Perceiving is believing: How consumers’ attributions about the cause of the Ansett Airlines’ safety crisis impacted outcomes

Author
McDonald, Lynette

Published
2006

Journal Title
Asia Pacific Public Relations Journal

Downloaded from
http://hdl.handle.net/10072/27681

Link to published version
https://www.deakin.edu.au/

Griffith Research Online
https://research-repository.griffith.edu.au
Perceiving is believing:
How consumers’ attributions about the cause of the Ansett Airlines’ safety crisis impacted outcomes.

Lynette McDonald
Griffith University

Abstract

In 2001, the now defunct airline, Ansett, was enmeshed in a major safety crisis when its fleet of 10 Boeing 767s was grounded by the Civil Aviation Safety Authority (CASA) after safety checks revealed engine pylon cracks. The grounding caused flight cancellations, mass disruptions of passengers, reputation damage and multi-millions of dollars in lost market share for Ansett.

A series of focus groups held soon after the groundings revealed three sets of consumer perceptions about the crisis cause: that Ansett was at fault for the safety crisis due to poor maintenance; that the government agency, CASA and, in part, the media, were to blame for scapegoating Ansett and blowing the crisis out of proportion; and that maintenance problems were endemic to the Australian airline industry due to cost-cutting following deregulation, with the Federal government also held to blame for the situation.

Using Weiner’s (1986, 1995) attribution theory, this paper describes how participants’ three different attributions about the cause of the Ansett crisis determined different emotional and behavioural reactions to the company. They also affected consumers’ judgments about the company’s crisis management, attitudes towards a $20 million advertising campaign and, ultimately, may have contributed to the company’s path to ruin.

The results indicated that, as part of a crisis management strategy, companies need to monitor, not only media communications about the crisis, but consumers’ perceptions of these stories, and their attributions about crisis cause in order to correct misconceptions and mitigate crisis damage.

Introduction

The rise of consumerism over the past three decades has meant a widespread increase in concern for consumer rights and safety (Engel, Blackwell & Miniard, 1993). Allied with the ‘green movement’ and increased awareness of the rights of special interest groups, organisational activities are increasingly put under the media microscope. Companies are being held accountable for their private and public actions as never before (Brinson & Benoit, 1999). As a result, when a company crisis erupts and comes under media and public scrutiny,
organisations are under increasing pressure to rapidly and effectively respond to public and media concerns.

A crisis is an event that runs the risk of escalating in intensity, falls under close media or government scrutiny, interferes with normal business operations, jeopardizes the company’s positive public image and damages the bottom line (Fink, 1986). The cause of corporate crises often centres on inattention to emerging problems (Ginzel, Kramer & Sutton, 1992). Figures analysed from the private data bank of 90,000 crisis news stories from the Institute for Crisis Management indicated that, in 2003, one of the three main groups of crisis causes was defects and recalls (14%) (Annual ICM Crisis Report, 2003).

A product defect crisis that impacted one of Australia’s oldest domestic airline carriers, Ansett, erupted in 2001. Ansett failed to meet a maintenance schedule outlined by Boeing with a timeline set and enforced by the Civil Aviation Safety Authority (CASA) after checks revealed safety problems, including cracks in engine pylon mounts (Ansett 767 Press Conference, 2001). CASA then grounded Ansett’s entire 767 fleet on the eve of the busy Easter holiday break, giving the company three weeks to show why it should not lose its operating license (Grounded Ansett borrows jets, 2001). The grounding cost Ansett $4.24 million\(^1\), mostly in purchase of alternative seats, advertising and leasing, and $20 million for an advertising campaign (Ansett to launch, 2001). The company lost an estimated 20% of its market share to alternative carriers (Goodsir, 2001), with each percentage drop representing a $15 million loss (Daniel, 2001). In September 2001, Ansett ceased operations.

Multiple reasons have been suggested for Ansett’s demise. These include claims by Air New Zealand that Ansett’s former owners had milked the airline dry (Elias, 2001), the assertion by a former Ansett executive that the failure by trade unions and employees to adopt necessary changes to work practices had made the airline less competitive (Potter, 2001), and the increasing level of competition from low-cost carriers on its domestic routes. The major losses incurred by the company following the grounding also contributed to the company’s collapse. It is contended that some of these losses resulted from reputation damage and subsequent lost market share as its customers switched to competitors.

A series of eight focus groups involving 53 participants held six weeks after the groundings revealed three sets of consumer attributions about the crisis cause: that Ansett was at fault for the safety crisis due to poor maintenance; that the government agency, CASA and, in part, the media, were to blame for scapegoating Ansett and blowing the crisis out of proportion; and that maintenance problems were endemic to the Australian airline industry due to cost-cutting following government deregulation, with the Federal government partly held to blame for the situation.

The focus of this article is to examine the role that different attributions made by consumers about the cause of the Ansett safety crisis differently impacted consumer reactions to the crisis.

**Weiner’s (1986, 1995) Attribution Theory**

The first question asked following a disaster or a company crisis is ‘Why?’ (Jorgensen, 1996). We seek out information about the cause of the crisis in order to know how to react and who to blame.

\(^{1}\) All figures are in Australian dollars.
Researchers have used Weiner’s (1986, 1995) attribution theory (WAT) to explain consumer reactions to company crises and service failures. Like other attribution theories, Weiner’s theory owes much to Heider’s (1944, 1958) attributional concepts of ‘phenomenal causality’ and the ‘ naïve analysis of action’ (Hewstone, 1989). Heider (1958) proposed a distinction between personal and situational causes of negative events. Heider’s (1958) original conception was that potential causal factors were either internal to the actor (for example, effort, intention) or external to the actor (for example, task-related factors (Hewstone, 1989). This opened the way for Weiner’s theoretical extension and his development of a taxonomy of causes based on three dimensions (Hewstone, 1989). Both Weiner’s (1986) theory and Weiner’s (1995) extended model posit that, following an unexpected negative event, observers make a cognitive appraisal of the cause of the event along three causal continua of locus, controllability and stability. This then leads to a judgment of responsibility that, in turn, results in anger or sympathy, affecting behaviour.

Locus refers to the location of the cause, whether internal or external (Davies, 1992). For example, in a crisis where a processed food product caused consumer poisoning, the cause could be either internal to the company (for example, machine error in manufacturing) or external (for example, poor handling by retailers), or somewhere in between the two. Controllability refers to the extent that the cause was attributed to being under the volitional control of those involved, and may be viewed as either controllable or uncontrollable (Davies, 1992). For example, the food product poisoning could have been controllable by the company (for example, manufacturer not maintaining equipment or strict hygiene controls) or uncontrollable (for example, sabotage). Stability refers to the degree of variability of the cause of the outcome over time (Kent & Martinko, 1995). That is, whether the cause was fluctuating and variable, or whether it was stable, that is, a permanent or immutable feature (Davies, 1992). While stability may be a feature of a product or service failure (for example, occasional delayed flights are a feature of an airline service), it is less likely to be a feature of a major crisis as the company, under the media spotlight, is forced to address the specific crisis cause. For example, after Chrysler received negative publicity when it was caught tampering with odometers on new cars that had been test driven (Stevens, 1999), it would be expected that this specific problem would not recur, therefore stability is not a realistic dimension to apply to crises.

Therefore, following a crisis, consumers make attributions about the cause on each of the dimensional continua of locus (internal or external) and controllability (controllable or uncontrollable).

**Application of WAT to studies on company crises and service failure: establishing the link between different attributions and consumer reactions**


These studies provided evidence that attributions about the cause of a product failure or a company crisis generated feelings of anger or sympathy towards companies, with these
thoughts and feelings directing consumer behavioural intentions, including purchase intentions.

When the cause of a service failure or crisis was considered to be internal to, and controllable by, the company, it resulted in anger (Folkes, 1984; Jorgensen 1994, 1996), higher judged responsibility (Jorgensen, 1996; Kaman Lee, 2004), blame (Jorgensen, 1994), lower sympathy (Jorgensen, 1994), lower purchase intentions (Jorgensen, 1994), and desire to hurt the firm (Folkes, 1984). When the cause was external to, and uncontrollable by, the company, this led to higher sympathy (Kaman Lee, 2004; Jorgensen, 1996), trust (Kaman Lee, 2004), and purchase and investment intentions (Jorgensen, 1996).

As these studies all used WAT, they investigated only the emotions of anger and sympathy, as WAT restricted emotions to anger and sympathy, perhaps for parsimony. Yet it makes intuitive sense that corporate crises evoke a range of emotions, including fear, for example, during the SARS outbreak that devastated tourism industries in the affected countries. However, no empirical research to date has examined the range of emotions that crises evoke in consumers. In addition, despite the fact that anger was the immediate precursor of lowered purchase intentions and other negative behaviour, no research has examined the likely range of consumer behaviour that crises elicit, apart from purchase intent and investment intent and, for product/service failure, complaint intent. As a result, a qualitative study using focus groups was designed to examine the range of attributions, emotions and behaviours that crises evoked in consumers.

Data collection

A series of eight focus groups totalling 52 participants was held in Melbourne in mid-2001 and videotaped for analysis. The sampling frame was the general population of Melbourne using non-probability sampling. Qualitative sampling was used to encompass diversity, rather than random sampling, as statistical representativeness is not the aim of most focus group research (Kitzinger & Barbour, 1999). Recruitment techniques included media releases that resulted in print, radio and TV stories. Participants were therefore brought together because they had some interest in company crises. Heterogeneous groups brought together on the basis of a shared experience are often the most productive (Kitzinger & Barbour, 1999).

As the literature indicated that demographic characteristics influence consumer attributions and emotions, participants were allocated to groups matched on high and low dimensions of age, income, education and cultural orientation (individualism/collectivism based on Hofstede’s 2001 country classification). Each group contained a gender mix. Focus group 1 (FG1) was higher age (n=6), Focus Group 2 (FG2) higher education (n=8), Focus Group 3 (FG3) higher income (n=6), Focus Group 4 (FG4) lower income (n=8), Focus Group 5 (FG5) lower age (n=5), Focus Group 6 (FG6) lower education (n=7), Focus Group 7 (FG7) individualists (n=8) and Focus Group 8 (FG8) collectivists (n=4).

A professional moderator used a funnelling technique, initially prompting a general discussion, then later raising specific questions about each of the main crises discussed. As Melbourne had experienced a spate of crises in recent years, participants were asked to recall and discuss crises that were most salient for them. Specific questions were asked about their thoughts and feelings towards the company, why they felt this way, duration of feelings, how they felt now, who was responsible for the crisis, any actions that participants had taken, and any other factors they considered important.
An inductive method was used to allow patterns, themes and categories to emerge from the analysis (Patton, 1990). The three stages of qualitative data analysis were followed: data reduction, data display and conclusion drawing (Miles & Huberman, 1994). Videotape transcriptions and whiteboard discussion summaries were content analysed following Miles and Huberman’s (1984) recommendations. Using pattern coding, summaries were grouped into a smaller number of overarching themes. Then codes (for example, emotions, behaviour) were developed. Participant comments fitting each code were clustered. The results were interpreted within a positivist paradigm, with word counts used and potential thematic associations explored. Finally, the transcripts and white-board results from focus groups were reanalysed based on revised themes and coding categories, looking for connections and divergence among the themes identified, and among the responses of different groups. Main themes that emerged included attributions of crisis cause and responsibility, emotions, behaviours and attitudes. As participants verbalised more than 70 different emotion words, Shaver, Schwartz, Kirson and O’Connor’s (1987) list of 135 emotion words was used to sort emotions into six categories of anger, love, joy, sadness, fear and surprise.

Participants discussed at length seven local crises as these had impacted them directly or indirectly. These were the Ansett airline groundings following safety concerns, the Esso gas explosion which killed two workers and left Melbourne without gas for two weeks, two separate Legionella outbreaks at the Melbourne Aquarium and the Alfred Hospital (each of which each killed two people), two separate extortion attempts affecting both Panadol and Herron paracetamol where the product was laced with strychnine, and Kraft’s peanut butter contamination and recall.

The most recent of these crises, the Ansett Airlines safety crisis, was discussed by all eight focus groups. One participant had her flying plans severely disrupted, and many others were regular flyers, but were not directly impacted at the time. One factor distinguished Ansett from the other crises discussed: participants attributed the safety crisis to three different causes, each of which resulted in different consumer reactions.

### Analysis of Ansett crisis causes

Three attributions were made about the cause of the Ansett safety crisis. The most widely held view was that the company was at fault for the groundings due to its poor record of 767 aircraft maintenance. The second perspective was that the CASA and, in part, the media, was to blame for scapegoating Ansett and blowing the crisis out of proportion. The third, less common viewpoint was that the crisis was caused by maintenance problems which were endemic to the Australian airline industry, and which resulted from cost-cutting following deregulation. In this case, the Federal government was considered partly to blame for the current situation. Each different set of evaluations was separately analysed and reactions to each identified.

In this section, typical quotes are used to explicate findings, with participants identified by the number of their focus group, gender and place in the group (for example, FG7M3 refers to Focus Group seven, male participant three).
Ansett to blame

The Ansett-responsible version of the crisis was the most heavily discussed. For the first version of the crisis, participants attributed the cause of the crisis primarily to poor aircraft maintenance due to company cost-cutting, a cause that was internal to, and controllable by, Ansett. Thus the company was considered at fault for safety breaches. Congruent with expectations from the experimental studies, attributions that the crisis had an internal and controllable cause resulted in anger. In participants’ discussions of this crisis version, anger category words dominated, constituting 55% of all emotion words articulated. Participants referred to Ansett using words like loathing, contempt, disgust, anger, and dislike. As FG1M3 said: ‘I felt ... very seriously manipulated by Ansett repeatedly getting back into the air while the bits were falling off and I felt totally contemptuous of Ansett and the manner in which they dealt with it’. Fear was the next highest category (20%) of words used and was predominantly related to fear of flying with Ansett for self or others. Participants reported feeling anxious, scared, nervous, insecure, distressed and fearful. Positively valenced emotions (joy, love) reported were not to Ansett’s advantage either. Some were glad and pleased that safety issues were uncovered and that the planes were grounded. A typical comment by FG7M1 was: ‘I was glad that these safety issues were brought to light. I’ve had several problems with the company previously and so I dislike them and I was glad to see their name go through the mud’. There was also sympathy directed towards maintenance staff and travellers, and only one participant reported being surprised by the crisis.

Participants discussed a range of behaviour including switching to other airlines, never flying again with any airline, loyalty behaviour, inaction and word-of-mouth discussions with family, friends and fellow travellers. One participant who blamed Ansett intended to continue flying with them despite the safety problem, while another determined to switch. Others were habitual Qantas flyers. In Focus Group 1 (higher age) the following exchange occurred. FG1F1 said: ‘Well I was just going to keep my feet on the ground and never fly again’. FG1F3 replied: ‘Just choose your airline carefully, I suppose. I’m not going to go near Ansett ...’.

The Ansett-responsible crisis was the only one of the three versions in which participants discussed company managers, crisis management and post-crisis advertising. Company management was blamed for the failed safety standards crisis. As FG3M1 said: ‘You don’t blame an airline for having a plane hijacked. But if it’s a safety regulation, that’s a different story. That’s a management problem’. A number of participants considered that managers should be held personally accountable, to the extent of being gaoled, for the results of their decisions. Participants also made dispositional attributions about company management. As FG2M5 commented: ‘I heard one interview with the general manager ... he lied through his teeth. Well, if he’s the sort of person to manage Ansett, I wouldn’t fly with them. He certainly wasn’t honest. He said all the planes would be back in the air in two days time and yet another eight went out. He must have known another eight were going to go out’.

Ansett’s crisis management was considered to be poor. As FG7M3 said: ‘Well, they could have handled it much better than they did ...the sloppiness of the procedures to deal with the lack of planes, the way that the people basically were just left hanging about not knowing what’s going on’. In addition, FG3M4 said: ‘You know, these people seem to be caught on the back foot. And they issued press releases in a defensive way rather than in an informative way’.
Seven participants who believed Ansett was at fault spoke with strong annoyance of Ansett’s $20 million advertising campaign, designed to claw back market share. FG5M2 said: ‘*It drives me nuts, those ads, so I think they’re going to crash the plane and they’re trying to convince me that they’re not*’. Another explanation was that participants saw this as misuse of funds, considering the crisis was caused by lack of maintenance through cost cutting. A typical comment by one participant, FG7F3, was: ‘*They are actually in this advertising campaign when they could be using the money for safer systems*’.

**CASA and the media to blame**

The second set of attributions saw the government’s air safety watchdog, CASA, held to blame for unnecessarily grounding Ansett planes, with the media contributing to the crisis. Thus, the cause of the crisis was external to, and uncontrollable by, Ansett. Congruent with findings from the experimental crisis studies, this crisis elicited sympathy for Ansett. The attack on Ansett caused upset and engendered feelings of sympathy, sorrow and compassion towards Ansett, pride in Ansett’s truthfulness and anger and disappointment with CASA and the media. A typical comment by FG2M1 was: ‘*Ansett was a scapegoat and we were very lucky that we hadn’t had a major disaster in Australia, but Ansett at least had the guts to come up and to say listen, our quality control procedures, our maintenance procedures here are not good enough, could we have CASA look into it please? And if it weren’t for them, CASA wouldn’t have known anything about it anyway. So they were pretty forthcoming in the truth of the situation*.’ As FG2M1 stated: ‘*I was very proud that a company like Ansett could be forthright in stating the truth ... and I think that that’s a very good quality and very rare with a multinational company*.’ Of all the crises discussed, this one elicited by far the highest number of love words used (a total of 12% of all emotion words used in this version of the crisis) directed at Ansett.

A finding that had not previously emerged from the literature was the amount of anger directed at those considered responsible for the crisis. Attributions that CASA and the media were to blame generated a high number of anger words (50% of all emotion words in this crisis version) directed primarily at CASA, but also at the media. As FG7F1 said: ‘*Responsible for the hullabaloo that occurred? CASA and the media ... . I was really, really angry about the whole thing*’.

A number of participants believed that the media helped to manufacture the crisis and magnify the crisis effects. As FG2M4 said: ‘*I think sometimes the media did give the impression, beating it up a bit, that the damn things would fall out of the sky if they don’t tighten these nuts*.’ To this extent, there was some distrust of the media. For example, FG4M4 said: ‘*I guess you’ve got to trust the media to some extent, and it’s a hard one*.’ However, participants’ attitudes to the media were dichotomous: while the media were perceived as manipulating public opinion by ‘*beating up*’ the crisis from nothing, they were also perceived as having a guardian-like role, informing on crisis eruption, progress and resolution. The media’s guardian role came up in several groups’ discussions. FG7M2 said: ‘*I believe that the media through every crisis has a lot to play with in informing consumers ...,*,’ while FG6M1 said: ‘*Well you feel, because you’re not hearing about it in the headlines ... that positive things have been done to rectify the problem*’.

Congruent with experimental findings that the least negative behavioural change occurs with an external and uncontrollable crisis (Jorgensen, 1994, 1996), three participants who made
How consumers’ attributions about the cause of Ansett Airlines’ safety crisis impacted outcomes
- McDonald

this attribution explicitly stated that they would continue flying with Ansett, although one stated that he was considering flying Virgin.

**Problem endemic to the industry, with Government deregulation partly to blame**

In the final narrative, a small number of consumers perceived maintenance problems as industry, not airline based. FG7F1 stated: ‘The industry is in disarray. There are clearly all sorts of short cuts happening in the whole maintenance scene, and I can assure you it’s not just Ansett. Qantas were a disgrace, ... they had some issues which were virtually identical to the Ansett ones. ... this is a systemic issue with regards to the airline industry infrastructure’. As evidence, some participants cited Qantas’ problems with a nose wheel collapse. The industry-wide problems were perceived to be due to Federal government deregulation, and the subsequent lack of controls. The government was perceived as either not enforcing safety regulations or as abrogating responsibility for public safety to private companies. As FG6F4 said: ‘Because the Government deregulates, so self-regulating means making a heap of money. Do whatever you want, and that’s what they’re doing. They’re just doing what they like’. Self-regulation was equated with the company’s ability to cut costs in areas like maintenance in order to boost shareholders’ profits. As FG7F3 said: ‘Qantas and Ansett, they’re both probably have very similar systems, they are all out to cut costs’.

Therefore, attributions about the crisis cause were somewhat ambiguous, with Ansett and Qantas receiving some blame, along with the government. As such, there was outrage regarding the systemic problem and compassion towards Ansett because other airlines were in a similar state, yet they were not involved in the crisis. There was a general liking evident with comments like ‘airlines in Australia are as good as it gets’.

Those who viewed the crisis narrative in this way maintained their current behavioural intentions of still flying with Ansett, Qantas and Virgin. They also discussed the issue with others.

**Limitations and Issues of Reliability, Validity and Rigour**

This study had a number of limitations. Firstly, it was exploratory in nature, which means that data are context-bound and not generalisable. The sample size was small. The self-selecting nature of the sample means there may have been some demand characteristics; for example, those volunteering to participate in the study may have had particularly strong viewpoints about company crises. As validity in qualitative research is best demonstrated by careful documentation of the analytical procedure (Miles & Huberman, 1984), issues of reliability were handled by leaving an audit trail regarding data collection and analysis. Additionally, the study’s reliability and validity was strengthened by ensuring that the data record distinguished between the verbatim verbal exchanges of the people observed. To ensure this, the sessions were videotaped and carefully transcribed, using the procedure previously described earlier in this chapter. Greenbaum (1998) warned that too much emphasis should not be placed on comments made by individuals; however I have used these to illustrate typical comments.

**Managerial implications**

During a crisis, much of the focus is on use of effective communication strategies, with use of various guidelines. For example, Regester and Larkin’s (2000) ‘golden rules’ of crisis
communication inform managers that crisis statements should cover, in this order, people, environment, property and money. Seymour and Moore’s (2000) ‘5C rule’ focuses on the need for all crisis communication to emphasise care, a commitment to solve the problem to minimise the chance of recurrence, the importance of all spokespeople delivering consistent and coherent messages, and of the importance of clarity in explaining the crisis problem. As a result, the crisis management focus has been placed on strategic communication to targeted publics.

While company monitoring of crisis media stories provides some feedback as to company performance in the crisis, it is also contended that managers should monitor consumer perceptions of the crisis. In particular, companies need to evaluate consumer attributions about the crisis cause. As was seen in the Ansett crisis, three different attributions were made about the cause of the crisis, each of which engendered different consumer reactions. When the crisis was attributed to a cause that was internal to, and controllable by, the company, these attributions resulted in strong anger directed at the company, and also flowed on to affect perceptions of the company’s management, with the credibility of the message and the spokesperson questioned, its handling of the crisis and its advertising campaign. If consumers’ attributions are misaligned with the crisis cause, the company needs to take action to communicate the real cause of the crisis. This may, in turn, defuse negative emotions and their behavioural consequences or redirect them to other parties involved in the crisis. Use of consumer research is therefore advocated to help companies discover the direction of current opinion and remedy any misconceptions.

Conclusion

When the cause of the Ansett Airlines safety crisis was perceived as internal to and controllable by Ansett, the dominant emotion was anger directed at the company. When the crisis cause was viewed as external to and uncontrollable by Ansett (instead being caused by CASA and, to some extent, the media), then the crisis engendered sympathy towards the company, with a substantial amount of anger was directed at CASA and, to a lesser extent, to the media. When the crisis was viewed as ambiguous, being caused primarily by government deregulation, enabling the airline companies to self-regulate their own maintenance, this elicited mixed emotions, with some anger directed at the government for abrogating responsibility. Fear also emerged when there was a perceived threat to the safety of participants or family members. Despite the sudden eruption of these crises, participants exhibited a general lack of surprise.

In the experimental studies, internal controllable crises resulted in negative consumer behaviour, while external controllable crises did not. In the focus groups, participants discussed a range of behaviour including never fly Ansett or ‘Chance it with Ansett’, switching to other airlines, never flying again with any airline, loyalty behaviour, inaction and word-of-mouth discussions with family, friends and fellow travellers. There were no clear-cut links between the crisis and behaviour. There was slightly more negative reported behaviour towards Ansett in the Ansett-responsible crisis, although establishing clear linkages is best left to an experimental design. Many participants did not discuss their behaviour.

In the internal and controllable crisis, when Ansett was considered responsible for the crisis, the company management, the crisis management and the post-crisis advertising also came under critical attack. In particular, the $20 million advertising campaign was singled out for
being ‘really annoying’. Additionally, when crisis messages, such as that delivered by the Ansett CEO, were perceived as lies, anger resulted and negative character attributions were made about company management. Such dispositional attributions reveal strong negative attitudes towards companies caught lying and contribute to the public’s lack of trust in the integrity of organisations.
References


How consumers’ attributions about the cause of Ansett Airlines’ safety crisis impacted outcomes
- McDonald


