



# The Role of Ownership Type in Consumer Reactions to Reputational Damage

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## **Abstract**

Title: The Role of Ownership Type in Consumer Reactions to Reputational Damage

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Family firms enjoy increased consumer trust due to their perceived integrity and long-term orientation. However, whether this trust advantage holds or makes them more vulnerable to reputational damage remains unclear. This thesis investigates how reputational harm affects consumer trust, brand attitude, and purchase intention and whether these effects differ between family-owned and non-family-owned businesses.

The thesis uses an experimental design with 160 participants across four conditions and combines a two-way ANOVA and moderated mediation analysis (PROCESS Model 7 by Hayes) to test the hypothesized relationships. Results show that reputational damage significantly reduces consumer trust and purchasing intention, regardless of ownership type. Trust was found to partially mediate this relationship, however the mediation was not significantly stronger for family-owned firms.

These findings challenge assumptions taken from Socioemotional Wealth Theory and Attribution Theory, and suggest that reputational issues may create equally strong consumer reactions no matter the firm type. Limitations and future research directions are discussed with a call for broader cross-industry studies.

Keywords: Family Firms, Reputational Damage, Consumer Trust, Purchase Intention, Socioemotional Wealth

## **Resumo**

Título: A importância do Tipo de Propriedade nas Reações dos Consumidores a Danos Reputacionais

Autor: Laurenz Sander

As empresas familiares beneficiam de uma maior confiança por parte dos consumidores devido à sua integridade e orientação de longo prazo. No entanto, ainda não é claro se esta vantagem na confiança se mantém ou se as torna mais vulneráveis a danos de reputação. Esta tese investiga a forma como os danos à reputação afectam a confiança do consumidor, a atitude em relação à marca e a intenção de compra e se estes efeitos diferem entre empresas familiares e não familiares.

A tese utiliza um projeto experimental com 160 participantes em quatro condições e combina uma ANOVA de duas vias e uma análise de mediação moderada (PROCESS Model 7 de Hayes) para testar as relações hipotéticas. Os resultados mostram que os danos à reputação reduzem significativamente a confiança do consumidor e a intenção de compra, independentemente do tipo de propriedade. Verificou-se ainda que a confiança media parcialmente esta relação, mas a mediação não foi significativamente mais forte para as empresas familiares.

Estes resultados desafiam os pressupostos da Teoria da Riqueza Socioemocional e da Teoria da Atribuição e sugerem que os problemas de reputação podem criar reações igualmente fortes nos consumidores, independentemente do tipo de empresa. São discutidas as limitações e as futuras direções de investigação, com um apelo a estudos mais alargados entre sectores.

Palavras-chave: Empresas Familiares, Danos à Reputação, Confiança do Consumidor, Intenção de Compra, Riqueza Socioemocional

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## **I Preface**

Completing this dissertation means that a significant chapter in my student life comes to an end. I feel very grateful to have had the opportunity to study at Católica Lisbon School of Business & Economics. The journey has provided me with knowledge, new experiences, friendships and a desire to keep exploring.

Firstly, I would like to sincerely thank my supervisor, Professor Liliana Dinis, for her guidance and great support throughout the journey of this dissertation. Beyond that, I am grateful for all the professors and students who were a constant inspiration during the entire Master's experience. It has been a great pleasure to work and learn with and from you. I would also like to extend my gratitude to my family and friends, who always encouraged me and were a source of strength and stability.

I am now looking forward to begin my professional career.

## **II List of Figures**

Figure 1 – Conceptual PROCESS Model 7 by Hayes

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Table 1 – Descriptive Statistics

#### **IV List of Abbreviations**

ANOVA – Analysis of Variance

B – Unstandardized Regression Coefficient

B2B – Business to Business

CEO – Chief Executive Officer

CI – Confidence Interval

F – F-value (F statistic)

GDP – Gross Domestic Product

H1 – Hypothesis 1 (2-4 respectively)

M – Mean

p – p-value

SEW – Socioemotional Wealth

St. Dev. – Standard Deviation

UK – United Kingdom

VUCA – Volatile, Uncertain, Complex, Ambiguous

$\eta^2$  – Eta squared

# 1. Introduction

“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you’ll do things differently.” – Warren Buffett.

With his statement, famed investor Warren Buffett acknowledges the continuous work demanded to build and maintain trust, emphasizing how one mistake may destroy the strenuously built reputation. It serves as a warning to companies to make decisions in a way that will keep their reputation. This raises an important question: What happens when that hard-earned trust is shaken? This question is all the more relevant in family businesses, which are often viewed as especially trustworthy (Beck & Prügl, 2018; Deephouse & Jaskiewicz, 2013; Hauswald & Hack, 2013), but may also be particularly vulnerable when their reputation is challenged.

The reputation of family firms has received attention from researchers, but there are questions about how consumers respond when the firm's image is challenged (Bargoni et al., 2023; Carrigan & Buckley, 2008; Craig et al., 2008). It is unclear whether reputational damage affects consumer trust and purchase behaviour differently depending on whether the firm is family-owned or not. To investigate this, the present study uses an experimental design to examine the effects of reputational damage on consumer trust, brand attitude, and purchase intention. The study also explores whether these effects differ based on ownership structure by comparing family-owned and non-family-owned businesses. Using the Socioemotional Wealth Theory and Attribution Theory, the study tests whether consumers respond more negatively to reputational harm when it affects a family firm, and if trust plays a mediating role in influencing purchase behaviour.

## 1.1 Relevance and Research Question

Research has shown that family firms enjoy a comparative trust advantage over non-family businesses when it comes to consumer perception (Binz et al., 2013; Carrigan & Buckley, 2008; Orth & Green, 2009). This advantage has been tested in conceptual and empirical work and was also confirmed to be true under different conditions of brand familiarity (Beck & Prügl, 2018). However, to fully understand the trust advantage of family firms, it is important to examine the drivers of consumer trust in organizations in the first place. Research suggests that there are three important antecedents of the stakeholder’s trust: their perception of the ability, the benevolence, and integrity of the trustee (Mayer et al., 1995). More recent studies reason that ability and integrity may be less relevant in the family business context (Hauswald & Hack,

2013). Ability is domain-specific, which makes it difficult to assert that family businesses are inherently more competent across industries. Integrity, though important, is closely linked to benevolence and is therefore not sufficiently distinct as a separate factor. Benevolence, however, can be applied across domains (Hauswald & Hack, 2013) and is therefore the primary driver of trust in organizations. Benevolence can be defined as “the extent to which a trustee is believed to want to do good to the trustor, aside from an egocentric profit motive.” (Mayer et al., 1995. Page 718). A consequence of perceived benevolence and therefore trust is that it makes stakeholders more willing to commit resources to them (Kramer, 1999), thus influencing consumer behaviour. Another example of trust’s influence on consumer behaviour is that a higher reputation also translates into consumer preferences due to the relational qualities evoked by family firms (Binz et al., 2013). In line with previous research, it was also found that when a family firm image is actively promoted on social media, it increases brand authenticity and customer-to-company identification (Zanon et al., 2019).

Lude and Prügl find that a higher brand trust results in stronger purchase intention (2018). Studying purchase intention is important, as it is one of the most reliable predictors of actual consumer behaviour and is therefore a popular construct of study in advertising and marketing research (Spears & Singh, 2004). In the specific context of real family firm brands, it has been demonstrated that a strong family firm reputation drives brand trust, which in turn increases purchase intention, emphasizing the opportunities a strong reputation creates (Beck & Prügl, 2018). In line with these findings a study found that consumer trust in frontline employees and management policies of family-owned grocery retailers positively influences satisfaction and behavioural loyalty (Orth & Green, 2009). Additionally, a study proposes that consumer trustworthiness, when shaped by competence, benevolence, and problem-solving orientation, translates into higher perceived value and loyalty intentions, with repeat purchasing behaviour as an outcome (Sirdeshmukh et al., 2002). Taken together, these studies provide a theoretical and empirical justification for investigating purchase intention as a meaningful dimension when studying the effects of trust and firm identity.

While the effect of family firms on reputation and other factors has been studied in some breadth, a remaining gap is the investigation of the interplay between consumers and family businesses, which could be influenced by contextual factors (Carrigan & Buckley, 2008). Another research suggests that similarly, it is unclear which attributions of a family business are most influential in the buying decision of customers (Craig et al., 2008). Although both papers stem from 2008 it is important to note their present significance. In a systematic review

of family business and consumer behaviour from 2023 this gap continues to exist, making it a subject worth studying (Bargoni et al., 2023).

Hence, this thesis aims at examining that gap. By analysing whether reputational damage affects trust, brand attitude and purchase intention in family businesses, this thesis tests the strength and resilience of family-related attributions in the face of a negative event. Furthermore, this research directly investigates the interplay between consumers and family firms by examining how consumer responses differ based on the business's ownership type. The reputational damage acts as a contextual factor that could potentially trigger a change in the relationship between consumers and family businesses and explores if this specific context influences the dynamic of the relationship. Thus, the following research question is being posed: Does reputational damage differentially impact consumer trust and purchase intention between family-owned and non-family-owned businesses?

## **1.2 Structure of the Dissertation**

This thesis has a clear structure typical to such dissertations. Chapter 1 discussed the importance of the chosen topic and why it is relevant and also posed the research question which guides the focus of the study. Chapter 2 dives into the existing literature and research and connects the chosen topic to its broader scientific background. It also includes four hypotheses that build on two major theories called Socio-Emotional Wealth Theory and Attribution Theory. The methodology section then describes in detail how this experimental study was designed and carried out. Subsequently, chapter 4 encompasses detailed results of said experiment, while the fifth chapter discusses the results in light of the theoretical backgrounds described in earlier sections. Finally, the theoretical and managerial implications as well as the limitations and possible future research directions are addressed.

## **2. Literature Review**

### **2.1 Family Firm Definition and Context**

Defining family businesses precisely is difficult, as there are many different criteria used to do so. They include percentage of ownership, voting control, power over strategic direction, involvement of multiple generations, active management by family members and more (Shanker & Astrachan, 1996). The authors divide the criteria into three groups and thus have a broad, middle and narrow definition of a family business depending on the degree of involvement: The broad definition of a family business involves having effective control over

the strategic direction and intending that the company remains in the family. The middle definition of a family business is when the founder or his descendants run the company and if there is legal control of the voting stock. Finally, the narrow definition is that there have been multiple generations involved in running and owning the company and that more than one member of the owner's family has significant management responsibilities, indicating a lot of family involvement. Thus, the authors emphasize the importance of understanding the definition that is being used before relying on data on family business, as the data heavily depends on which definition is applied.

A reason to study family businesses is their economic impact and to understand differences to their non-family counterparts. Family firms have long been recognized as contributors to the economy, with earlier research estimating that more than 49% of the United States' gross domestic product (GDP) is generated by family businesses using the broad definition (Shanker & Astrachan, 1996). More recently, it was found that over 50%-75% of the GDP and employed workforce of any country is represented by family businesses (Poza & Daugherty, 2017). Reinforcing the economic importance of family firms, it was established that firms globally are typically owned by either institutions or families (La Porta et al., 1999). In past decades, the academic focus on family firms has intensified, leading to the establishment of three dedicated journals such as *Family Business Review (FBR)*, *Journal of Family Business Strategy (JFBS)*, and *Journal of Family Business Management (JFBM)* (Rovelli et al., 2022).

The existing literature on family businesses has revealed a number of differences to non-family firms. Often, these differences can be explained through a concept called socio-emotional wealth (SEW). SEW is defined as "the utilities family-owners derive from the noneconomic aspects of the business" (Kalm & Gomez-Mejia, 2016, Page 410). Family firms assess strategic decisions through the lens of SEW as the primary reference point, meaning that, all else being equal, they prioritize the preservation or growth of SEW when making choices and setting policies (Berrone et al., 2012).

Family firms are often described as risk-averse due to the family's wealth being tied to the firm and this wealth not being diversified enough to take on greater risks (La Porta et al., 1999; Morck & Yeung, 2003). However, this does not mean that they are universally more risk-averse than non-family businesses (Gómez-Mejía et al., 2007). Their risk-taking approach is contingent on the context, as research suggests that family firms may indeed prioritize stability, but they are willing to take on substantial financial risks when their SEW is at stake, as shown

in a study on Spanish olive oil mills (Gómez-Mejía et al., 2007). Furthermore, family firms tend to be less diversified, as a diversification often goes hand in hand with taking on debt or equity stakes. Both dilute ownership of the founding family, which in turn reduces the family's SEW (Kalm & Gomez-Mejia, 2016). Another strategic decision-making factor differentiating family firms is that they avoid taxes less aggressively than non-family firms (Gómez-Mejía et al., 2011; Chen et al., 2010). The findings on SEW and its influence on decisions strategic for the family company mean that owners value their reputation and image more than the short-term benefits of different choices (Gómez-Mejia et al., 2011). SEW also affects organizational governance, which is reflected in that family firms might hire family members to maintain SEW, regardless of their skills. Additionally, family CEOs are less likely to be fired than non-family CEOs, but also receive less compensation (Gómez-Mejia et al., 2011).

## **2.2 Examples of Family Firms in Crises**

While it has been established that family businesses benefit from increased consumer trust, their brand identity can also be vulnerable. Since owners of family businesses see their firm as an extension of themselves and identify with it, they avoid harmful behaviour that could damage their firm's reputation (Dyer & Whetten, 2006; Zellweger et al., 2013).

To illustrate how reputational crises uniquely impact family firms, one can examine real-world cases that demonstrate the damaging effects of a scandal on family firm reputation. In 2013, Barilla Group's chairman Guido Barilla said in an interview that he would not include homosexual couples in advertisements. This statement started international criticism, boycott calls, and even drew satire from American "The Daily Show". As a family-owned business with the brand being identical to the family name, this scandal directly damaged Barilla's corporate and personal reputation. Barilla responded with multiple apologies and a diversity initiative to rebuild trust in their brand name (Learning from Barilla, 2013).

A further example is the Volkswagen emissions scandal from 2015, which revealed that the company had installed software to cheat on the emissions tests of millions of diesel cars. Although publicly traded, Volkswagen is controlled by the Porsche and Piëch families through Porsche SE, making it a family-influenced firm. As this unfolded, it became clear that the issue came from a long-standing internal mindset that included the toleration of rule-breaking to go after performance goals (McGee, 2015, 2016). Regulators and the public criticized the company's governance structure and culture, and the crisis led to over €16 billion in provisions, criminal investigations, executives resigning, and long-term reputational damage. The strong

involvement of the controlling families intensified the public scrutiny and increased concerns about internal oversight, showing how reputational damage can extend beyond the firm to its owning family (McGee, 2015, 2016).

### **2.3 Theoretical Perspectives**

A theory explaining why family firms tend to place a higher strategic and emotional value on their reputation compared to non-family firms, is the SEW Theory (Gómez-Mejía et al., 2007). As defined earlier (page 4), SEW refers to the non-financial utilities family owners gain from their business, which includes identity reinforcement, emotional connection and also transgenerational continuation (Berrone et al., 2012). Because reputation is directly tied to the family's name and legacy, any reputational damage is perceived as a threat to the SEW (Zellweger et al., 2013). As a result, family firms tend to react more strongly to this threat, and are more willing to take extreme measures that may even go beyond economic reason (Berrone et al., 2012).

While these efforts are intended to protect SEW, research suggests that when family firms engage in excessive reputation-building efforts, stakeholders may perceive them as hubristic rather than authentic, ultimately damaging consumer trust (Bernhard, 2024).

While SEW explains why family firms react more intensely to reputational threats, Attribution Theory may help explain how consumers react to these crises, as it is “the study of perceived causation [...], attribution referring to the perception or inference of cause.” (Kelley & Michela, 1980, Page 458). The basic idea is that people tend to analyse a certain behaviour by identifying its underlying causes, and these interpretations then influence their responses to that behaviour (Kelley & Michela, 1980). The theory would therefore suggest that when reputational brand damage occurs, consumers assess the cause, responsibility, and intent behind the issue before deciding whether to forgive or punish the company (Kelley & Michela, 1980). Research shows that consumers hold family firms to higher standards than non-family businesses, as they are often seen as surpassing them in terms of reputation, customer orientation as well as social and environmental responsibilities (Astrachan et al., 2018). From an exploratory study of UK and Irish consumer experiences of family businesses it can be concluded that when a family business experiences a reputational damage, consumers experience a greater sense of betrayal because the company is expected to uphold higher standards (Carrigan & Buckley, 2008). The authors conclude that especially having the family name out in the public increases the stakes for the business. However, a generalization of this phenomenon should be taken cautiously, as

respondents in Carrigan's and Buckley's study mainly referred to family businesses as small and local organizations.

The combination of the insights on SEW-driven response to reputational damage and Attribution Theory's assessment of blame could help to explain why family firms may experience greater reputational damage in crises (Astrachan et al., 2018; Berrone et al., 2012; Carrigan & Buckley, 2008). Because consumers attribute higher standards to family firms, missteps could violate consumer expectations more severely. This in turn could lead to a sharper decline in trust, suggesting that family firms could be more vulnerable when reputational crises occur than non-family firms (Astrachan et al., 2018; Carrigan & Buckley, 2008). As a result, understanding how SEW and consumer attribution interact may help for predicting how reputational damage affects family firms compared to non-family businesses.

## **2.4 Debates & Contradictions**

While there are some topics generally agreed upon in family firm research such as the higher level of trust attributed to family firms, there is debate amongst researchers whether being a family firm translates into superior firm performance (Soler et al., 2017). Some scholars argue that family influence negatively impacts performance. For instance, they attribute it to governance structures that allow controlling families to retain disproportionate power through voting rights while holding limited financial risk. This can lead to agency problems and suboptimal investment decisions (Cronqvist & Nilsson, 2003). In contrast, other studies find that family ownership can positively influence firm performance. One example is a study of S&P 500 firms, which shows that companies with founding family involvement tend to perform better (6.65% outperformance in return on assets), likely due to stronger stewardship and alignment between ownership and control (Anderson & Reeb, 2003). This holds especially true when a family member has a management position (Anderson & Reeb, 2003). Similar to these findings, evidence from the French stock market shows that family firms outperform non-family firms, a result which the scholars attribute to long-term employment strategies, lower labour cost volatility, and more stable operational behaviour. This result also holds for family firms run by the descendant of the founder (Sraer & Thesmar, 2007).

The inconsistencies in the findings are often credited to differences in context, such as the generation in control of the business (Arosa et al., 2010) or the specific performance metrics being used (Sacristán-Navarro et al., 2011).

## 2.5 Contextual and Cultural Factors

Speaking of contextual factors, another way how family firms are evaluated by consumers is the cultural context. The already mentioned study from Carrigan & Buckley in the UK and Ireland compared consumer perceptions in both countries and found that family ownership signalled trust and familiarity to many. However, others showed concern about unprofessionalism or outdatedness. This suggests that consumer interpretations of family firm indicators are not always uniformly positive (Carrigan & Buckley, 2008).

This is supported by findings from a cross-cultural analysis showing that family firms in individualistic cultures (mainly western countries) are significantly more likely to emphasize their family identity in corporate communications, while those in collectivist societies (mainly eastern countries) are less likely to do so (L. Chen et al., 2019). This phenomenon occurs due to the cultural norms in collectivist societies that tend to value modesty and group harmony. In individualistic societies, personal achievements and success as well as unique personal attributes are celebrated. Members of those societies are expected to look after themselves (Hofstede, 2009).

Other research shows that values like honesty, quality, and hard work are consistently associated with the longevity of family firms across countries such as Spain, Italy, France, and Finland (Tàpies & Fernández, 2012). These values are maintained not only through written documents but through lived practice, governance structures, and socialization within the family. Also, longevity itself becomes an asset that strengthens a firm's credibility, reputation, and competitive advantage (Tàpies & Fernández, 2012). Recent configurational research has argued that national cultural context is one of the drivers of heterogeneity in family firm behaviour (Vazquez et al., 2024). Shown by the example of the region of Latin America, family firms which are located in regions in which VUCA conditions prevail (volatility, uncertainty, complexity and ambiguity) develop completely different characteristics than companies in regions with different cultural conditions. Members of such family firms tend to be adaptive in their role and built cultural networks to manage themselves in their environment (Vazquez et al., 2024).

These studies reinforce that family firm attributes can be interpreted differently across cultures. This showcases how important it is to consider national and cultural contexts when assessing consumer responses to family-owned businesses.

## **2.6 Hypotheses**

Given the heightened trust that consumers place in family firms, it follows that any reputational damage could lead to a greater loss of trust compared to non-family businesses. This leads to the first hypothesis:

H1: Reputational damage will lead to a greater decline in consumer trust for family-owned businesses compared to non-family-owned businesses.

Since attitude towards a brand is a driver of consumer purchasing decisions (Lude & Prügl, 2018; Spears & Singh, 2004), a decline in trust due to reputational damage is likely to negatively impact consumer's intention to buy from the firm. Given that family firms rely on their reputation to create a positive consumer attitude towards them, the negative effect on purchase intention may be stronger when their trustworthiness is compromised. This leads to the second and third hypothesis:

H2: Reputational damage will have a stronger negative effect on purchase intention for family-owned businesses compared to non-family-owned businesses.

H3: Consumer trust will mediate the relationship between reputational damage and purchase intention across both family and non-family-owned businesses.

Since family firms place great importance on keeping trust and reputation due to concerns regarding their SEW (Gómez-Mejía et al., 2007; Zellweger et al., 2013), a trust damage could subsequently be followed by a decline in purchase intention that is more severe in family firms, thus the fourth hypothesis:

H4: The indirect effect of reputational damage on purchase intention via trust will be stronger for family-owned businesses than for non-family-owned businesses.

## **3. Methodology**

### **3.1 Research Design**

To obtain insights into the posed research question and the accompanying hypotheses, this study employs an experimental design to see how reputational damage affects consumer trust, brand attitude and finally purchase intention differently for family-owned versus non-family-owned businesses. Participants are randomly assigned to one of four experimental conditions: (#1) Family Business without reputational damage, (#2) Family Business with reputational damage,

(#3) Non-Family Business without reputational damage, and (#4) Non-Family Business with reputational damage. This 2 x 2 between-subjects design allows for an investigation of how ownership structure moderates the impact of reputational harm on purchase intention mediated by trust.

### **3.2 Participants**

The study aimed to recruit 40 participants for each experimental condition, which sums up to a minimum total of 160 participants. Participants were sourced through the online platform Prolific, which is capable of randomly sampling all participants to one of the four conditions. Inclusion criteria required the Participants to be at least 18 years old and to have English as their native language to make sure that they fully comprehend the stimuli and respond to the measures appropriately.

The final dataset consisted of 160 participants after applying the exclusion criteria outlined in section 3.6. Demographic analysis revealed that 51.3% of participants identified as female, 46.9% as male, and 1.9% as either non-binary or preferred not to say. Most participants were in the age bracket of 36-50 (39%), while there were 33% 26-35 year olds. Educational background varied, with 71.9% of participants having completed at least some university-level education. In terms of employment, 81.3% were employed either full- or part-time, while only 2.5% were full-time students. 17.5% of participants reported having worked in a family firm, offering some first-hand familiarity with the topic.

These characteristics support the generalizability of the findings to English-speaking populations and provide a reliable base for evaluating the study's hypotheses.

### **3.3 Experimental Manipulation and Procedure**

To simulate reputational damage, participants in the respective conditions read a social media post and a newspaper article describing a hygiene scandal which involved unsanitary conditions affecting a bakery (see Appendix). The ownership type of the bakery was manipulated within the scenarios. In the family-owned condition, hints such as the name "Smith Family Bakery" and references to an individual owner ("Owner Steven Smith") were used. In the non-family condition, the business was named "Bakery Group Co." and in the reputational damage scenario, the accompanying article clearly stated that the business was owned by external investors. The unsanitary condition was used as it is a common and relatable issue in regard to reputation for food businesses.

The participants were randomly assigned to one of the four conditions and completed the experiment online. The structure was as follows:

1. Participants provided demographic information (e.g. age, gender, highest academic degree).
2. Participants were then exposed to the assigned (damage) scenario: No crisis vs. unsanitary conditions scandal and family firm vs. non-family firm condition.
3. Participants completed the manipulation check questions by assessing ownership type and crisis questions.
4. Then, participants answered the scales on consumer trust, brand attitude and purchase intention.
5. Finally, participants were redirected to the Prolific website to finish the experiment.

The questionnaire took participants an average of four minutes. The data was then analysed using the statistical analysis tool SPSS by IBM.

### **3.4 Measures**

Trust was measured using the consumer trust scale in relational exchanges (Sirdeshmukh et al., 2002), consisting of 4 items (Undependable/Dependable, Incompetent/Competent, Low integrity/High Integrity, Unresponsive to customers/Responsive to customers) rated on a 10-point scale. Brand attitude and purchase intention were assessed using Spears & Singh's (2004) established measurement scales. Both constructs consist of 5 items, rated on a 7-point Likert scale.

### **3.5 Pilot Testing and Scale Reliability**

To test whether the changes and the scales worked as they were supposed to, a pilot study was done. 10 participants were chosen for each group, which means 40 people in total took part in the pilot. This first test helped to analyse whether the scales worked in terms of consistency and the effectiveness of the experimental manipulation. Following feedback, Cronbach's alpha values were calculated for the full set of data across all conditions. The results showed that all three measurement scales have a high internal consistency:

Trust scale  $\alpha$ : 0.981

Brand Attitude Scale  $\alpha$ : 0.957

Purchase intention scale  $\alpha$ : 0.986

The results show that the scales were understood reliably, which confirmed that their appropriateness for statistical analysis and use in the actual experiments. The pilot study was also done to analyse whether the manipulations were clear to participants. They successfully recognised family ownership in the family firm conditions. However, in non-family firm conditions, and especially in the no-damage scenario where no article was shown (Questionnaire 3), the ownership type was unclear. Based on the results, some of the wording in the experiments was changed to make the ownership structure and reputational damage more clear to participants.

### **3.6 Data Cleaning and Exclusion Criteria**

As stated, participants were asked to indicate whether the business was family-owned, non-family-owned, or whether the ownership type was not mentioned. In the family firm conditions, hints were unambiguous (e.g., the name “Smith Family Bakery” and references to a named owner), and almost all participants correctly identified the business as family-owned.

In the non-family firm conditions, however, the manipulation relied on hints that were more subtle. In the non-family/no-crisis condition (Questionnaire 3), only a branded social media post was shown, which did not explicitly mention ownership. In the non-family/crisis condition (Questionnaire 4), participants saw both the post and a newspaper article that clearly stated the company was owned by external investors. Despite this, a portion of participants in both conditions either selected "it was not mentioned" or incorrectly assumed the business was family-owned.

Given the nature of the manipulation, responses of "it was not mentioned" in the non-family firm conditions were interpreted as non-conflicting with the experimental setup. These responses were kept, as the absence of family hints could reasonably lead to such a response. Only participants who actually misidentified the business as family-owned in the non-family firm conditions were excluded from the analysis, as this directly contradicted the manipulation. In total, 23 participants were excluded across both non-family firm conditions on this basis. Additionally, due to a technical issue on the data collection platform Prolific, 13 submissions that were flagged for a rejection could not be excluded. These were approved for administrative reasons but excluded from the final dataset.

This approach simultaneously ensures data quality and recognizes that real-world experiments can be ambiguous. Additionally, it ensures that participant exclusion is based on clear misinterpretation.

### 3.7 Data Analysis

The collected data were analysed using IBM’s SPSS Statistics. The analysis strategy followed a two-stage process: First, a 2 x 2 between-subjects ANOVA was carried out to test the main and interaction effects of ownership type and crisis condition on the dependent variables. Secondly, to explore the underlying mechanism, a moderated mediation analysis was conducted using PROCESS macro (Model 7, Hayes, 2015). This model was used to examine whether trust mediates the relationship between reputational damage and purchase intention, and whether this mediation is moderated by ownership structure.

## 4. Results

### 4.1 Analytical Approach

This chapter presents the findings from the statistical analyses conducted to evaluate the hypotheses developed in Chapter 2. The findings are organized around three main types of analysis:

Firstly it includes descriptive statistics (means and standard deviations) to give an overview of the results across the four experimental conditions. Then, two-way ANOVA results assess the main and interaction effects of ownership type and reputational damage on the three dependent variables consumer trust, brand attitude and purchase intention. Lastly, a moderated mediation analysis using PROCESS Model 7 (Hayes, 2015) was conducted. This model evaluated whether trust mediates the effect of reputational damage on purchase intention, and whether this indirect effect is dependent on the ownership type of the firm.

### 4.2 Descriptive Statistics

Condition	Trust Mean (St. Dev.) 1-10	Brand Attitude Mean (St. Dev.) 1-7	Purchase Intention Mean (St. Dev.) 1-7
#1: Family Firm, No Damage, N=40	7.53 (2.23)	6.25 (1.12)	5.48 (1.25)
#2: Family Firm, Rep. Damage, N=40	4.11 (2.15)	3.51 (1.47)	3.07 (1.72)
#3: Non-family Firm, No Damage, N=40	7.46 (1.68)	5.88 (0.83)	5.22 (1.17)
#4: Non-family Firm, Rep. Damage, N=40	3.08 (1.51)	2.68 (1.10)	2.28 (1.26)

Table 1 – Descriptive Statistics

Across all three outcome variables, participants in the no-damage conditions reported substantially higher ratings compared to those in the reputational damage conditions. For instance, trust scores were highest in the family firm without damage condition (Questionnaire #1: Mean = 7.53), followed closely by the non-family firm without damage (Questionnaire #3: Mean = 7.46). In contrast, trust dropped sharply in both damage scenarios, particularly for non-family firms (Questionnaire #4: Mean = 3.08).

Similarly, brand attitude was highest in the family/no-damage condition (Questionnaire #1: Mean = 6.25), followed by the non-family/no-damage group (Questionnaire #3: Mean = 5.88). The lowest brand attitude scores were observed in the non-family firm with reputational damage (Questionnaire #4: Mean = 2.68).

The same trend held for purchase intention, where no-damage groups (Questionnaire #1: Mean = 5.48; Questionnaire #3: Mean = 5.22) reported considerably higher intentions to buy compared to the damage groups (Questionnaire #2: Mean = 3.07; Questionnaire #4: Mean = 2.28).

The observed patterns support the hypothesis that reputational damage reduces consumer evaluations across all three dimensions. However, contrary to Hypothesis #1, there is some descriptive evidence suggesting that family ownership may offer a slight reputational buffer, though the effect varies by outcome variable. To gain a deeper understanding, further analysis is needed.

### **4.3 Two-Way ANOVA Results**

A series of two-way ANOVAs were conducted to examine the effects of ownership type (family vs. non-family) and reputational damage (crisis vs. no crisis) on the dependent variables: trust, brand attitude, and purchase intention.

For trust, the analysis revealed a significant main effect of reputational damage,  $F = 165.41$ ,  $p < .001$ , with a large effect size (partial  $\eta^2 = .515$ ), indicating that crisis exposure significantly reduced consumer trust across groups. The main effect of ownership structure was not statistically significant,  $F = 3.33$ ,  $p = .070$ , though it trended toward significance (partial  $\eta^2 = .021$ ). The interaction between ownership and reputational damage was also non-significant,  $F = 2.56$ ,  $p = .112$  (partial  $\eta^2 = .016$ ). These results suggest that reputational damage strongly affects trust, regardless of ownership type.

For brand attitude, both main effects were significant. There was a strong effect of reputational damage,  $F = 265.92, p < .001$ , with a large effect size (partial  $\eta^2 = .630$ ), and a significant main effect of ownership type,  $F = 10.78, p = .001$  (partial  $\eta^2 = .065$ ). The interaction effect was insignificant,  $F = 1.63, p = .203$  (partial  $\eta^2 = .010$ ). This indicates that both family ownership and reputational damage independently influence consumers' brand evaluations.

Similarly, for purchase intention, there were significant main effects for both ownership type and reputational damage. The main effect of damage was highly significant,  $F = 152.37, p < .001$ , with a large effect size (partial  $\eta^2 = .494$ ). The main effect of ownership type was also significant,  $F = 5.89, p = .016$  (partial  $\eta^2 = .036$ ). No significant interaction effect was observed,  $F = 1.50, p = .222$  (partial  $\eta^2 = .010$ ). These findings confirm that reputational damage substantially lowers consumers' purchase intention, with family ownership providing a modest independent boost.

#### 4.4 Moderated Mediation Analysis

To receive a more nuanced understanding of the influence of reputational damage on purchase intentions, a moderated mediation analysis was conducted using the PROCESS macro for SPSS, Model 7 (Hayes, 2015). This model tests for scenarios where a mediation path (e.g., from reputational damage to purchase intention through trust) is expected to be contingent on a moderator. In the case of this experiment, the moderator is the ownership structure of the firm (family vs. non-family). Given that, as outlined in chapter 2.3, family firms are theorized to evoke stronger trust perceptions due to their socioemotional wealth concerns, this model allows for an assessment of whether the strength of the indirect (mediated) effect differs between ownership types.

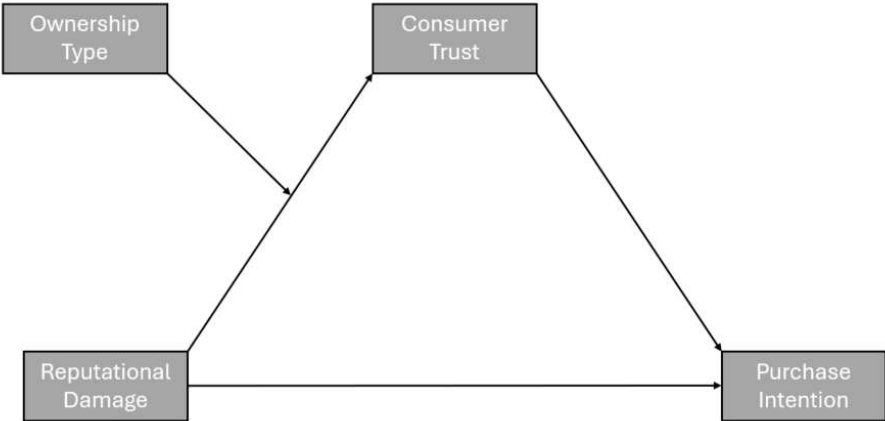


Figure 1: Conceptual PROCESS Model 7 by Hayes (2015)

The moderated mediation analysis was conducted using PROCESS Model 7 with 5,000 bootstrap samples and a 95% confidence interval.

Results indicated that reputational damage had a significant negative effect on trust ( $B = -4.38$ ,  $p < .001$ ), and trust significantly predicted purchase intention ( $B = 0.41$ ,  $p < .001$ ). The direct effect of reputational damage on purchase intention also remained significant ( $B = -1.07$ ,  $p < .001$ ), indicating partial mediation.

The indirect effect of reputational damage on purchase intention through trust was significant for both family and non-family firms. For non-family firms, the indirect effect was  $B = -1.80$  (Bootstrapped CI [-2.43, -1.20]), and for family firms, it was slightly smaller at  $B = -1.40$  (Bootstrapped CI [-1.95, -0.91]). However, the index of moderated mediation was not statistically significant ( $B = 0.40$ , Bootstrapped CI [-0.08, 0.96]), suggesting that the strength of the indirect effect did not differ significantly across ownership types.

Therefore one can summarize that while trust partially mediates the effect of reputational damage on purchase intention, there is no evidence that this indirect path is significantly moderated by whether the firm is family-owned or not.

#### **4.5 Hypotheses Testing Summary**

The first hypothesis (H1) proposed that reputational damage would lead to a greater decline in consumer trust for family-owned businesses compared to non-family-owned businesses. The reputational damage significantly lowered trust overall, but the interaction effect between ownership type and damage was not statistically significant. This means that the decline in trust occurred regardless of whether the business was family-owned or not, and thus, H1 is not supported.

The second hypothesis (H2) proposed that reputational damage would have a stronger negative effect on purchase intention for family-owned businesses than for non-family businesses. Again, damage had a strong main effect on lowering purchase intention, but no significant interaction between family ownership and damage was found. This suggests that the negative impact of reputational harm was consistent across ownership types, so H2 is also not supported.

To explore the underlying mechanisms, the third hypothesis (H3) tested whether consumer trust mediates the relationship between reputational damage and purchase intention. The moderated mediation analysis confirmed a significant mediation pathway: reputational damage reduced

trust, which in turn led to a lower purchase intention. This supports H3 and highlights trust as a mechanism driving consumer response to reputational crises.

The fourth hypothesis (H4) expected the mediating role of trust to be stronger for family-owned businesses, based on the assumption that these businesses are more reliant on trust due to socio-emotional wealth considerations. However, the analysis revealed that the moderated mediation effect was not significant as the index of moderated mediation had a confidence interval crossing zero. This indicates that there is no reliable difference in the strength of mediation between family and non-family firms. H4 is therefore not supported.

## **5. Discussion**

This chapter discusses the results in light of the theories outlined in the literature review, namely SEW and Attribution theory. Furthermore, this chapter dives into theoretical and practical implications of the results found.

This study set out to answer the research question: Does reputational damage differentially impact consumer trust and purchase intention between family-owned and non-family-owned businesses? By linking theoretical frameworks such as Socioemotional Wealth and Attribution Theory, the research sought to find out whether family firm status could buffer or intensify the effects of reputational harm in the eyes of consumers. To investigate this, a 2 x 2 experimental design tested the effects of ownership type and reputational damage on three key consumer outcomes: consumer trust, brand attitude, and purchase intention. The results confirmed that reputational damage significantly and negatively affects all three outcome variables. However, the hypothesized interaction between ownership type and reputational harm was not statistically significant. This suggests that consumers responded similarly to reputational crises, regardless of whether the firm was family-owned. The findings contribute to literature on the interaction between consumers and family firms: even though family firms benefit from a higher baseline of trust and purchase intentions, this advantage may not offer any added protection during public scandals. The results partially support existing assumptions in the literature but also challenges whether there is an automatic reputational buffer for family-owned businesses.

Reputational damage was found to significantly reduce consumer trust across all conditions. Hypothesis 1, however, which expected that this decline would be stronger for family-owned businesses, was not supported. Even though this dissertation's analysis of Attribution Theory suggests that family firms may be held to higher standards (Astrachan et al., 2018; Carrigan &

Buckley, 2008), the assumption did not translate into a significantly higher drop in trust compared to non-family firms. This could possibly be explained by the initial trust advantage that family firms incur (Binz et al., 2013; Carrigan & Buckley, 2008; Orth & Green, 2009). It may have worked as a reputational buffer and softened the perceived seriousness of the scandal. From a socioemotional wealth perspective, family firms try to keep a stable and moral image (Zellweger et al., 2013), which could mitigate a stronger consumer reaction. Alternatively, findings for the first hypothesis may indicate that once trust is violated consumer perceptions may decline universally, regardless of ownership type and that this counts especially in high-sensitivity situations like food hygiene.

Hypothesis 2 theorized that reputational damage would have a stronger negative impact on purchase intention in family firms. Reputational damage had a strong overall effect on reducing purchase intention, but the data did not show a significant interaction with ownership type. This indicates that consumer's willingness to buy declines after a scandal no matter whether the business is family-owned or not. SEW theory suggests that family-owned businesses, whose reputation is tied to their family image, would suffer more from reputational harm (Gómez-Mejía et al., 2007). The results indicate that consumers may instead focus on practical concerns like safety, reliability, or product quality when deciding whether to make a purchase. This may hold especially true in industries such as food retail. Therefore, emotional associations with family ownership may not be enough to work against negative behaviour following a reputational crisis.

The findings supported Hypothesis 3, which stated that consumer trust mediates the relationship between reputational damage and purchase intention. The mediation analysis showed that reputational harm significantly decreases trust, which then reduces consumers' willingness to buy from the brand. This supports prior literature highlighting trust as a link between reputation of a company and behavioural outcomes (Lude & Prügl, 2018; Spears & Singh, 2004). Irrelevant whether the firm was family- or non-family-owned, trust worked in a way that translated reputational damage into changes in the behaviour of consumers.

Finally, Hypothesis 4 predicted that the indirect effect of reputational damage on purchase intention through trust would be stronger for family-owned businesses. The moderated mediation model by Hayes did not support this claim. Even though the indirect effect through trust was significant in both ownership conditions, the index of moderated mediation was not statistically significant. This indicates that there is no meaningful difference in the strength of

this path between family and non-family firms. The results suggest that even though trust is a driver of behavioural outcomes, it does not play a stronger role just because the business is family-owned. One possible interpretation is that an exposure to crisis overrides hints given about the ownership type. Another possibility is that the hints used to indicate family ownership were not strong enough to change consumer expectations substantially in the way SEW theory would anticipate (Zellweger et al., 2013).

## **5.2 Theoretical Implications**

The findings of this study offer insights for theory development in the family business and literature. Two major theoretical frameworks were used in supporting the hypotheses: Socioemotional Wealth theory and Attribution Theory. SEW suggests that family firms place a greater emotional and reputational value on their business, which could, in theory, make them more cautious as well as more vulnerable to reputational damage (Berrone et al., 2012; Gómez-Mejía et al., 2007; Zellweger et al., 2013).

Attribution Theory, on the other hand, emphasizes how consumers perceive causality and responsibility, also in a crisis (Kelley & Michela, 1980). Taken together, the theories have been used to argue that family firms may be judged more harshly, given that consumers hold them to higher standards.

But the results of this study challenge some of these assumptions. First, the expected interaction effects between ownership type and reputational damage (that consumers would react more negatively to scandals that involved family firms) were not statistically significant. This suggests that consumers did not penalize family firms more harshly in the face of reputational damage than their non-family counterparts. In theoretical terms, this puts into question how strongly the “higher standards” assumed by Attribution Theory are actually applied by consumers when they evaluate trust and purchase intention. It could also imply another effect: That once the trust is violated, reactions are similar regardless of the type of business.

On the other hand, the results provided good support for the third hypothesis, which proposed that consumer trust mediates the relationship between reputational damage and purchase intention. This aligns with theories that give trust an important role in shaping consumer behavior (e.g., Mayer et al., 1995; Sirdeshmukh et al., 2002). In this context, trust acted as an explanatory mechanism: Damage to a brand’s reputation or reliability led to lower trust, which in turn reduced the intention to purchase. This finding emphasizes how important it is to keep consumer trust as a priority for all firms, not just family-owned ones.

The moderated mediation analysis as Hypothesis 4 added another viewpoint to the thesis. While the indirect effect of reputational damage on purchase intention via trust was significant for both family and non-family firms, the difference between them was insignificant. This suggests that even though SEW theory emphasizes the importance of reputation to family firms (Gómez-Mejía et al., 2007; Zellweger et al., 2013), this difference may not translate as clearly into consumer behaviour as was thought of. A possible explanation is that the strength of the firm identity hint in this study was not strong enough to actually differentiate the consumer's reaction. It could also be that a hygiene scandal or product-related issues simply overtone any ownership considerations. Either way, the findings suggest that the theoretical meaning placed on SEW might be less relevant when it is applied to actual consumer-facing scenarios.

Overall, the study aims to contribute to a conversation in the literature about the nature of consumer-to-family-firm interactions. It addresses a research gap by looking at whether reputational crises interacts with firm identity to change consumer perceptions through the lens of an experiment. The findings suggest that though the family ownership does have a small, positive main effect on brand attitudes and purchase intention, the protection in crises situations such as a damage reputation may be more limited than thought. This invites future research to consider other moderators such as the type of crisis or the industry to refine the research's understanding of when family firm identity matters to consumers.

### **5.3 Managerial Implications**

The findings of this study also offer relevant information for practitioners in businesses, especially for professionals engaged in reputation management or consumer relations, regardless of the ownership type.

The data shows that reputational damage has a strong negative impact on how consumers see a company. In all groups, trust, brand attitude, and purchase intention declined when the hygiene scandal was shown. This emphasizes how important a proactive reputation management can be. This is especially true in industries where consumer trust is vital, such as food. Managers should also keep in mind that a single negative incident could seriously affect how customers see the brand and influence future purchasing behaviour, as shown with the experiment.

For family-owned businesses, the results suggest opportunities but also limitations. When there is no crisis, consumers tended to view family firms slightly more positively than non-family firms, especially when it came to brand attitude and the willingness to purchase. This supports the idea that family ownership may signal more authenticity or local connection (Lude & Prügl,

2018; Zanon et al., 2019). However, this advantage did not provide a relevant buffer when a crisis came upon the company. The reputational damage significantly reduced the trust of consumers and their purchase intention, no matter whether the firm was family-owned or not.

The role of consumer trust also came up as a central theme of this study. Managers in family firms should not assume that the family identity and therefore heightened trust alone will protect the firm when there is a reputational issue. When trust declined, so did the intention to buy. This emphasizes the importance of keeping credibility and ethical behaviour whenever interacting with the public. When trust is damaged, activities to rebuild it should include strategies such as being transparent, proactive and credible in the firms' communication (Tonkin et al., 2019).

Another relevant finding is that ownership structure should be communicated clearly. In some conditions, participants were unsure if the company was family-owned. This affected the intended manipulation. This suggests that if firms want to benefit from how consumers see their ownership model, they should make it very clear through branding, storytelling, or public messaging.

To summarize, reputational damage has a strong negative effect on consumer perceptions, regardless of the ownership type. Family firms can build on their trust advantage whenever circumstances are normal. But when a crisis such as reputational damage occurs, communication and responsible behaviour are important for family and non-family businesses.

## **6. Limitations and Future Research**

Even though this study gives insight into whether reputational damage affects consumer perceptions of family versus non-family firms, several limitations should be named that may affect the generalizability of the findings.

First, the experimental manipulation did not perform perfectly across all types of conditions. More particularly, the non-family business conditions seemed to be less clear for participants. A portion either incorrectly or failed to identify the ownership structure. Despite the increased efforts to signal the firm type through naming and contextual hints, a lack of explicit mentioning in one of the conditions could have introduced unclarity. This issue could have influenced how participants saw the scenario and hence affected the responses.

Second, the realism of the scenario must be considered. Even though the combination of a social media post and a newspaper article aimed at simulating a realistic reputational damage, these

experimental situations may have less complexity and emotional weight when compared to actual damage situations. It is unclear if participants fully imagined themselves as consumers responding to a real life corporate brand issue.

Furthermore, the choice of a bakery as a fictional business could have had unwanted effects. It is likely that participants bring prejudices and ideas to the scenario: for example having a small, local, or even family-owned shop in mind, regardless of how the ownership type was described. These associations could have influenced reactions or trust levels. On top of that, food-related businesses may provoke increased concern when it comes to hygiene scandals. This may have increased the effects observed in the damage conditions compared to if another industry had been chosen. Overall, results may not translate to different contexts such as luxury goods or B2B environments.

Another limitation is the background of the chosen participants: the sample was limited to English-speaking participants on Prolific, with many of the participants sharing a cultural background. Additionally, the study design was cross-sectional, and therefore offered only a snapshot of how consumers react immediately after the reputational damage has taken place. It does not take into account the long term process of a possible recovery of reputation, of trust rebuilding or the forgiveness of consumers.

To summarize, the outlined limitations do not undermine the study's findings but show their scope. They also show areas for other future research that could build on this dissertation with other designs or in different cultural or industrial settings.

Future research could benefit from exploring if different types of reputational crises, such as ethical misconduct, product recalls, or leadership scandals, affect consumer responses to family versus non-family firms. Since this study focused on a hygienic issue within a bakery company, replicating this experiment in different industries or with different crises scenarios may bring more detailed insights. Additionally, future research could test whether a stronger or more clear communication of the ownership type leads to different consumer reactions. Doing cross-cultural replications could also help to see how national or cultural values change the way family businesses are being assessed regarding their reputation.

## **7. Conclusion**

This thesis set out to analyse if reputational damage affects consumer trust, brand attitude, and purchase intention, and whether that depends on if a business is family-owned or not. The goal

was to better understand how consumers respond to negative events when ownership structure is clear. The thesis draws on Socioemotional Wealth Theory and Attribution Theory as its main frameworks. Among others, the experimental study used Hayes' PROCESS Macro Model 7 to analyse the gathered data.

The results confirmed that reputational damage has a clear and strong negative effect on all three outcome variables: trust, brand attitude, and purchase intention. However, contrary to the hypotheses, the ownership type of the business did not significantly change how consumers reacted to the crisis. While family firms are associated with higher trust, this trust advantage did not protect them more. It also did not lead to stronger punishment when expectations were violated. Furthermore, even though consumer trust partially mediated the relationship between reputational damage and purchase intention, this effect was not significantly stronger for family firms than for non-family firms.

The findings provide reflection on the SEW Theory in consumer contexts. While SEW also emphasizes the reputational concerns that shape family firm behaviour, the results suggest that consumers may not really react more strongly to a crisis simply because a business is family-owned. On the other hand, the expectations formed through Attribution Theory, that people may judge family firms more when they fall short, did not show itself in the data. This could be because of the nature of the crisis (a hygiene issue in a bakery) or the comparably low-involvement product category, or simply the way in which the ownership hints were noticed by participants. From a practical perspective these findings could mean that brand trust and purchase intention are vulnerable to reputational damage regardless of the type of ownership. For family businesses, this means that the reputational advantage they enjoy in "normal" times may not translate into a buffer of added protection when a crisis occurs.

Of course, this study has its limitations. The fictional bakery scenario may not fully showcase a real-world crisis scenario. Also, the manipulation of ownership type proved to be more difficult than anticipated, with some participants unsure about the ownership status. It is also worth noting that emotions and assumptions linked to the food sector may have influenced participant's responses in a way that changed the results.

Overall, the thesis' findings demonstrate the importance of trust due to its influence on purchase intention, among other things, and that companies should try to preserve it regardless of their ownership type.

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## **9. Declaration**

I acknowledge the use of Artificial Intelligence for proofreading, grammar editing and overall refinement. No content was generated without being critically reviewed and edited with human oversight to adhere to academic standards. All arguments and interpretations reflect my own understanding and analysis.

## 9. Appendix

### 9.1 Questionnaire and Experiment Manipulation

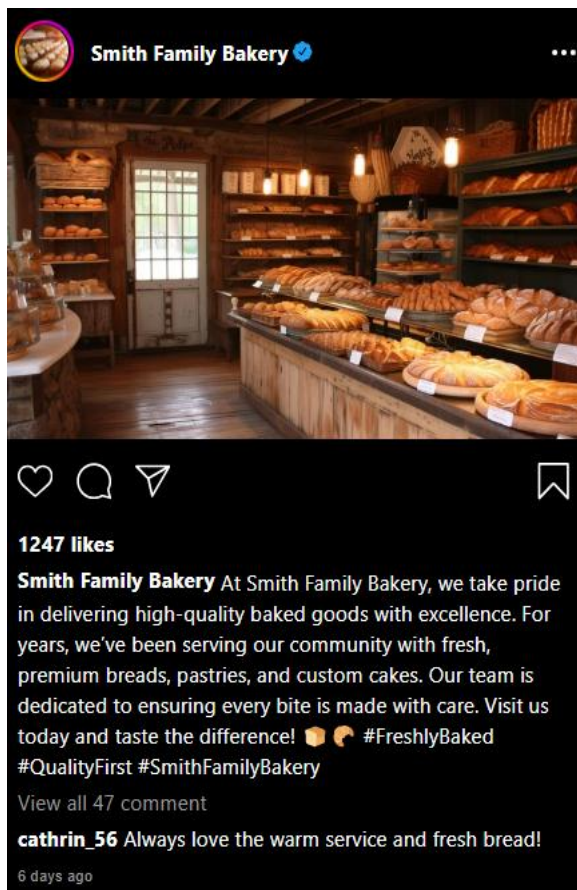
<b>Consent Form for Participation in Research Project</b>	
	This study seeks to explore the attitude towards a brand and purchase intentions for buying products of said brand.
	We would be very grateful if you agreed to participate in exploring this question. Your responses, which will be anonymous, take about 5 minutes.
	Contact information
	If you have any questions or concerns about this study or if a problem arises, please contact me via email s-lasander@ucp.pt.
	Declaration of consent
	• I am at least 18 years old.
	• I voluntarily agree to participate in this study.
	• I understand that I am free to leave the study at any time without needing to justify my decision (naturally, in that case, you won't receive compensation for completing the study).
	• I confirm that I have read and understood the above and freely agree to participate in this study.
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

<b>Demographics</b>
What is your age?
- _____
What is your nationality?
- _____
What is your gender?
- Male
- Female
- Other/Prefer not to say
<b>Education &amp; Professional Background</b>
What is your highest level of education?
- High School
- Bachelor
- Master
- PhD
- Other
What is your current occupation?
- _____
What industry do you work in?
- Agriculture, Forestry, Fishing
- Construction, Real Estate
- Manufacturing
- Energy
- Mining & Extraction
- Retail & Wholesale Trade
- Transportation & Logistics
- IT & Software
- Telecommunications
- Finance, Banking, Insurance
- Healthcare, Pharma
- Education
- Government, Public Administration
- Legal Services & Consulting
- Marketing, Media, Advertising
- Hospitality, Tourism, Food Services
- Arts, Culture, Entertainment
- Security, Law Enforcement
- Self-employed
- Student
- Other (please specify)
- _____

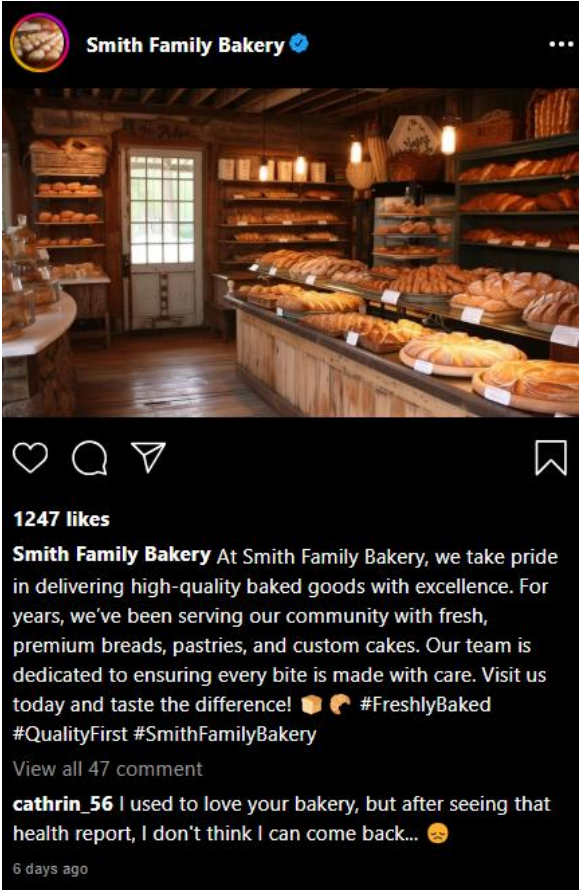
How many years of experience do you have in your current profession?
- _____
Are you currently in a leadership or managerial role?
- Yes
- No
<b>Socioeconomic Status</b>
What is your employment status?
- Full-time
- Part-time
- Self-employed
- Unemployed
- Retired
- Student
<b>Cultural &amp; Social Background</b>
What is your country of residence?
- _____
What is your nationality?
- _____
<b>Family Business Context</b>
Are you part of a family business?
- Yes
- No
If yes, what is your role in the family business?
- Founder
- Successor
- Non-family Executive
- Employee
What generation is your family business in?
- First
- Second
- Third
- Fourth
- More

Author	Construct	Sub-Dimension	Item
Sirdeshmukh, D., Singh, J., & Sabol, B. (2002). Consumer trust, value, and loyalty in relational exchanges. <i>Journal of marketing</i> , 66(1), 15-37.	Trust	-	I feel that this company is...
			1-10 Very un dependable/very dependable
			1-10 Very incompetent/very competent
			1-10 Of very low integrity/of very high integrity
			1-10 Very unresponsive to customers/very responsive to customers
Spears, N., & Singh, S. N. (2004). Measuring attitude toward the brand and purchase intentions. <i>Journal of current issues &amp; research in advertising</i> , 26(2), 53-66.	Attitude toward brand and purchase intentions	Brand attitude	Please describe your overall feelings about the brand described
			1-7 Unappealing/Appealing
			1-7 Bad/Good
			1-7 Unpleasant/Pleasant
			1-7 Unfavorable/Favorable
		1-7 Unlikeable/Likeable	
		Purchase Intentions	Please describe your overall feelings about the brand described
			1-7 Never/Definitely
			1-7 Definitely do not intend to buy/definitely intend
			1-7 Very low/high purchase interest
			1-7 Definitely not buy it/definitely buy it
			1-7 Probably not/probably buy it


### Condition #1: Family firm, no reputational damage:



**Condition #2: Family firm, reputational damage:**



**Condition #3: Non-family firm, no reputational damage:**



**The Bakery Group Co.**

1247 likes

**The Bakery Group Co.** At Bakery Group Co., our leadership team is committed to consistent quality across all branches. From new product launches to service improvements, our brand is built on operational excellence and customer satisfaction.

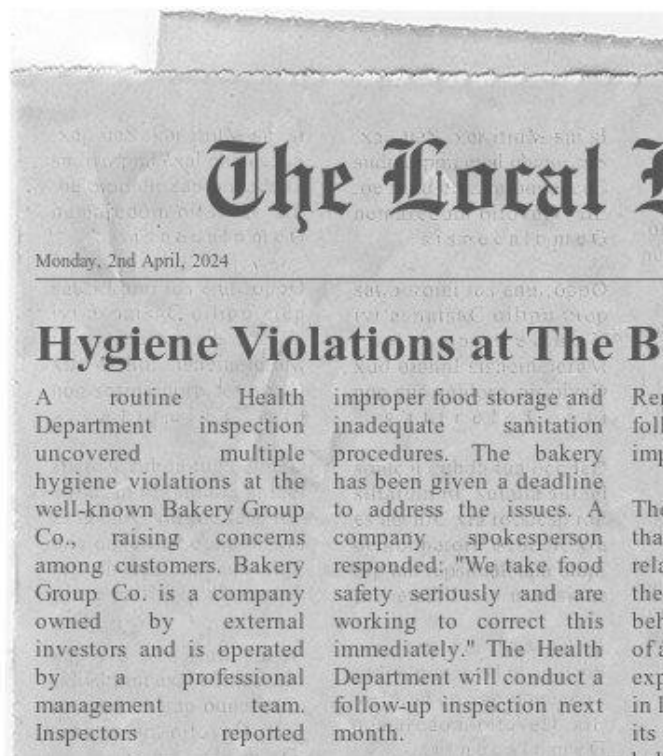
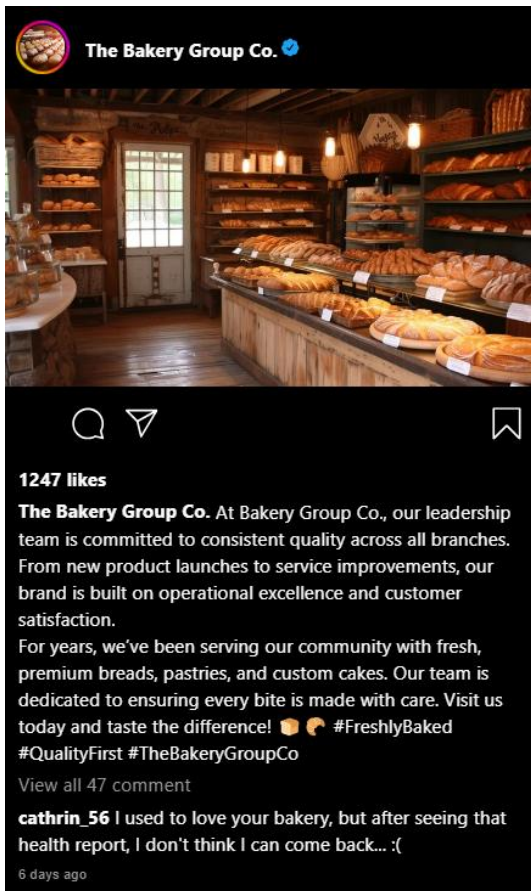
For years, we've been serving our community with fresh, premium breads, pastries, and custom cakes. Our team is dedicated to ensuring every bite is made with care. Visit us today and taste the difference! 🍞👉 #FreshlyBaked #QualityFirst #TheBakeryGroupCo

View all 47 comment

**cahtrin\_56** Always love the warm service and fresh bread!

6 days ago

**Condition #4: Non-family firm, reputational damage:**



## 9.2 Descriptive Statistics

### What is your age?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	>70	2	1,3	1,3	1,3
	18-25	16	10,0	10,0	11,3
	26-35	52	32,5	32,5	43,8
	36-50	63	39,4	39,4	83,1
	51-70	27	16,9	16,9	100,0
	Total	160	100,0	100,0	

### What is your gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	82	51,2	51,2	51,2
	Male	75	46,9	46,9	98,1
	Other	2	1,3	1,3	99,4
	Prefer not to say	1	,6	,6	100,0
	Total	160	100,0	100,0	

### What is your highest level of education?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelor	73	45,6	45,6	45,6
	High School	36	22,5	22,5	68,1
	Master	35	21,9	21,9	90,0
	Other	9	5,6	5,6	95,6
	PhD	7	4,4	4,4	100,0
	Total	160	100,0	100,0	

### What is your employment status?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Full-time	93	58,1	58,1	58,1
	Part-time	37	23,1	23,1	81,3
	Retired	4	2,5	2,5	83,8
	Self-employed	15	9,4	9,4	93,1
	Student	4	2,5	2,5	95,6
	Unemployed	7	4,4	4,4	100,0
	Total	160	100,0	100,0	

### What is your nationality?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
African	1	,6	,6	,6
african american	1	,6	,6	1,3
America	1	,6	,6	1,9
american	4	2,5	2,5	4,4
American	20	12,5	12,5	16,9
AMERICAN	3	1,9	1,9	18,8
American nationality	1	,6	,6	19,4
Australian	1	,6	,6	20,0
british	4	2,5	2,5	22,5
British	51	31,9	31,9	54,4
British Nigerian	1	,6	,6	55,0
British/Irish	1	,6	,6	55,6
Canada	1	,6	,6	56,3
Canadian	4	2,5	2,5	58,8
dutch	1	,6	,6	59,4
english	3	1,9	1,9	61,3
English	6	3,8	3,8	65,0
Engmish	1	,6	,6	65,6
Ghanaian	1	,6	,6	66,3
Hong Kong	1	,6	,6	66,9
Irish	7	4,4	4,4	71,3
Irish & British	1	,6	,6	71,9
Malawi	1	,6	,6	72,5
Mexican	1	,6	,6	73,1
New Zealand	2	1,3	1,3	74,4
Nigerian	2	1,3	1,3	75,6
Puerto rican	1	,6	,6	76,3
Scottish	2	1,3	1,3	77,5
SOUTH AFRICA	1	,6	,6	78,1
South African	5	3,1	3,1	81,3
Spanish	1	,6	,6	81,9
Turkish	1	,6	,6	82,5
U.S citizen	1	,6	,6	83,1
uk	1	,6	,6	83,8
Uk	1	,6	,6	84,4
UK	1	,6	,6	85,0
united kingdom	2	1,3	1,3	86,3
United Kingdom	3	1,9	1,9	88,1
United states	1	,6	,6	88,8
United States	3	1,9	1,9	90,6
United Statesian	1	,6	,6	91,3
Unites States	1	,6	,6	91,9
US	1	,6	,6	92,5
US-American	2	1,3	1,3	93,8
usa	1	,6	,6	94,4
USA	5	3,1	3,1	97,5
white	1	,6	,6	98,1
White British	2	1,3	1,3	99,4
Zimbabwean	1	,6	,6	100,0
Total	160	100,0	100,0	

### What industry do you work in?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agriculture, Forestry, Fishing	2	1,3	1,3	1,3
	Arts, Culture & Entertainment	4	2,5	2,5	3,8
	Education	18	11,3	11,3	15,0
	Energy	1	,6	,6	15,6
	Finance, Banking & Insurance	25	15,6	15,6	31,3
	Government & Public Administration	7	4,4	4,4	35,6
	Healthcare & Pharma	17	10,6	10,6	46,3
	Hospitality, Tourism & Food Services	6	3,8	3,8	50,0
	IT & Software	13	8,1	8,1	58,1
	Legal Services & Consulting	3	1,9	1,9	60,0
	Logistics & Transportation	2	1,3	1,3	61,3
	Manufacturing	12	7,5	7,5	68,8
	Marketing, Media, Advertising	3	1,9	1,9	70,6
	Other	19	11,9	11,9	82,5
	Retail & Wholesale Trade	10	6,3	6,3	88,8
	Self-employed	13	8,1	8,1	96,9
	Student	3	1,9	1,9	98,8
	Telecommunications	2	1,3	1,3	100,0
	Total	160	100,0	100,0	

### How many years of experience do you have in your current profession?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	>20	22	13,8	13,8	13,8
	0-2	21	13,1	13,1	26,9
	10-20	29	18,1	18,1	45,0
	2-5	36	22,5	22,5	67,5
	44105	3	1,9	1,9	69,4
	45779	4	2,5	2,5	71,9
	45935	4	2,5	2,5	74,4
	5-10	41	25,6	25,6	100,0
	Total	160	100,0	100,0	

**Are you currently in a leadership or managerial role?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	86	53,8	53,8	53,8
	Yes	74	46,3	46,3	100,0
	Total	160	100,0	100,0	

**What is your country of residence?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Australia	1	,6	,6	,6
	California	1	,6	,6	1,3
	Canada	5	3,1	3,1	4,4
	England	12	7,5	7,5	11,9
	England, UK	1	,6	,6	12,5
	Englanf	1	,6	,6	13,1
	Germany	1	,6	,6	13,8
	Ireland	2	1,3	1,3	15,0
	London	1	,6	,6	15,6
	New Zealand	2	1,3	1,3	16,9
	newyork	1	,6	,6	17,5
	Northern Ireland	1	,6	,6	18,1
	Scotland	2	1,3	1,3	19,4
	South Africa	8	5,0	5,0	24,4
	Spain	4	2,5	2,5	26,9
	The USA	1	,6	,6	27,5
	U.K	1	,6	,6	28,1
	uk	4	2,5	2,5	30,6
	Uk	3	1,9	1,9	32,5
	UK	27	16,9	16,9	49,4
	united kingdom	2	1,3	1,3	50,6
	United kingdom	2	1,3	1,3	51,9
	United Kingdom	30	18,8	18,8	70,6
	United State	1	,6	,6	71,3
	united states	3	1,9	1,9	73,1
	United states	1	,6	,6	73,8
	United States	9	5,6	5,6	79,4
	UNITED STATES	2	1,3	1,3	80,6
	United States of America	2	1,3	1,3	81,9
	US	1	,6	,6	82,5
	usa	1	,6	,6	83,1
	Usa	4	2,5	2,5	85,6
	USA	22	13,8	13,8	99,4
	Work permit	1	,6	,6	100,0
Total		160	100,0	100,0	

**Are you part of a family business?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	132	82,5	82,5	82,5
	Yes	28	17,5	17,5	100,0
Total		160	100,0	100,0	

**What is your role in the family business?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		132	82,5	82,5	82,5
	Employee	8	5,0	5,0	87,5
	Founder	14	8,8	8,8	96,3
	Non-family executive	2	1,3	1,3	97,5
	Successor	4	2,5	2,5	100,0
	Total	160	100,0	100,0	

Descriptive Statistics for Condition 1, Family Firm without reputational damage:

**Statistics**

		trust_mean	attbrand_mean	pi_mean
N	Valid	40	40	40
	Missing	0	0	0
Mean		7,5250	6,2450	5,4750
Std. Deviation		2,23090	1,11814	1,24833

Descriptive Statistics for Condition 2, Family Firm with reputational damage:

**Statistics**

		trust_mean	attbrand_mean	pi_mean
N	Valid	40	40	40
	Missing	0	0	0
Mean		4,1125	3,5100	3,0700
Std. Deviation		2,14681	1,46756	1,72079

Descriptive Statistics for Condition 3, Non-Family Firm without reputational damage:

		trust_mean	attbrand_mean	pi_mean
N	Valid	40	40	40
	Missing	0	0	0
Mean		7,4563	5,8800	5,2150
Std. Deviation		1,68314	,83242	1,17179

Descriptive Statistics for Condition 4, Non-Family Firm with reputational damage:

		trust_mean	attbrand_mean	pi_mean
N	Valid	40	40	40
	Missing	0	0	0
Mean		3,0750	2,6800	2,2800
Std. Deviation		1,50661	1,09619	1,26231

### 9.3 Reliabilities: Cronbach's Alpha

Trust Scale:

Reliability Statistics				
	Cronbach's Alpha	N of Items		
	,982	4		

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
trust_1	16,80	69,268	,965	,973
trust_2	16,65	67,512	,963	,973
trust_3	16,64	66,182	,972	,971
trust_4	16,42	70,824	,914	,986

Brand Attitude Scale:

Reliability Statistics	
Cronbach's Alpha	N of Items
,986	5

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
attbrand_1	18,35	57,726	,959	,982
attbrand_2	18,31	58,795	,962	,981
attbrand_3	18,31	57,006	,969	,980
attbrand_4	18,40	57,927	,959	,982
attbrand_5	18,21	59,058	,937	,985

Purchase Intention Scale:

### Reliability Statistics

Cronbach's Alpha	N of Items
,989	5

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
pi_1	16,07	59,542	,977	,985
pi_2	16,04	59,828	,972	,986
pi_3	16,07	59,881	,961	,987
pi_4	16,07	59,894	,969	,986
pi_5	15,93	58,995	,956	,988

## 9.4 Two-Way ANOVA results

### Tests of Between-Subjects Effects

Dependent Variable: trust\_mean

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	629,048 <sup>a</sup>	3	209,683	57,101	<,001	,523
Intercept	4914,535	1	4914,535	1338,328	<,001	,896
familyfirm	12,238	1	12,238	3,333	,070	,021
damage	607,425	1	607,425	165,414	<,001	,515
familyfirm * damage	9,385	1	9,385	2,556	,112	,016
Error	572,855	156	3,672			
Total	6116,438	160				
Corrected Total	1201,903	159				

a. R Squared = ,523 (Adjusted R Squared = ,514)

### Tests of Between-Subjects Effects

Dependent Variable: attbrand\_mean

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	368,685 <sup>a</sup>	3	122,895	92,776	<,001	,641
Intercept	3354,392	1	3354,392	2532,315	<,001	,942
familyfirm	14,280	1	14,280	10,781	,001	,065
damage	352,242	1	352,242	265,917	<,001	,630
familyfirm * damage	2,162	1	2,162	1,632	,203	,010
Error	206,643	156	1,325			
Total	3929,720	160				
Corrected Total	575,328	159				

a. R Squared = ,641 (Adjusted R Squared = ,634)

### Tests of Between-Subjects Effects

Dependent Variable: pi\_mean

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	298,990 <sup>a</sup>	3	99,663	53,253	<,001	,506
Intercept	2572,816	1	2572,816	1374,735	<,001	,898
familyfirm	11,025	1	11,025	5,891	,016	,036
damage	285,156	1	285,156	152,368	<,001	,494
familyfirm * damage	2,809	1	2,809	1,501	,222	,010
Error	291,954	156	1,871			
Total	3163,760	160				
Corrected Total	590,944	159				

a. R Squared = ,506 (Adjusted R Squared = ,496)

## 9.5 Hayes PROCESS Macro Model 7

```

***** PROCESS Procedure for SPSS Version 5.0 beta 2.1 *****
Written by Andrew F. Hayes, Ph.D.          www.afhayes.com
Documentation available in Hayes (2022).  www.guilford.com/p/hayes3

*****
Model: 7
Y: pi_mean
X: damage
M: trust me
W: familyfi

Sample
Size: 160

*****

OUTCOME VARIABLE:
trust_me

Model Summary
R          R-sq      MSE      F      df1      df2      p
,7234     ,5234     3,6721   57,1009  3,0000   156,0000  ,0000

Model
coeff      se      t      p      LLCI      ULCI
constant   7,4563   ,3030   24,6088   ,0000     6,8578     8,0547
damage    -4,3813   ,4285  -10,2248   ,0000    -5,2276    -3,5349
familyfi   ,0688    ,4285   ,1604     ,8727    -,7776     ,9151
Int 1      ,9688    ,6060   1,5986    ,1119    -,2282     2,1657

Product terms key:
Int 1      :      damage  x      familyfi

Covariance matrix of regression parameter estimates:
constant   damage   familyfi   Int 1
constant    ,0918   -,0918   -,0918    ,0918
damage    -,0918   ,1836   ,0918   -,1836
familyfi  -,0918   ,0918   ,1836   -,1836
Int 1      ,0918   -,1836   -,1836   ,3672

Test(s) of highest order unconditional interaction(s):
R2-chng    F      df1      df2      p
X*W        ,0078   2,5557   1,0000   156,0000  ,1119

*****

OUTCOME VARIABLE:
pi_mean

Model Summary
R          R-sq      MSE      F      df1      df2      p
,8076     ,6521     1,3093   147,1713  2,0000   157,0000  ,0000

Model
coeff      se      t      p      LLCI      ULCI
constant   2,2693   ,3741   6,0662   ,0000     1,5304     3,0082
damage    -1,0699   ,2573   -4,1590   ,0001    -1,5780    -,5618
trust me   ,4106    ,0469   8,7493   ,0000     ,3179     ,5033

Covariance matrix of regression parameter estimates:
constant   damage   trust me
constant    ,1399   -,0807   -,0165
damage    -,0807   ,0662   ,0086
trust me  -,0165   ,0086   ,0022

***** DIRECT AND INDIRECT EFFECTS OF X ON Y *****

Direct effect of X on Y
Effect      se      t      p      LLCI      ULCI
-1,0699    ,2573   -4,1590   ,0001    -1,5780    -,5618

Conditional indirect effects of X on Y:

INDIRECT EFFECT:
damage      ->   trust me      ->   pi mean

familyfi    Effect    BootSE    BootLLCI    BootULCI
,0000    -1,7990    ,3157    -2,4349    -1,2018
1,0000    -1,4012    ,2687    -1,9522    -,9102

Index of moderated mediation (difference between conditional indirect effects):
Index    BootSE    BootLLCI    BootULCI
familyfi    ,3978    ,2668    -,0820    ,9632

***** ANALYSIS NOTES AND ERRORS *****

Level of confidence for all confidence intervals in output:
95,0000

Number of bootstrap samples for percentile bootstrap confidence intervals:
5000

WARNING: Variables names longer than eight characters can produce incorrect output
when some variables in the data file have the same first eight characters. Shorter
variable names are recommended. By using this output, you are accepting all risk
and consequences of interpreting or reporting results that may be incorrect.

----- END MATRIX -----

```