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Published in:
The journal of business communication

Publication date:
1998

[Link to publication](#)

Citation for published version (APA):
Renkema, J., & Hoeken, H. (1998). The influence of negative newspaper publicity on corporate image in the Netherlands. *The journal of business communication*, 35, 521-535.

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Due to a new press policy, the Dutch equivalent of the District Attorney's office actively spreads information about its suspicions of illegal behavior. Newspapers, which are still a dominant form of news in the Netherlands, publish these suspicions. This will probably harm the suspected person's or company's image. This study addresses three questions. First, how severe is the damage caused by negative publicity in a Dutch regional daily? Second, are Dutch newspaper readers sensitive to the tone of certainty with which the accusations are expressed? Third, how lasting are any of these effects? In a field experiment, 448 readers of regional dailies, differing widely in age and education level, read either an actually published newspaper article on a possible bribery scandal, a more objective rewrite of this article, or some neutral information on the company's activities. Results show that the corporate image was seriously damaged by negative publicity. The more categorical the accusations were, the more damage there was. More than two weeks after reading the article, damage to the image was still present.

The Influence of Negative Newspaper Publicity on Corporate Image in the Netherlands

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In the Netherlands, a debate on the effects of negative publicity on a person's or company's image was started by the decision of the Dutch Public Prosecutor's office to adopt a new policy in its dealings with the press. In the past, the office was very passive in informing the press about charges, while the new policy implied that the Public Prosecutor's office would spread such information actively. Dutch lawyers protested against this new policy, fearing that the general public would condemn the accused person or company regardless of the legal outcome. Would publishing suspicions and charges in newspapers result in severe and lasting damage to the accused's image? In this paper, we present an experiment that addresses exactly that question.

A company's image is a valuable asset and can be as important as its financial performance (Argenti, 1994). A positive corporate image is crucial in gaining sales or contracts, employees, and shareholders (Rossiter & Percy, 1987). The company's perceived trustworthiness, competence, and attractiveness especially influence such decisions (O'Keefe, 1990). Clearly it is better to throw in one's lot with a trustworthy (or competent, or attractive) company than with an untrustworthy (or incompetent, or unattractive) one. A corporate image is at least partly

determined by the media (Argenti, 1994). The chances of receiving negative publicity from the media are much higher than the chances of receiving positive press attention because of their preference for bad news (see e.g., Dennis & Merrill, 1996; Ericson, Baranek, & Chan, 1987; Hartley, 1982).

The literature on crisis communication has shown how much negative publicity can hurt companies. In her analysis of the Exxon Valdez disaster, Tyler (1992) found that Exxon's communication strategies increased the damage to the company's image instead of minimizing it. Benoit and Czerwinski (1997) showed that USAir's responses to negative publicity in the *Times* were also less than adequate. Such findings have generated interest in the ways in which companies deal with crises (e.g., Paul & Strbiak, 1997; Ross & Benson, 1995). The assumption is that negative publicity damages the company's image severely. Amin (1996) studied the successes and failures of corporations' efforts to protect themselves from defamation through legal measures. To our knowledge, however, no study has been conducted to show just how much damage results or how long that damage lasts.

Therefore, our first research question is

RQ 1. How serious is the damage to a company's image caused by negative publicity?

We studied publicity of the DA's allegations of illegal actions. Negative publicity can also focus on a company's alleged negligence, deliberate fraud, or deliberate callousness. We investigated publicity about the DA's allegations because such publicity will become more frequent as a result of the new DA's press policy. As the medium for the negative publicity, we chose a newspaper article. In the Netherlands, newspapers are still a dominant form of news. In approximately 75% of all Dutch households, a newspaper is read (Bakker & Scholten, 1997). The Netherlands is fourth on the list of "most newspaper-reading countries"; the percentage of newspaper readers in the Netherlands is almost twice as high as that in the United States (Bakker & Scholten, 1997). Dutch newspapers have a large audience, and the impact of their articles is strong. Therefore, negative publicity in newspapers has a high damage potential in the Netherlands.

A second question concerns the effects of the manner of reporting.

RQ 2. What is the effect of the manner of reporting on the corporate image of a company?

Truly objective reporting is impossible; the point of view of the journalist always colors reporting, to a greater or lesser extent (Renkema, 1984). For example, when the district attorney's office charges a company with fraud, journalists can convey the seriousness of the allegation in varying ways: They could suggest that it is possible, probable, or (almost) certain that the company has committed fraud. Are read-

ers sensitive to such differences? On the one hand, readers' judgments of the company's image could be more negative when the allegation is presented as being more likely to be true. On the other hand, readers might be insensitive to such differences or assume that "where there's smoke there's fire" and judge companies equally guilty whether the allegation is presented as being more or less certain.

Our third research question asks

RQ 3. How durable are the effects, if any, of negative reports and of the manner of reporting?

Some research shows that message effects are of relatively short duration. Baesler and Burgoon (1994), for example, found that most message effects had disappeared within one week. They studied persuasive messages; are the effects of newspaper articles of equally short duration? The proverb "Yesterday's paper is good for nothing but wrapping fish in" suggests that any damage to the corporate image may be ephemeral.

Method

We designed a field experiment to investigate these questions. In our experiment, participants read one of three versions of an article about a company. Immediately after reading the materials, they rated several aspects of the company's image and answered questions about the article's naturalness and objectivity. Two weeks (or more) later, participants were telephoned and again asked to rate the company's image.

In order to increase the ecological validity, we based our study on a 1994 article from a regional Netherlands daily reporting a bribery scandal allegedly involving local politicians and a contracting company. As a result of this publicity, the director of the company had to move to another town, and several job applicants turned job offers down as they learned that the company was suspected of paying bribes.

Three versions of the text were used: the original article, a more objective version, and a short text containing some neutral information on the company's location and activities. If participants in the experiment had been presented with only the original or the rewrite, this text would be read with greater than normal interest, since it would be obvious that the study concerned this text. For this reason, two other texts were presented as well. These diversionary texts also came from a regional daily. All names were changed to fictitious names; all events were moved to the same province, one other than the location of the original event. While reading the articles, participants were not aware that the research was only directed at the bribery report. The bribery report was always presented second.

All 448 participants read a regional daily; they differed widely with respect to age and level of education. After reading the article, they

rated three aspects of the company's image: its trustworthiness, expertise, and attractiveness. In addition, they rated the likelihood that the company's growth was a result of paying bribes. At least two weeks after the first part of the experiment, 181 participants who had read either the original or the rewrite of the newspaper article were contacted and again asked to rate the company's image and the likelihood that its growth was a result of paying bribes.

Text Materials

The original article, published in the regional daily *de Limburger* on April 16, 1994, was one-sided and unambiguous in accusing the company. The accusation was based on three items: (a) the Public Prosecutor's charges against the company, (b) the company's conviction the previous year on a similar charge, and (c) the company's alleged involvement in a corruption affair concerning a soccer club.

In the experiment, the names of the people concerned were replaced by fictitious names and the affair was moved to another province in the Netherlands. Since 1994, the affair had received extensive media attention, and the courts had passed a judgment on it. Participants' judgments on the company would therefore no longer be based solely on the one newspaper report but on all the other information that they might have acquired elsewhere on the affair.

The rewritten version, based on the information provided by the Public Prosecutor's office, was more ambiguous and vague about the accusation. In the rewrite the perspective has been changed: at issue is the possible conduct of administrators in awarding public works contracts. In addition, the focus is not on a single actor; the construction industry as a whole is at issue. Further, the scope of each of the three items was restricted: (a) the Public Prosecutor does not suspect the company as a whole but only one of its directors; (b) the conviction against the company the previous year was reduced to an indictment against a director of a daughter company in which a settlement was reached which included a denial of guilt on the part of the director; (c) in the company's alleged involvement in a bribery scandal involving a professional soccer club, the Public Prosecutor found no grounds for prosecution.

Here are the leads of the newspaper articles.

1. The lead of the original newspaper article

NO TABOO ON BRIBERY AT VAN DER GRIENT

Father Toon and son Hans van der Grient have in recent years built up an empire in West-Brabant from their head office in Krabbendijke in Zeeland. One company after the other was set up or taken over. The company is active in the areas of building contracting, road construction, the sale of bulldozers, the restoration of gravel pits, waste treatment, sewage system man-

agement, and the sale of sand. The tempestuous growth of the empire has gone hand in hand with the ever more intimate contacts that father and son developed with administrators and functionaries in West-Brabant. And indeed, Van der Grient has been a part of many a shady business deal. There was no taboo on bribery within that company.

2. The lead of the rewritten version

BRIBERY INVESTIGATED IN PUBLIC WORKS CONTRACTS

The Public Prosecutor has begun an investigation on the accepting of bribes by West-Brabant politicians and the possible involvement of the Van der Grient Construction Company. This company, headed by father Tbon and son Hans van der Grient, is also active in West-Brabant, in contracting, road construction, the sale of bulldozers, restoring gravel pits, waste treatment, sewage system management, and the sale of sand. Recently, a judicial inquiry has been underway to investigate the possible involvement of administrators and functionaries in the awarding of public works contracts. The conduct of Van der Grient is also being investigated in this regard. Earlier, a daughter company was connected to a bribery scandal.

3. The neutral information about the company

Van der Grient is a construction company that has its head office in Krabbendijke in Zeeland. In recent years, the company also has operations in West-Brabant. There it is active in contracting and road construction. The company is also engaged in the sale of bulldozers, the restoration of gravel pits, waste treatment, sewage system management, and the sale of sand.

Instrumentation

The main dependent variable is the company's corporate image. The three most important aspects of corporate image are trustworthiness, expertise, and attractiveness (see O'Keefe, 1990). Each aspect was measured using 5-point Likert scales to agree or disagree with five positive statements about the company, for example, "According to me, the Van der Grient company seems honest." The reliabilities for each scale were good: trustworthiness, Cronbach's $\alpha = .91$; expertise, Cronbach's $\alpha = .87$; attractiveness, Cronbach's $\alpha = .82$. The items for the three image aspects were randomly ordered.

The original report contained the following sentence: "The tempestuous growth of the empire has gone hand in hand with the ever more intimate contacts that father and son developed with administrators and functionaries in Limburg." This sentence may have created the impression that firm's growth was due to bribery. To learn whether this impression was indeed created, the following question was included: "How likely do you consider it to be that the Van der Grient firm grew large through the use of bribery?" The participants indicated their response on a 5-point Likert-scale ranging from "very unlikely" to "very likely."

Four filler questions followed about facts and allegations in the text. Then the article's naturalness was measured using the item: "The arti-

cle is a report like one I might encounter in my newspaper." After this, participants were asked to agree or disagree with five statements about the objectivity of the report, for example: "The article gives an objective report of this affair." The reliability of an objectivity scale formed by the first four items was adequate (Cronbach's $\alpha = .73$).

Then participants receiving the original or revised version were asked whether they thought the article was written by researchers or journalists. We included this question to see whether the rewrite was recognizable as something written by the researchers. There was also a question about whether the participant knew which firm the article was really about. Finally, some personal information was requested of all participants: sex, age, education completed, and number of persons over 18 in the same household.

The telephone questionnaire, which was held at least two weeks after the first part of the survey, included five questions. First, participants were asked whether they remembered the name of the company. Then participants were asked to indicate, on a 5-point Likert scale, whether they agreed or disagreed with three statements about the company's trustworthiness, expertise, and attractiveness. At the end the participants were asked how likely they thought it was that the company's growth was due to bribery. Here, too, a 5-point scale was used ranging from "very unlikely" to "very likely."

Design

The participants were assigned randomly to one of the three groups. Group 1 read the original (as second in a series of three articles), followed by the questions. Group 2 read the rewrite (as second in a series of three articles), followed by the questions. Group 3 received the company information and then judged its corporate image. This third group was needed to assess the size of the damage caused by the negative publicity (RQ 1). For that assessment, we had to compare the image ratings of participants who had received negative information about the company with those of participants who had received neutral information about the company's activities.

After reading the neutral company information and rating the company's image, participants in Group 3 received the original and the rewrite, each followed immediately with questions about the article's objectivity and naturalness. This formed the most stringent test of the rewrite's naturalness. The participants could compare the two versions; if the rewrite was less natural than the original, they would notice the difference easily. Table 1 gives an overview of the design.

Participants

The 448 participants included 266 women (59.4%) and 182 men (40.6%). Although the participants were from another province in the

Netherlands than the one in which the original incident occurred, they might have heard about the affair. In that case, their image ratings could be the result of prior knowledge. All participants were asked if they knew which company the article was really about. Four men and one woman knew; their results were excluded from the study.

Table 1
Experimental Design

Group	Read	Then answered
1	Original	Questions about company's image and article text
2	Rewrite	Questions about company's image and article text
3a	Company information	Questions about company's image
	Original	Questions about article text
	Rewrite	Questions about article text
3b	Company information	Questions about company's image
	Rewrite	Questions about article text
	Original	Questions about article text

The participants were readers of regional dailies in the province of North-Brabant and were randomly sampled with the aid of telephone directories. Less than 4% of the Dutch population does not have a phone; most of these people do not read newspapers either. We added nine to the last two digits of each telephone number to create a new list containing listed and unlisted telephone numbers. The non-response rate was approximately 70%. Non-response was the result of two factors. Some participants were not willing to take part in the experiment. Others were willing but did not read a (regional) daily and therefore did not qualify as participants. Unfortunately, we have no data on the relative sizes of these two non-response groups.

The age of the participants varied from 18 to 92 years; the average age was 41.1. Highest level of education completed varied from elementary school (3.8%) through secondary school (19.2%) and vocational education (41.0%) to university (36.0%). Questionnaire 1 was completed by 149 participants, questionnaire 2 by 147 participants, and questionnaires 3a and 3b by 75 and 72 participants respectively. The division by sex, age, and education was the same over the four versions of the questionnaire (sex: $\chi^2(3) = 4.93, p = .18$; age: $F < 1$; education $\chi^2(9) = 4.53; p = .87$).

To learn how durable any effects were, starting two weeks after the initial questionnaire we phoned participants who had read either the original or the rewrite. (The participants from group 3 could not participate in this part of the experiment because they had read both the original and the rewrite.) We reached 181 participants, 115 women (63.5%) and 66 men (35.6%), but could not reach 115 of the 296 (response rate: 61%). A person whom we could not reach after three

attempts on different days was eliminated from the list. In order to investigate whether the 115 participants who could not be reached were less sensitive to the differences in the two versions of the text than the 181 participants who could be reached, a two-way variance analysis was carried out on the factors "participation in the phone questionnaire" (yes, no) and "version" (original, rewrite). The dependent variables were the scores on the image aspects from the written questionnaire, which were known for all 296 participants. If the two groups were not comparable, then a significant interaction would show up between "participation in telephone questionnaire" and "version." For none of the dependent variables was the interaction significant (Trustworthiness, Expertise, Attractiveness: in each case $F < 1$; Grown large through bribes?: $F(1, 295) = 1.61, p = .21$). Furthermore, for none of the dependent variables was there a major effect from "participation in telephone questionnaire" (in each case $F < 1$).

The age of the participants in the phone survey varied from 18 to 87; the average age was 42.8. The level of education varied from elementary school (5.0%) through secondary school (17.7%) and vocational education (42.5%) to university (34.8%). In this case also, the division over the versions of the questionnaire was the same for sex, age, and education (sex: $\chi^2(1) = 0.01, p = .91$; age: $t(179) = 0.86, p = .39$; education: $\chi^2(3) = 0.72, p = .87$).

Procedure for Administering Questionnaires

The questionnaire was administered in participants' homes. In the introduction, participants were told that the study had to do with the way in which newspaper articles were read, that the experiment would take approximately a half hour, and that they would be compensated with a fifteen-guilder gift certificate (equivalent to about US \$7.50).

The experimenter took care that the experiment could take place undisturbed. Then participants received one of the four versions of the questionnaire at random. The first page explained the structure and goals of the experiment: to learn how people read and evaluate newspaper reports. After that the participants who received version 1 or 2 were allowed to read the three articles at their own speed. Only when they turned to the questions did participants learn that only the second report was at issue. The participants who received version 3a or 3b first read the company information blurb and answered the image questions; then they read the reports and answered the questions on objectivity and naturalness (see Table 1). Participants were allowed to skip any question or statement they did not understand. The experimenter made sure that the participant did not turn back to the text when answering the questions. In the experiment the normal situation of reading a newspaper

had to be imitated as closely as possible, and newspaper articles are normally read only once. When the participant had answered all the questions, the experimenter provided some explanation about the study and gave the participant the gift certificate.

After a minimum of two weeks, the participants who had read either the original or the rewrite were telephoned. They had not been informed beforehand that this would happen. The average time that elapsed between taking the written questionnaire and the telephone questionnaire was 19 days (minimum 14 days, maximum 34 days).

Results

Our results show that negative publicity damages the company's perceived reliability, expertise, and attractiveness; readers are sensitive to differences in the manner of reporting; and the damage persisted over time.

Was the Experiment Ecologically Valid?

For the experiment to provide ecologically valid answers to the research questions, it is important that the rewrite was considered to be as natural-sounding as the original written by journalists. Therefore, we compared the naturalness and the objectivity of the original version and the rewrite. The reports were judged on naturalness and objectivity in two ways, one independent and one comparative. Participants in Groups 1 and 2 judged either the original or the rewrite; these judgments were independent of the judgments on the other version. In Groups 3a and 3b, the participants judged both the original and the rewrite, making a comparative judgment. Using a two-way variance analysis, with "version" (original, rewrite) the within-subject factor and "order" (original first, rewrite first) the between-subject factor, we investigated whether the order of presentation influenced Group 3's judgments. Both with the naturalness judgments ($F < 1$) and with the objectivity judgments ($F(1, 145) = 2.95, p = .09$), no interaction was found between the two factors. Table 2 contains the judgments of naturalness and objectivity as a function of the version (original, rewrite) and the manner of judging (independent, comparative).

As Table 2 shows, there was no significant difference between the independent judgments of Group 1 and Group 2. The participants in Groups 3a and 3b who directly compared the two versions actually considered the rewrite more natural than the original version, instead of the other way around. The naturalness of the rewrite was also studied by seeing whether the participants who read either the original or the rewrite could say whether the text was written by journalists or by researchers. Both the original and the rewrite were attributed equally often to journalists and to the researchers ($\chi^2(2) = 1.64, p = .44$). The second ques-

tion was whether the rewrite was rated as more objective than the original version. This happened to be the case: The rewrite was judged as being more objective than the original, regardless of whether the judgment was made independently or comparatively.

Table 2
Perceptions of the Naturalness and Objectivity of the Original and the Rewrite

	Original			Rewrite			<i>t</i> value	<i>p</i> value
	<i>M</i>	<i>SD</i>	<i>n</i>	<i>M</i>	<i>SD</i>	<i>n</i>		
Naturalness								
Independent	3.60	0.90	149	3.70	0.91	147	0.92	.36
Comparative	3.52	0.98	147	3.71	0.88	147	2.05	< .05
Objectivity								
Independent	2.91	0.77	149	3.09	0.67	147	2.10	< .05
Comparative	2.92	0.73	147	3.19	0.65	147	3.63	< .001

Note: 1 = very unnatural/very subjective, 5 = very natural/very objective**

Did Negative Publicity Damage the Company's Image?

Each of the image aspects was damaged by reading negative information about the company. As Table 3 shows, participants who read the original or rewritten negative article gave the company much lower scores for each image aspect and were more likely to say that the firm's growth was due to bribes than were participants who read neutral information about the company.

An estimate for the extent or size of an effect is eta squared. This statistic is equal to the percentage of explained variance, that is to say in this case the amount of variance that can be accounted for by the nature of the publicity. According to Cohen (1977, pp. 25-27), one can speak of a small effect when the amount of explained variance is 1%, of a medium effect when it is almost 6%, and of a large effect when it is 14%. The damaging effect of negative publicity can be characterized as medium with respect to the perceived expertise and attractiveness of the company. The damage to the belief that the company has grown through paying bribes is to be regarded as large. The damage to the company's perceived trustworthiness is devastating; according to Fern and Monroe (1996, p. 97) 30% is about the maximum variance that can be found in this type of research.

Does the Manner of Reporting Matter?

Only in their judgment on the trustworthiness of the company were readers of the rewrite significantly kinder in their judgment ($M = 2.30$, $SD = 0.77$, $n = 147$) than readers of the original ($M = 2.09$, $SD = 0.76$, $n = 149$; $t(294) = 2.33$, $p < .05$). Reading the original version resulted in a harsher judgment of the company's trustworthiness. The

size of this effect is relatively small (explained variance: 1.8%). In neither of the other image aspects nor the belief that the company had grown by paying bribes was a significant difference found.

Table 3
Was the Firm's Growth Due to the Use of Bribes?
(Immediately After Reading Prompt)

	Information about company						Statistical values		Explained variance
	Negative			Neutral			<i>t</i> value	<i>p</i> value	
	<i>M</i>	<i>SD</i>	<i>n</i>	<i>M</i>	<i>SD</i>	<i>n</i>			
Image aspects									
Trustworthiness	2.19	0.77	296	3.19	0.57	147	15.29	<.001	30.3%
Expertise	3.06	0.73	296	3.41	0.68	147	4.89	<.001	5.1%
Attractiveness	2.71	0.68	296	3.05	0.56	147	5.53	<.001	5.7%
Growth due to bribes?	3.60	0.98	296	2.77	0.85	146	9.12	<.001	14.6%

Note: 1 = very negative, very unlikely, 5 = very positive, very likely.

How Lasting Is the Damage?

Even after a lapse of time, each of the image aspects still shows the damage caused by negative publicity. See Table 4. For the original and the rewrite these are the judgments given after a lapse of time; for the neutral information the scores were given by the participants right after reading the neutral company information. The company is still rated as less trustworthy, less competent, less attractive, and more likely to have grown as a result of paying bribes. The size of the damage, as evidenced by the percentage of explained variance, decreased for the trustworthiness, expertise, and likelihood ratings, but it increased for the attractiveness ratings. Using Cohen's (1977) classification, the damage to the company's trustworthiness is very large, to its attractiveness large, to its expertise small, and medium to the perceived likelihood that the company has grown by paying bribes.

Directly after participants read the article, the manner of reporting influenced only the company's perceived trustworthiness. After a lapse of time, participants who had read the original version still rated the company's trustworthiness as lower ($M = 2.31$, $SD = 0.62$, $n = 84$) than those who had read the rewrite ($M = 2.61$, $SD = 0.72$, $n = 97$; $t(179) = 3.01$, $p < .01$). The size of the effect of manner of reporting even increased (explained variance: 4.7%). Directly after reading the article, the manner of reporting had no effect on the estimated likelihood that the company had grown by paying bribes; after a lapse of time, however, participants who had read the original version rated the likelihood of paying bribes higher ($M = 3.45$, $SD = 0.96$, $n = 84$) than did those who had read the rewrite ($M = 3.12$, $SD = 0.97$, $n = 97$; $t(179) = 2.28$, $p < .05$). The size of this effect was relatively small (explained variance: 2.8%).

Table 4
Was the Firm's Growth Due to the Use of Bribes?
(After Two Weeks or More)

	Information about company						Statistical values		Explained variance
	Negative			Neutral			<i>t</i> value	<i>p</i> value	
	<i>M</i>	<i>SD</i>	<i>n</i>	<i>M</i>	<i>SD</i>	<i>n</i>			
Image aspects									
Trustworthiness	2.47	0.69	181	3.19	0.57	147	10.35	<.001	24.0%
Expertise	3.18	0.78	181	3.41	0.68	147	2.89	<.01	2.4%
Attractiveness	2.57	0.74	181	3.05	0.56	147	6.70	<.001	11.5%
Growth due to bribes?	3.28	0.98	181	2.77	0.85	146	4.98	<.001	6.9%

Note: 1 = very negative, very unlikely, 5 = very positive, very likely.

Discussion

Our results show that it is difficult to underestimate the damage of negative publicity. Especially the damage to the company's perceived trustworthiness is enormous. Using questionnaires, it is (statistically) almost impossible to find larger effects (Fern & Monroe, 1996). Since paying bribes is dishonest, it is understandable that the company's perceived trustworthiness suffers the most. Still, both the company's perceived expertise and attractiveness decreased significantly as a result of negative publicity.

The results show that Dutch newspaper readers are sensitive to the degree of certainty with which the company is accused of illegal behavior. Compared to the effect of negative publicity, the effect of differing degrees of certainty is small. Nevertheless, raising doubts about the likelihood of an event may decrease the damage caused by negative publicity.

One would expect damage to decrease over the course of time. This was the case for the effect of negative publicity on trustworthiness and expertise, but even after a lapse of time the damage to the company's trustworthiness was still very large. Damage to attractiveness actually seemed to increase instead of decrease over the course of time. Compared to trustworthiness and expertise, attractiveness is a more evaluative judgment. It may be easier to agree about a company's trustworthiness and expertise than to agree about its attractiveness. After some time has passed, readers can still remember that "there was something the matter with that company," but they may not quite remember the exact problem. If the company's corporate image is evaluated at that point, the feeling of "something is wrong there" may be translated particularly into a negative judgment concerning the attractiveness of the company.

Damage owing to the manner of reporting also continued over time. After time had elapsed, the company was still considered to be less trustworthy by the readers of the original. In addition, these read-

ers considered it to be more likely that the company had grown large through the use of bribery. This difference was not significant immediately after the reading of the article. These results lead to the conclusion that negative publicity can severely damage a company's image. Even the degree of certainty with which accusations are put forward influences the extent of the damage. Neither effect is short-lived. After two and a half weeks on average, the damage to the company's image is still there.

Some reservations have to be made with respect to the generalizability of the results. First, companies can receive negative publicity on television, radio, magazines, and newspapers. In this study, only the effect of negative publicity in newspapers was studied. Negative publicity in newspapers is an important issue in the Netherlands; in countries in which newspapers constitute a less dominant source of information, negative publicity broadcasted through other media may be more important.

Second, the participants in our study gave their impressions of the company's image. We did not assess whether they would act on their negative beliefs about the company's trustworthiness, expertise, and attractiveness. It could be argued that readers who suspect the company to be capable of anything to gain profits might actually regard it as an attractive company to buy shares from. However, a recent affair in the Netherlands suggests the opposite. When the chairman of a large construction company was arrested on the suspicion of illegal actions, the value of shares of the company dropped almost 8%. Third, the participants were required to read the complete text. In normal reading conditions they can decide to ignore the article or to stop reading halfway. Therefore, the results can only be generalized to readers who have read an article in its entirety.

On the other hand, the ecological validity is high. The participants were not students, but differed widely in age and education. Furthermore, they were all readers of a regional newspaper. Next, the (original) article was not constructed by the researchers, but had been published in a regional newspaper. The participants, who were all readers of regional newspapers, were unable to distinguish the original article from the rewrite. Therefore, the articles can be regarded as natural. Furthermore, the participants read three articles and learned only afterwards that the study was directed towards the second text. Lastly, the participants did not know they would be contacted again after two weeks to express their opinion again.

The results thus obtained are important to business communication practitioners. This study sheds some light on the dangers of publicity about unproven allegations and the necessity of inventing strategies to deal with it.

NOTES

An earlier article based on these data appeared as Hoeken, H., & Renkema, J. (1997). Negatief in het nieuws. Een experimenteel onderzoek naar de invloed van negatieve publiciteit op het bedrijfsimago. *Tijdschrift voor Communicatiewetenschap*, 25, 98-115. The authors thank Carel van Wijk, Leo Noordman, Wilbert Spooren, Kitty Locker, and three anonymous reviewers for the comments they provided. Thanks are due to Wim Daniëls, who assisted with the collection of the data.

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