus damaging the organizational reputation while buffering the responsibility of the crisis.

Issue involvement

This study did not find a strong impact of issue involvement. Highly involved publics in online privacy issues revealed a more negative crisis attribution than less involved publics only in terms of crisis controllability. No other impact of issue involvement was identified for other variables. Even though involvement has been treated as an important explanatory variable for attitudes and behavioral intentions, there have been some studies that found a mixed relationship between issue involvement and outcome variables. For example, Stanley and Lasonde (1996) explored the effect of environmental issue involvement and revealed a non-significant association between the involvement and behaviors when that behavior results in significant private benefits to the individual.

However, these findings should be interpreted cautiously. It seems impetuous to conclude that the impact of issue involvement is minimal given that this study investigated issue involvement only in the context of online privacy issues. Other relevant issues should be examined in future research adopting issues that can derive strong involvement such as environmental issues or human right issues.

In addition, the fact that this study has treated issue involvement as a situational characteristic (Petty and Cacioppo, 1979) might have contributed to these findings. The impact of individual involvement might be better captured by treating involvement as an intrinsic and enduring personal characteristic not only as an outcome-relevant situation. That is, the different types of involvement such as value-relevant involvement (Johnson and Eagly, 1989) should be further tested in crisis situations.

With regard to the interaction effects between issue involvement and crisis history type, this study found a significant interaction between involvement and organization-specific crisis history only for the crisis locus attribution, but the relationship direction was opposite

to our hypothesis. Based on motivated reasoning and selective information processing (Dawar and Pillutla, 2000; Kunda, 1990), this study originally anticipated that highly involved publics would selectively process information related to the current crisis more importantly than other peripheral information such as crisis history intensifiers because of high personal relevance. However, our findings suggested that highly involved publics tend to process all relevant crisis information equally important, and as a result, they are more affected by the frequency of crisis history than are less involved publics. This indicates that ELM (Lord *et al.*, 1979; Petty and Cacioppo, 1986) would be a more suitable theoretical framework to explain the difference between high and low issue involvement groups, especially when attributing the locus of crisis.

Implications

The findings of this study provide important theoretical and managerial implications. Theoretically, a clear distinction found in this study between the impacts of industry-wide and organizational crisis histories moves our understanding of crisis communication one step forward. The study demonstrates that the relationships between the organization and its industry play an important role in shaping public perceptions of the organization in crisis, suggesting industry relations should be considered as part of crisis communication and management.

This study also extends SCCT by suggesting that industry-wide crisis history is one of the important factors that could influence how publics perceive organizations in crisis. Different from the negative intensifying impacts of an organizational crisis history presence, identified in the previous crisis research (Claeys *et al.*, 2010; Coombs, 2004, 2011), the presence of a frequent industry-wide crisis history seems to buffer negative damages caused by a current crisis. This study contributes to our current understanding of crisis history by demonstrating the buffering impacts of an industry-wide crisis history, as opposed to the negative intensifying effects of an organization-specific crisis history. In this regard, the past industry-wide crisis history should not be treated as an intensifier apart from the past organization-specific crisis history.

From a practical perspective, when diagnosing proper organizational crisis responses, an industry-wide crisis history should be considered along with an organization-specific crisis history. Crisis managers may use the presence of a frequent industry-wide crisis history as leverage to reduce crisis responsibility of their organizations. They may also adopt less accommodative crisis response strategies when a frequent industry-wide crisis history is present while more accommodative crisis strategies should be adopted when a frequent organization-specific crisis history is present.

However, the buffering effect of industry-wide crisis history would not mean to grant an indulgence for the organization. A frequent industry-wide crisis might imply the damaged image of a whole industrial sector. That is, the lowered attribution to the organization may reflect the damaged image of the entire industry. Thus, appropriate crisis response strategies should be carefully adopted after examining the presence of both industry-wide and organization-specific crisis histories and monitoring the current perceptions of the public.

In addition, this study sheds light on the role of crisis-related issue involvement in relation to crisis history type. Building upon the interaction effects found in this study, highly involved publics tend to process all crisis-related information more thoroughly than less involved publics. Moreover, highly involved public reveal higher susceptibility in their attitudes to the presence of a frequent organization-crisis history, generally

supporting the ELM (Petty and Cacioppo, 1986). This means that the presence of an organization-specific crisis history can generate more detrimental damage among publics with high issue involvement than those with low issue involvement. Thus, crisis managers should embrace publics' issue involvement levels as an important criterion for better communication with a target public. Crisis messages should be carefully drafted depending on the target public's issue involvement levels while considering the presence of crisis history. More accommodative strategies are recommended when a history of frequent organizational crises is present, especially when targeting publics with high issue involvement. However, it is noteworthy that the finding of this study is more suggestive than conclusive given that the significant difference was only found in terms of attributing the locus of crisis.

Limitations and future research

As with any research, the limitations of the study are worth noting. First, the limitation of this research is inherent in the selection of a limited issue and a crisis type since this study employed only an online privacy issue and an accidental type of crisis in the research context. Thus, caution should be exercised in attempting to generalize beyond these two contexts. Future research should examine the impacts of issue involvement by adopting different issues or by treating individual involvement as an intrinsic personal characteristic since some crisis-related issues might be more individual value-laden such as value-relevant involvement. For instance, assuming that a consumer is strongly involved with the value of human rights, he or she is more likely to be enraged at sweatshop issues when related crisis happens.

On the same account, selecting other types of crisis such as the victim or intentional type in future research should extend the current findings. The somewhat inconclusive results of this study might be a result of the crisis type of online disclosure of personal information. In line with Romanosky's (2011, 2014) recent studies, data breaches are considered as a unique form of crisis which generates its own research line. In addition, although the public tendency of possible counterfactual thinking and seeking alternative attributions (Kahneman and Miller, 1986; Roese, 1997) is employed to explain a distinctive difference between industry-wide and organizational crisis histories identified in this study in terms of public perceptions of crisis controllability and responsibility attributions, this possible explanation should be further examined in future research. Further investigations of differences in the degree of counterfactual thinking and alternative attributions between industry-wide and organizational crisis histories and among different variables (e.g. public perceptions of crisis controllability vs crisis locus or organizational reputation) should add much deeper insight to the current knowledge of publics' crisis attribution process.

Student samples are always subject to criticism. However, considering that millennials, aged 18-34, are the key age group for online commerce, spending around \$2,000 per internet user in 2013 which is the largest spending than any other age groups (Forrester Research Inc., 2013b), undergraduate students seemed appropriate and representative for this e-commerce research used in this study. Nevertheless, employing consumer panels are encouraged in future research to better represent the consumers of the entire US population.

Despite these limitations, this study provides important insights for crisis management in terms of the mitigating impacts of an industry-wide crisis history, the intensifying impacts of an organization-specific history, and the stronger negative effects of an organization-specific history among highly involved publics.

Most importantly, this study contributes to the existing body of crisis literature to extend current SCCT (Claeys *et al.*, 2010; Coombs, 2004, 2011; Vanhamme and Grobбен, 2009) by adding crisis history type as an influencer in the process of the publics' crisis responsibility attributions.

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