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When apologies backfire: A moderated mediation model of exposure by NGOs, companies' hypocrisy, and consumers' political orientations

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Abstract: To determine when and why a company's apology for a moral transgression might backfire, this study considers a rarely researched cue: exposure of company misconduct by non-governmental organisations (NGOs). In three experimental studies, we demonstrate that after companies' moral transgressions are exposed by NGOs, their apologies exacerbate consumers' negative responses because consumers view the companies as having increased moral and behavioural hypocrisy. Consumers' political orientations moderate the mediating effect of companies' moral hypocrisy as, following exposure by an NGO, conservatives perceive the company issuing an apology to be more deceptive, which is not the case for liberals. Thus, this study expands upon the developing research stream related to the efficacy of apologies as strategic responses to preventable crises. It specifies an underlying mechanism that explains when and why exposure by NGOs causes apologies to backfire and suggests practical guidelines for companies when developing appropriate apologies.

Keywords: apology, company's moral transgressions, company hypocrisy, political orientation, consumers' negative responses

Introduction

Companies' apologising after moral transgressions has become so pervasive that it appears to be almost a routine version of crisis communications (Lee & Atkinson, 2019). Volkswagen, for example, apologised for using software that circumvented emission controls (Forbes, 2015), Tesla apologised following allegations of workers' exploitation at a high-tech paint shop in California (*The Guardian*, 2016), and the clothing chain H&M expressed deep sorrow after publishing an advertisement that featured a Black child model donning a sweatshirt reading 'coolest monkey in the jungle' (*The Washington Post*, 2018).

At its core, an apology signals a company's acceptance of responsibility and expression of regret (Coombs, 1995; Coombs & Holladay, 1996), but it may also include other components, such as expressions of sorrow and sympathy or promises of compensation and corrective actions (Coombs & Holladay, 2008). Crisis management literature identifies apologies as the most effective response to preventable crises such as moral transgressions (Coombs, 2007), and consumers generally have more positive perceptions of companies that take responsibility and ask their stakeholders for forgiveness (Bradford & Garrett, 1995). However, empirical research finds that apologies are not always effective and may even backfire (Skarmeas & Leonidou, 2013; Tsarenko & Tojib, 2015), which is possibly due to the factors that pertain to the characteristics of (1) the apology (Choi & Mitchell, 2022); (2) the moral transgression involved (Comyns & Franklin-Johnson, 2018); (3) the company (Grappi & Romani, 2015); and (4) the consumer (Chan & Palmeira, 2021).

Notably, previous research does not address how the apology's efficacy might depend on the presence of a third party, specifically a non-governmental organisation (NGO) that publicly exposes the company's moral transgression. For example, Greenpeace exposed the Volkswagen 'Dieselgate' to the public (Lifegate, 2015), and the Ahmed Kathrada Foundation exposed H&M's 'coolest-monkey-in-the-jungle' scandal to South African consumers

(*News24*, 2018). This research gap is important because NGOs provide relevant cues in the moral transgression environment, and they are becoming more influential worldwide (Schofer & Longhofer, 2020). The public trusts NGOs twice as much as corporations and perceives them as effective watchdogs against corporate abuse (Argenti, 2004; Globe Scan, 2022). NGOs use the media to bring attention to social topics, foster debate about collective problems, and report misconduct (Hallahan et al., 2007; Holtzhausen & Zerfass, 2013). Thus, NGOs are epistemic authorities that mobilise public opinion (Motion & Kay Weaver, 2005), and they greatly affect how consumers perceive companies' moral transgressions and the apologies that follow.

In this study, we investigate how and when NGOs' public exposure of companies' moral transgressions determines the backfiring effects of the companies' apologies. In three experimental studies, we demonstrate that when an NGO exposes a company's moral transgression, the company's apology results in consumers responding more negatively to the company (Study 1). Perceptions of a company's moral and behavioural hypocrisy act as the mediation mechanism because when an NGO reveals a company's moral transgression and the company apologises, consumers perceive the company as being more deceptive (i.e., moral hypocrisy) and inconsistent in its actions (i.e., behavioural hypocrisy) (Study 2). Finally, these perceptions depend on consumers' political orientations (i.e., liberal vs. conservative) as liberals are typically more critical of a company's misconduct due to their economic beliefs and their opposition to social inequalities, while the source of exposure (i.e., NGOs) has a stronger effect on conservatives, even though they are typically not as sensitive to the misconduct (Study 3).

With these findings, our study makes three main theoretical contributions. Firstly, previous research on crisis communication emphasises the supremacy of apologies in the aftermath of preventable crises (Coombs, 2007), whereas empirical research proposes

boundary conditions for this supremacy. We complement this empirical research by establishing the effect of a novel factor: exposure by an NGO. By addressing calls for more evidence of how differing sources of exposure (e.g., other consumers, media, celebrities, NGOs) affect appraisals of companies' responses (Valor et al., 2022), we show that exposure by NGOs and companies' apologies jointly shape consumers' negative responses to the companies that engage in misconduct. Secondly, we specify consumers' psychological processes that lead to a company's apology backfiring after exposure by an NGO. In identifying the novel mediating mechanism of consumers' perceptions of companies' hypocrisy (Wagner et al., 2020), we show that when an NGO exposes a company's moral transgression, the company's apology increases adverse responses because consumers perceive the company to be more hypocritical. Unlike research that investigates company hypocrisy in relation to corporate social responsibility (e.g., Baghi & Antonetti, 2021; Wagner et al., 2009), we highlight how company hypocrisy functions in critical contexts. Moreover, we distinguish between moral and behavioural hypocrisy and thus provide nuanced insights into the specific antecedents of consumers' adverse reactions. Thirdly, we identify a new boundary condition for the mediating mechanism of companies' hypocrisy: consumers' political orientations. Research indicates that political orientation is a crucial moderator of consumers' responses to companies' apologies for crises (Chan & Palmeira, 2021), and we extend this finding by identifying the interplay between consumers' political orientations, companies' apologies, and exposure by NGOs.

In the following section, we review the literature on the role of companies' apologies following moral transgression, present our conceptual model, and develop the research hypotheses. After this, we describe the methodology employed herein and the results of three experimental studies. Finally, we discuss the studies' results, suggest implications for theory and practice, and outline directions for further research.

Literature Review and Hypotheses Development

Reviewing the Role of Companies' Apologies

According to the situational crisis communication theory (SCCT) (Coombs, 2007), companies should apologise for the preventable crises for which they are responsible and that significantly threaten their reputations, such as moral transgressions (Lange & Washburn, 2012). Apologies are particularly effective in restoring consumers' perceptions of ethicality (Bradford & Garrett, 1995), leading to them regarding companies more positively because of the appropriateness of the companies' responses and resulting in prompt acceptance and mitigation of negative public responses (Mattila, 2009; Ohbuchi et al., 1989). However, empirical research also shows mixed findings regarding the effects of companies' apologies following moral transgressions (Coombs & Holladay, 2008; Khamitov et al., 2020). While some studies corroborate the remedial effects of apologies, others show null or even backfiring effects (Yuan et al., 2016). Because public apologies may draw attention to problems that initially had limited audiences, increased exposure can lead to increased scrutiny (Friedman, 2006). If the transgression is particularly severe, consumers also may perceive dissonance between the misconduct and the apology, leading consumers to possibly focus more on the negative information related to the event (Ohbuchi et al., 1989; Racine et al., 2020).

To reconcile these inconsistent findings, some studies adopted a contingency-based approach in which the efficacy of an apology depended on its characteristics (Dutta & Pullig, 2011; Pace et al., 2010), the moral transgression (Comyns & Franklin-Johnson, 2018), the company (Grappi & Romani, 2015), and the consumer (Chan & Palmeira, 2021; see Table 1 for an overview). In terms of the apology's characteristics, sincerity is a crucial factor: perfunctory, cold, and distant apologies do not mitigate negative reactions because they are perceived as insincere or fraudulent (Choi & Mitchell, 2022). To be effective, apologies

should not only explicitly express responsibility and regret but also offer some profound commitment to remedial action or compensation (Antonetti & Baghi, 2023; Ohtsubo & Watanabe, 2009; Pace et al., 2010; Xu et al., 2021). Regarding the characteristics of a moral transgression, while an apology may reduce negative reputational damage and lower the burden of responsibility if the crisis is specific to an individual firm, the opposite occurs if the crisis is collective (e.g., the Rana Plaza building collapse in Bangladesh, which housed five separate garment factories) (Comyns & Franklin-Johnson, 2018). In terms of the company's characteristics, a company's history and its relationship quality with the customers can moderate the effects of an apology on consumers' responses. Apologies are particularly effective when they are issued by companies that have good reputations (Grappi & Romani, 2015), if consumers identify with the companies (Ma, 2023), or if consumers have a good relationship with the brand (Choi & Mitchell, 2022). Finally, regarding consumers' characteristics, political orientation moderates the effects of an apology on consumers' responses, in that apologies are more effective among liberals than conservatives (Chan & Palmeira, 2021).

Table 1. A contingency-based approach to determining the effectiveness of companies' apologies following moral transgressions

Study	Factor domain	The factors investigated	Dependent variables	Main findings
Grappi and Romani (2015)	Company	Customer-based reputation	Attitudes, intention to buy, word of mouth (WOM)	Confession strategies were more effective among consumers who had better perceptions of the company's reputation.
Racine et al. (2020)	Company	Firms' level of responsibility for crises	Stock price response	Apologies were effective when the responsibility was internal to the company.
Ma (2023)	Company, transgression	Brand identification, transgression type	Attitudes, emotions, behavioural intentions	Consumer-brand identification increased the effectiveness of corporate apologies when a crisis did not threaten the shared defining attribute.
Mattila (2009)	Transgression	Violation type (intentional harm vs. harm due to external cause)	Trust, attitudes, behavioural intentions	Apologies were more effective than denial for crises that had external rather than internal causes.
Dutta and Pullig (2011)	Transgression	Nature of the crisis	Post-crisis brand confidence and choice likelihood	Corrective actions were not more effective than the reduction of the offensiveness for values-related crises.
Tsarenko and Tojib (2015)	Transgression	The severity of the transgression	Forgiveness	Apologies were more effective when a brand's transgression was mild.
Comyns and Franklin-Johnson (2018)	Transgression	Crisis setting	Reputational damage	Accommodative response strategies backfired in collective rather than individual crises.
Pace et al. (2010)	Apology	Explicitness of accepting responsibility, expressing regret	Perceived company reputation, anger at the company's response	Apologies needed an explicit statement of responsibility to increase their benefits for the organisation.
Ohtsubo and Watanabe (2009)	Apology	Costliness of the apology	Perceived apology sincerity, sending complaints	Apologies diminished individuals' willingness to complain when the apologies were perceived as more costly.

Table 1. A contingency-based approach to the effectiveness of companies' apologies following moral transgressions (cont.)

Study	Factor domain	The factors investigated	Dependent variables	Main findings
Yuan et al. (2016)	Apology, transgression	Attribution type (internal vs. external) apology	Attitude and intentions towards the company	For moral crises, apologies of different attribution types were not significantly different and were less effective.
Xu et al. (2021)	Apology, consumer	Apology, remedy, power-distance beliefs	Attitude and intentions towards the company	A remedial apology was received more favourably than no response, an apology, or a remedy, especially among consumers with relatively low power-distance beliefs.
Choi and Mitchell (2022)	Apology, company	Perceived sincerity of the message, previous relationship with the brand (a YouTuber)	Forgiveness towards the brand (a YouTuber)	The perceived sincerity of the apology increased forgiveness, which was more prevalent among subscribers.
Antonetti and Baghi (2023)	Apology, transgression, company	'Low competence' apology, perceived apology costliness, perceived apology sincerity, failure type, overall organisational competence	Stakeholder responses to company failures (e.g., negative WOM intentions, purchase intentions)	The projection of lower competence increased apology costliness and perceived apology sincerity, and it led to more favourable responses when the failure was not relevant to the core business and when the overall organisational competence was high.
Chan and Palmeira (2021)	Consumer	Consumers' political orientations	Brand trust, purchase intentions	Apologies were less effective for conservatives in terms of restoring their brand trust and purchase intentions as opposed to liberals.
This study	**Source of exposure, consumer**	**NGOs exposing the moral transgression, consumer political orientation**	**Attitude, negative WOM intentions, boycott intentions, retaliatory intent**	**Apologies are less effective after companies' moral transgressions are exposed by NGOs, especially among conservatives.**

Existing studies do not consider whether an apology is less effective when a company's misconduct is made public by NGOs. Companies often make apologies in response to NGO campaigns or reports (Grappi et al., 2017). Consumers' responses to companies that engage in wrongdoing may depend on both the companies' responses (i.e., an apology) and the entity that exposed the moral transgression (i.e., NGOs). NGOs are relevant cues in the moral transgression environment as the public highly trusts NGOs and perceives them as expert watchdogs against corporate abuse (Argenti, 2004; Jungblut, 2020; Power, 2018; Sangar & Meyer, 2018). Accordingly, this study contends that consumers respond less positively to a company's apology when an NGO exposes its moral transgressions. These effects can be explained by consumers' heightened perceptions of company hypocrisy, which are informed by their political orientations. In the following sections, we offer the theoretical reasoning for the research hypotheses.

Companies' Apology and the Effects of Exposure by NGOs on Consumer Responses

Companies' moral transgressions refer to any corporate acts of immorality within society that represent breaches of social and moral norms. Consumers develop beliefs about what is right and wrong as well as what companies ought and ought not to do (Xu et al., 2021). Therefore, when companies behave in ways that conflict with consumers' ethical standards, they commit moral transgressions (Xie & Bagozzi, 2019). These transgressions are particularly problematic for consumers compared to other types of wrongdoing that reflect companies' abilities (Lange & Washburn, 2012). This is because moral transgressions are generally associated with high intentionality and agency, and the perpetrating companies appear to be acting intentionally or out of greed and causing deliberate harm for the sake of profit (Antonetti & Maklan, 2016; Grégoire et al., 2010). Moreover, morality categories are typically defined in terms of negative rather than positive performance (Skowronski & Carlston, 1987), such that when information about companies pertain to their morality, their

negative performance becomes highly diagnostic and has powerful impacts on consumers' assessments and responses (Barbarossa & Mandler, 2021). Appraisals of companies' moral transgressions lead to adverse responses by consumers (e.g., Gistri et al., 2019; Valor et al., 2022), such as consumers devaluing these companies, expressing lower purchasing intentions of their products, engaging in more negative word of mouth (WOM), or boycotting them (Grappi et al., 2013; Trautwein & Lindenmeier, 2019; Xie & Bagozzi, 2019; Xie et al., 2015).

Apologies may mitigate consumers' adverse responses as a company holds itself accountable when it apologises (Gistri et al., 2019; Grappi & Romani, 2015). An apology is interpreted by consumers as a positive cue in the moral transgression environment because it signals a company's involvement and accountability (Struthers et al., 2008). A company's acknowledgement of its wrongdoing and expression of remorse communicate that it is taking responsibility and working to re-establish any ethical values and moral standards that were undermined by the transgression (Grappi et al., 2017). Thus, when a company apologises for a moral transgression, consumers are more likely to reconsider their initial unfavourable assessment of the company by taking the apology into account and displaying less intense negative reactions towards the company.

However, when an NGO reveals a company's moral transgression, consumers might be less likely to overlook the negative information to the extent that the company apology might not 'gloss over' the negative information associated with the immoral act. Moreover, apologies may backfire. The intensity of consumers' adverse responses often depends on the source of the information (Valor et al., 2022). NGOs are trustworthy sources of information as they are regarded as experts within their field (Jungblut, 2020; Sangar & Meyer, 2018). Indeed, denunciatory reports and campaigns developed by NGOs are backed by evidential references, eyewitnesses, or their own observations (Fröhlich & Jungblut, 2021). Thus, after exposure by NGOs, the information about the moral transgression becomes more diagnostic,

and consumers value the negative information more. Moreover, the positive cue of a company's apology becomes highly inconsistent with the company's immoral act, and consumers find it difficult to reconcile the act with the company's apology. Therefore, when an NGO exposes a company's moral transgression and the company apologises, consumers are less likely to adjust their initially harsh appraisal of the company, and the apology could even intensify consumers' negative reactions.

> **H1:** When a company apologises, the presence (vs. absence) of an NGO exposing a company's moral transgression increases consumers' negative responses towards the company.

The Mediating Role of the Company's Perceived Hypocrisy

A company's hypocrisy stems from consumers' perceptions that a company's former statements or actions set a standard of conduct that is violated by its actions (Baghi & Antonetti, 2021). Although Wagner et al. (2009) formally introduced corporate hypocrisy as a construct, its continued treatment can be grouped into three categories (Wagner et al., 2020): false claims, inconsistency between statements and behaviours, and ascribed character attributes. These categories reflect the multifaceted nature of hypocrisy (Laurent et al., 2014; Monin & Merritt, 2012), and they may occur separately or coexist (Effron et al., 2018).

For example, consumers can distinguish between deceptive and inconsistent company practices, with the former leading to allegations of moral hypocrisy and the latter evoking perceptions of behavioural hypocrisy (Wagner, 2020; Effron et al. 2015). Distinguishing between companies' moral and behavioural hypocrisy is related to specific events. A third facet, hypocrisy attribution, is not connected to a specific event; instead, it appears as an intrinsic company characteristic that develops over the time that the ongoing behaviour of a company is observed, stemming from previous knowledge about the company (Wagner et al.,

2020). Therefore, we focus on moral and behavioural hypocrisy, which are likely to be generated during initial appraisals of a company's moral transgression and its apology.

We define 'moral hypocrisy' as 'the belief that a firm is trying to appear more virtuous than it is' (Wagner et al., 2020, p. 387). Corporate social responsibility research demonstrates that consumers perceive companies as morally hypocritical if, for example, they claim to value the environment but then cheat on emissions requirements (Lyon & Montgomery, 2013). In terms of company apologies that follow moral transgressions, we contend that consumers may perceive companies as morally hypocritical if their apologies are guided by ulterior and self-serving motivations (Effron et al., 2018; Monin & Merritt, 2012). Declarations of sorrow and pronouncements of committing to ethical values that are perceived as insincere or designed only to mitigate media attention that is provoked by a respectable source of information may prompt allegations of moral hypocrisy. We predict that this outcome is especially likely when an NGO exposes a company's misbehaviour. When an NGO offers detailed and unflattering reports of a moral transgression and the company's rationale for committing it, the company's apology is likely to appear fraudulent rather than sincere, resulting in the apology amplifying consumers' perceptions of the company's moral hypocrisy.

'Behavioural hypocrisy' is 'the belief that statements made by a firm deviate from its demonstrated behaviours' (Wagner et al. 2020, p. 388), and consumers perceive a company as behaviourally hypocritical when they perceive a difference between a company's statements and its actual behaviours (Brunsson, 1989). Thus, behavioural hypocrisy depends on a company's actions being perceived as inconsistent by consumers. In studying a company's apology following a moral transgression, we treat behavioural hypocrisy as the perception that a company's apology is inconsistent with the misbehaviour for which it is apologising (Greenbaum et al., 2015). This discrepancy is more intense when the moral transgression is

exposed by an NGO as the information about the misconduct being endorsed by trustworthy NGOs results in any subsequent apology likely being interpreted according to the negative event. This is because NGOs can sensitise consumers to issues in the market and guide their evaluations by assigning moral significance (Den Hond & De Bakker, 2007). Furthermore, the more consumers focus on the misconduct and perceive it negatively, the more the company's subsequent accommodative actions seem inauthentic or incoherent, thereby amplifying consumers' perceptions that the company is behaving hypocritically.

> **H2:** When a company apologises, consumers' perceptions of company (a) moral hypocrisy and (b) behavioural hypocrisy mediate the effects of the presence (vs. absence) of an NGO exposing the moral transgression on their negative responses to the company.

The Moderating Role of Consumers' Political Orientation

Political orientation is a self-defined reflection of different political opinions that are described on a spectrum from left to right (Kandler et al., 2012). Among the several dimensions that form political orientations, including social, cultural, and economic (e.g., Bagozzi et al., 2022; Jost et al., 2008), we focus on the economic dimension in this study, which refers to how people position themselves on issues such as taxation and welfare. Companies' moral transgressions often mirror these issues (e.g., tax fraud, workers' exploitation, environmental pollution), and consumers evaluate companies according to the duties and responsibilities they attribute to companies in the market.

When a company apologises for a moral transgression, consumers' political orientations may moderate the effect of an NGO exposing this transgression on their perceptions of the company's hypocrisy. Individual political orientation is expressed in two concepts: (1) acceptance of inequality, in that conservatives view society as hierarchical, while liberals are less inclined to tolerate inequalities; and (2) resistance to change, in that

conservatives aim to preserve what is established, while liberals are more open to change (Jost & Hunyady, 2003; Jost et al., 2008, 2017). Liberals tend to be more hostile towards and suspicious of corporate interests (Heinze et al., 2014), leading to them having more negative reactions to companies' moral transgressions and the subsequent apologies (Chan & Palmera, 2021). Conversely, conservatives tend to react less negatively as they are more prone to recognise hierarchy and accept a certain degree of inequality within society. For example, by acknowledging the hierarchical asymmetry between companies and workers, they are more prone to engage in social justifications that favour companies (Jost & Hunyady, 2003; Jost et al., 2008, 2017). Furthermore, the different beliefs held by liberals and conservatives lead to them adopting different information processes (Amodio et al., 2007): liberals generally adopt systematic, effortful, and deliberative thinking (Jost & Krochik, 2014), while conservatives are more inclined to engage in automatic and stereotypical thinking (Jost & Krochik, 2014; Kanai et al., 2011; Oxley et al., 2008). As a result, conservatives and liberals show different sensitivities to peripheral cues, in that liberals are significantly influenced by core information and disregard peripheral cues more than conservatives (Carney et al., 2008). When a company's misconduct is exposed, liberals tend to adopt deliberative thinking as they may focus more on the core information regarding the company's misconduct and its subsequent apology, and they tend to focus less on the presence of NGOs in the moral transgression environment (Jost & Krochik, 2014). Conversely, conservatives are more sensitive to peripheral cues, such that the presence of NGOs in the moral transgression environment may influence their responses to a greater extent (Fröhlich & Jungblut, 2021; Jungblut, 2020; Sangar & Meyer, 2018).

Thus, we expect an interaction effect between political orientation and an NGO exposing the moral transgression: liberals may react more severely due to their resistance to social inequality, with their responses being less affected by whether the misconduct is

revealed by an NGO; and conservatives may be less sensitive to the moral transgression, but they may be more influenced by the presence of an NGO in the moral transgression environment than liberals.

> **H3:** When a company apologises, consumers' political orientations moderate the effects of the presence (vs. absence) of exposure by an NGO on their perceptions of the company's (a) moral and (b) behavioural hypocrisy. In detail, the effect of NGO exposure on perceptions of a company's (a) moral and (b) behavioural hypocrisy is stronger among conservatives than liberals.

The Evaluative and Behavioural Effects of Companies' Hypocrisy

Consumers' perceptions of a company's hypocrisy influence their responses to the company. As such, we predict that a company's moral and behavioural hypocrisy have asymmetrical effects on consumers' evaluative responses (i.e., their attitudes towards the company) and behavioural responses (i.e., their retaliatory intents) in a moral transgression context. To reveal the motivational antecedents of specific adverse responses, the downstream effects of moral and behavioural hypocrisy need to be separated. As consumers can distinguish between deceptive practices (moral hypocrisy) and inconsistent practices (behavioural hypocrisy), these two dimensions of hypocrisy should generate different evaluative and behavioural reactions. Furthermore, moral and behavioural dimensions can be viewed as orthogonal, in that even if they independently occur and have simultaneous responses, the intensity of their effects on specific outcomes may differ (Wagner et al., 2020).

If consumers judge a company as morally hypocritical, they ascribe direct responsibility to it and enter an attribution path that evokes oppositional behaviours which actively distance them from the deceitful company (Janney & Gove, 2011; Sweetin et al., 2013). Therefore, moral hypocrisy should foster primarily adverse behavioural responses,

such as consumers' intentions to engage in negative WOM, boycott the company, or otherwise retaliate (Janney & Gove, 2011).

Conversely, if consumers judge a company as behaviourally hypocritical, they may consider a company's incongruous practices which raise suspicions that the company is unreliable or unpredictable. They might also experience a state of tension that encourages them to engage in cognitive processing that reduces the dissonance they are experiencing (Kahneman, 2011; Lee & Schumann, 2004). To reduce the cognitive dissonance between the company's behaviour (its misconduct) and its response (its apology), consumers might align their evaluations by devaluing the company. Thus, behavioural hypocrisy should foster primarily evaluative responses, such as decreased positive attitudes towards the company.

> **H4**: Consumers' perceptions of a company's hypocrisy have asymmetrical effects on their responses towards the company, in that (a) a company's moral hypocrisy primarily influences behavioural responses, while (b) a company's behavioural hypocrisy primarily influences evaluative responses.

Overview of Empirical Research

To test our predictions, we conducted three online experimental studies for which respondents from the United Kingdom (U.K.) were recruited through Prolific, which is a participant recruitment company. Table 2 contains an overview of the empirical studies, and Figure 1 depicts the relationships tested in each study. Study 1 determines whether an NGO exposing a company's moral transgression can influence consumers' responses to the company's apology (H1). Study 2 tests the mediating role of a company's perceived moral and behavioural hypocrisy (H2). Study 3 tests consumers' political orientations as a moderator of the mediating effects exerted by a company's moral and behavioural hypocrisy (H3), as well as the asymmetrical downstream effects of a company's moral and behavioural hypocrisy on consumers' responses (H4). Studies 1 and 2 present a case of a company's moral

transgression related to the exploitation of hazelnut pickers that was eventually exposed by the NGO "X"[1]. To enhance the generalisability of our findings, Study 3 presents a case of moral transgression in a different industry in the form of the exploitation of garment workers, which was eventually exposed by the NGO "Y". To enhance the external validity of our findings, we used various measures of negative responses across the studies (e.g., Fritz et al., 2022), in that attitude towards the company, negative WOM, and boycott intentions were employed as variables in Study 1, and attitude towards the company and retaliatory intent were employed in Studies 2 and 3. In each study, we omitted the company name to avoid the potential confounding effects associated with the existing companies.

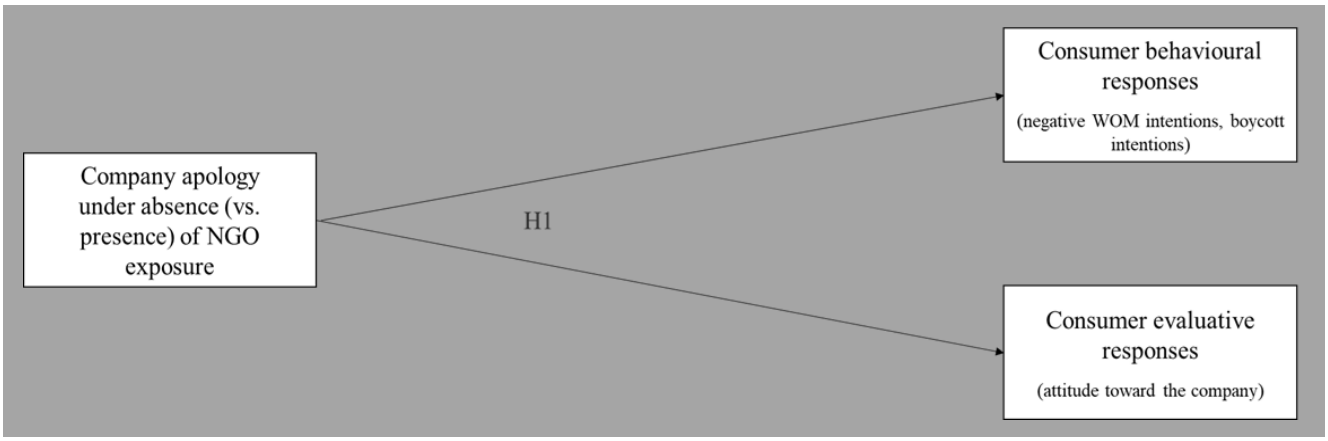
[1] The NGOs used in our studies are real but their involvement in the campaigns is fictitious. The names of the NGOs are kept undisclosed in the accepted version of this article to prevent misattribution of statements.

Table 2. Overview of empirical studies

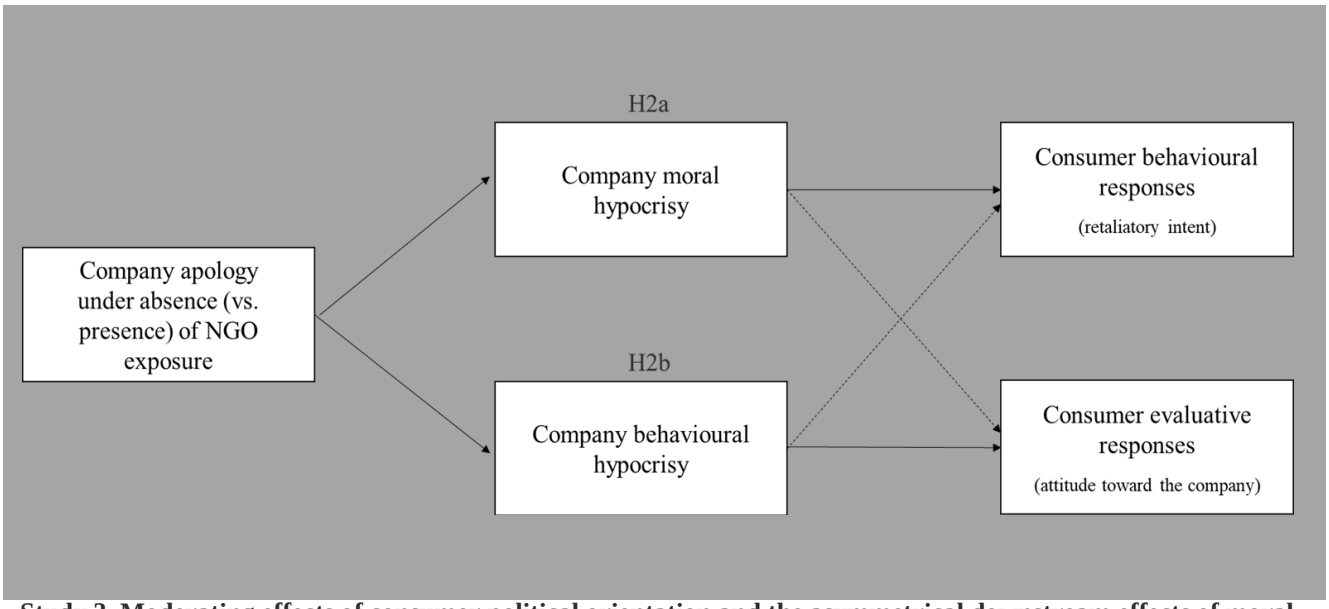
Objectives	Variables	Design, material, and sample	Hypothesis being tested
Study 1 tests whether a company's apology for a transgression that is exposed by an NGO exacerbates consumers' negative responses.	*Manipulation:* a company apologising after the presence or absence of an NGO exposing its moral transgression *Dependent variables:* attitude towards the company, negative WOM intentions, boycott intentions	*Research design:* between-subject experiment *Stimuli:* narrative scenarios of a company apologising after a moral transgression. The moral transgression herein is the exploitation of hazelnut pickers, under the presence vs. absence of exposure by an actual NGO "X". *Respondents:* 140 U.K. adult consumers	H1
Study 2 tests whether a company's (moral and behavioural) hypocrisy mediates the effects of a company's apology with (vs. without) exposure by an NGO on consumers' negative responses.	*Manipulation:* a company apologising after the presence or absence of an NGO exposing its moral transgression *Dependent variables:* attitude towards the company, retaliatory intent *Mediators:* a company's moral and behavioural hypocrisy	*Research design:* between-subject experiment *Stimuli:* narrative scenarios of a company apologising after a moral transgression. The moral transgression herein is the exploitation of hazelnut pickers, under the presence vs. absence of exposure by an actual NGO "X". *Respondents:* 439 U.K. adult consumers	H2
Study 3 tests whether consumers' political orientations moderate the mediating effects of a company's moral and behavioural hypocrisy. It also tests the asymmetrical effects of a company's moral and behavioural hypocrisy on consumers' behavioural and evaluative responses.	*Manipulation:* a company apologising after the presence or absence of an NGO exposing its moral transgression *Dependent variables:* attitude towards the company, retaliatory intent *Mediators:* a company's moral and behavioural hypocrisy *Moderator:* consumers' political orientations in the economic dimension	*Research design:* between-subject experiment *Stimuli:* narrative scenarios of a company apologising after a moral transgression. The moral transgression herein is the exploitation of garment workers, under the presence vs. absence of exposure by an actual NGO "Y". *Respondents:* 503 U.K. adult consumers	H3, H4

Figure 1. Models and hypotheses tested in each study

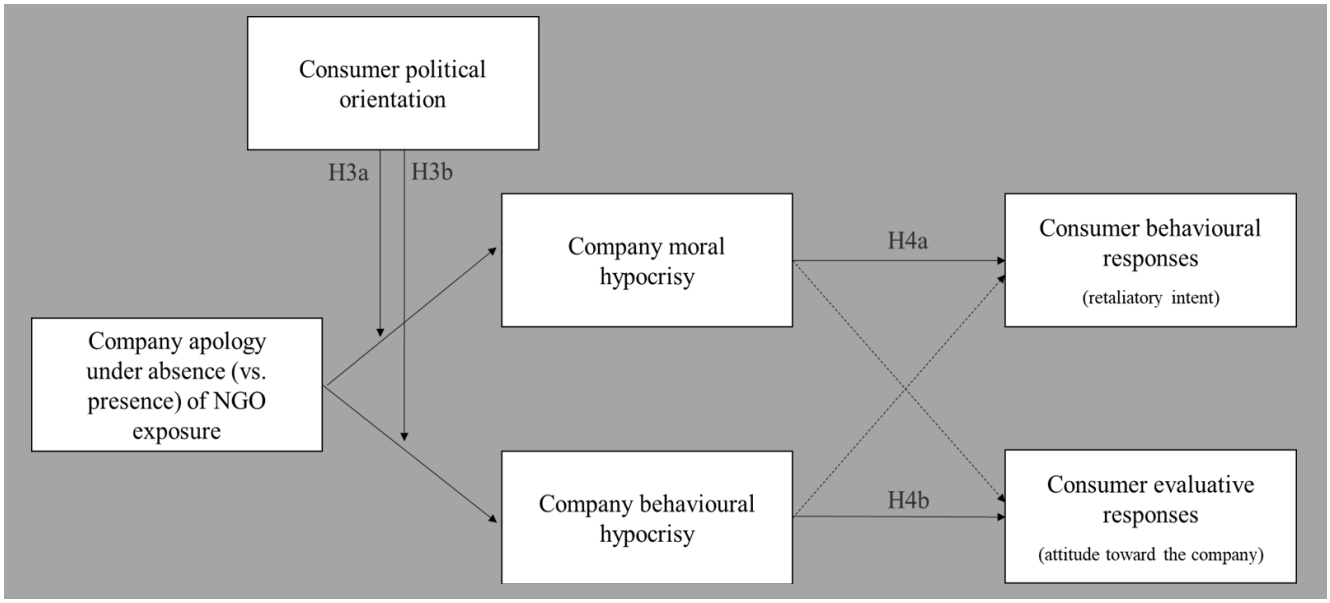
Study 1. Effects of company apology under presence (vs. absence) of NGO exposure on consumer responses



Study 2. Mediating effects of company moral and behavioural hypocrisy



Study 3. Moderating effects of consumer political orientation and the asymmetrical downstream effects of moral and behavioural hypocrisy



Study 1

Study 1 tests H1. It examines the effects of a company's apology for a transgression exposed by an NGO on consumers' responses (i.e., attitude towards the company, negative WOM intentions, and boycott intentions) (Figure 1).

Method

Participants and procedures

Study 1 comprised a between-subject experiment in which we manipulated the presence (vs. absence) of an NGO's exposure of a company's moral transgression. We asked the participants to read a fictitious newspaper article about a company's moral transgression (exploitation of hazelnut pickers) and its subsequent apology. To increase the realism, the scenario reflected publicly available reports (e.g., European Coalition for Corporate Justice, 2020) and featured a realistic newspaper layout (the scenario is available upon request to the authors). We indicated that the company and newspaper names were omitted to comply with the university's ethical regulations. We pretested the scenarios for the presence or absence of an NGO, the perceived type and severity of the moral transgression, the credibility of the NGO, and the company's response type (see Appendix A).

We recruited our sample through Prolific. Respondents were asked to complete an online survey hosted on Qualtrics. The survey was administered to a sample of 150 U.K. consumers. Only the questionnaires with correct responses to the attention and manipulation checks were retained, which resulted in 10 respondents being eliminated[2]. A post-hoc power analysis calculated by G*Power indicated that the final sample of 140 respondents was sufficient (power = 98%; medium effect size; 5% alpha margin error). The sample included 66 men (47.1%), and the participants' average age was 43 years (standard deviation [SD] = 14.12). The experimental groups did not vary

[2] In all the studies, we used attention and manipulation checks to detect inattentive respondents and improve data quality (Abbey & Meloy, 2017; Arndt et al., 2022; Curran, 2016). As to the attention checks, we asked the respondents to select a specific score on the seven-point scale (e.g., 'Please select number 2') at three different points of each questionnaire. As to the manipulation check, we verified whether the respondents correctly remembered the presence or absence of the NGO. In all studies, we excluded the participants who failed the attention and/or manipulation checks.

in gender ($\chi^2(1) = .03$, $p = .82$), age ($t(138) = -.63$, $p = .53$), or educational level ($\chi^2(4) = 5.34$, $p = .25$). Therefore, any differences between the respondents were not due to demographic characteristics.

Measures

After reading the newspaper article, the respondents used a seven-point scale to rate the items that measured the model variables (attitude towards the company, negative WOM intentions, and boycott intentions) and control variables[3]. Appendix B provides the measurement scales along with the loadings of the exploratory factor analysis (EFA) and the reliability index for each dimension. We also included several realism and manipulation checks together with the participants' demographic characteristics. We assessed the convergent and discriminant validity of the measures with a confirmatory factor analysis (CFA), which demonstrated that the model's fit was excellent ($\chi^2(7) = 5.83$, $p = .56$; comparative fit index [CFI] = 1.00; non-normed fit index [NNFI] = 1.00; root mean square error of approximation [RMSEA] = .00; standardised root mean residual [SRMR] = .02; Hu & Bentler, 1999). The χ^2 difference test also demonstrated that the factors had adequately high discriminant validity (available on request). Thus, we averaged the items to determine the corresponding dimensions.

Manipulation and realism checks

The manipulation and realism checks (see Appendix C) confirmed that the respondents correctly recognised the presence or absence of the NGO and that they also perceived the stimuli as realistic and the role of the NGO as credible. They also regarded the transgression as credible and attributed the misconduct to the company's lack of moral values. Furthermore, the respondents perceived the company's apology as highly credible and correctly recognised its accommodative orientation. Finally, the respondents indicated low familiarity with the NGO, thereby indicating that

[3] We also measured the costliness of the company's apology using the four-item scale detailed in Appendix B. We used the costliness of the company's apology to conduct additional analyses, which are discussed below.

their responses were influenced by the experimental manipulation rather than any previous knowledge of the NGO.

Results

We ran a one-way multivariate analysis of covariance (MANCOVA), which considered the presence or absence of exposure by NGO along with the personal relevance of the moral transgression, the severity of the moral transgression, victim salience, moral transgression vividness, and demographic characteristics (i.e., age and gender) as controls (see Table 3). The results demonstrated a statistically significant difference in consumers' responses based on the presence or absence of the NGO ($F(3, 130) = 6.71$, $p < .01$; Wilk's $\Lambda = .87$, partial $\eta^2 = .13$). The analysis of respondents' attitude towards the company revealed a significant effect of the presence or absence of NGO exposure ($F(1, 132) = 16.81$, $p < .01$; $\eta^2 = .11$). Following the company's apology, consumers' attitudes were significantly worse when an NGO exposed (vs. did not expose) the moral transgression, although the mean scores were low in both conditions ($M_{\text{no-NGO}} = 2.68$, SD = 1.03; $M_{\text{NGO}} = 1.98$, SD = 1.24). As for the boycott intentions, the presence or absence of exposure by an NGO had a significant effect ($F(1, 132) = 7.86$, $p < .01$; $\eta^2 = .06$). Following the company's apology, the group means indicated higher boycott intentions in cases of exposure by an NGO rather than without exposure by an NGO ($M_{\text{no-NGO}} = 4.06$, SD = 2.01; $M_{\text{NGO}} = 4.61$, SD = 1.96). We found a similar effect for negative WOM intentions ($F(1, 132) = 3.93$, $p < .05$; $\eta^2 = .03$) as these intentions were higher with exposure by an NGO than without it ($M_{\text{no-NGO}} = 3.98$, SD = 1.80; $M_{\text{NGO}} = 4.25$, SD = 1.68).

Taken together, these results support H1, in that an NGO exposing a company's moral transgression exacerbates consumers' negative responses towards the company issuing the apology. Indeed, when an NGO exposes moral transgressions—as compared to the absence of NGO exposure—consumers exhibit lower positive attitudes towards the company, increased intentions to boycott it, and spread negative WOM.

Table 3. Results for Study 1

	Dependent variable	Sum of squares	df	Mean square	*F*	*p*
Model corrected	Attitude towards the company	68.33	7	9.76	9.99	<.01
	Boycott intentions	277.92	7	39.70	18.92	<.01
	Negative WOM intentions	237.85	7	33.98	24.49	<.01
Intercept	Attitude towards the company	81.84	1	81.84	83.79	<.01
	Boycott intentions	3.70	1	3.70	1.76	.19
	Negative WOM intentions	1.29	1	1.29	.93	.34
Control - Relevance of the moral transgression	Attitude towards the company	.97	1	.97	.99	.32
	Boycott intentions	77.29	1	77.29	36.84	<.01
	Negative WOM intentions	47.74	1	47.74	34.40	<.01
Control - Severity of the moral transgression	Attitude towards the company	4.65	1	4.65	4.76	<.05
	Boycott intentions	3.07	1	3.07	1.46	.23
	Negative WOM intentions	7.84	1	7.84	5.65	<.05
Control - Victim salience	Attitude towards the company	9.92	1	9.92	10.16	<.01
	Boycott intentions	11.51	1	11.51	5.48	<.05
	Negative WOM intentions	6.96	1	6.96	5.02	<.05
Control - Moral transgression vividness	Attitude towards the company	.68	1	.68	.69	.41
	Boycott intentions	.35	1	.35	.17	.68
	Negative WOM intentions	3.48	1	3.48	2.50	.12
Control - Age	Attitude towards the company	.84	1	.84	.86	.36
	Boycott intentions	.65	1	.65	.31	.58
	Negative WOM intentions	1.28	1	1.28	.93	.34
Control - Gender	Attitude towards the company	4.64	1	4.64	4.75	<.05
	Boycott intentions	2.09	1	2.09	.99	.32
	Negative WOM intentions	.72	1	.72	.52	.47
Exposure by NGO (absence vs. presence)	Attitude towards the company	16.42	1	16.42	16.81	<.01
	Boycott intentions	16.49	1	16.49	7.86	<.01
	Negative WOM intentions	5.44	1	5.44	3.93	<.05
Error	Attitude towards the company	128.92	132	.98		
	Boycott intentions	276.97	132	2.10		
	Negative WOM intentions	183.18	132	1.39		
Total	Attitude towards the company	960.25	140			
	Boycott intentions	3178.00	140			
	Negative WOM intentions	2786.75	140			
Total corrected	Attitude towards the company	197.25	139			
	Boycott intentions	554.89	139			
	Negative WOM intentions	421.03	139			

Additional Analyses

To ensure the robustness of Study 1's findings, we performed additional analyses to determine if the negative consequences of a company's apology, after being exposed by an NGO, persisted at different levels of apology costliness. Perceived costliness denotes a company's effort to address the violated moral standards (Antonetti & Baghi, 2023). The costliness of a company's apology can be low (vs. high) when it indicates a lower (vs. higher) commitment to investing time, efforts, and resources to solve the issue. In Study 1, the perceived costliness of the company's apology was low ($\alpha = .85$; $M = 2.82$, $SD = 1.02$). We, therefore, aimed to eliminate the possibility

that the negative effects of the apology occurred only for low-cost apologies. We collected additional data, manipulated the costliness of the apology, and tested whether the presence (vs. absence) of exposure by NGOs leads apologies to backfire when the costliness of the apology is lower (vs. higher).

In the lower costliness condition, we retained the data and apology stimuli as seen in Study 1. In the higher costliness condition, the new stimuli featured a costlier apology (i.e., a statement from the company's spokesperson indicating higher company commitment to investing time, efforts, and corporate resources to solving the problem) (Antonetti & Baghi, 2023)[4]. One hundred and forty additional U.K. participants completed an online survey on Qualtrics after being recruited through Prolific and were exposed to the condition that had a costlier apology (56.4% men with an average age of 44 years, SD = 13.84). We determined the costliness of the apology using the four-item scale detailed in Appendix B. As expected, the two versions of the company's apology differed ($M_{\text{lower-costliness}}$ = 2.82, $M_{\text{higher-costliness}}$ = 3.86; $t(278) = -9.02$, $p < .01$). While both were at a moderate level, the lower-costliness condition showed a significantly lower level of costliness compared to the higher-costliness condition. Additionally, the results of one-sample t-tests, which were employed to compare the mean value of the costliness in each condition with the scale's mid-point of 4, demonstrated that the first version was significantly lower than the scale's mid-point ($t(139) = -13.68$, $p < .01$), while the second was not significantly different from the scale's mid-point ($t(139) = -1.85$, $p = .07$). The MANCOVA (see Appendix D) was used to analyse the costliness of the apology together with the presence or absence of exposure by the NGO, and a statistically significant difference in consumers' responses was found based on the presence or absence of NGO exposure ($F(3, 268) = 6.64$, $p < .01$; Wilk's $\Lambda = .93$, partial $\eta^2 = .07$) but not in terms of apology

[4] The two scenarios were pretested to ascertain the levels of costliness. A total of 96 respondents, randomly assigned to one of the two scenarios, participated in the pretest (49 men, average age of 39, SD = 13.09). We asked respondents to rate the costliness of the apology using a four-item scale ($\alpha = .87$; M = 3.32, SD = 1.16; Antonetti & Baghi, 2023). The two scenarios differed as expected ($M_{\text{lower-costliness}}$ = 2.64, $M_{\text{higher-costliness}}$ = 3.96; $t(94) = -6.69$, $p < .01$), although the mean score of the perceived apology costliness in the higher costliness condition was rather moderate.

costliness ($F(3, 268) = .11$, $p = .95$) or the interaction between the two factors ($F(3, 268) = 1.32$, $p = .27$). This analysis also revealed that the effect of apology costliness on consumers' responses was not significant (attitude towards the company: $F(1, 270) = .15$, $p = .69$; boycott intentions: $F(1, 270) = .26$, $p = .61$; negative WOM intentions: $F(1, 270) = .06$, $p = .82$). Similarly, the interaction effects between apology costliness and the presence or absence of exposure by an NGO on consumer responses were not significant (attitude towards the company: $F(1, 270) = 2.19$, $p = .14$; boycott intentions: $F(1, 270) = .68$, $p = .41$; negative WOM intentions: $F(1, 270) = .13$, $p = .72$)[5]. These results indicate that an NGO revealing a company's moral transgression exacerbates consumers' negative responses to the company that is apologising regardless of the costliness of the apology. That is, the backfiring effect is not limited to perfunctory apologies. In Studies 2 and 3, we focussed on the effects of the presence or absence of NGO exposure and included apology costliness as a control.

Study 2

Study 2 tests H2. It examines whether a company's moral and behavioural hypocrisy mediates the effects of the presence (vs. absence) of exposure by NGOs on consumers' responses (i.e., attitude towards the company and retaliatory intent) (Figure 1).

Method

Participants and procedures

We used the two versions of the questionnaire that described the company's apology as in Study 1 (the scenario is available upon request to the authors). The participants responded to only one of the two versions. The survey was administered by Qualtrics to a sample of 460 U.K. consumers who were recruited on Prolific, with 439 responses being produced after we excluded the questionnaires in which participants failed the attention and manipulation checks (i.e., correctly

[5] Attitude towards the company: $M_{\text{no-NGO low costliness}} = 2.68$, SD = 1.03; $M_{\text{NGO low costliness}} = 1.98$, SD = 1.24; $M_{\text{no-NGO high costliness}} = 2.44$, SD = 1.15; $M_{\text{NGO high costliness}} = 2.14$, SD = 1.16; boycott intentions: $M_{\text{no-NGO low costliness}} = 4.06$, SD = 2.01; $M_{\text{NGO low costliness}} = 4.61$, SD = 1.96; $M_{\text{no-NGO high costliness}} = 4.21$, SD = 1.95; $M_{\text{NGO high costliness}} = 4.47$, SD = 1.89; negative WOM intentions: $M_{\text{no-NGO low costliness}} = 3.98$, SD = 1.80; $M_{\text{NGO low costliness}} = 4.25$, SD = 1.68; $M_{\text{no-NGO high costliness}} = 3.97$, SD = 1.84; $M_{\text{NGO high costliness}} = 4.40$, SD = 1.59.

remembered the presence or absence of the NGO), which resulted in 21 respondents being eliminated from the sample. The resulting sample size is sufficient according to the post-hoc power analysis in G*Power: with a small effect size (.02) and 5% alpha margin error, the power was 84%, which exceeded the recommended threshold of 80% (Cohen, 1988, 1992). The sample included 214 men (48.7%), and the average age was 43 years (SD = 14.21). The two experimental groups did not differ in age ($t(437) = .68$, $p = .50$), gender ($\chi^2(2) = 20$, $p = .91$), or education level ($\chi^2(5) = .92$, $p = .97$).

Measures

After reading the newspaper article, the respondents used a seven-point scale to rate the items that measured the model variables (attitude towards the company, retaliatory intent, moral and behavioural hypocrisy) and the controls (see Appendix B, which also provides the EFA loadings and reliability indexes for each dimension). We also included realism and manipulation checks alongside the participants' demographic data. CFA was used to assess the psychometric characteristics of the measures, and they showed adequate fit for the model ($\chi^2(48) = 87.11$, $p = .00$; CFI = .99; NNFI = .99; RMSEA = .04; SRMR = .04; Hu & Bentler, 1999). We confirmed discriminant validity with χ^2 difference tests (available on request), and we averaged the items to develop the corresponding dimensions.

The manipulation and realism checks

The manipulation and realism checks were used to retain only the respondents that correctly recognised the presence or absence of exposure by an NGO and those who provided high-quality responses (see Appendix C). The respondents perceived the company's transgression as being caused by a lack of moral values and regarded both the scenarios and the role of the NGO as credible and realistic. They indicated low familiarity with the NGO, such that their responses reflected the experimental manipulation rather than previous knowledge of the NGO.

Results

To test H2, we performed a mediation analysis (PROCESS Model 4; Hayes, 2022). We controlled for the same variables as in Study 1 in addition to blame attribution, the extent to which the company response appeared reactive or proactive, and the perceived costliness of the apology. Table 4 details the results, which show that the experimental manipulation significantly affected moral hypocrisy (b = .14, $p < .01$; 95% CI = .07 to .21) and behavioural hypocrisy (b = .12, $p < .01$; 95% CI = .05 to .18). After companies' moral transgressions are exposed by NGOs, consumers view the companies as having increased moral and behavioural hypocrisy. Moreover, company hypocrisy was found to influence consumers' responses. Specifically, perceptions of moral hypocrisy (b = -.16, $p < .01$; 95% CI = -.23 to -.08) and behavioural hypocrisy (b = -.13, $p < .01$; 95% CI = -.22 to -.05) negatively affected consumers' attitudes towards the company. As the direct effect of the manipulation on attitude is not significant (b = -.05, $p = .15$), hypocrisy fully mediated the effect on the dependent variable. Moral hypocrisy influenced consumers' retaliatory intentions (b = .14, $p < .01$; 95% CI = .05 to .24), while behavioural hypocrisy did not (b = .06, $p = .37$; 95% CI = -.05 to .16). In this case, as the direct effect of the manipulation on retaliation is significant (b = -.15, $p < .01$; 95% CI = -.26 to -.03), a partial mediation emerged. The indirect effects of the manipulation of the dependent variables through the hypothesised mediators showed that moral and behavioural hypocrisy significantly mediated the effect of the presence of exposure by an NGO on consumers' attitudes, while only moral hypocrisy mediated the effect of the manipulation on their retaliatory intent. Overall, the results of Study 2 support H2 as they show that when a company's moral transgression is exposed by an NGO and it then apologises, consumers devalue the company more and are more willing to retaliate against the company because they perceive the company as being hypocritical. Furthermore, some differences arise between moral and behavioural hypocrisy, in that moral hypocrisy mediates the effects of the absence or presence of NGO exposure on behavioural responses, while behavioural hypocrisy does not. These results provide preliminary evidence for the asymmetrical effects of moral and behavioural hypocrisy on consumers' responses, but H4 is formally tested in Study 3.

Table 4. Study 2's mediation model for moral and behavioural hypocrisy as mediators and consumers' attitudes towards the company and retaliatory intent as outcomes

	Moral hypocrisy		Behavioural hypocrisy	
Mediator variable models	b	*t*	b	*t*
X - Apology after absence versus presence of exposure by NGO	.14	3.14**	.12	2.88**
Control – Moral transgression vividness	.02	.45	.03	.79
Control – Victim salience	.03	.74	.04	.87
Control – Personal relevance of the moral transgression	.07	1.58	-.07	-1.67
Control – Severity of the moral transgression	.01	.16	.05	1.18
Control – Gender	-.09	-.97	-.00	-.05
Control – Age	-.00	-.37	-.00	-.24
Control – Blame attribution	.17	3.90***	.19	4.77***
Control – Reactive or proactive response	-.12	-3.12**	-.09	-2.56*
Control – Perceived costliness of the company's apology	-.09	-1.87	-.22	-5.24***

	Attitude towards the company (R^2 = .49)		Retaliatory intent (R^2 = .16)	
Outcome variable models	b	*t*	b	*t*
X – Apology after absence versus presence of exposure by NGO	-.05	-1.44	-.15	-3.10**
Moral hypocrisy	-.16	-3.50**	.14	2.43**
Behavioural hypocrisy	-.13	-2.72**	.06	.89
Control – Moral transgression vividness	.02	.44	-.06	-1.27
Control – Victim salience	-.13	-3.51**	-.12	-2.45*
Control – Personal relevance of the moral transgression	-.03	-.87	.22	4.47***
Control – Severity of the moral transgression	-.05	-1.56	.01	.15
Control – Gender	.02	.24	-.13	-1.34
Control – Age	-.00	-.88	-.02	-5.01***
Control – Reactive or proactive response	-.19	-5.20***	.02	.35
Control – Blame attribution	.15	4.93***	-.01	-.29
Control – Perceived costliness of the company's apology	.15	3.76***	.01	1.30

Indirect effect of X on Y	Attitude towards the company				Retaliatory intent			
	Index	Boot SE[a]	LLCI[b]	ULCI[c]	Index	Boot SE	LLCI	ULCI
Moral hypocrisy	-.02	.01	-.04	-.01	.02	.01	.00	.04
Behavioural hypocrisy	-.02	.01	-.03	-.00	.01	.01	-.01	.02

Note. * if $p < .05$; ** if $p < .01$; *** if $p < .001$. [a] = standard error; [b] = lower limit confidence interval; [c] = upper limit confidence interval. X, manipulation, is categorised as follows: -1 = a company's apology after the absence of exposure by an NGO; 1 = a company's apology after being exposed by an NGO. The continuous variables are mean-centred for the analysis. Confidence interval = 95%.

Additional Analyses

To strengthen the results, we ruled out the possibility that consumers' moral awareness about a company's transgression mediates the hypothesised effects as moral awareness could increase when an NGO exposes moral transgressions (Li et al., 2022; Reynolds, 2006). We ran a mediation model in which we included moral awareness as an additional mediator (see Appendix E). Moral awareness was measured using a three-item scale adapted from Li et al. (2022) and Reynolds (2006) (α = .94; loadings ranging from .91 to .94). The results show that moral awareness was not affected by the experimental manipulation (b = .06, p = .13; 95% CI = -.02 to .14). However, it did have an influence on retaliatory intent (b = .16, p < .01; 95% CI = .05 to .27) but not on attitude (b = -.03, p = .57; 95% CI = -.11 to .06). The indirect effects of the manipulation of the dependent variables through moral awareness were not significant for both dependent variables (attitude: 95% CI = -.01 to .00; retaliatory intent: 95% CI = -.03 to .00). These results rule out the possible mediating effects of moral awareness. However, in Study 3, moral awareness was included as an additional control variable.

Study 3

Study 3 explores whether consumers' political orientations moderate the effects of NGO exposure on their perceptions of a company's moral and behavioural hypocrisy (H3). It also tests the asymmetrical effects of a company's moral and behavioural hypocrisy on consumers' behavioural responses (i.e., retaliatory intent) and evaluative responses (i.e., attitude towards the company; H4) (Figure 1). Moreover, to enhance the generalisability of the findings, Study 3 is conducted in a different industry (i.e., the fashion industry).

Method

Participants and procedures

We used two different versions of a questionnaire that described a company's apology following a moral transgression in the fashion industry: the first detailed the apology after being exposed by an NGO, and the second did not include exposure by an NGO. For consistency, we used

the same type of moral transgression (i.e., worker exploitation) in a different industry. The participants responded to only one of the two versions. The survey was administered on Qualtrics to a sample of 520 U.K. consumers who were recruited through Prolific, and it produced 503 responses after we excluded the 17 participants who failed the attention and manipulation checks (i.e., correctly remembered the presence or absence of the NGO). This sample size was adequate according to a post-hoc power analysis in G*Power, which had a small effect size, a 5% alpha margin error, and a power of 88% (Cohen, 1988, 1992). The sample included 250 men (49.70%), and the average age was 42 years (SD = 13.51). The two experimental groups did not differ in age ($t(501) = .79$, $p = .43$), gender ($\chi^2(1) = .45$, $p = .50$), or education level ($\chi^2(5) = 4.46$, $p = .49$).

Measures

To avoid any priming effects, we measured the respondents' political orientations before exposing them to the manipulation (e.g., Matute et al., 2021). They then rated all the relevant variables (attitude towards the company, retaliatory intent, moral and behavioural hypocrisy, and the control variables) detailed in Appendix B. CFA determined that the model's fit was very good ($\chi^2(56) = 152.78$, $p = .00$; CFI = .99; NNFI = .98; RMSEA = .05; SRMR = .03; Hu & Bentler, 1999), and all the measures achieved adequate psychometric characteristics (results available on request).

The manipulation and realism checks

Manipulation and realism checks were conducted to retain only the respondents who correctly recognised the presence or absence of the NGO and those who provided high-quality responses (see Appendix C). The respondents perceived the company's transgression as caused by a lack of moral values and regarded both the scenarios and the role of the NGO as credible and realistic. They indicated low familiarity with the NGO, such that their responses reflected the experimental manipulation rather than previous knowledge of the NGO.

Results

We performed a moderated mediation analysis (PROCESS Model 7; Hayes, 2022). Table 5 details the results, which show that the interaction between the experimental manipulation and the moderator had a significant effect on moral hypocrisy (b = -.08, $p < .05$; 95% CI = -.15 to -.02) but not behavioural hypocrisy (b = -.06, $p = .08$). The analysis of the conditional effects of the predictor at the moderator's values (see Table 5) suggested that the consumers' political orientations moderated the effects of the presence or absence of NGO exposure on the company's perceived moral hypocrisy. Conservatives attributed higher moral hypocrisy to the company in the case of transgressions exposed by an NGO, which reached the same level of moral hypocrisy attributed by liberals, and that liberals were not affected by the presence or absence of an NGO (see Figure 2). The perceptions of a company's behavioural hypocrisy negatively influenced consumers' attitudes towards the company (b = -.14, $p < .01$; 95% CI = -.22 to -.05), whereas moral hypocrisy did not (b = -.01, $p = .89$; 95% CI = -.07 to .06) (index of moderated mediation = .01; 95% CI = .00 to .02). The perceptions of a company's moral hypocrisy influenced consumers' retaliatory intentions (b = .22, $p < .01$; 95% CI = .15 to .30), while behavioural hypocrisy did not (b = -.04, $p = .54$; 95% CI = -.13 to .06) (index of moderated mediation = .01; 95% CI = .00 to .01). In both cases, as the direct effects of the manipulation on the two dependent variables were not significant, full mediations emerged.

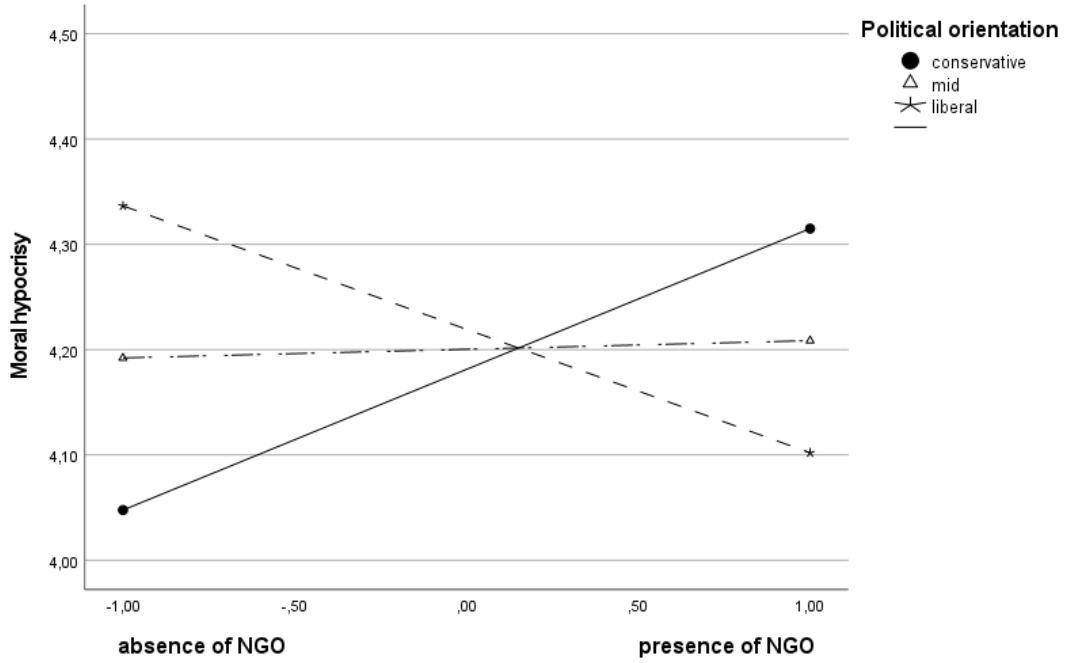
The results of Study 3 demonstrate the moderated mediation of perceived moral hypocrisy, in that the intensity of consumers' responses to a company's apology varies according to the presence or absence of exposure by an NGO as well as consumers' political orientations, thereby supporting H3a. However, H3b was not supported as political orientation did not moderate the effect of NGO exposure on behavioural hypocrisy. Furthermore, the results fully support H4 as they show the asymmetrical downstream effects of a company's moral and behavioural hypocrisy: moral hypocrisy motivates behavioural responses (i.e., retaliatory intent), while behavioural hypocrisy drives evaluative responses (i.e., negatively affected attitudes towards the company).

Table 5. Study 3's moderated mediation model

		Moral hypocrisy				Behavioural hypocrisy			
Mediator variable models		b	*t*			b	*t*		
X - Apology after absence versus presence of exposure by an NGO		-.01	-.20			-.07	-1.56		
W - Consumers' political orientations		.01	.17			.05	1.30		
X×W		-.08	-2.06*			-.06	-1.80		
Control - Moral transgression vividness		.02	.44			.13	3.13**		
Control - Victim salience		.08	1.33			.06	1.37		
Control - Personal relevance of the moral transgression		.13	2.21*			.02	.48		
Control - Severity of the moral transgression		.05	.91			.04	.81		
Control - Gender		-.31	-2.58*			-.16	-1.65		
Control - Age		-.01	-1.65			-.00	-.27		
Control - Reactive or proactive response		-.04	-.78			-.04	-1.20		
Control - Blame attribution		.23	4.36***			.17	4.07***		
Control - Perceived costliness of the company's apology		-.03	-.50			-.26	-5.19***		
Control - Moral awareness		.01	.11			.15	2.43*		
Conditional effects of the focal predictor at the moderator's value		Effect	SE	LLCI	ULCI	Effect	SE	LLCI	ULCI
Conservative		.13	.09	.02	.29	.02	.07	-.10	.15
Liberal		-.12	.08	-.25	.01	-.15	.06	-.25	-.04
		Attitude towards the company (R^2 = .39)				Retaliatory intent (R^2 = .21)			
Outcome variable models		b	*t*			b	*t*		
X - Apology after absence versus presence of exposure by an NGO		-.01	-.13			.02	.46		
Moral hypocrisy		-.01	-.14			.22	5.00***		
Behavioural hypocrisy		-.14	-2.70**			-.04	-.60		
Control - Moral transgression vividness		.07	1.99*			.04	1.06		
Control - Victim salience		-.01	-.20			-.00	-.06		
Control - Personal relevance of the moral transgression		-.05	-1.25			.25	4.97***		
Control - Severity of the moral transgression		-.11	-2.62**			-.00	.04		
Control - Gender		-.23	-2.61**			-.34	-3.53***		
Control - Age		.00	.60			-.01	-3.73***		
Control - Reactive or proactive response		.11	3.26***			.01	.24		
Control - Blame attribution		-.12	-3.21**			.04	.85		
Control - Perceived costliness of the company's apology		.16	3.65***			.06	1.18		
Control - Moral awareness		-.20	-3.71***			-.20	-3.35***		
Indirect effect of X on Y		Effect	Boot SE	LLCI	ULCI	Effect	Boot SE	LLCI	ULCI
Moral hypocrisy	Conservative	-.00	.01	-.01	.01	.03	.02	.01	.07
	Liberal	.00	.01	-.01	.01	-.03	.02	-.06	.00
Behavioural hypocrisy	Conservative	-.00	.01	-.02	.01	-.00	.01	-.01	.01
	Liberal	.02	.02	.00	.05	.01	.01	-.01	.02

Note. * if $p < .05$; ** if $p < .01$; *** if $p < .001$. W = moderator, M = mediator, X = manipulation. X is categorised as follows: -1 = a company's apology after absence of exposure by an NGO; 1 = a company's apology after being exposed by an NGO. Continuous variables are mean centred for the analysis. Confidence interval = 95%.

Figure 2. The interactions between consumers' political orientations and presence (vs. absence) of exposure by an NGO on moral hypocrisy in Study 3



Additional Analyses

To strengthen the results of Study 3, we ruled out the possibility that state levels of moral decoupling could explain the hypothesised effects (Bhattacharjee et al., 2013), thereby acknowledging that exposure by an NGO could enhance consumers' difficulty in disassociating their judgments of a company's performance from those of its morality. We ran a moderated mediation model in which moral decoupling served as an additional mediator (Appendix F). Moral decoupling was measured with a three-item scale adapted from Bhattacharjee et al. (2013), which included elements such as 'Reports of wrongdoing should not affect our view of this company's products' (α = .95; loadings ranging from .86 to .95). The results showed that the interaction effect between the manipulation and consumers' political orientations affected moral decoupling (b = -.09, p < .05; 95% CI = -.15 to -.02), but moral decoupling did not affect consumers' responses (attitude: b = .03, p = .41; 95% CI = -.03 to .09; retaliatory intent: b = -.02, p = .63; 95% CI = -.08 to .05). Overall, these results show that the conditional effect of the manipulation on the dependent variables is not explained by moral decoupling (see Appendix F).

Discussion

Implications for Theory

SCCT research emphasises the supremacy of apologies as a strategic response to preventable crises (Coombs, 2007), but this study challenges their efficacy in ameliorating consumers' adverse reactions in these circumstances. When an NGO exposes a moral transgression, the apology exacerbates consumers' negative responses possibly because consumers rely on these trustworthy expert watchdogs to provide credible information when revealing misconduct and advocating for victims (Eldeman, 2022; Schofer & Longhofer, 2020). In response to calls for more evidence of how different sources of exposure (e.g., other consumers, media, celebrities, NGOs) affect appraisals of moral transgressions and companies' responses (Valor et al., 2022), this study establishes that exposure by NGOs can undermine the efficacy of companies' apologies for moral transgressions. Therefore, we suggest that existing SCCT guidelines that recommend apologies for all preventable crises be revised to a more refined, contingency-based approach (Dutta & Pullig, 2011).

We also reveal why an NGO's exposure of a company's moral transgression leads to an apology backfiring by identifying the novel mediating mechanism of a company's perceived hypocrisy (Wagner et al., 2009, 2020). We demonstrate for the first time that a company apologising after an NGO exposes a transgression increases consumers' perceptions that the company is deceptive (moral hypocrisy) and incoherent (behavioural hypocrisy). Thus, these findings make two theoretical contributions. Firstly, while research has focused on the relationship between corporate hypocrisy and corporate social responsibility (e.g., Baghi & Antonetti, 2021; Wagner et al., 2009), we depict company hypocrisy in a novel setting. When consumers perceive a company as hypocritical, they not only compare the company's actual performance with its past virtuous commitments (Vanhamme et al., 2015) but also consider its past misbehaviours and current apologetic statements. Secondly, the overall concept of company hypocrisy has been investigated in the literature (e.g., Baghi & Antonetti, 2021), but we specify two relevant dimensions that exert

asymmetrical downstream effects on consumers' responses: moral and behavioural hypocrisy (Wagner et al., 2020). Moral hypocrisy mostly produces behavioural responses (i.e., retaliatory intent), whereas behavioural hypocrisy mostly motivates evaluative reactions (i.e., more negative attitudes). As corporate social irresponsibility research has recognised, it is relevant to disentangle overall constructs (e.g., negative moral emotions, stereotypes) into subdimensions that can produce differentiated, asymmetrical effects on consumer responses (e.g., Barbarossa & Mandler, 2021; Romani et al., 2013).

Finally, we demonstrate that the efficacy of an apology depends on the interplay between the cues in the moral transgression environment with consumers' characteristics. The extent to which consumers perceive a company that is apologising as hypocritical depends on the joint effects of being exposed by NGOs and consumers' political orientations (i.e., liberal vs. conservative). Political orientation influences consumers' appraisals of companies' misconduct (Heinze et al., 2014) and their reactions to the companies' apologies (Chan & Palmeira, 2021). In line with previous research, results confirmed that liberals tend to have a more severe reaction to a company's misconduct, regardless of the presence of peripheral cues in the moral transgression environment (e.g., NGOs). Conversely, while conservatives tend to have less adverse responses towards the company committing the transgression, they are more sensitive to peripheral cues (Jost & Krochik, 2014; Kanai et al., 2011). When an NGO exposes a moral transgression, conservatives' perceptions of the company's moral hypocrisy become more pronounced and aligned with those of liberals. Thus, by adding the element of exposure by NGO, we derive a complex and realistic depiction of a moral transgression environment in which consumers' responses to a company's apology depend on both contextual cues (exposure by NGO) and relevant individual characteristics (political orientation). As such, these results reinforce the importance of investigating the role of the NGO in moral transgression environments as they neutralise differences that arise from individual characteristics and guide consumers towards more severe condemnations.

Implications for Practice

We noted some real-world examples of NGOs exposing moral transgressions: Greenpeace exposed the Volkswagen 'Dieselgate' to the public at large (Lifegate, 2015), and the Ahmed Kathrada Foundation raised South African consumers' awareness of H&M's 'coolest-monkey-in the-jungle' scandal (*News24*, 2018). As a result of these campaigns, the companies apologised and committed to remedial actions. Although ethical and SCCT perspectives advise taking responsibility for preventable crises, our findings suggest that companies should consider relevant contingencies, including the source of the misconduct's exposure, to avoid any backfiring effect. In the absence of exposure by NGOs, consumers evaluate companies according to their personal belief systems, such that their personal orientations matter; compared with conservative consumers, liberal consumers exhibit more severe moral condemnation of companies that engage in wrongdoing, so these companies need to address these customers' concerns in more convincing ways. However, when NGOs expose a company's wrongdoing, the NGOs become epistemic authorities that unmask misconduct and give consumers an interpretative framework. Moreover, the exposure triggers more severe reactions from conservative consumers, such that these reactions are similar to those of liberal consumers. When companies are exposed by NGOs, they risk punitive responses to their apologies from consumers and should therefore provide more detailed and evidence-based apologies that authentically address their misbehaviours.

Specifically, when exposed by NGOs, companies should take particular care to avoid any hypocrisy when apologising. For example, they should not position themselves as leaders in terms of the sustainable or ethical values related to the misconduct because consumers perceive the company as demonstrating moral hypocrisy when the company claims a false image. Instead, they should couple their apologies with honest re-evaluations of their corporate values and ethical norms, starting with listening to and cooperating with the victims, recipients, and all concerned parties. Companies could also potentially elaborate on their apologies by asking NGOs for advice, thereby effectively demonstrating their regret and remedial intentions. The NGOs might suggest effective

recovery strategies in pursuit of their goals to not merely unmask and punish immoral companies but also evoke virtuous behavioural change.

Furthermore, when companies are exposed by NGOs, their post-crisis responses should not depict their actions as benchmarks in the field or claim unattainable standards. Rather, companies should commit to and communicate concrete actions and should give NGOs and the public access to traceable information about their progress. By reducing perceptions of their behavioural hypocrisy, companies can mitigate consumers' adverse evaluative reactions and make them less likely to devalue the companies in question.

Finally, our findings offer practical implications for NGOs by emphasising the role they play and detailing a potential extension of their activities to fulfil their missions. To drive behavioural change and reach collective goals, NGOs can systematically monitor companies' misbehaviour as a part of their core activities. Through these efforts, they can prove themselves as not only experts but also trustworthy agents or epistemic authorities that can provide interpretative frameworks that go beyond individual political orientations to mobilise public opinion and, if necessary, ask for authentic apologies from companies that engage in wrongdoing. These apologies can instigate redeeming actions on behalf of society, thereby confirming NGOs' claims of virtuous action.

Limitations and Guidelines for Future Research

We purposefully used scenario-based experiments herein because, although crisis communication research often relies on evidence from case studies or correlational studies, it also is important to test the outcomes of apologies using experimental research (Coombs & Holladay, 2008). We addressed this need by conducting three scenario-based experiments that included factors (i.e., exposure by NGO) that influence the effects of a company's apology on consumers' responses. However, scenario-based experiments that maximise internal validity provide less ecological validity than field data. Because of our focus on the psychological mechanisms that underlie the effects of a company's apology, this study's design was satisfactory as we addressed its

weaknesses by analysing cases of actual, recent events covered by the media (e.g., *The New York Times*, 2019) and making the scenarios as realistic as possible (e.g., European Coalition for Corporate Justice, 2020). In the pre-tests, the respondents perceived the scenarios, the NGOs' role, and the companies' responses as realistic. Nonetheless, future research should take the form of experimental studies that involve real cases of moral transgressions (Grappi & Romani, 2015).

We omitted the name of the companies that engaged in wrongdoing to avoid any confounding brand-related effects. Thus, using actual cases of company moral transgression would require researchers to control for brand-related effects. In particular, brand familiarity, attitudes, love or hate, and relationship quality could all affect consumers' appraisals of negative events and their responses to the companies at fault (Baghi & Antonetti, 2021). Thus, to test the robustness of the effects observed herein, researchers could include real brands.

The phrasing of the companies' apologies used in our experimental studies was based on real-life cases, such as H&M's apology for the 'monkey' sweatshirt advertisement (*News24*, 2018), Tesla's apology following allegations of worker exploitation at a paint shop (*The Guardian*, 2016), and Ford's apology following accusations of sexual harassment at Chicago factories (*The New York Times*, 2016). The apologies used herein included acceptance of responsibility, expression of sorrow, and promises of corrective actions. Existing research shows that apologies' perceived costliness and sincerity influence stakeholders' responses to a company's failures (e.g., Antonetti & Baghi, 2023; Ohtsubo & Watanabe, 2009; Xu et al., 2021). To strengthen the robustness of our findings, we tested the possible effect of the costliness of the apology in Study 1 and excluded the possibility that our results would differ in the case of a costlier company apology. However, despite the manipulated conditions significantly differing in terms of apology costliness, we acknowledge that the high condition still exhibited rather moderate mean levels of apology costliness. We therefore call for more research that includes more extensive apologies.

We considered numerous controls to enhance the internal validity of our findings. These controls were included to minimise the effects of the variables that were not of interest in the study

and to ensure that the results were influenced by the independent variable. Some of these controls were found to affect the variables of our model. If this finding strengthens the results, further investigation into the role of these factors is needed. For example, the presence of an NGO may increase the victims' perceived prominence, otherwise consumers' responses to the company's apology may be influenced by the victim's prominence and the presence or lack of an NGO exposing the company's transgression. Under conditions of low victim salience, an NGO exposing a company's misconduct may not affect consumers' responses towards the company.

The results of Studies 2 and 3 showed statistically significant indirect effects of the manipulation on consumers' responses, although these effects are small. To further test the robustness of the observed effects, we conducted additional analyses to exclude the influence of alternative explanations (i.e., moral awareness, moral decoupling). The results showed that, although of a limited size, the hypothesised indirect effects were robust and significant, while the tested alternative explanations did not mediate the effects of the manipulation on consumers' responses. Nevertheless, future research should test the conceptual model developed in this study in other contexts by integrating additional mediators or examining novel contingencies to further explore potential variations of the effect sizes found herein.

The results of Study 3 revealed that consumers' political orientations moderate the effects of exposure by NGOs on moral hypocrisy only. However, the interaction effect on behavioural hypocrisy was not significant (p = .08). When a company apologises after its moral transgressions are exposed by an NGO, conservatives perceive the company as more hypocritical, but these perceptions are limited to value-related judgments only. While the frequent occurrence of worker exploitation scandals in certain industries (e.g., the fast-fashion industry) might explain these asymmetric results, further research on the interplay between companies' apologies, NGOs, industry types, and consumers' political orientations, as well as their effects on different dimensions of company hypocrisy, is needed.

Although our experimental studies focus on workers' exploitation, our findings cannot be generalised to all moral transgressions (e.g., tax fraud, sexual harassment, customer mistreatment, false claims about environmental performance). Consumers typically appraise various moral transgressions differently, and the type of moral transgression may interact with consumers' political orientations. Therefore, additional tests of our proposed moderated mediation model are needed using additional records of companies' moral transgressions. In line with recent calls to integrate theories and evidence from research on brand transgression, service failure and recovery, and product harm crises (Khamitov et al., 2020), we also suggest extending our model into these three fields to establish similarities and differences, thereby allowing for the pursuit of a broader and more unified view of negative events.

We investigated the effects of a company's apology in the presence (vs. absence) of exposure by an NGO, which focused on one source of misconduct exposure and one type of condemnation. Therefore, future research could compare diverse sources of misconduct exposure (e.g., NGOs, celebrities, scientists, governmental organisations) and manipulate the content of the NGO's condemnation (i.e., different levels or types of condemnation) to enhance the stability of the current study's findings.

Finally, our empirical studies involved only U.K. respondents. People residing in different countries who have distinct economic development levels or cultures could offer different responses to NGO exposure, perceive company hypocrisy differently, or express unique political orientations (Baghi & Gabrielli, 2019). Tests of cultural variation would enhance the generalisability of our findings and clarify the extent to which country-related factors (e.g., economic, social, political conditions) and cultural variables (e.g., individualism–collectivism, masculinity–femininity, power distance) affect the applicability of the proposed moderated mediation model to other contexts.

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Appendix A – Pre-test of the stimuli

The survey was hosted on Qualtrics and was administered to a sample of 101 U.K. consumers who were recruited via Prolific (51.50% women; mean $[M]_{age}$ = 41.05 years, standard deviation [SD] = 15.23). The respondents read one of two versions of the description of a company's moral transgression (worker exploitation), with one being exposed by an NGO and the other not. Respondents first rated the type of the transgression on a seven-point scale according to how much they believed the negative event was due to the company's lack of ability (M = 3.31; SD = 1.98; M_{NGO} = 3.61, $M_{no\ NGO}$ = 3.02; $t(99)$ = 1.51, p = .14) and lack of morality (M = 6.16; SD = 1.07; M_{NGO} = 6.24, $M_{no\ NGO}$ = 6.08; $t(99)$ = .80, p = .43). The results of the one-sample t-tests that compared the scale mid-point (4) with the mean value of the company's lack of ability ($t(100)$ = -3.05, $p < .01$) and the company's lack of morality ($t(100)$ = 20.36, $p < .01$) confirmed the moral nature of the transgression, with no difference being found between the two sets. We then verified the response type by asking participants to indicate if the company's response was accommodative (1 on the scale) or defensive (7 on the scale) on a bipolar scale (M = 3.06; SD = .99). The mean value was below the scale mid-point (4), $t(100)$ = -10.56, $p < .01$, confirming the accommodative nature of the response, and the two experimental sets did not differ (M_{NGO} = 2.96, $M_{no\text{-}NGO}$ = 3.15; $t(99)$ = 1.09, p = .28). We also verified the credibility of the scenarios with three items: credible, realistic, clear (α = .92; M = 5.55; SD = 1.08; M_{NGO} = 5.57, $M_{no\text{-}NGO}$ = 5.53), and the results showed that the credibility was above the scale mid-point (4) ($t(100)$ = 14.42, $p < .01$) and that there was no difference between the conditions ($t(99)$ = .21, p = .83). We analysed the perceived severity of the moral transgression (i.e., 'Would you say that the company's actions are severe, dangerous, or harmful?'; α = .88; M = 5.76; SD = 1.06; M_{NGO} = 5.85, $M_{no\text{-}NGO}$ = 5.71) and determined that it was perceived as above the scale mid-point (4) ($t(100)$ = 16.81, $p < .01$) and that there was no difference between the conditions ($t(99)$ = .69, p = .50).

The respondents also participated in the manipulation check that concerned the presence or absence of the NGO (single dichotomous item), and all of them answered correctly and were thus retained in the analyses. Both the NGO's credibility and the respondents' familiarity with the NGO were verified among the respondents who read the scenarios that included exposure of a moral transgression by an NGO. Specifically, they rated how they evaluated the NGO (credible, realistic, clear; α = .93; M = 5.45; SD = 1.07) and their familiarity with the NGO (M = 2.02, SD = 1.25) on a seven-point scale. The results confirmed that the NGO's credibility was above the scale mid-point (4) (one-sample t-test: $t(100)$ = 9.50, $p < .01$) and that respondents' familiarity with the NGO was below the scale mid-point (4) ($t(48)$ = -11.09, $p < .01$). In conclusion, the pre-test confirmed that the stimuli were realistic, the company's transgression and the NGO's role were credible, and the transgression occurred due to the company's lack of morality.

Appendix B – Items, main references, exploratory factor analysis loadings, reliability indexes

			Study 1		Study 2		Study 3	
Constructs	***Items*** (seven-point scale, from 1 = strongly disagree to 7 = strongly agree)	***Main references*** (adapted from)	Loading	Reliability*	Loading	Reliability	Loading	Reliability
Outcomes								
Attitude	Bad/good	Xu et al. (2021)	.78	.90	.95	.96	.94	.97
	Unfavourable/favourable		.94		.97		.95	
	Negative/positive		.88		.97		.95	
Boycott intentions	I intend to boycott the company to have changes in its conduct.	Klein et al. (2004)	.75	-	NA		NA	
Negative word of mouth (WOM) intentions	I intend to discredit the company with people to give it a bad reputation.	Romani et al. (2013)	.92	.83	NA		NA	
	I intend to recommend people not to buy products of this company.		.92					
Retaliatory intent	I intend to do something bad to the company.	Grégoire and Fisher (2006)	NA		.92	.86	.87	.87
	I intend to cause inconvenience to the company.				.94		.90	
	I intend to punish the company in some way.				.83		.87	
Mediators								
Company moral hypocrisy	The company pretends to be something that it is not.	Wagner et al. (2020)	NA		.85	.82	.87	.92
	The company intends to deceive others.				.81		.85	
	The company tries to appear more virtuous than it is.				.78		.81	
Company behavioural hypocrisy	What the company says and does are two different things.	Wagner et al. (2020)	NA		.80	.88	.82	.93
	The company puts its words into action. (R)				.89		.88	
	The actions of the company are not consistent with its statements.				.88		.87	
Moderator								
Consumers' political orientations	In terms of economic issues (e.g., taxation, welfare, government expenditures and deficits, healthcare, privatisation of social security), where would you place yourself on the following scale: 1 = extremely conservative to 7 = extremely liberal?	Bagozzi et al. (2022)	NA		NA	-	.93	-

Appendix B – Items, main references, exploratory factor analysis loadings, reliability indexes (continued)

			Study 1		Study 2		Study 3	
Constructs	***Items*** (seven-point scale, from 1 = strongly disagree to 7 = strongly agree)	***Main references*** (adapted from)	Loading	Reliability	Loading	Reliability	Loading	Reliability
Control variables**								
Personal relevance of the moral transgression	Compared with other events, what is described in the newspaper article is important to me.	Malär et al. (2011)	.84	.79	.91	-	.73	-
	Compared with other events, what is described in the newspaper article is relevant to me. (*This item was measured in Study 1 only.*)		.91		-			
Severity of the moral transgression	Severe	Grappi et al. (2017)	.85	.93	.86	.75	.87	.79
	Harmful		.89		.90		.91	
	Dangerous (*This item was measured in Study 1 only.*)		.88		-			
Victim salience	How readily did victims come to your mind?	Xu et al. (2021)	.81	.77	.93	-	.82	-
	To what extent did you think it clearly involves victims? (*This item was measured in Study 1 only.)*		.89		-			
Vividness	How vivid is what you read in the newspaper article?	Baghi et al. (2009)	.93	-	.96	-	.94	-
Blame attribution	The company should be blamed for the scandal.	Grappi et al. (2017	NA		.92	-	.86	-
Reactivity /proactivity of the company's response	The company had a reactive/proactive response.	Becker-Olsen et al. (2006)	NA		.99	-	.88	-
Perceived costliness of the company's response	The company makes significant efforts to fix the crisis.	Antonetti and Baghi (2023)	NA		.91	.96	.93	.95
	The company dedicates close attention to fixing the crisis.				.93		.91	
	The company invests significant energy to fix the crisis.				.95		.94	
	The company dedicates a lot of resources to fixing the crisis.				.92		.92	
Moral awareness	There are very important moral aspects to this situation.	Li et al. (2022), Reynolds (2006)	NA		NA		.88	.93
	This matter clearly involves ethical or moral issues.						.91	
	This situation can be described as an ethical issue.						.90	

*Note***.** NA = not assessed. *Reliability is assessed using correlation for latent variables that are measured using two items, with Cronbach's alpha being used for the variables that are measured using more than two items. ****Why these control variables were included:** *Personal relevance of the moral transgression* was included to control for the importance that respondents assign to a specific issue; *severity of the moral transgression* was included to control for the perceived degree of harm caused by the scandal; *victim salience* was included to control for respondents' empathy towards the victims; *vividness* was included to control for the concreteness of the scandal-related information provided by the stimuli; *blame attribution* was included to control for consumers' attributions of responsibility to the company for its transgression; *reactivity or proactivity of the company's response* was included to control for consumers' perceptions of the company's response strategy being remedial or pre-emptive; *the perceived costliness of the company's response* was included to control for the company's perceived efforts in its apology; and *moral awareness* was included to control for consumers' levels of awareness about the company's transgression.

Appendix C – Manipulation and realism checks

Study 1. We verified that the respondents correctly perceived the company's misconduct as a moral transgression by asking them to rate the extent to which the negative event was caused by the company's lack of ability (M = 3.28; SD = 1.80) and lack of morality (M = 5.45; SD = 1.39). The results of the one-sample t-test that compared the scale mid-point (4) with the mean value of the company's lack of ability ($t(139) = -4.58$, $p < .01$) and the company's lack of morality ($t(139) = 11.22$, $p < .01$) confirmed the perceived moral nature of the transgression, and there were no differences between the conditions (the company's lack of ability: $M_{NGO} = 3.41$, $M_{no\text{-}NGO} = 3.19$; $t(138) = -.63$, $p = .59$; the company's lack of morality: $M_{NGO} = 5.21$, $M_{no\text{-}NGO} = 5.46$; $t(138) = 1.07$, $p = .22$). We verified the response type by asking the respondents to indicate if the company's response was accommodative (corresponding to 1) or defensive (corresponding to 7) on a bipolar scale (M = 2.91; SD = 1.60). The mean value was below the scale's mid-point (4) ($t(139) = -8.04$, $p < .01$), thus confirming the accommodative nature of the response. Furthermore, the experimental sets did not differ ($M_{NGO} = 2.99$, $M_{no\text{-}NGO} = 2.85$; $t(138) = -.52$, $p = .61$). Following this, we verified the credibility of the company's response strategy using three items (credible, realistic, clear; $\alpha = .71$; M = 4.26; SD = 1.00), and the results showed that the perceived credibility of the company's response was adequate as it was above the scale's mid-point (4) ($t(139) = 3.04$, $p < .01$) and did not differ across conditions ($M_{NGO} = 4.26$, $M_{no\text{-}NGO} = 4.25$; $t(138) = -.04$, $p = .97$).

We also verified whether the respondents recognised the presence of the NGO with a dichotomous manipulation check at the end of the questionnaire (correct answer percentage = 99%). If the scenario included the NGO, we further assessed the perceived credibility of the NGO's role. On a seven-point scale, the respondents evaluated the role of the NGO (credible, realistic, clear; $\alpha = .87$; M = 4.80, SD = 1.12), and the results showed that the perceptions of NGOs' credibility were high as it was higher than the scale's mid-point (4) ($t(68) = 6.60$, $p < .01$). The respondents rated their familiarity with the NGO on a seven-point scale (M = 2.10, SD = 1.35), with the NGO familiarity being determined as lower than the scale's mid-point (4) ($t(68) = -10.79$, $p < .01$).

Study 2. At the end of the questionnaire, we verified whether the respondents correctly perceived the presence or absence of the NGO with a dichotomous manipulation check (correct answer percentage = 99%). To verify the type of crisis, the respondents rated to what extent the negative event was caused by the company's lack of ability (1 on the scale) or morality (7 on the scale) using a bipolar scale (M = 5.86; SD = 1.22). The results showed that the respondents perceived the event to have been caused by the company's lack of morality as the mean value was higher than the scale's mid-point (4) ($t(438) = 32.05$, $p < .01$). Moreover, there were no differences between the experimental groups ($M_{NGO} = 5.95$, $M_{no\text{-}NGO} = 5.77$; $t(437) = -1.55$, $p = .12$), further confirming the moral nature of the transgression. After this, we verified the response type by asking the respondents to indicate if the company's response was accommodative (1 on the scale) or defensive (7 on the scale) on a bipolar scale (M = 3.29; SD = 1.70). The mean value was below the scale's mid-point (4) ($t(435) = -8.72$, $p < .01$), confirming the accommodative nature of the apology, and that the two experimental sets did not differ ($M_{NGO} = 3.30$, $M_{no\text{-}NGO} = 3.29$; $t(434) = -.07$, $p = .94$). The credibility of the newspaper article was also verified (M = 5.29; SD = 1.12), and the mean value was found to be above the scale's mid-point (4) ($t(438) = 24.26$, $p < .01$), and there were no differences found between the two conditions ($M_{NGO} = 5.36$, $M_{no\text{-}NGO} = 5.24$; $t(429) = -1.12$, $p = .26$).

If the respondents read the scenario that included the NGO, we also asked them to rate the extent to which they perceived its role as credible and realistic (r = .86; M = 5.19, SD = 1.16) and their familiarity with the NGO (M = 1.98, SD = 1.34). The results showed that the role of the NGO was determined as credible as it was higher than the scale's mid-point (4) ($t(213) = 14.91$, $p < .01$), while the respondents' familiarity with the NGO was low as it was lower than the scale's mid-point (4) ($t(213) = -22.14$, $p < .01$).

Study 3. As in the previous studies, we verified whether the respondents correctly perceived the presence or absence of the NGO with a dichotomous manipulation check (correct answer

percentage = 99%). The respondents rated to what extent the negative event was caused by the company's lack of ability (1 on the scale) or morality (7 on the scale) using a bipolar scale (M = 5.49; SD = 1.46). The results showed that the event was perceived as having been primarily caused by the company's lack of morality (one-sample t-test: $t(502) = 30.46$, $p < .01$), and no differences among the experimental sets were identified ($M_{NGO} = 5.47$, $M_{no\text{-}NGO} = 5.51$; $t(501) = .26$, $p = .80$), further confirming the moral nature of the transgression. We also verified the response type by asking the respondents to indicate if the company's response was accommodative (1 on the scale) or defensive (7 on the scale) on a bipolar scale ($M = 2.85$; SD = 1.35). The mean value was below the scale's mid-point (4) ($t(502) = -10.85$, $p < .01$), thus confirming the accommodative nature of the apology. Furthermore, the two experimental sets did not differ ($M_{NGO} = 2.94$, $M_{no\text{-}NGO} = 2.75$; $t(501) = -1.52$, $p = .13$). The credibility of the newspaper article was also verified ($M = 5.31$; SD = 1.13), and the mean value was above the scale's mid-point (4) ($t(502) = 22.13$, $p < .01$), and the two conditions did not differ ($M_{NGO} = 5.23$, $M_{no\text{-}NGO} = 5.49$; $t(501) = 1.71$, $p = .10$).

If the respondents read the scenario that included the NGO, we also asked them to rate the extent to which they perceived its role as credible and realistic ($r = .80$; $M = 5.11$, SD = 1.16) and their familiarity with the NGO ($M = 1.94$, SD = 1.26). The results showed that the respondents found the NGO's role to be credible as it was higher than the scale's mid-point (4) ($t(251) = 22.13$, $p < .01$), while the respondents' familiarity with the NGO was low as it was lower than the scale's mid-point (4) ($t(251) = -19.66$, $p < .01$).

Appendix D – Study 1: MANCOVA for analysing exposure by an NGO and the costliness of the company's apology

	Dependent variable	Sum of squares	df	Mean square	*F*	*p*
Model corrected	Attitude towards the company	106.29	9	11.81	11.54	<.01
	Boycott intentions	482.35	9	53.59	24.86	<.01
	Negative word of mouth (WOM) intentions	383.22	9	42.58	25.41	<.01
Intercept	Attitude towards the company	142.26	1	142.26	139.01	<.01
	Boycott intentions	14.78	1	14.78	6.86	.01
	Negative WOM intentions	.10	1	.10	.06	.81
Control - Relevance of the moral transgression	Attitude towards the company	.01	1	.01	.01	.94
	Boycott intentions	73.13	1	73.13	33.92	<.01
	Negative WOM intentions	41.45	1	41.45	24.74	<.01
Control - Severity of the moral transgression	Attitude towards the company	19.74	1	19.74	19.29	<.01
	Boycott intentions	33.78	1	33.78	15.67	<.01
	Negative WOM intentions	53.42	1	53.42	31.88	<.01
Control - Victim salience	Attitude towards the company	15.23	1	15.23	14.88	<.01
	Boycott intentions	32.28	1	32.28	14.97	<.01
	Negative WOM intentions	10.97	1	10.97	6.55	.01
Control - Moral transgression vividness	Attitude towards the company	.67	1	.67	.66	.42
	Boycott intentions	2.11	1	2.11	.98	.32
	Negative WOM intentions	2.97	1	2.97	1.78	.18
Control - Age	Attitude towards the company	.25	1	.25	.24	.63
	Boycott intentions	1.09	1	1.09	.50	.48
	Negative WOM intentions	7.52	1	7.52	4.49	.04
Control - Gender	Attitude towards the company	2.77	1	2.77	2.71	.10
	Boycott intentions	4.05	1	4.05	1.88	.17
	Negative WOM intentions	.42	1	.42	.25	.62
Exposure by an NGO (absence vs. presence)	Attitude towards the company	17.27	1	17.27	16.88	<.01
	Boycott intentions	16.27	1	16.27	7.55	<.01
	Negative WOM intentions	11.69	1	11.69	6.98	<.01
The costliness of the company's response (low vs. high)	Attitude towards the company	.15	1	.15	.15	.69
	Boycott intentions	.56	1	.56	.26	.61
	Negative WOM intentions	.09	1	.09	.06	.82
Exposure by NGO × costliness of the company response	Attitude towards the company	2.24	1	2.24	2.19	.14
	Boycott intentions	1.46	1	1.46	.68	.41
	Negative WOM intentions	.21	1	.21	.13	.72
Error	Attitude towards the company	276.31	270	1.02		
	Boycott intentions	582.09	270	2.15		
	Negative WOM intentions	452.38	270	1.68		
Total	Attitude towards the company	1911.72	280			
	Boycott intentions	6328.00	280			
	Negative WOM intentions	5653.750	280			
Total corrected	Attitude towards the company	382.608	279			
	Boycott intentions	1064.443	279			
	Negative WOM intentions	835.599	279			

Appendix E – Study 2's mediation model with moral awareness included as an additional mediator

	Moral hypocrisy		Behavioural hypocrisy		Moral awareness	
Mediator variable models	b	*t*	b	*t*	b	*t*
X - Apology under absence vs. presence of exposure by an NGO	.14	3.14**	.12	2.88**	.06	1.52
Control - Moral transgression vividness	.02	.45	.03	.79	.06	1.59
Control - Victim salience	.03	.74	.04	.87	.24	5.77***
Control - Personal relevance of the moral transgression	.07	1.58	-.07	-1.67	.03	.78
Control - Severity of the moral transgression	.01	.16	.05	1.18	.16	3.49***
Control - Gender	-.09	-.97	-.00	-.05	.01	.11
Control - Age	-.00	-.37	-.00	-.24	.01	2.09*
Control - Blame attribution	.17	3.90***	.19	4.77***	.09	2.26*
Control - Reactive or proactive response	-.12	-3.12**	-.09	-2.56*	-.02	-.60
Control - Perceived costliness of the company's apology	-.09	-1.87	-.22	-5.24***	-.18	-4.15***

	Attitude towards the company (R^2 = .49)		Retaliatory intent (R^2 = .17)	
Outcome variable models	b	*t*	b	*t*
X - Apology under absence vs. presence of exposure by an NGO	-.05	-1.40	-.14	-2.93**
Moral hypocrisy	-.16	-3.46***	.15	2.60**
Behavioural hypocrisy	-.13	-2.72**	.06	.91
Moral awareness	-.03	-.58	.16	2.88*
Control - Moral transgression vividness	.02	.48	-.05	-1.06
Control - Victim salience	-.12	-3.23**	-.08	-1.61
Control - Personal relevance of the moral transgression	-.03	-.86	.22	4.60***
Control - Severity of the moral transgression	-.04	-1.04	.03	.63
Control - Gender	.02	.25	-.12	-1.33
Control - Age	-.00	-.82	-.02	-4.73***
Control - Reactive or proactive response	-.19	-5.12***	.03	.62
Control - Blame attribution	.15	4.92***	-.01	-.35
Control - Perceived costliness of the company's apology	.14	3.58***	.04	.76

Indirect effect of X on Y	Attitude towards the company				Retaliatory intent			
	Effect	Boot SE[a]	LLCI[b]	ULCI[c]	Effect	Boot SE	LLCI	ULCI
Moral hypocrisy	-.02	.01	-.04	-.01	.02	.01	.00	.05
Behavioural hypocrisy	-.02	.01	-.03	-.00	.01	.01	-.01	.02
Moral awareness	-.00	.00	-.01	.00	.01	.01	-.03	.00

Note. * if $p < .05$; ** if $p < .01$; *** if $p < .001$. [a] = standard error; [b] = lower limit confidence interval; [c] = upper limit confidence interval. X, manipulation, is categorised as follows: -1 = a company's apology after absence of exposure by an NGO; 1 = a company's apology after being exposed by an NGO. The continuous variables are mean-centred for the analysis. Confidence interval = 95%.

Appendix F – Study 3's moderated mediation model with moral decoupling included as an additional mediator

	Moral hypocrisy		Behavioural hypocrisy		Moral decoupling	
Mediator variable outcomes	b	*t*	b	*t*	b	*t*
X - Apology under absence vs. presence of exposure by NGO	-.01	-.20	-.07	-1.56	-.14	-2.26**
W – Consumers' political orientations	.01	.17	.05	1.30	-.13	-2.92**
X×W	-.08	-2.06*	-.06	-1.80	-.09	-2.30*
Control - Moral transgression vividness	.02	.44	.13	3.13**	.05	1.07
Control - Victim salience	.08	1.33	.06	1.37	-.09	-1.65
Control - Personal relevance of the moral transgression	.13	2.21*	.02	.48	.12	2.24*
Control - Severity of the moral transgression	.05	.91	.04	.81	-.12	-2.30*
Control - Gender	-.31	-2.58*	-.16	-1.65	.03	.26
Control - Age	-.01	-1.65	-.00	-.27	-.02	-3.94***
Control - Reactive or proactive response	-.04	-.78	-.04	-1.20	-.13	-3.16**
Control - Blame attribution	.23	4.36***	.17	4.07***	.04	.85
Control - Perceived costliness of the company's apology	-.03	-.50	-.26	-5.19***	.07	1.30
Control - Moral awareness	.01	.11	.15	2.43*	.24	3.47***

Conditional effects of the focal predictor at the moderator's values	Effect	SE	LLCI	ULCI	Effect	SE	LLCI	ULCI	Effect	SE	LLCI	ULCI
Conservative	.13	.09	.02	.29	.02	.07	-.10	.15	.01	.08	-.13	.14
Liberal	-.12	.08	-.25	.01	-.15	.06	-.25	-.04	-.25	.07	-.37	-.13

	Attitude towards the company (R^2 = .39)		Retaliatory intent (R^2 = .21)	
Outcome variable models	b	*t*	b	*t*
X - Apology under absence vs. presence of exposure by NGO	-.00	-.04	.02	.41
Moral hypocrisy	-.01	-.14	.22	4.99***
Behavioural hypocrisy	-.14	-2.70**	-.03	-.59
Moral decoupling	.03	.83	-.02	-.49
Control - Moral transgression vividness	.07	1.94	.04	1.08
Control - Victim salience	-.01	-.14	-.00	-.09
Control - Personal relevance of the moral transgression	-.06	-1.34	.24	4.99***
Control - Severity of the moral transgression	-.11	-2.53*	-.00	-.08
Control - Gender	-.23	-2.61**	-.34	-3.53***
Control - Age	.00	.73	-.01	-3.76***
Control - Reactive or proactive response	.11	3.34***	.01	.17
Control - Blame attribution	-.12	-3.23**	.04	.86
Control - Perceived costliness of the company's apology	.16	3.63***	.06	1.19
Control - Moral awareness	-.21	-3.80***	-.20	-3.20**

Indirect effect of X on Y		Effect	Boot SE	LLCI	ULCI	Effect	Boot SE	LLCI	ULCI
Moral hypocrisy	Conservative	-.00	.01	-.01	.01	.03	.02	.01	.07
	Liberal	.00	.00	-.01	.01	-.03	.02	-.06	.01
Behavioural hypocrisy	Conservative	-.00	.01	-.02	.01	-.00	.01	-.01	.01
	Liberal	.02	.02	.00	.05	.01	.01	-.01	.02
Moral decoupling	Conservative	.00	.00	-.01	.01	-.00	.00	-01	.01
	Liberal	-.01	.01	-.03	.01	.00	.01	-01	.02

Note. * if $p < .05$; ** if $p < .01$; *** if $p < .001$. W = moderator, M = mediator, X = manipulation. X is categorised as follows: -1 = a company's apology after absence of exposure by an NGO; 1 = a company's apology after being exposed by an NGO. The continuous variables are mean centred for the analysis. Confidence interval = 95%.