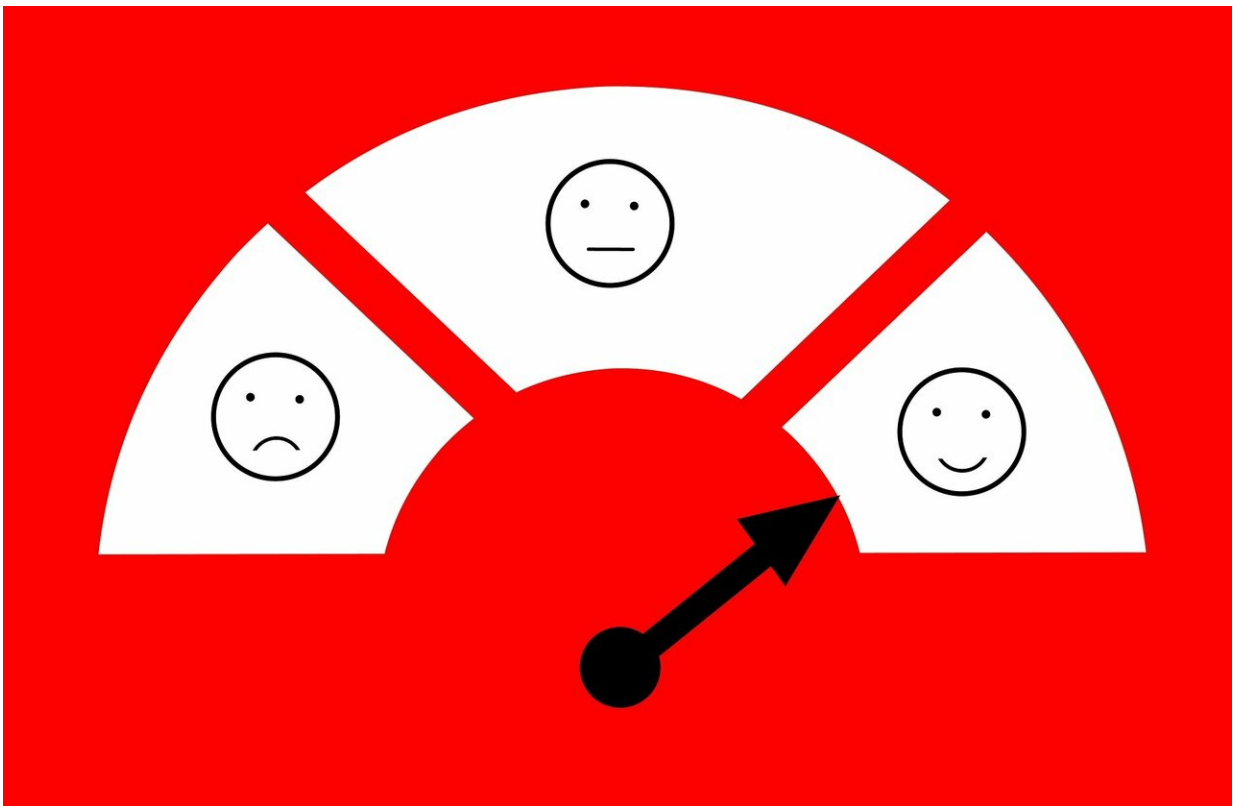


Consumers blame both manufacturer and retailer when products fail, study shows

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Product failures can be catastrophic for companies, on occasion leading to reputational damage or financial ruin. Considerable effort has been devoted to understanding and measuring who consumers blame when a product fails. Yet, research has largely focused on whether people blame

themselves or the product manufacturer, without examining others that may be involved.

New research from the University of Notre Dame shows consumers often point the finger at more than one external party for product failures, at times bringing retailers under scrutiny rather than just the manufacturers. It warns retailers to be cautious about which brands they carry.

"Do Retailers Get Blamed When Manufacturer Brands Fail? Measurement of Multiloci Attributions and Spillover Effects" is forthcoming in the *Review of Marketing Research* from Frank Germann, an associate professor of marketing at Notre Dame's Mendoza College of Business who teaches core marketing courses in the Notre Dame MBA program.

Germann, along with co-authors Ronald Hess from the College of William and Mary and Margaret Meloy from Penn State University, measure the attribution of blame between the [manufacturer](#) and retailer involved in a product failure.

In two studies, the team shows consumers not only blame multiple parties when product failures occur, but also that manufacturer brand equity and retailer store image are contextually important in the blame assignment process.

In study 1, blame was relatively evenly distributed across external parties listed by individuals—22 to 42 percent for the manufacturer and 24 to 41 percent for the retailer, depending on the scenario. In study 2, the participants assigned the majority of blame to the manufacturer (51 percent) and retailer (37 percent).

"Our research suggests consumers spontaneously assign blame to

multiple external parties—especially the manufacturer and the retailer—when the cause of a product failure is uncertain," Germann said. "Moreover, we show that the equity of the manufacturer brand and the retail store image, whether value-oriented or upscale, jointly affects how much blame is assigned to the retailer and manufacturer."

Value-oriented retailers received a particularly high degree of blame when the failure involves a high-end manufacturer [brand](#), while upscale retailers received more blame for failures with low-equity manufacturer brands.

Much product failure literature assumes that the culprit of a product failure is known. However, Germann's team argues the origin typically is unknown, as only failures that the consumer can actually personally witness can be determined with certainty.

"Indeed, the unequivocal identification of who is to blame is not typical with product failures due to the decoupled manner of manufacturing," Germann said. "This uncertainty makes all entities within the supply chain eligible for blame by consumers."

The spillover effects identified in the study suggest retailers need to be cautious about carrying brands that might appear at odds with consumers' expectations of what the store is likely to carry.

"Value-oriented retailers are in a particularly precarious position as they seem to receive more than their fair share of the blame when the specific source of the failure is uncertain," Germann said. "For example, Dollar General will likely receive a large share of the blame if frozen chicken breasts from a reputable manufacturer purchased at the store turn out to be tainted with salmonella."

The team's findings suggest measuring blame between the manufacturer

and retailer involved in a product failure—instead of only the manufacturer.

"Consumers' demands for restitution were highly correlated with blame assignment, so retailers and manufacturers do carry financial exposure," Germann said. "Blame assignment also affects consumers' future shopping and purchasing decisions."

More information: Frank Germann et al, Do Retailers Get Blamed When Manufacturer Brands Fail? Measurement of Multiloci Attributions and Spillover Effects, *Marketing Accountability for Marketing and Non-marketing Outcomes* (2021). [DOI: 10.1108/S1548-643520210000018005](https://doi.org/10.1108/S1548-643520210000018005)

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