

# Research provides insight on how companies should respond to negative publicity

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Research led by a University of Texas at Arlington marketing expert could help organizations assess how quickly they should respond to

negative publicity to help their bottom lines.

Traci Freling, associate professor in the Department of Marketing, is co-author on the paper titled "When Do Product Crises Hurt Business? A Meta-Analytic Investigation of Negative Publicity on Consumer Responses," which was published in the *Journal of Business Research*.

Her report synthesizes 30 years of empirical work examining the impact of product crises on consumer evaluations. Prior research suggests that a product crisis will negatively affect consumer responses to that product. Extending this stream of research, the team shows that the magnitude of negative information effects is dependent on characteristics of the crisis, the product and the target consumers.

"When threat severity is high, and if the product is health-related or directly involved in the crisis, negative publicity is likely to have a lasting impact," Freling said. "In those instances, businesses need to respond quickly and decisively."

Freling cited the recent baby formula shortage linked to problems at a manufacturing facility. The [company](#) knew back in October 2021 that there was the potential for a problem but failed to prepare for negative publicity connected to the recall and subsequent plant shutdown, she said.

"Now here we are several months down the road with shortages and panic," Freling said. "Given that this crisis is high in threat severity, is health-related and involves a performance-related product failure, our research suggests that Abbott Laboratories should have immediately initiated an aggressively proactive crisis response strategy."

Freling said her research team was not fully able to examine spillover effects in its study, but the baby formula incident shows that

competitors, the industry and even governmental organizations can be affected by one firm's missteps.

Freling said the key steps are to detect trouble early on; diagnose the characteristics of the crisis, product, and consumers; and then determine what action to take when companies find themselves in [crisis](#) mode.

Elten Briggs, chair and associate professor in the Department of Marketing, said Freling's paper shows that companies should not approach all product crises the same way.

"Organizations will always be composed of fallible people, so crises are bound to occur," he said. "The results of this study will help companies to predict and understand how negative consumer reactions are likely to be, so they can craft a more appropriate response when that time inevitably arises."

**More information:** Zhiyong Yang et al, When do product crises hurt business? A meta-analytic investigation of negative publicity on consumer responses, *Journal of Business Research* (2022). [DOI: 10.1016/j.jbusres.2022.05.022](#)

Provided by University of Texas at Arlington

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