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A Study of Social Media Brand Community Impact on Brand Loyalty

Navigating through Brand Crisis

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Master Thesis

presented as a partial requirement for obtaining a Master's Degree in Data-Driven Marketing

NOVA Information Management School
Instituto Superior de Estatística e Gestão de Informação

Universidade Nova de Lisboa

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by

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Master Thesis presented as partial requirement for obtaining the Master's degree in
Data-Driven Marketing, with a specialization in Digital Marketing and Analytics.

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July, 2024

STATEMENT OF INTEGRITY

I hereby declare having conducted this academic work with integrity. I confirm that I have not used plagiarism, any form of undue use of information or falsification of results along the process leading to its elaboration. I further declare that I have fully acknowledged the Rules of Conduct and Code of Honor from the NOVA Information Management School.

Lisbon, 7th July 2024

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ABSTRACT

This study explores the critical role of social media brand communities in mitigating brand crisis and fostering brand loyalty. With the rise of brand crisis in the digital age, understanding how these communities can aid brand recovery is essential for effective brand management. Using Mercadona as a case study, this research examines the relationship between brand recovery efforts, consumer forgiveness, social media engagement, and brand trust and loyalty. The study employs a quantitative approach, utilizing PLS-SEM and Bootstrapping techniques to analyze survey data. The findings confirm that brand trust significantly influences brand loyalty, and social media brand community engagement positively impacts brand trust and loyalty. Moreover, effective brand recovery efforts enhance social media engagement and foster consumer forgiveness, which, in turn, rebuilds brand trust. These insights underscore the importance of transparent communication and proactive engagement strategies in social media brand communities. Practically, the study advises Mercadona to prioritize crisis management strategies, enhance social media engagement, and strengthen internal policies to maintain consumer trust and loyalty. Future research should address the dynamic nature of social media and employ diverse methods to deepen understanding in this field. This research contributes to the existing literature by providing empirical evidence on the strategic use of social media brand communities in brand crisis management.

KEY WORDS

Brand Loyalty; Brand Trust; Recovery Effort; Consumer Forgiveness, Social Media Brand Communities; Brand Crisis

Sustainable Development Goals (SDG):



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1. INTRODUCTION

With the development of technology, more companies have taken the step forward to build online brand communities to improve the connection between brands and consumers aspiring brand loyalty enhancement (Huangfu et al., 2022).

Just as human relationships encounter challenges and fluctuations, brands also experience ups and downs, including crises that threaten their reputation. As the frequency of brand crises continues to rise, there is an urgent need for companies and researchers alike to comprehend how to navigate these challenges successfully and rebuild trust with consumers in their aftermath (Lee & Kim, 2023).

There is a clear need for empirical research to explore how brand communities mitigate the impact of brand crises and aid their recovery. While ample research exists on social media brand communities and loyalty (Zheng et al., 2015; Muniz and O'guinn, 2001), as well as brand crisis and their management (Casey et al., 2023; Tipjariyadom & Nuangjamnong, 2023; Lee & Kim, 2023), there is a gap in understanding how these communities can be leveraged to assist brands in rebuilding post-crisis. While there are various articles detailing how brands have coped with and bounced back from crisis (Tipjariyadom & Nuangjamnong, 2023; Falkheimer & Heide, 2015) there is a noticeable lack of research on how brands could strategically utilize social media brand communities to help them rebuild trust and loyalty after a crisis (Nikhashemi et al., 2023).

The research question guiding this study is "to what extent are consumers loyal to a brand?", that is, even after a controversy concerning a brand, will consumers continue to buy and support the brand, even being against what was said or done? Are social media brand communities a powerful tool when dealing with these crises and helping restore brand reputation?

Exploring consumer loyalty in times of crisis involves delving into the intricate dynamics of brand loyalty, trust, and recovery effort in the face of adversity. As consumers navigate through controversies surrounding a brand, their loyalty becomes a focal point of inquiry. The central question of this study revolves around the extent to which consumers maintain allegiance to a brand despite contentious issues and whether they persist in purchasing and endorsing the brand despite disagreements with its actions or statements.

This study explores the role of social media brand communities in order to understand their effectiveness in mitigating the adverse effects of brand crises and facilitating brand recovery. By examining how these communities can be strategically leveraged to restore consumer trust and loyalty post-crisis, this research aims to contribute to the existing body of knowledge on brand crisis management and consumer behavior.

The study is structured into five primary sections: Introduction, Literature Review, Method, Results and Discussion, and Conclusion. The first chapter introduces the research topic, its significance, objectives, and the central research question. The second chapter delves into various concepts, commencing with an extensive exploration of relevant academic literature. Additionally, it outlines the conceptual framework underpinning this dissertation and articulates the research inquiries and associated hypotheses.

The third chapter presents the research method and its key components. Utilizing a quantitative method, this research employs an online survey instrument to collect data from a diverse group of participants engaged in social media brand communities. The fourth chapter presents the findings of the analyses. Finally, the fifth chapter presents the conclusions of the study, highlighting its contributions and limitations. By providing fresh empirical evidence and insights, this thesis endeavors to advance knowledge in the field, address existing research voids and propose actionable strategies for brands to adeptly navigate and recover from brand crises within social media brand communities.

2. LITERATURE REVIEW

2.1. Brand Loyalty

In today's business landscape, companies are increasingly focused on building strong connections with their customers for long-lasting relationships (Bhattacharya & Sen, 2003). According to Chen et al. (2017), the theory of organizational commitment suggests that these connections rely on psychological factors like need, emotion, and obligation, when customers feel connected to a brand out of necessity or duty rather than genuine identification, their loyalty to the brand weakens. True brand loyalty only emerges when customers identify with the brand on a personal level.

Can brand communities help to build loyalty between customers and brands? Authors such as Hur et al (2011), defend that brand communities are spaces where consumers get involved, change relevant information, and enhance their opinions about brands. Since customer participation frequently leads to brand loyalty activities, companies should use brand communities to improve marketing strategies and effectiveness. Social media platforms are a vital part of these relationships because the provision of a platform in which customers could directly engage would be very effective in increasing customers brand loyalty. Social media platforms offer immense potential for strengthening brand loyalty, companies can leverage these platforms to cultivate commitment within brand communities by encouraging active engagement behaviors in online social environments. (Zheng et al., 2015)

Building brand communities has been shown to be a great way to connect with customers. Studies have found that these communities help create strong brand loyalty and build lasting relationships with the public (Muniz and O'guinn, 2001; Chen et al., 2017), so it is important that brands understand these communities and establish them or help consumers to organize them.

2.2. Brand trust

Trust is crucial for building a strong bond between customers and a brand. When customers believe a brand is reliable and responsible and look out for their well-being, trust builds; when people trust a brand and feel good about it, they are more likely to stick around. So, anything companies do to make their products better, improve brand image, or keep customers happy pays off by making them more likely to stay loyal to the brand (Rudzewicz & Strychalska-Rudzewicz, 2021).

Accordingly, to Delgado-Ballester & Luis Munuera-Alemán (2001), trust in a brand can be understood as the customer's confidence that the brand will consistently fulfill their consumption expectations. This confidence is built upon two primary dimensions: brand

reliability and brand intentions towards the individual. The dimension of brand reliability pertains to the belief that the brand possesses the capability to meet consumers' needs effectively. On the other hand, the dimension related to brand intentions is more nuanced and emotionally driven, as it encompasses the affective and emotional aspects of the brand's relationship with the individual (Michelle et al., 1998).

Rudzewicz & Strychalska-Rudzewich (2021) defend that establishing trust is vital for fostering a robust connection between consumers and a brand. When consumers perceive a brand as dependable, accountable, and dedicated to their welfare, it solidifies their loyalty. Drawing from the study's findings, it can be inferred that the level of trust consumers place in a brand, alongside its associated attributes, directly impacts consumer loyalty.

H1: Brand trust positively affects brand loyalty.

2.3. Social Media Brand Community Engagement

To better understand what social media brand communities are, it is vital that we first understand the meaning of what a community is. McAlexander et al. (2002) argue that communities are essentially composed of the entities within them and their connections. They are typically defined by the common interests, affiliations, or bonds among their members, whether it is a geographical neighbourhood, a profession, a hobby, or even an interest in a particular brand. What is relevant about communities is their significant role in enhancing human well-being. Within these communities, individuals exchange crucial resources, whether they are intellectual, emotional, or tangible. While various items like knowledge, emotional support, and practical assistance might be shared among community members, one constant aspect is the collective process of creating and interpreting significance.

There are many definitions of the concept of Brand Community. Muniz & O'Guinn (2001, p. 412) define a brand community as a non-geographically community based on a shared relationship among brand enthusiasts based on three principal factors: a shared consciousness, rituals and traditions and a sense of moral responsibility.

Brand community participation can happen in various ways like emphasizing, assisting, appreciating, ranking, mingling, and celebrating (Hollebeek et al, 2017). All these practices together make brand communities efficient in terms of sharing meaning and creating value (Holt, 1995).

The fast development of technology has made companies take the step forward into creating online brand communities in order to build the strength between customers

and brands, as well as create brand loyalty (Huangfu et al, 2022). According to Hur et al (2011), it is clear that a company's brand community marketing activities have the power to influence the relationships between community participants, the brand and the company. Companies recognizing the importance of the role of brand communities should make an active effort to manage them.

As in April 2024, there were 5.07 billion social media users, Facebook had 3.065 billion monthly active users, followed by YouTube with a potential advertising reach of 2.504 billion, and WhatsApp and Instagram with 2 billion monthly users (Global Social Media Statistics — DataReportal – Global Digital Insights, 2024).

It is clear that social media is an excellent vehicle for fostering brand relationships with its customers (de Vries, 2012). To benefit from these capabilities of both brand communities and social media, companies are using social networks to support the creation and development of brand communities (Kaplan & Haenlein, 2010; Muniz & O'Guinn, 2001, as cited in Laroche et al, (2012).

Laroche et al (2012) argue that brand communities established on social media amplify the feelings of community and contribute to creating value for the customers and the company.

Habibi's et al (2014) research elucidates the pivotal role of consumer engagement within brand communities, particularly concerning its impact on brand trust. Active participation within these communities cultivates robust relationships between consumers and various brand elements, including products, fellow consumers, and the brand itself. This heightened engagement emerges as a key determinant in fostering brand trust, accentuating its significance in social media marketing. Furthermore, the researcher's findings reveal the nuanced moderating effect of community engagement on the relationship between consumers and the brand. While positive interactions between consumers and the brand or its products bolster trust, engagement also mitigates the negative implications of interactions among consumers. This underscores the multifaceted nature of consumer engagement within social media brand communities, highlighting its role as a crucial determinant in shaping brand trust dynamics.

These communities are characterized by open membership, allowing individuals to participate with minimal barriers. Consequently, the formation of trust within social media brand communities may occur concurrently with, or even subsequent to, community participation. In conclusion, the significance of social media-based brand communities in contemporary marketing cannot be overstated. These communities, with their vast membership bases and high levels of engagement, represent invaluable assets for marketers seeking to build brand trust and enhance consumer relationships. However, beyond sheer numbers, the depth and quality of engagement among community members emerge as crucial determinants of success (Habibi et al., 2014).

H2: Social media brand community engagement has a positive effect on brand trust.

H3: Social media brand community engagement has a positive effect on brand loyalty.

2.4. Brand Crisis

Creating and maintaining a positive relationship with customers is a priority for most companies, and like one-on-one relationships, a brand-customer relationship can also be affected by misbehavior and unexpected events (Lee & Kim, 2023).

Sohn and Lariscy (2013, p. 24), define a reputational crisis as “a major event that has the potential to threaten collective perceptions and estimations held by all relevant stakeholders of an organization and its relevant attributes”.

In 2018, Dolce & Gabbana, a renowned global luxury fashion brand, faced a significant crisis in China stemming from racially insensitive advertisements and social media posts. This led to a severe backlash, including product boycotts, event cancellations, and a notable decline in reputation and sales in the Chinese market. Such incidents, termed brand hate, occur when consumers express intense negativity toward a brand due to perceived ethical, social, or environmental transgressions. With the rise of social media and evolving consumer expectations, businesses must be prepared to manage and respond to such incidents while rebuilding trust. The Dolce & Gabbana case emphasizes the importance of swift and decisive responses, as delays can exacerbate the situation. Furthermore, authenticity and sincerity in apologies are crucial; Dolce & Gabbana's initial response lacked genuineness, damaging their credibility further (Tipjariyaudom & Nuangjamnong, 2023).

Barilla, an international food company based in Parma, Italy, produces pasta, sauces, and bakery goods. The company operates in 21 countries and exports to over 100 countries, employing thousands of people. In 2011, Barilla's revenue was nearly €4 billion. Founded in 1877 by Pietro Barilla, the brand is associated with traditional Italian family values, encapsulated by its slogan "where there is Barilla, there is a home." Guido Barilla, the current chairman, is one of three brothers who are continuing the family legacy. On September 25, 2013, Guido Barilla made controversial comments during a radio interview, expressing his preference for traditional families and stating he would not feature gay families in Barilla advertisements. He emphasized the importance of the classical family structure and voiced opposition to adoption by gay couples despite supporting gay marriage. These remarks led to significant backlash, including calls for a boycott and widespread criticism on social media. Guido Barilla later apologized for his comments, but the incident sparked a global debate and creative responses online, including altered Barilla ads featuring gay-friendly imagery (Pace et al., 2014).

2.4.1. Brand recovery effort

According to Tipjaritayudom & Nuangjamnong (2023), to bolster customer forgiveness, brands must focus on three key elements in their recovery efforts: sincere apologies, adept social media responses, and transparent explanations. These factors significantly influence how customers perceive a brand's efforts to rectify or mitigate negative experiences. A genuine apology conveys honesty, remorse, and accountability, alleviating dissatisfaction and enhancing the brand's credibility (Tipjaritayudom & Nuangjamnong, 2023). Strategic engagement on social media platforms enables brands to address concerns promptly and foster community engagement, shaping positive perceptions. Additionally, transparent explanations about the incident demonstrate accountability and reduce uncertainty, thus building trust (Tipjaritayudom & Nuangjamnong, 2023).

Casey et al. (2023) defend that consumers are motivated to engage in online brand communities for diverse reasons, especially during product harm crises. These motivations include functional aspects like information seeking and verification. In such crises, consumers rely on online brand communities as an exclusive information source to comprehensively understand the situation. The study's findings show that individuals seek emotional support and a sense of belonging within these communities, and they expect to share their feelings and emotions to foster a shared identity and camaraderie. Many individuals look to fellow 'like-minded' consumers for reassurance and comfort when confronted with anxiety and concerns stemming from the product harm crisis. This sense of connection is underscored by statements like, "I feel very close to that community because I feel that they are very relatable to me" (2023, p. 861).

Furthermore, the research highlights fellow consumers' significant social and emotional influence within online brand communities on how individuals cope with product harm crises. For instance, when consumers witness others in the community remaining calm and undisturbed by the crisis, they tend to experience decreased anxiety levels. As one participant noted, "If I had read more of people panicking and making it a big deal, I would also be panicked." (Casey et al., 2023, p. 861). In summary, this study highlights the significance of social media brand communities in managing brand reputational crises. It reveals that consumers seek these platforms for both functional purposes, like gathering information and emotional support during times of crisis. The findings underscore the crucial role these communities play in providing comfort and reassurance amidst uncertainty. Brands can leverage this by actively engaging with and nurturing these communities to navigate and recover from reputational crises effectively while maintaining consumer trust and loyalty.

An example of a brand recovery strategy was in 2013 when the Food Safety Authority of Ireland identified horse and pig DNA in frozen products sold to the public. This became a national scandal in the news and made the chain supermarkets withdraw their

products from the stores. One of the countries involved was Sweden, where multiple food corporations were reported to have sold and served horse meat in dishes such as lasagna; one of these companies was Findus Nordic.

Later, Findus Nordic did a marketing campaign that was shared in the press, TV, radio, and Facebook, called “Welcome to Bjuv”, which is the place where the production and the headquarters were located. The goal was to show customers what happens in the kitchen, assure them that the company had nothing to hide and consequentially, regain their trust (Falkheimer & Heide, 2015).

Related to the topic in question in this research, Hur et al. (2011), defend that given the fact that the internet is frequently used to spread incorrect information and negative word-of-mouth about the brand, brand communities should be used in defence of the brand when these kinds of situations happen.

Another example of a brand crisis was the high-profile case of a product-harm crisis Samsung’s smartphone battery crisis. In September 2016, soon after the release of the new Samsung Galaxy Note 7, some consumers posted videos documenting incidents where the batteries of Samsung’s Galaxy Note 7 overheated and, in some cases, exploded. Samsung attempted to fix this issue by halting the production of the device and giving affected customers replacement smartphones. During and after the Samsung battery crisis, there was a surge in consumer discussion in Samsung’s online brand community. Consumers’ comments ranged from intentions to switch to competing brands to forgiving the harm caused and expressing hard-core loyalty to Samsung. Online brand communities provide consumers with a platform to express their dissatisfaction with a brand and allow brands to rationally and logically explain the reasons behind a crisis. This environment enables companies to be transparent about scandals, offer apologies, and keep consumers informed about the progress of crisis management efforts. Consumers value honesty and the admission of faults by a company, as demonstrated by Samsung during the Galaxy Note 7 crisis. Throughout this crisis, consumers could continuously monitor the actions taken by Samsung to mitigate potential harm, which likely influenced their attitudes towards the company positively.

Yuan et al (2020), advise managers to focus on gaining consumer forgiveness rather than solely aiming for immediate sales recovery through discounts or promotions. If forgiveness is achieved, consumers will continue purchasing the brand at regular prices, leading to eventual sales recovery. Consumer forgiveness can be secured not only through diligent crisis recovery efforts but also by fostering online brand consumer engagement in everyday operations, even before a crisis occurs. In digital environments, companies must act swiftly and transparently. Thus, adopting an open and transparent communication strategy during a crisis is crucial for quickly restoring trust and earning consumer forgiveness (Yuan et al., 2020).

Tipjariyudom & Nuangjamnong (2023) findings strongly indicate a significant relationship between brand recovery and brand forgiveness. This aligns with prior research by Lee and Kim (2023), emphasizing that a brand's crisis management profoundly influences the degree of forgiveness it receives from its audience. Additionally, the study highlights the importance of customer brand involvement in the forgiveness process. Consumers who are highly engaged with a brand are more inclined to forgive, whereas those with lower engagement are more likely to hold negative sentiments. Brands are advised to tailor their recovery strategies accordingly, with informational apologies suitable for transactional relationships and emotional responses more effective for communal relationships. Targeting customers with strong brand involvement is recommended to maximize forgiveness levels. By adapting recovery strategies based on the type of customer relationship and leveraging exclusive offerings, brands can effectively navigate the complexities of brand recovery and forgiveness dynamics.

H4: Brand recovery effort positively influences social media brand community engagement.

2.4.2. Consumer Forgiveness

Brands have different ways of trying to solve crises. However, according to Lee & Kim (2023), apologizing is the primary crisis-response strategy used. Consumer behavior is unpredictable, and their responses may vary even if their relationship with the brand was previously good. These authors defend that an effective apology should take into consideration the relationship between the consumers and the brand and how they engage. They believe that an apology compatible with the type of customer-brand relationship can lead to easier and faster forgiveness, positive attitudes, and purchase intentions. A customized apology to match the customer-brand relationship may reduce the negative impact of the brand crisis, managers must understand that forgiveness is an underlying mechanism influencing consumers' responses. Given that customer-brand interaction is vital for the brand's success, a good starting point when a brand is involved in a reputational crisis is that the company projects an adequate apology that is well-adjusted and compatible with the relationship norm in question.

Xie & Peng (2009) emphasize the interplay between brand forgiveness and brand trust. Trustworthiness factors such as competence, benevolence, and integrity, along with consumer forgiveness, are crucial in rebuilding trust after a trust-violating event. Affective efforts, like sincere apologies, are particularly potent in shaping corporate integrity and benevolence perceptions. Rebuilding trust and earning consumer forgiveness are intertwined processes, with trustworthiness factors influencing both.

Demonstrating integrity, competence, and benevolence during crisis management enhances the likelihood of forgiveness and trust restoration. Affective repair efforts play a pivotal role in conveying corporate benevolence, which is fully mediated by consumer forgiveness. Additionally, while competence facilitates forgiveness, companies proficient in crisis handling can regain trust directly, albeit competence still aids in forgiveness creation. These insights contribute to understanding the intricate dynamics of forgiveness in rebuilding brand trust post-crisis.

H5: Consumer forgiveness positively affects brand trust.

Yuan et al., (2020) indicate that active customer involvement with the brand is crucial for encouraging forgiveness from consumers and encouraging them to consider repurchasing, which is a significant measure of customer loyalty, especially during a crisis. To put it differently, when customers engage with the brand in digital spaces, it can help alleviate a product crisis's negative impact. It suggests that consumers who actively participate in the brand's online community are more likely to forgive the brand for any mistakes or crises it faces (Nikhashemi et al., 2023). The research also underscored the significance of consumer brand identification (CBI) and active participation in virtual brand communities in nurturing emotional connections with consumers, frequently referred to as "brand love," and in promoting forgiveness toward the brand amid crises that harm its reputation.

H6: Brand recovery effort positively influences consumer forgiveness.

H7: Social media brand community engagement positively affects consumer forgiveness.

2.5. Conceptual Model

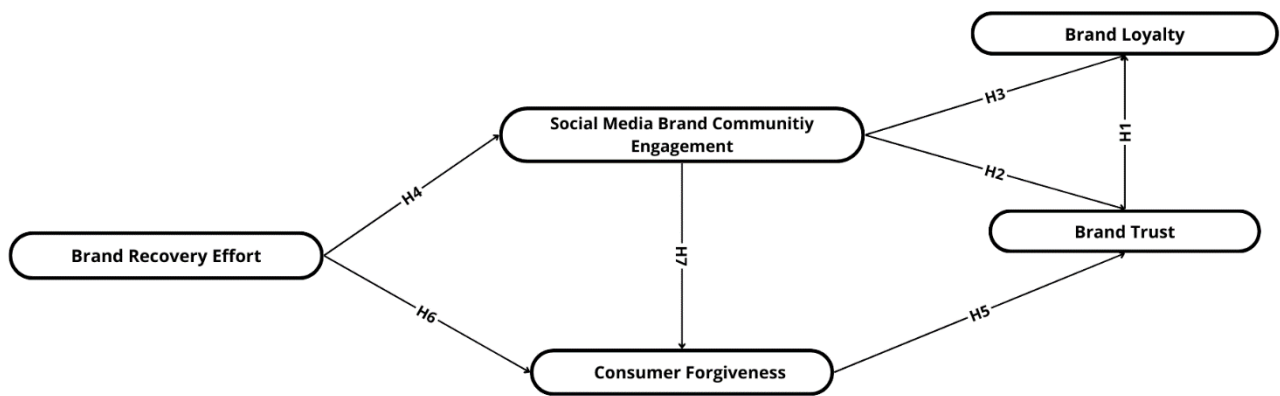


Figure 1 Conceptual Model

3. METHOD

3.1. Situational framework of the brand understudy: Mercadona

Mercadona, founded in 1977 by the Cárnicas Roig Group, currently operates 1,617 stores, including 50 in Portugal, and employs a workforce of 104,000 individuals, 5,300 of whom are based in Portugal. This family-owned enterprise, headquartered in Valencia and functioning as a local entity in Portugal, adheres to a Total Quality Model of Spanish origin. Mercadona emphasizes recommending optimal solutions to fulfill customer needs in the domains of food, home care, personal care, and pet care, thereby securing the trust of 5.8 million households daily. Mercadona is committed to providing end consumers with effective, safe, and healthy products across food, drink, personal care, home care, and pet care categories. The company guarantees maximum service quality, sustainability, affordability, and efficiency (Mercadona - Supermercados de Confiança, n.d.)

According to ZAP (2023), a week after they reported that Mercadona is the preferred supermarket chain for Portuguese consumers who shop in person, RTP unveiled numerous instances of employee mistreatment within the company.

The investigative program “A Prova dos Factos,” aired in December 2023, featured testimonies from current and former employees alleging abuse, coercion, bullying, and undue pressure. One former employee described the training in Spain as excessively uniform and cult-like. She also reported being pressured to terminate her contract following a cancer diagnosis, facing coercion just hours before taking sick leave for surgery.

Interviewees characterized the work environment as hostile, persecutory, and controlling, with dissent met by forced exits. Marisa Ribeiro of the Trade and Services Workers' Union highlighted the unprecedented level of daily pressure and harassment employees endure.

In April, the General Confederation of Portuguese Workers (CGTP) had already condemned Mercadona for alleged persecution and moral harassment of its workers, citing tactics of pressure, intimidation, and coercion aimed at forcing resignations. A notable case involved a worker at the Caldas da Rainha store who faced disciplinary action and a transfer order 180 kilometers from her home after asserting her rights and refusing contract termination.

Mercadona has denied these allegations but acknowledged to RTP the need for improvements in several of its policies (ZAP, 2023).

3.2. Measurement scales

A data collection instrument was devised in line with the research framework, incorporating elements drawn from pertinent literature. The scale Super-Recovery Effort and Consumer Forgiveness were obtained by Yuan et al. (2020). The measurement scale, Brand Trust and Social Media Brand Community Engagement, were adapted from Kabadayi & Kocak Alan (2012) and Dessart et al. (2016), respectively. Finally, Brand Loyalty scale was adapted from Kabadayi & Kocak Alan (2012). All components were evaluated using a seven-point Likert scale, spanning from 1 "strongly disagree" to 7 "strongly agree".

Construct	Original item	Reference	Adapted item
Super-recovery Effort	Samsung has acted responsibly and honestly. Samsung has shown it really cared for its customers. Samsung has taken some extra actions for customers despite that they are not required by law. Samsung has made extraordinary efforts to resolve the issue.	Yuan et al., 2020	Mercadona has acted responsibly and honestly in addressing the accusations. Mercadona has shown it really cares for its employees. Mercadona has taken some extra actions for customers despite the fact that they are not required by law. Mercadona has made extraordinary efforts to resolve the issue.
Brand Trust	I trust this brand I feel that I can trust this brand completely I cannot rely on this brand I feel secure when I buy this brand because I know that I will never let me down	Kabadayi & Kocak Alan (2012)	I trust Mercadona. I feel that I can trust Mercadona completely. I cannot rely on Mercadona. I feel secure shopping at Mercadona because I know that I will never let me down.
Consumer Forgiveness	Given Samsung's response, I would give it a chance to correct its mistakes. I would forgive it I would think favorably of the brand	Yuan et al., 2020	Given Mercadona's response, I would give it a chance to correct their mistakes. I would forgive Mercadona. I would think favorably of Mercadona.
Social Media Brand Community Engagement	I feel enthusiastic about (EF) I am interested in anything about (EF) I find (EF) interesting When interacting with (EF), I feel happy I get pleasure from interacting with (EF) I spend a lot of time thinking about (EF) I make time to think about (EF) I promote (EF) I try to get other interested in (EF) I actively defend (EF) from its critics I say positive things about (EF) to other people	Dessart et al (2016)	I feel enthusiastic about engaging with Mercadona on social media. I am interested in anything about Mercadona. I find Mercadona interesting When interacting with Mercadona on social media, I feel happy I get pleasure from interacting with Mercadona on social media. I spend a lot of time thinking about Mercadona. I make time to think about Mercadona. I promote Mercadona on social media. I try to get others interested in Mercadona. I actively defend Mercadona from its critics. I say positive things about Mercadona to other people

Brand Loyalty	I use this coffe store whenever I go to a coffe shop. I would strongly recommend this coffe store to anyone. I would like to come back to this coffe store in the future.	Kabadayi & Kocak Alan (2012)	I use Mercadona whenever I go grocery shopping. I would strongly recommend Mercadona to anyone. I would like to go back to Mercadona in the future.
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Table 1 - Constructs and measures

3.3. Data collection

An online questionnaire was meticulously formulated and disseminated in pursuit of data collection utilizing the Qualtrics platform. The questionnaire was broadly distributed across various social media platforms, as well as directly sent to individuals, to guarantee a comprehensive sampling strategy, encompassing individuals representing various genders, age cohorts, occupational backgrounds, and pertinent demographic attributes. It is imperative to note that participation in the survey was strictly voluntary and conducted anonymously. The research is primarily centered on the impact of the controversy regarding the supermarket brand, Mercadona, and how it has affected the publics opinion.

3.4. Participants

The selection of participants for this investigation was conducted with careful consideration to ensure inclusivity and diversity. The survey specifically targeted individuals across different gender identities, age groups ranging from 18 to over 55 years, and various occupational backgrounds. By adopting this methodological approach, the study sought a nuanced understanding of the research topic by incorporating a wide range of perspectives and experiences.

The initial sample comprised 463 respondents. However, following data cleaning and the removal of incomplete questionnaires, only 314 responses were deemed valid for inclusion in the study. Among the participants, 58% were female, 39% were male, 2% were non-binary/third gender, and 0,3% preferred not to answer.

Regarding age distribution, 25,5% were aged between 18 and 25, 17,2% between 26 and 34, 12,4% between 35 and 44, 22% between 45 and 55, and 22,9% more than 55 years old.

Concerning educational attainment, 12,4% had only completed high school, 38,2% had a bachelor's degree, 45,9% had a master's degree, and 3,5% had a doctoral degree.

Lastly, regarding employment status, 50,3% of the participants were dependent employees, 17,2% were self-employed, 15,3% full time students, 10,5% were working students and 6,7% unemployed.

Gender	Count	Percentage
Female	183	58.28%
Male	124	39.49%
Non-binary / third gender	6	1.91%
Prefer not to say	1	0.32%
Total	314	100.00%
Age	Count	Percentage
18-25	80	25.48%
26-34	54	17.20%
35-44	39	12.42%
45-55	69	21.97%
More than 55	72	22.93%
Total	314	100.00%
Education	Count	Percentage
High school or below	39	12.42%
Bachelor's degree	120	38.22%
Master's degree	144	45.86%
Doctorate or above	11	3.50%
Total	314	100.00%
Employment	Count	Percentage
Full time student	48	15.29%
Working student	33	10.51%
Dependent employment	158	50.32%
Self-employment	54	17.20%
Unemployed	21	6.69%
Total	314	100.00%

Table 2 – Demographics

4. RESULTS

For the data analysis, PLS-SEM model and Bootstrapping techniques through Smart PLS 4 software were used. The study concentrated on the variables of brand recovery effort, consumer forgiveness, social media community engagement, brand trust, and brand loyalty. The descriptive analysis of all indicators of these variables is presented in Appendix A.

The obtained means for each of these variables and sets ranged between approximately 1.7 and 4.7, indicating a general trend of disagreement among participants towards the Mercadona situation. The indicators with the lowest values are SME8 (I promote Mercadona on social media), with 1.672 and SME7 (I make time to think about Mercadona), with a mean of 1.799. Additionally, the standard deviations, ranging from approximately 1.3 to 2.2, indicate inconsistency in participants' responses around the means for these indicator sets.

For the recovery effort indicator, the obtained means ranged between approximately 2.6 and 3.8, the results indicate that Mercadona's recovery efforts were perceived as predominantly negative to neutral sentiments, highlighting significant opportunities for improvement in their crisis recovery strategies. The standard deviations for these indicators ranged from approximately 1.7 to 2, indicating moderate consistency in participants' responses around the means for recovery effort.

Regarding the indicator of consumer forgiveness, the means obtained ranged between approximately 4 and 4.7. This indicates that consumers hold a moderately forgiving view of Mercadona, with overall favorable perceptions. The standard deviations for this indicator ranged from 1.7 to 1.8, suggesting a consistent pattern in respondents' answers, reflecting a steady agreement around these values.

Relating to the indicator of social media community engagement, the means obtained ranged between approximately 1.7 and 4. The lowest values are 1.672 and 1.799, which correspond to SM8 (I promote Mercadona on social media) and SME7 (I make time to think about Mercadona), respectively. The results suggest that Mercadona's social media community engagement is perceived as generally low, indicating a lack of interest in the brand's community and a significant opportunity for improvement. The standard deviations for this indicator, which ranged from about 1.3 to 2.1, suggest some variability in how respondents perceive their engagement in Mercadona's social media community, reflecting diverse opinions and potentially highlighting the need for more targeted and nuanced engagement strategies.

Regarding brand trust, the means obtained ranged between approximately 2.8 and 4, with the lowest value corresponding to the indicator BT3 (I cannot rely on Mercadona) with a mean of 2.771, indicating moderate to neutral perceptions of brand trust of the respondents. There is an opportunity for Mercadona to improve trust levels through targeted strategies aimed at addressing consumer concerns and enhancing brand credibility. The standard deviations for this indicator ranged from 1.7 to 1.8, indicating

a moderate level of variability and consistent patterns in respondents' perceptions of brand trust.

Finally, for the indicator of brand loyalty, the means ranged between 3 and 4.7, indicating moderate levels of brand loyalty among respondents toward Mercadona. This data provides valuable insights into customer perceptions and can inform strategies to foster and strengthen brand loyalty. The standard deviations for this indicator ranged from 2.1 to 2.2, indicating moderate variability in respondents' perceptions of brand loyalty.

These results collectively suggest that while Mercadona's brand has managed to retain a moderate level of consumer forgiveness and brand loyalty, these are not particularly strong points, as the values are on the lower end of the positive scale. Despite some level of customer support and loyalty, there are significant areas for improvement, particularly in social media engagement and brand trust.

The data suggest that while Mercadona has managed to retain customer loyalty and forgiveness to some extent, there are clear opportunities to enhance its communication strategies, particularly in social media, and to strengthen consumer trust.

4.1. Measurement Model

The measurement model analysis aimed to assess the reliability and accuracy of the measures. Subsequently, the structural model was examined to evaluate the connections between its components.

4.1.1. Loadings

In the PLS-SEM analysis, the initial step involves verifying whether the loadings attain or exceed the threshold of 0.7 (Hair et al., 2021).

Following this analysis (Appendix A), it was noted that three of the loadings exhibited values lower than 0.7, two which were only slightly lower than 0.7 but significant to the model, by bootstrapping analysis. Only the lowest loading relative to the loading between the Brand Trust construct and the indicator "I cannot rely on Mercadona." was removed. However, extensive testing revealed that removing the other two indicators, belonging to the Social Media Communities Engagement (SMCE) construct, would significantly affect the model's discriminant validity. These indicators, despite having loadings slightly below 0.7, were found to be crucial for maintaining the overall model structure and validity; furthermore, they were statistically significant.

To determine significance, a bootstrapping analysis was applied. According to Hair et al. (2021), a p-value of less than 0.05 indicates a significant relationship. As all loading

values were 0.00, it was inferred that all relationships were significant, as demonstrated in Appendix A.

4.1.2. Construct Reliability and Validity

Table 3 presents composite reliability and Cronbach's alpha values exceeding 0.7, which signifies internal consistency. Convergent validity was evaluated using the average variance extracted (AVE), with all constructs exhibiting values greater than 0.5 (Hair et al., 2021).

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Recovery Effort	0.864	0.888	0.907	0.709
Consumer Forgiveness	0.885	0.909	0.929	0.815
Brand Loyalty	0.893	0.899	0.934	0.825
Brand Trust	0.911	0.919	0.944	0.849
Social Media Communities Engagement	0.927	0.937	0.937	0.575

Tabel 3 - Internal Consistency

To evaluate discriminant validity, the Fornell-Larcker criterion and the heterotrait monotrait ratio of correlations (HTMT) were utilized. As depicted in Table 4, the Fornell-Larcker criterion verifies discriminant validity by demonstrating that the square root of the average variance extracted (AVE) for each construct exceeds the correlations among the constructs (Hair et al., 2021). There is an exception in the correlation between Social Media Communities Engagement and Brand Loyalty (0.812), which is higher than the square root of the AVE for Social Media Communities Engagement (0.759). Therefore, according to the Fornell-Larcker criterion, discriminant validity is not fully established for these constructs. This indicates a potential issue with the discriminant validity between Brand Loyalty and Social Media community engagement.

For the second measure, we can confirm that all heterotrait-monotrait ratios of correlations (HTMT) are under 0.9, as illustrated in Table 5, suggesting that the constructs exhibit discriminant validity (Hair et al., 2021).

	Brand Loyalty	Brand Trust	Consumer Forgiveness	Recovery Effort	Social Media Communities Engagement
Brand Loyalty	0.908				
Brand Trust	0.803	0.922			
Consumer Forgiveness	0.595	0.551	0.903		
Recovery Effort	0.447	0.464	0.651	0.842	
Social Media Communities Engagement	0.812	0.753	0.576	0.551	0.759

Table 4 - Fornell & Larcker Criterion

	Brand Loyalty	Brand Trust	Consumer Forgiveness	Recovery Effort
Brand Loyalty				
Brand Trust	0.886			
Consumer Forgiveness	0.657	0.606		
Recovery Effort	0.480	0.509	0.724	
Social Media Communities Engagement	0.853	0.785	0.610	0.608

Table 5 - HTMT Ratios of Correlations

Results from the measurement model indicate that while there are problems relating to the discriminance between the construct social media community engagement and brand loyalty, the model exhibits strong component reliability, internal consistency, and good convergent and discriminant validity. Consequently, the components are statistically distinct and appropriate for subsequent structural model testing.

4.2. Structural Model

Following the evaluation of the measurement model, the subsequent step involves assessing the structural paths to determine the relationships between the study constructs and their statistical significance. This significance was evaluated using a consistent bootstrapping resampling method with 5000 samples.

4.2.1. Multicollinearity Assessment

To ensure that multicollinearity does not affect the structural model, the Variance Inflation Factor (VIF) values were examined. The standard measure for evaluating indicator collinearity is the variance inflation factor (VIF). Higher VIF values indicate increased levels of collinearity. VIF values of 3.3 or more suggest potential collinearity issues (Hair et al., 2021). Given the low VIF values, it can be concluded that the model does not suffer from multicollinearity issues. This finding is crucial, especially considering the potential concern regarding the lack of discriminant validity among the constructs.

	Brand Loyalty	Brand Trust	Consumer Forgiveness	Social Media Communities Engagement
Brand Trust	2.310			
Consumer Forgiveness		1.497		
Recovery Effort			1.436	1.000
Social Media Communities Engagement	2.310	1.497	1.436	

Tabel 6 – VIF Values

4.2.2. R Square

The table below displays the R-square and adjusted R-square values. An R-square value closer to 1 indicates a higher level of predictive accuracy (Hair et al., 2021). All adjusted R² values are deemed satisfactory, with the model accounting for approximately 74%, 59%, 50% and 30% of the variations in the respective variables.

	R-square	R-square adjusted
Brand Loyalty	0.744	0.742
Brand Trust	0.587	0.585
Consumer Forgiveness	0.492	0.489
Social Media Communities Engagement	0.304	0.301

Table 7 – R Square

4.2.3. F Square

A positive F-square indicates that the model surpasses a baseline forecast in predicting dependent variables. This metric is crucial for assessing the model's predictive relevance and generalizability to new samples. Based on the f square values from the

structural equation modeling, the relationships in the model show varying effect sizes. Brand Trust has a medium impact on Brand Loyalty ($f^2 = 0.334$), while Consumer Forgiveness has a small effect on Brand Trust ($f^2 = 0.049$). Recovery Effort moderately influences Consumer Forgiveness ($f^2 = 0.315$) but has a large effect on Social Media Communities Engagement ($f^2 = 0.436$). Social Media Communities Engagement significantly impacts both Brand Loyalty ($f^2 = 0.385$) and Brand Trust ($f^2 = 0.689$), indicating strong effects. It also has a smaller yet notable effect on Consumer Forgiveness ($f^2 = 0.133$). Overall, Social Media Communities Engagement is crucial in enhancing Brand Trust and Loyalty, while Recovery Effort significantly boosts social media engagement.

	f-square
Brand Trust -> Brand Loyalty	0.334
Consumer Forgiveness -> Brand Trust	0.049
Recovery Effort -> Consumer Forgiveness	0.315
Recovery Effort -> Social Media Communities Engagement	0.436
Social Media Communities Engagement -> Brand Loyalty	0.385
Social Media Communities Engagement -> Brand Trust	0.689
Social Media Communities Engagement -> Consumer Forgiveness	0.133

Table 8 – f-square

Table 9 details the connections between the variables, thereby substantiating the hypotheses. Each component's p-value in the table denotes its statistical significance, with values below 0.05 indicating significant relationships.

	Coefficients	T statistics	P-values
Social Media Communities Engagement -> Brand Trust	0.652	14.890	0.000
Recovery Effort -> Social Media Communities Engagement	0.551	13.727	0.000
Social Media Communities Engagement -> Brand Loyalty	0.477	12.259	0.000
Brand Trust -> Brand Loyalty	0.444	11.087	0.000
Recovery Effort -> Consumer Forgiveness	0.479	9.384	0.000
Social Media Communities Engagement -> Consumer Forgiveness	0.312	6.853	0.000
Consumer Forgiveness -> Brand Trust	0.175	2.948	0.003

Table 9 – Statistical significance of coefficients

4.3. Mediation Analysis

The analysis of tables 10 and 11 reveals that Social Media Communities Engagement have a strong and statistically significant positive effect on both Brand Loyalty and Brand Trust, underscoring its pivotal role in enhancing these outcomes. Recovery Effort significantly impacts Consumer Forgiveness, Social Media Communities Engagement, Brand Loyalty, and Brand Trust, highlighting the importance of effective recovery strategies. Consumer Forgiveness positively influences Brand Trust and, to a lesser extent, Brand Loyalty.

Indirect effects analysis shows that Social Media Communities Engagement influences Brand Loyalty and Brand Trust not only directly but also indirectly, emphasizing its multifaceted role. Recovery Effort's impact on Brand Loyalty and Brand Trust is mediated by social media engagement and consumer forgiveness, while Consumer Forgiveness indirectly affects Brand Loyalty.

In summary, these findings demonstrate that social media engagement and recovery efforts are crucial for fostering brand loyalty, trust, and consumer forgiveness, with significant mediation effects illustrating the complex interplay between these variables.

	Total Effects	T statistics	P-values
Social Media Communities Engagement -> Brand Loyalty	0.791	44.263	0.000
Social Media Communities Engagement -> Brand Trust	0.707	23.771	0.000
Recovery Effort -> Consumer Forgiveness	0.651	16.952	0.000
Recovery Effort -> Social Media Communities Engagement	0.551	13.727	0.000
Recovery Effort -> Brand Loyalty	0.473	13.792	0.000
Recovery Effort -> Brand Trust	0.473	12.466	0.000
Brand Trust -> Brand Loyalty	0.444	11.087	0.000
Social Media Communities Engagement -> Consumer Forgiveness	0.312	6.853	0.000
Consumer Forgiveness -> Brand Trust	0.175	2.948	0.003
Consumer Forgiveness -> Brand Loyalty	0.078	2.832	0.005

Table 10 - Tottal effects

	Total indirect effects	T statistics	P- values
Consumer Forgiveness -> Brand Loyalty	0.078	2.832	0.005
Recovery Effort -> Brand Loyalty	0.473	13.792	0.000
Recovery Effort -> Brand Trust	0.473	12.466	0.000
Recovery Effort -> Consumer Forgiveness	0.172	5.855	0.000
Social Media Communities Engagement -> Brand Loyalty	0.314	10.099	0.000
Social Media Communities Engagement -> Brand Trust	0.054	2.504	0.012

Table 11 - Tottal indirect effects

5. DISCUSSION

5.1. Theoretical Contributions

Understanding the role of social media brand community engagement in mitigating brand crises and establishing brand loyalty is crucial in contemporary marketing and brand management strategies. In an era where information spreads rapidly, and consumer sentiment can shift overnight, how brands handle crises with a solid social media presence can significantly impact their reputation and consumer loyalty.

Brand crises, whether stemming from internal operational issues or external perceptions, have the potential to severely damage a brand's reputation and consumer trust. In such times, brands with established social media communities are better equipped to manage and mitigate these challenges. These communities serve as platforms where brands can directly engage with their consumers, address concerns transparently, and foster a sense of belonging and loyalty among community members.

The aim of this study was to understand how brand communities mitigate the impact of brand crises and aid their recovery, using Mercadona crises as a case study. The results support the first hypothesis (H1), which is that brand trust positively affects brand loyalty. This finding is consistent with Rudzewicz & Strychalska-Rudzewicz (2021), who emphasize that trust is pivotal in cultivating a solid connection between consumers and a brand. When consumers perceive a brand as reliable, responsible, and genuinely concerned about their well-being, it strengthens their allegiance. Thus, strategies to enhance product quality, improve brand reputation, and ensure customer satisfaction are crucial in fostering long-term brand loyalty.

The second and third hypotheses (H2 and H3) of this study, which propose that social media brand community engagement positively influences both brand trust and loyalty, respectively, are supported by the empirical study. The results underscore that higher levels of engagement within social media brand communities correlate with increased levels of trust and loyalty towards the brand. This aligns with research by Habibi et al. (2014) and Huangfu et al. (2022), highlighting the transformative impact of technology on fostering online brand communities to bolster customer-brand relationships and cultivate brand loyalty.

The fourth hypothesis (H4), which is that brand recovery effort positively influences social media brand community engagement, is also confirmed. Authors like Tipjaritayudom & Nuangjamnong (2023) and Lee and Kim (2023) also defend this hypothesis by highlighting the critical role of brand recovery strategies in enhancing engagement within social media brand communities. They argue that effective crisis management and recovery efforts not only mitigate negative sentiments but also foster stronger connections with consumers, thereby bolstering engagement levels in brand communities. This aligns with the findings that transparent communication and

genuine efforts to address crises can positively influence consumer perceptions and participation within digital brand spaces.

The fifth hypothesis (H5), that consumer forgiveness positively affects brand trust, is confirmed. Xie & Peng (2009) underscore the critical interplay between consumer forgiveness and brand trust. They assert that factors like competence, benevolence, and integrity, coupled with consumer forgiveness, are pivotal in rebuilding trust post-crisis. Affective efforts such as sincere apologies are particularly influential in shaping perceptions of corporate integrity and benevolence. These findings underscore the importance of understanding how consumer forgiveness positively influences brand trust in the aftermath of a crisis.

The sixth hypothesis (H6), which is that brand recovery effort positively influences consumer forgiveness, is validated. According to Tipjaritaudom & Nuangjamnong (2023), brands enhance consumer forgiveness through sincere apologies, adept social media responses, and transparent explanations. These efforts shape positive perceptions of brand efforts to rectify negative experiences. Casey et al. (2023) highlight that consumers seek emotional support and information within online brand communities during product harm crises, fostering shared identity and reassurance among peers. Yuan et al. (2020) advise that brands engaging consumers in digital spaces can mitigate crisis impacts, promoting forgiveness and sustaining consumer loyalty. Xie & Peng (2009) emphasize that effective apologies enhance corporate integrity and benevolence, which is crucial for rebuilding trust and facilitating consumer forgiveness in post-crisis brand recovery strategies.

Lastly, the seventh hypothesis (H7), which is that social media brand community engagement positively affects consumer forgiveness, is validated. This aligns with studies by Yuan et al., (2020) indicating that active customer involvement with the brand is crucial for encouraging consumer forgiveness. Nikhashemi et al., (2023) suggest that consumers who actively participate in the brand's online community are more likely to forgive the brand for any mistakes or crises it faces.

5.2. Practical Contributions

The practical implications of this study provide actionable insights for Mercadona. The descriptive analysis indicated that the means for variables such as brand recovery effort, consumer forgiveness, social media community engagement, brand trust, and brand loyalty ranged between approximately 1.7 and 4.7, highlighting a general trend of disagreement among participants towards the Mercadona situation. Notably, Mercadona's recovery efforts were perceived as predominantly negative to neutral sentiments. Consumers, however, showed a moderately forgiving view of the brand. Social media community engagement was generally perceived as low, indicating significant dissatisfaction or a lack of interest from consumers in being connected to

the community or the brand itself and showing opportunities for improvement. Brand trust exhibited moderate to neutral perceptions, whereas brand loyalty showed moderate to relatively high levels among respondents. These results collectively suggest that while Mercadona has retained a degree of customer loyalty and forgiveness, there are notable areas for improvement, particularly in social media engagement and brand trust.

Practically, the conclusions drawn from the study provide actionable insights for Mercadona:

Firstly, the company should prioritize proactive crisis management strategies, including swift and transparent communication.

Secondly, enhancing engagement strategies within social media brand communities should be a focal point. Encouraging active participation and fostering dialogue among consumers can create a supportive community that defends the brand during controversies. This proactive engagement not only strengthens brand loyalty but also enhances brand resilience against negative publicity.

Thirdly, internal policies and employee relations need to be strengthened. Addressing allegations of mistreatment internally and implementing robust HR policies that promote a supportive and inclusive workplace culture are essential. This approach can prevent future controversies and foster a positive organizational reputation.

Lastly, Mercadona should focus on building long-term trust by consistently delivering quality products and services that are aligned with consumer expectations. This approach reinforces brand integrity and reliability, contributing to sustained consumer loyalty and competitive advantage in the market.

5.3. Limitations and Further Developments

Despite offering valuable insights, this study is not without its limitations. Firstly, the dynamic nature of social media and online communities means that findings may not capture evolving trends or behaviors over time. Future research could address these limitations by employing diverse methodological approaches, including longitudinal studies or qualitative interviews, to deepen understanding and enhance the robustness of findings in the realm of brand crises and consumer behavior.

Secondly, the measurement scales used in the construct of social media communities engagement and brand loyalty had problems relating to discriminant validity, so, for future research, it is advisable to review the measurement scales used, or to apply a factor analysis to clarify factors discriminance, before the structural equations system.

Thirdly, and finally, to obtain more comprehensive and diverse responses, conducting the research using a brand that is widely recognized and familiar to a broader audience would be beneficial. This approach would likely yield richer insights and a deeper

understanding of consumer perceptions and behaviors concerning a brand with a more significant presence and impact in the market.

By addressing these constraints and broadening the scope of research, future studies can enhance understanding of how engagement in social media communities mitigate brand crises, facilitating the restoration of brand trust and fostering brand loyalty.

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APPENDIX A

		Mean	Standard deviation	Loadings	T statistics (O/STDEV)	P Values
RE1	Mercadona has acted responsibly and honestly in addressing the accusations.	3.707	2.051	0.791	24.323	0.000
RE2	Mercadona has shown it really cares for its employees.	3.261	1.718	0.935	104.147	0.000
RE3	Mercadona has taken some extra actions for employees despite that they are not required by law.	2.755	1.672	0.812	25.326	0.000
RE4	Mercadona has made extraordinary efforts to resolve the issue.	2.599	1.722	0.822	30.044	0.000
CF1	Given Mercadona's response, I would give them a chance to correct their mistakes.	4.602	1.696	0.822	23.168	0.000
CF2	I would forgive Mercadona.	4.226	1.814	0.943	125.818	0.000
CF3	I would think favorably of Mercadona.	4.035	1.789	0.937	95.252	0.000
SME1	I feel enthusiastic about engaging with Mercadona on social media.	2.459	1.592	0.662	16.923	0.000
SME2	I am interested in anything about Mercadona.	3.140	1.872	0.832	38.189	0.000
SME3	I find Mercadona interesting.	3.962	1.953	0.762	31.192	0.000
SME4	When interacting with Mercadona on social media, I feel happy.	2.299	1.537	0.732	22.827	0.000
SME5	I get pleasure from interacting with Mercadona on social media.	2.153	1.481	0.744	24.725	0.000
SME6	I spend a lot of time thinking about Mercadona.	2.035	1.523	0.730	19.069	0.000
SME7	I make time to think about Mercadona.	1.799	1.329	0.692	19.406	0.000
SME8	I promote Mercadona on social media.	1.672	1.293	0.710	24.019	0.000
SME9	I try to get others interested in Mercadona.	2.889	2.141	0.831	59.847	0.000
SME10	I actively defend Mercadona from its critics.	2.637	1.964	0.817	42.437	0.000
SME11	I say positive things about Mercadona to other people.	3.752	2.157	0.810	50.108	0.000

BT1	I trust Mercadona.	4.061	1.820	0.936	63.221	0.000
BT2	I feel that I can trust Mercadona completely.	3.615	1.813	0.946	144.000	0.000
BT3	I cannot rely on Mercadona.	2.771	1.837			
BT4	I feel secure shopping at Mercadona because I know they will not let me down.	3.796	1.731	0.881	50.863	0.000
BL1	I use Mercadona whenever I go grocery shopping.	3.025	2.150	0.873	48.315	0.000
BL2	I would strongly recommend Mercadona to anyone.	3.825	2.082	0.952	179.372	0.000
BL3	I would like to come back to Mercadona in the future.	4.631	2.179	0.898	80.638	0.000

APPENDIX B

Appendix B – Questionnaire

Consent

Dear participant,

My name is Margarida Louro, and I am currently writing my thesis dissertation as a part of the Master's program in Data Driven Marketing with a specialization in Digital and Analytical Marketing at Nova Lisbon Information and Management School. This study aims to explore to what extent are consumers loyal to a brand. There is no wrong or right answer, neither a risk is involved in answering any of the following questions.

Remember that your participation in this survey is voluntary, which means that you are free to participate or not, and you can give up whenever you want to.

However, your responses are very important, completely anonymous, and will be used only for academic purposes. This study will take approximately 5 minutes to complete.

Informed Consent Form

I declare that I am 18 or over and agree to participate in this research. I declare that I was informed that my participation in this study is voluntary, that I can leave this survey at any time without penalty, and that all data is confidential. I understand that I will evaluate responses and that this study does not offer serious risks.

- Yes, I agree to participate
- No, I disagree to participate

Q1: Do you know the supermarket Mercadona?

- Yes
- No

Q2: How often do you shop at Mercadona?

- Very frequently (weekly or more often)
- Frequently (several times a month)
- Occasionally (once a month)
- Rarely (a few times a year)
- Never

Q3: Which of the following supermarkets do you regularly shop at? (Select all that apply)

- Pingo Doce
- Auchan
- Lidl

- Continente
- Mercadona
- Aldi
- Mini Preço
- Supercor
- Other

Context:

Mercadona is a Spanish supermarket chain acting in Portugal since 2019, opening 48 stores and employing over 5,000 people.

In the end of 2023, Mercadona was accused of acting like a "cult." In the investigative program "A Prova dos Factos" made by RTP, current and former employees spoke out about abuse, coercion, psychological harassment, and pressure they experienced. People said that the company creates a climate of fear and psychologically harasses employees. Reports indicate a hostile and threatening work environment, where employees who speak up are forced to leave, either on their own or through pressure from the company.

In April 2024, the CGTP (General Confederation of Portuguese Workers) had already accused Mercadona of pressuring workers to resign through intimidation and coercion. In one instance, a worker who insisted on her rights faced disciplinary action and was transferred 180 kilometers from her home.

Mercadona denied these allegations and told RTP that while acknowledging room for policy improvement and ongoing evolution, it is asserted that "5000 employees go to work daily and we don't think that is under a climate of pressure like the one that is being reported".

Q5: Were you familiar with this situation?

- Yes
- No

Q6: Considering the previous situation, answer to the following regarding Mercadona's Recovery Effort.

- Mercadona has acted responsibly and honestly in addressing the accusations.
- Mercadona has shown it really cares for its employees.
- Mercadona has taken some extra actions for employees despite that they are not required by law.
- Mercadona has made extraordinary efforts to resolve the issue.

Q7: Considering Consumer Forgiveness.

- Given Mercadona's response, I would give them a chance to correct their mistakes.
- I would forgive Mercadona.

- I would think favorably of Mercadona.

Q8: Considering Social Media Communities Engagement.

- I feel enthusiastic about engaging with Mercadona on social media.
- I am interested in anything about Mercadona.
- I find Mercadona interesting.
- When interacting with Mercadona on social media, I feel happy.
- I get pleasure from interacting with Mercadona on social media.
- I spend a lot of time thinking about Mercadona.
- I make time to think about Mercadona.
- I promote Mercadona on social media.
- I try to get others interested in Mercadona.
- I actively defend Mercadona from its critics.
- I say positive things about Mercadona to other people.

Q9: Considering Brand Trust.

- I trust Mercadona.
- I feel that I can trust Mercadona completely.
- I cannot rely on Mercadona.
- I feel secure shopping at Mercadona because I know they will not let me down.

Q10: Considering Brand Loyalty.

- I use Mercadona whenever I go grocery shopping.
- I would strongly recommend Mercadona to anyone.
- I would like to come back to Mercadona in the future.

Q11: Gender

- Male
- Female
- Non-binary/Third Gender
- Other
- Prefer not to say

Q12: Age

- 18-25
- 26-34
- 35-44
- 45-55
- More than 55

Q13: Education Level

- High school or bellow
- Bachelor's degree

- Master's degree
- Doctorate or above

Q14: Employment status

- Full time student
- Working student
- Dependent employment
- Self-employment
- Unemployed



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