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Aiming for the Stars: Exploring the ACM's Reputational Strategies during the Dutch Energy Crisis

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Aiming for the Stars: Exploring the ACM's Reputational Strategies during the Dutch Energy Crisis

by

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Abstract

In the past decades, scholars have been increasingly recognizing the importance of solid reputation building for the autonomy and legitimacy of independent regulatory agencies. In response to this growing body of research, this master thesis aims to understand the influence of the content of reputational threats on the reputational strategies of independent regulatory agencies (IRA). By investigating the reputational management of the Netherlands Authority for Consumers & Markets (ACM) during the Dutch energy crisis, this paper aims to shed light on the role of pre-existing levels of reputation. Using a qualitative framing analysis, this study argues that the ACM uses a more evasive response strategy regarding its functional areas that enjoy a solid reputation, whereas weaker reputations are more often protected with direct strategies. These evasive strategies include problem denial, promises of continued monitoring and managing public expectations. On the other hand, the direct responses include problem acknowledgment, taking active measures and emphasizing unique features. However, a too small sample of data was collected regarding the response strategy of unique features specifically. Moreover, the final hypothesis considers the role of prolonged reputational threats, yet mixed evidence left a conclusion impossible. Lastly, recognizing that regulatory agencies are perceived by the public as scientific institutions, this thesis maintains that it is important for regulatory agencies to properly divide its attention to all regulatory duties. This is necessary to avoid suspicion of bias due to reputational considerations and thereby impair the reputation they aim to protect.

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Chapter 1. Introduction

In the past decades, scholars have been increasingly recognizing the importance of solid reputation building for the autonomy and legitimacy of independent regulatory agencies (Carpenter 2001). These studies notice that reputational considerations are increasingly steering organizational behavior (Carpenter 2001; Krause & Douglas 2005; Maor & Sulitzeanu-Kenan 2016; Rimkuté 2018), indicating that agencies are conscious of their status in the political system they operate. Aware of its importance, regulatory agencies actively cultivate their unique *bureaucratic reputation* by convincing their audiences that their services fill a necessary regulatory void (Carpenter 2001). Furthermore, when attacked by reputational threats, agencies protect their public image by using reputational management strategies (Bach et al. 2022; Maor & Sulitzeanu-Kenan 2016; Maor et al. 2013; Müller & Braun 2021; Rimkuté 2018 & 2020). Because agencies are often tasked with multiple regulatory objectives, such reputational strategies can differ based on the functional area that is attacked (Bach et al. 2022; Maor et al. 2013; Müller & Braun 2021; Rimkute 2020). To understand how different reputational threats lead to different reputational strategies, this paper shall research the Netherlands Authority for Consumers and Markets (ACM) and its responses to reputational threats in the context of the energy crisis.

The Netherlands Authority for Consumers and Markets (ACM) is an independent regulatory agency in the Netherlands. This watchdog arose in 2013 after a merger between the Dutch Consumer Authority, Netherlands Competition Authority (NMa) and the Independent Post and Telecommunications Authority (OPTA) (ACMa n.d.). As a result, the ACM functions nowadays both as an antitrust watchdog and protector of consumer rights. In addition, the ACM has taken a specific interest in the markets of telecommunications, transportation, mail, healthcare, and energy, because ‘competition in these sectors does not go by itself’ (ACMa n.d.). In the past two years, the ACM’s regulatory role in the energy market specifically has become under increasing tension, mainly due to extreme price volatility. Energy prices have risen exponentially across Europe, especially since the escalation of the Russo-Ukrainian War, resulting in increasing energy poverty among citizens (Mulder et al. 2023), bankruptcies among energy-intensive companies (Besseling 2022), and cost inflation across the Dutch economy (Eurostat 2023). To mitigate the negative effects of this crisis, intervention is deemed crucial.

Being the main and only independent regulator in the energy market, the management of this energy crisis has a direct impact on the reputation of the ACM. The current instability of the energy market questions the organizations’ competence to deliver its goal of a healthy market environment for consumers and companies (ACMa n.d.). The crisis does not only attack the general reputation of the ACM, but effects of the energy crisis also produce *reputational threats* regarding the ACM’s unique functions. For example, the extremely high prices question the

ACM's containment of monopolistic prices while also rendering the entire energy market unstable. Furthermore, the crisis has resulted in cases of unlawful maltreatment from energy companies, resulting in reputational threats that target the ACM's role as a protector of consumers. As the management of this energy crisis lies directly within the jurisdiction of the ACM, avoiding the issues would most likely result in reputational damage (Gilad & Yogev 2012). Therefore, the agency can merely use reputational management strategies to minimize the impact of such reputational threats.

Reputational management involves various different strategies such as communicative responses (Bach et al. 2022; Gilad et al. 2015; Maor et al. 2013; Müller & Braun 2021; Rimkuté 2020) or alterations in regulatory output (Maor & Sulitzeanu-Kenan 2016; Rimkuté 2018), used by agencies to effectively cultivate or protect their bureaucratic reputations. What can explain the decisions of regulatory agencies to opt for a specific reputational strategy? Some researchers claim that the diversity of reputational strategies can be explained by looking at the level of media attention (Erlich et al. 2021, Gilad et al. 2015; Maor et al. 2013) or the importance of the audience that launce the reputational attack (Maor et al. 2013; Rimkuté 2018). Other scholars have argued that the content of reputational threats steers the response strategies of regulatory agencies, indicating that agencies are more responsive to attacks regarding their core competencies (Bach et al. 2022; Maor et al. 2013; Müller & Braun 2021) or where the agency has a poor reputation (Bach et al. 2022; Maor et al. 2013; Rimkuté 2020). This paper shall focus on this latter concept, that is the influence of pre-existing levels of reputation on reputational strategies.

Bureaucratic reputation rests on the idea that agencies seek to reinforce and expand their niche role in society as a consolidation of their reputational uniqueness. Researchers argue that regulatory agencies actively cultivate their unique bureaucratic reputation by maintaining that their services fill a regulatory void (Carpenter 2001; Gilad et al. 2013; Gilad & Yogev 2012; Maor et al. 2012; Rimkuté 2018). Agencies that find themselves in a more competitive institutional environment may wish to emphasize their unicity in the community, as a lack of relevance can become a problematical reputational vulnerability (Rimkuté 2018; 2020). The failure to emphasize the unique capacities of the agency may result in an overall poorer reputation, as differentiation from similar organizations is unclear and the agency may lose its regulatory voice (Busuioc & Rimkuté 2020). To understand how different reputational threats produce different regulatory responses, this paper shall look at the different levels of reputation across the functional areas of the ACM.

The ACM has two main functions in the energy market, namely its role to supervise competitive pressures and its role as a guardian of consumers' rights. As an *antitrust watchdog*, the ACM faces no competitive pressures from other organizations on the national level, as it is the only institution who oversees the energy market from this perspective. A similar actor is the

European Commission, but this can be seen as a superior rather than a competitor as the ACM is obliged to follow regulations decided upon by the Commission (ACMb n.d.). On the other hand, as a *guardian of consumers' rights*, the ACM is not a unique organization. One of the biggest competitors in this area is the Consumersunion, which is an association that protects the interest of consumers by providing information and raising awareness (De Consumentenbond n.d.). Other organizations have written about similar topics in the light of the energy crisis, such as the association for Dutch homeowners, Vereniging Eigen Huis (VEH n.d.). With different competitive pressures across the functional areas of the ACM, this paper is interested how reputational threats affect the reputational management strategies of regulatory agencies by looking at the different levels of bureaucratic unicity.

Based on these considerations, this thesis aims to answer the following research question: *Does the content of reputational threats affect the reputational strategies of independent regulatory agencies and how?*

This question shall be answered by using a mostly qualitative framing analysis. By collecting communicative and regulatory outputs of the ACM, as well as news articles, this thesis aims to shed light on the reputational strategies of the ACM. The timeframe of focus ranges from June 2021 until April 2023, compassing the height of the energy crisis in the Netherlands. Each of the major jurisdictions of the ACM in the context of this energy crisis has been marked by reputational attacks. In the area of competition management, the high and unstable prices have sparked debate on the regulate on of the ACM and its containment of abusive market behavior. Moreover, as a protector of consumers' rights, the ACM has been threatened with misconducts from various energy companies in the context of this crisis by disobeying fixed contracts and unannounced price increases. The responses of the ACM will be analyzed in the context of the different functional areas they attack, and the unicity these jurisdictions compass. These reputational responses include both communication strategies and regulatory outputs, as such outputs often have the ability to signal symbolic messages as communicative strategies do.

Drawing on this research approach, the *academic relevance* of this paper is argued to be two-fold. First of all, this thesis wants to illuminate the unexplored impact of competition from other organizations on the reputational strategies of independent regulatory agencies. While bureaucratic reputation is receiving increasing attention from scholars, this paper aims to highlight this aspect of uniqueness, which is recognized to be central to reputation. Secondly, the qualitative research approach of this paper aims to be a different methodology than the more common statistical approach of reputational research. By focusing on communicative outputs of the ACM and other news articles, this paper hopes to dive deeper into the reputational responses than quantitative approaches allow for. Besides academic relevance, this study also holds a certain level of *societal relevance*. As almost the entire Dutch population and economy is negatively affected by this crisis, it is deemed important to inform the general public that

regulatory agencies may not always act neutral or scientific but can be driven by reputational considerations instead. Especially since there is little democratic influence in these type of institutions, the importance and large impact of the management in this crisis in the lives of Dutch citizens must be understood thoroughly.

This paper aims to answer the research question according to the following structure. Chapter two delves into the existing academic literature regarding bureaucratic reputation theory to identify the research gap. Chapter 3 shall conceptualize the relevant variables based on relevant academic literature. Moreover, this chapter shall explain the causal mechanism between these variables and formulate empirical expectations in the form of hypotheses. The fourth chapter discusses how the data is collected and analyzed. Furthermore, this chapter shall operationalize the variables as a preparation for the fifth chapter and explain the relevance of the ACM as its case study. Chapter five captures the framing analysis of the ACM's response to three different reputational threats during the Dutch energy crisis. The thesis then continues with chapter 6, which discusses the empirical findings in light of the relevant literature and attempts to answer the research question. Finally, this chapter briefly formulates the implications of these findings for regulatory agencies. Chapter seven concludes this thesis by summarizing the main findings and reflects on the strengths and weaknesses of this study.

Chapter 2. Literature Review

In a world of many complex issues, political institutions increasingly delegate the management of complicated challenges to the jurisdiction of regulatory agencies. Staffed with public officials, bureaucratic organizations aim to regulate the delegated tasks based on expertise rather than political motivations. Being largely separated from the political sphere, regulatory agencies are autonomous actors that obtain their legitimacy from a reputation of competence rather than democratic principles. If, however, the agency is perceived to poorly regulate the delegated tasks, political institutions may intervene, nonetheless. As such, an adverse image of the agency's performance may erode the organizations autonomy via increased supervision and reduced regulatory power. Sustained negative judgements of the agency may even erode the legitimacy to rule as a regulatory authority all together (Carpenter 2001, 4-5). In a similar vein, positive views of the agency can enhance the organizations' legitimacy and autonomy from political meddling which may result in extra budget or new regulatory tools for enforcement. Aware of its importance, regulatory agencies are keen to preserve a positive reputation in the community they serve (Carpenter 2002, 491).

Eager to maintain a strong bureaucratic reputation, regulatory agencies use *reputation management strategies* to protect or enhance their status. Regulatory agencies have a toolbox of regulatory management strategies to choose from, such as communicative responses (Bach et al. 2023; Erlich et al. 2021; Gilad et al. 2015; Maor et al. 2013; Müller & Braun 2021; Rimkuté 2020) or alterations in regulatory output (Maor and Sulitzeanu-Kenan 2016; Rimkuté 2018), in order to emphasize their unique traits to relevant audiences. Research by Gilad et al. (2015) confirms that regulatory agencies use several communicative strategies in response to reputational threats such as response or silence, problem acknowledgement or denial, and blame admission or shifting, in order to effectively protect their reputation. In addition, Maor and Sulitzeanu-Kenan (2016) found that reputational attacks create a greater volatility in agency's regulatory outputs, a phenomenon they termed "responsive change" (Maor and Sulitzeanu-Kenan 2016, 32). Such studies reveal that, instead of a one-size-fits-all reputational response, regulatory agencies choose various different reputational management strategies to protect and cultivate their unique reputation (Gilad et al. 2015, 453). But what can explain the decisions of regulatory agencies to opt for a specific reputational strategy?

Some researchers claim that the diversity of reputational strategies can be explained by looking at the level of *media attention*. For example, Maor et al. (2013, 587) found that regulators are increasingly likely to respond to public issues when media attention is high. This is because fierce media attention can turn the agency's ignorance into a reputational problem. Similarly, Gilad et al. (2015, 459) has argued that high media salience renders agencies more likely to engage in problem acknowledgement in order to minimize reputational damages. Erlich et al.

(2021) researched to what extent media attention would increase or reduce the responsiveness of public institutions. By using newspaper data and information requests to the federal Mexican government, the authors distinguished between negative media attention to government failures, corruption, and positive or neutral attention. They find that negative media attention to government failures increase responsiveness, which is in line with theories of reputation management. On the other hand, negative attention to corruption and positive or neutral attention are both associated with reduced responsiveness (Erlich et al. 2021, 687). Thus, these studies indicate that media salience is an important causal variable of reputational strategies.

Advocates of *audience responsiveness theory* maintain that the importance of different stakeholders determines when and how organizations cultivate their reputations. As bureaucratic reputation is based on perceptions, the meaning of this concept can differ per regulatory audience. Conscious of the different external demands, regulatory agencies may wish to highlight different aspects of their reputation to different audiences based on their differences in influence as well. For instance, Rimkuté (2018, 75) argued that regulatory agencies are more likely to highlight their role as a social guardian when they perform in centralized fields because the audiences are authoritative and unified in their demands. On the other hand, when regulatory agencies are faced with competing demands from a decentralized field, the agencies are most likely to emphasize their scientific analyses. In a similar vein, Maor et al. (2013, 587-588) hypothesized that regulatory agencies are more prone to remain silent when the source of the reputational threat is under greater control of the agency, as well as the place of further negotiations. As such, these studies maintain that regulatory audiences to a large extent determine the reputational strategies of regulatory agencies.

Instead of contextual causations, a large group of scholars argue that the specific target of *reputational threats* steers the response strategies of regulatory agencies. There are two main schools of thought. First, there are studies which reveal that the specific functional area under threat is of importance to the response of the agency. Having multiple regulatory objectives, some of these tasks hold greater relevance to the reputation of the regulator than others. Hence, researchers have distinguished between core/central and evolving/expanding functional areas. Empirical research has revealed that regulatory agencies are more responsive to reputational threats that attack a *core competency* of the agency, while being less responsive to attacks regarding evolving competencies, due to the difference in importance to the general reputation of the agency (Bach et al. 2023; Maor et al. 2013). Yet research by Müller and Braun (2021, 682) indicates that the European Central Bank responded more swiftly to media attention regarding its expanding than its core competencies. As such, while the researchers expected regulators to respond more proactively to evolving competencies, the communication data of the ECB indicated a largely reactive communication strategy instead.

Secondly, scholars argue that the *level of reputation* across functional areas is a relevant determinant of reputational management strategies. By focusing on Israeli banking regulators, Maor et al. (2013, 587) found that threats that target a specific functional area of an organization in which it already enjoys a strong reputation, often results in a strategic non-response. “This implies that highly regarded regulators can afford to be relatively closed, whereas those who are not need to be very open and talkative.” (Maor et al. 2013, 587). In a similar vein, Rimkuté (2020, 1653) focused on food agency’s responses to the glyphosate controversy by comparing American and European agencies. She found that organizations with a rather strong reputation tended to remain silent regarding the glyphosate controversy, while those with still evolving reputations tend to emphasize the uniqueness of the institution. Combining the level and dimension of reputation into one research design, a study by Bach et al. (2022) indicates that the German financial regulatory BaFin prioritized responses to reputational threats that focused on central competences even though the organization enjoyed a strong reputation. Peripheral competences or core competences with a weak reputation received less attention in terms of reputation management.

This paper positions itself with the researchers that aim to understand the effect of the existing level of reputations on the reputational strategies of regulatory agencies. As such, this paper aims to focus on the different reputational threats that agencies face, and how the organizations address them regarding the *degree of reputational uniqueness* in that competency. By focusing on the Dutch Authority for Consumers and Markets (ACM) in the context of the energy crisis, this paper aims to understand how different regulatory areas within one agency are cultivated and protected from reputational threats. While the focus on political salience and media attention should be a very interesting research approach, in the context of the energy crisis there is a lack of variability on this subject. Moreover, the focus on the core and evolving competencies of the ACM also did not prove to be feasible, due to a lack of reputational threats regarding its evolving competency as a stimulator of the energy transition in the context of the energy crisis. Therefore, this study shall focus on the degree of reputational status as a reputational target, which is deemed possible due to the different levels of organizational competition between the ACM’s functional areas in the energy market.

Chapter 3. Theoretical Framework

This chapter describes the theoretical foundations for the empirical research. The first section conceptualizes the independent variable of this study, while the second section conceptualizes the dependent variable. The third section sets out a possible causal mechanism and formulates the expected hypotheses that follow.

3.1 Independent variable: reputational threats

Before delving into the concept of reputational threats, *bureaucratic reputation* must be discussed first as it is important to understand what these threats are exactly attacking. Organizational reputation can be conceptualized as “a set of symbolic beliefs about the unique or separable capacities, roles, and obligations of an organization” (Carpenter 2010, 45). Reputation is therefore a perceptual construct held by different sets of audiences in the community that all can have different connotations to the concept. Of specific relevance is this notion of uniqueness to organizational reputation. According to Carpenter, agencies have to convince their audiences that only they can provide the necessary solutions to the problems of the community. When politicians can find the services of these agencies at different organizations, the relevance of this bureaucratic agency may be deemed irrelevant and consequently lose its regulatory influence (Carpenter 2001, 5). Bureaucratic institutions therefore not only have to maintain a positive reputation, but also a unique one. To cultivate this, regulatory agencies use reputational management strategies to decide which aspects of the organization they wish to highlight to the relevant audiences.

Not only do regulatory agencies actively craft their unique reputation, but they also defend their reputation when it is being attacked via *reputational threats*. Such external attacks may involve the inflexibility of an agency to regulate a sudden crisis, or journalists may question the ethicalities of the methods used to produce regulatory outputs. As reputational threats can take various forms, the simple reference of reputational threats as “negative public judgements” or “public allegations” seems insufficient (Bach et al. 2022, 1045; Rimkuté 2020, 1639). More clearly is Rothstein’s definition, as he defined reputational threats to be “threats to regulatory organizations and/or the legitimacy of rules and methods of regulation” (Rothstein 2006, 91). However, the exact meaning of these threats remains vague and regulatory outputs are absent in this definition. Therefore, this paper shall follow the definition of Müller, who defined reputational threats as “events or statements that threaten to damage an organization’s reputation, and therefore its autonomy and legitimacy.” (Müller 2023, 15), thereby drawing on Carpenter’s definition of bureaucratic reputation. This conceptualization also recognizes that not only public allegations, but also unforeseen crises can impede regulatory reputations.

While reputational threats aim to attack the reputation of a regulatory agency, not all reputational threats are successful. This is clearly included in Müller's definition of reputational threats as it states that these attacks "threaten to damage" the organizations reputation. As such, not every reputational threat is as threatening to the reputation as it pertains, this depends on whether it impacts a reputational vulnerability (Rimkutė 2020, 1639-1640). Existing literature indicates that regulatory agencies selectively tend to respond to the most damaging reputational threats as it renders the agency's reputation most vulnerable. By choosing a focused reputational strategy, the agency aims to minimize the damage of a reputational threat. When an attack is actually not threatening at all, regulatory agencies may choose to use minimal resources to respond, simply because there is no need to waste limited resources (Gilad et al. 2015; Maor et al. 2013; Rimkutė 2020). As discussed above in the literature review, which aspects of a reputational threat is most damaging is open to debate. As such, the reasoning of regulatory agencies to opt for a specific reputational strategy remains contested. This paper hopes to illuminate the relationship between these variables.

3.2 Dependent variable: reputational management strategies

Aware of the benefits of a solid reputation, regulatory agencies consciously protect their reputation from reputational threats by using *reputational management strategies*. These management strategies can be broadly categorized into two groups: reputation-protection strategies and reputation-cultivation strategies. At the very basis, reputation-protection strategies can be defined as a response to reputational threats. More helpful is a definition of Gilad et al. (2013) that defines reputation-protection strategies as "an agency's reaction to allegations and/or incidents that shed a negative light on its fulfillment of its core mission." (Gilad et al. 2013, 455). However, as agencies may also respond to allegations and/or incidents regarding developing missions, this definition is considered to be too narrow. It is deemed more accurate for this paper, to replace this focus on the fulfillment of the core mission with Carpenter's definition of reputation in order to be able to take a broader approach to the concept. Hence, reputation-protection strategies are defined as "an agency's reaction to allegations and/or incidents that shed a negative light on its" "unique or separable capacities, roles, and obligations" (Gilad et al. 2013, 455; Carpenter 2010, 45).

Because reputational threats are the independent variable in this study, reputation-protection strategies are the main focus. However, one must not completely ignore reputation-cultivation strategies. These reputational strategies seek to cultivate the reputation of the agency in a broader sense. Reputation-cultivation strategies are more proactive as they do not specifically respond to reputational threats, but rather emphasize the relevant aspects of the reputation to relevant audiences when possible. Broadly, cultivation strategies can be conceptualized as an agency's practice to emphasize or highlight specific aspects of the agency's capacities or

practices as a means to enhance the agency's reputation. Protection and cultivation can collide easily, and the distinction is not always useful. For example, agencies may decide to cultivate their reputation in a specific way due to opportunity of media attention a reputational threat creates, not specifically in response to the threat (Gilad et al. 2015, 455). Distinguishing between protection and cultivation can therefore prove to be difficult (Maor 2020, 1050). Hence, this paper takes a broad approach to reputational management strategies. As such, this paper focuses on reputational strategies that aim to enhance the organization's reputation, regardless of whether it's a specific response to a reputational threat or part of a general strategy to highlight the agency's status.

Besides conceptual definitions, reputational strategies can be expressed via various channels. This paper focuses both on communications and regulatory output as means to enhance reputations, including organizational policy changes or alterations in procedures. Expressing reputational strategies via *communicative statements* is the most obvious one yet distinguishing between regulatory and reputational communication can be difficult. Sometimes a public statement can function both as a regulatory message, but also enhance its reputation (Muller and Braun 2021, 671). Similarly, agencies can use *regulatory outputs* to signal a reputational message. For example, by altering its current practices, the agency may wish to signify that it takes a particular reputational threat seriously. Agencies can also cultivate or protect their reputational status by using communicative strategies, such as responding with talk or silence regarding reputational threats (Erlich et al. 2021; Maor et al. 2013; Rimkuté 2020). More complex communication responses involve strategies of problem acknowledgment, blame avoidance (Gilad et al. 2015), and credit claiming. This study aims to understand what accounts for this diversity in reputational strategies and shall focus on communication and regulatory output as they can both be used to achieve reputational uniqueness.

3.3 Causal mechanism and hypotheses

How do reputational threats affect the reputation strategies of regulatory agencies? This paper asserts that the content of these threats significantly influences the response strategies adopted by regulatory agencies. Despite regulatory agencies having multiple regulatory objectives, reputational threats tend to concentrate on specific functional areas. In the examined case study of the ACM, attacks were directed at both consumer protection and competition supervision during the energy crisis. Depending on which aspect of the organization is attacked, the agency may wish to deploy different response strategies to effectively minimize the reputational damage (Bach et al. 2023; Gilad et al. 2015; Maor et al. 2013; Müller and Braun 2021). A possible determinant of reputational strategies is the *level of reputation* of the functional area that the reputational threat attacks (Bach et al. 2023; Maor et al. 2013; Rimkuté 2020). Given the importance of solid reputation building for regulatory agencies (Carpenter 2002, 491), it is theorized that regulatory agencies are inclined to safeguard jurisdictions with lower reputations

more carefully (Bach et al. 2023; Gilad et al. 2015; Maor et al. 2013). As such, this paper argues that regulatory agencies use different reputation strategies depending on the level of reputation in the functional area that is targeted by a reputational threat. The responses of the ACM to reputational threats are thus analyzed, considering its role as a consumer protector has a weaker reputation than its jurisdiction of competition supervision.

One of the most basic reputational management strategies pertains to the problem referred to in the reputational threat. Regulatory agencies can either decide to acknowledge the existence of this problem, deny its existence, or ignore the accusation all together. Maor et al. (2013, 586-587) describes how central banks with positive regulatory histories can afford to remain silent when they are attacked by a reputational threat, because their bureaucratic reputation is not jeopardized by one attack. Considering the negative media attention to the energy crisis, a non-response by the ACM is in this case study not expected (Bach et al. 2023, 1045; Erlich et al. 2021). Instead, it is theorized that reputational threats that target functional areas with established reputations shall result in responses of *problem denial*. This is because one reputational threat does not effectively deteriorate the established reputation of the agency, yet a response is necessary to remove the concerns of stakeholders effectively in the media. By virtue of its positive reputation, public explanations as to why the proposed problem is non-existent are considered credible and effectively solve the issue (Gilad et al. 2015; Maor et al 2013). These considerations result in the formulation of the first hypothesis:

H1A: A regulatory agency will be more likely to deny the existence of the problem in response to reputational threats that target functional areas with a higher reputational status.

While reputational threats hardly damage functional areas with established reputations, one reputational threat can seriously impair jurisdictions with weaker reputations. Aiming to preserve its autonomy and independence from political intervention, protecting its bureaucratic reputation from further demolition is extremely important to the agency (Carpenter 2001). As a result, regulatory agencies are forced to provide credible explanations for problems that arise in jurisdictions with poor reputations, in order to convince its audiences that the agency is a competent regulator in this field (Maor et al. 2013; Rimkutė 2020). Moreover, when agencies wish to resolve the reputational threat by eliminating the problem, they have to begin with acknowledging the existence of a problem. Empirical research has found that regulatory agencies are indeed more likely to admit to a problem when their reputational history is poor (Gilad et al. 2015, 468). In line with this research, it is expected that the ACM responds with strategies of problem denial to reputational threats that target its functional area of competition supervision, while responding with strategies of *problem acknowledgment* to reputational threats that target its functional area of consumer protection in the energy market. Based on these considerations, this paper hypothesizes that:

H1B: A regulatory agency will be more likely to acknowledge the existence of the problem in response to reputational threats that target functional areas with a lower reputational status.

Acknowledging problems that fall within the agency's mandate without taking active measures would result in reputational damage as the agency fails to deliver to its regulatory mandate (Gilad and Yogev 2012). Considering the agency already suffers from a poor reputation in the attacked department, the agency is especially keen to provide effective solutions to the problem (Bach et al. 2023; Rimkuté 2020). As such, taking active measures against the problem is a strategy for the agency to convince relevant audiences of its competence and relevance. Thus, the strategy of *taking active measures* is expected, because it is an effective strategy to divert the current reputational threat into a positive outcome and thereby gain a more positive reputational reserve. This theory is in line with research that suggests that regulatory agencies respond extra vigorously to reputational threats that attack functional areas with weaker reputations (Maor et al. 2013; Rimkuté 2020). Therefore, it is hypothesized that a regulatory agency shall take active measures in response to reputational threats that target functional areas with a poor reputation. For the case study of this paper, it is thus expected that the ACM will respond with active measures to reputational threats that attack its jurisdiction of consumer protection. This conclusion leads to the formulation of the following hypothesis:

H2A: A regulatory agency will be more likely to take active measures against the problem in response to reputational threats that target functional areas with a lower reputational status.

As stated above, regulatory agencies with stronger reputations have the option to ignore the threats and pretend it is 'business as usual'. Nonetheless, due to the high salience and negative media attention to the energy crisis, the strategy of ignoring the issue (i. e. non-response) is not expected in this case study (Bach et al. 2023, 1045; Erlich et al. 2021; Maor et al. 2013, 587). Instead, this paper considers a new strategy, that of monitoring the issue for a certain period to sooth public concerns amidst times of extra public attention. This strategy is meant to reduce public concerns and is in line with the expected responses of problem denial. Moreover, as the agency in this situation is expected to enjoy a positive bureaucratic reputation, there is no need to take active measures and resolve the issue. It is theorized that *promises of monitoring* suffice in silencing the reputational threat in this situation. This expectation is in line with research that suggests that regulatory agencies respond with minimal resources to reputational threats that target jurisdictions that enjoy solid reputations (Maor et al. 2013; Rimkuté 2020). As such, the ACM is expected to use strategies of promised monitoring when attacked by reputational threats that target its functional area of antitrust supervision. In more general terms, this hypothesis is formulated as:

H2B: A regulatory agency will be more likely to express and engage in monitoring of the problem in response to reputational threats that target functional areas with a higher reputational status.

At times, stakeholders may expect that the agency takes active measures after a reputational crisis, yet the agency may not have the power to do so. For example, the proposed problem may lay outside the regulatory jurisdiction of the agency. To manage these *public expectations*, the agency must emphasize the exact boundaries of its mandate with the aim to close the mismatching public perceptions and actual regulatory powers. According to scholars, this is a general reputation-management strategy (Gilad and Yogev 2012, 322-323). Yet in this paper, it is expected to be more common in response to reputational threats that target functional areas with higher reputations. This is because response strategies are expected to be more evasive, such as problem denial and monitoring. In line with these responses, it is expected that the agency continues this evasive strategy by circumventing direct responsibility for the problem. Aiming to protect its positive reputation, regulatory agencies want to minimize the gap between internal and external regulatory expectations. According to Gilad and Yogev (2012, 323), “the smaller the gap between the regulatory body's self-perception and public expectations, the more likely that the regulator will maintain its positive reputation.” Therefore, the hypothesis is phrased as:

H3: A regulatory agency emphasizes the boundaries of its mandate in response to reputational threats that target functional areas with a higher reputational status.

Recall that reputation is not merely about competence, but also about uniqueness. Important audiences must believe that the agency fills a regulatory void with its services, otherwise its existence is rendered obsolete (Carpenter 2001, 4-5). Reputational threats that question the agency's ability to execute the delegated tasks does not only attack its competence, but also the unicity of the services it provides. As such, a poor bureaucratic reputation does not merely signify a poor executive history, but also a poorly defined niche role in the political system. As questions about the relevance of the institution may lead to questions about its autonomy or legitimacy, the lack of reputational uniqueness constitutes a serious reputational vulnerability (Carpenter 2001 4-5; Rimkuté 2020, 1640). When an agency performs in an institutional environment with many other similar organizations, the competitive pressures may render differentiation from these institutions more difficult. This context increases the need to enforce its niche role by highlighting its unique features that differentiate itself from other organizations with similar goals (Gilad and Yogev 2012, 322). Since the ACM's role as a consumer protector suffers from a weak reputation due to competition from similar organizations, it is expected that the ACM highlights its *unique features* in response to reputational threats that target this functional area. This leads to the formulation of the following hypothesis:

H4: A regulatory agency emphasizes its unique features in response to reputational threats that target functional areas with a lower reputational status.

Regulatory agencies cannot ignore reputational threats indefinitely, even when they target dimensions with established reputations. Sustained threats have the danger of eroding the high

reputation in this functional area. This is confirmed by empirical research, which reveals that even regulatory agencies with strong reputations cannot remain silent forever (Rimkutė 2020, 1640). If agencies choose to ignore the issues for a sustained period, this ignorance of itself can become a reputational discussion (Gilad and Yogev 2012, 334), especially when media attention is intensive and negative (Bach et al. 2023; Erlich et al. 2021; Maor et al. 2013). Moreover, if the existing level of reputation is weakened severely, political intervention looms to impair the organization's autonomy (Carpenter 2001, 4-5). As a result, regulatory agencies may decide to acknowledge the proposed problem and take active measures against it. Moreover, the agency may decide to use protection strategies that highlight the uniqueness of the agency in the political system they operate after continued reputational threats. To summarize, regulatory agencies may decide to trade its *evasive response strategies* of problem denial, promises of monitoring, and public expectation management for more *direct strategies* including problem acknowledgement, active measures, and highlighting unique features. Hence, the final hypothesis is the following:

H5: A regulatory agency is more likely to acknowledge the problem, take active measures and emphasize its unique features in response to reputational threats that target functional areas with a high reputational status when the threats are continued over a prolonged period of time.

To conclude, this chapter has theoretically assessed the relevant variables and formulated the theoretical expectations of this paper in the form of seven hypotheses. These hypotheses expect that a regulatory agency is more likely to use direct response strategies in response to reputational threats that target functional areas with a lower reputational status, including problem acknowledgement, active measures and emphasize its unique features. On the other hand, a regulatory agency is more likely to use evasive response strategies in response to reputational threats that target functional areas with a higher reputational status, including problem denial, promises of monitoring and shape public expectations. There is one exception, when these threats regarding functional areas with an established reputation continue over a longer period of time, the agency will respond with more direct strategies instead. For the case of the ACM, this means that the agency will use more evasive strategies in response to reputational threats that target its role as a competition authority, while the agency is expected to respond with direct strategies when its jurisdiction of consumer protection is attacked. These theoretical expectations form the basis of the empirical research in chapter 5.

Chapter 4. Research Design

This chapter describes the selected research methods to answer the research question of this paper. The chapter shall begin by explaining the case study selection of this paper, followed by operationalizing the relevant variables. After operationalization, this chapter continues by revealing the method of data collection and analysis. Finally, the chapter reflects on the validity and reliability of this paper's research design.

4.1 Case study selection

This paper has chosen *the Netherlands Authority for Consumers & Markets (ACM)* in the context of the energy crisis as its case study. This is deemed a relevant case study because of the different reputational levels between the ACM's two main functional areas and the unique reputational tension the context of the energy crisis gives. To begin with, the ACM is an independent regulatory agency, aiming to provide a competitive and fair economic environment for people and companies in the Netherlands (ACMa n.d.). This is achieved by containing anti-competitive practices and ensuring that consumers and businesses follow the correct playing rules. As such, the agency functions both as an antitrust watchdog and a protector of consumer rights in the Dutch economy. The coexistence of these two different functional areas within the ACM allows for an interesting comparative perspective. By comparing the different responses across these jurisdictions to reputational threats, a *within-case comparison* can be made to understand the potential influence of reputational statuses on response strategies. Within the context of the energy crisis, several reputational threats are identified that target both functional areas which allows for this within-case comparison.

The ACM takes a specific interest in markets like the *energy sector*, as 'competition in these sectors does not go by itself' (ACMa n.d.). However, in the past two years, the ACM's regulatory role in the energy market has become under increasing tension, mainly due to extreme price volatility. Energy prices have risen exponentially across Europe, especially since the escalation of the Russo-Ukrainian War, resulting in increasing energy poverty among citizens (Mulder et al. 2023), bankruptcies among energy-intensive companies (Besseling 2022), and cost inflation across the Dutch economy (Eurostat 2023). The ACM cannot ignore these issues, as regulation of the energy market lies directly within its jurisdiction and would therefore produce direct reputational damage (Gilad & Yogev 2012). As a result, the agency can only use reputational management strategies when reputational threats attack the bureaucratic reputation of the ACM. These *reputational threats* are widespread, as energy companies attempted to abuse the circumstances to subtract profits or avoid regulations aimed at protecting consumers. Therefore, the context of the energy crisis provides this paper with a

unique setting which is useful for understanding the ACM’s responsiveness to reputational threats.

4.2 Operationalization of the variables

After conceptualizing the variables of this study, it is now time to operationalize them for the empirical chapter of this paper. Beginning with the *independent variable*, reputational threats were previously defined as “events or statements that threaten to damage an organization’s reputation, and therefore its autonomy and legitimacy” (Müller 2023, 15). Drawing on this conceptualization, reputational threats can be operationalized as events or accusations that attempt to shed a negative public light on how a regulatory agency fulfills its mandate. There are three relevant conditions that must be fulfilled. First, the event or accusation must have a negative tone as it otherwise cannot impede the reputation of the agency. Second, the event or accusation must have a relation to the jurisdictional duties of the agency. When the threat pertains an issue that lies outside the mandate of the agency, this does not threaten the agency but rather should be directed to the responsible institution. Third, the event or accusation must be public and thus become known to the agency and general public. When events remain unnoticed or judgements are kept private, no attempt is made to detoriate the public reputation of the agency. The three reputational threats that fit these criterions are described in table 1.

Table 1. Reputational threats operationalized.

CONSUMER PROTECTION		ANTITRUST WATCHDOG
Illegal terminations of fixed contracts and energy supply in October 2021.	Poorly communicated price increases for flexible price contracts in September 2022.	Extreme energy prices causing suspicion of excessive profits from 2021-2023.

Turning to the *dependent variable*, reputational management strategies has been defined as “an agency’s reaction to allegations and/or incidents that shed a negative light on its” “unique or separable capacities, roles, and obligations” (Gilad et al. 2013, 455; Carpenter 2010, 45). Operationalizing this variable is not simple, as these “reactions” are difficult to differentiate from regular outputs and communications. Furthermore, regulatory agencies may strategically employ a non-response to reputational threats in order to protect their reputation, and hence such non-responses could be considered a reputational management strategy as well in some studies. However, due to intensive media attention in this case study, a non-response is not expected and thus actual changes in outputs or communications are marked as indicators for reputational management strategies. As such, reputational management strategies are

operationalized as responses to reputational threats. That is, there must be 1) a change in outputs, communications, policy or organizational structure i.e. the response, and 2) a relation to the reputational threat. In the absence of these indicators, regulatory behavior is not considered to be a part of a broader reputational management strategy. Six potential reputational strategies are described in table 2.

4.3 Framing analysis

To understand the impact of reputational threats on response strategies, a framing analysis will be used to code the response strategies of the ACM to reputational threats regarding the Dutch energy crisis. Before operationalizing this method of analysis, it is important to understand what framing entails. *Framing* promotes a certain narrative through the selective portrait of reality, this can include a specific problem, cause, consequence, solution, or opinion (Entman 1993, 53). Frames are the tools used to emphasize such salience, which can be defined as “conceptual tools which media and individuals rely on to convey, interpret and evaluate information” (Neuman et al. 1992, 53). This can be operationalized as ‘sentences that provide thematically reinforcing clusters of facts or judgments’ (Entman 1993, 52). Similar to frames, reputation management strategies aim to push a certain narrative in favor of the agency’s reputation. As such, regulatory agencies may use reputation management strategies to defend their reasons of action or inaction, thereby aiming change the narrative of negativity and neutralize the reputational attack. From this perspective, regulatory agencies frame their reputational responses strategically to minimize the reputational damage.

As visible in table 2, this paper analyzes six response strategies. These include, problem acknowledgment, problem denial, taking active measures, continued monitoring, shaping public expectations and emphasizing unique features. These strategies can be seen as sub-frames, aiming to frame the reputational threat by using a fitting response strategy. These strategies are grouped into two broader frames: the direct frame and the evasive frame. The *direct frame* is expected to include three reputational strategies, which are problem acknowledgement, taking active measures and emphasizing unique features. Under the direct frame, the regulatory agency takes responsibility for the problem and also aims to resolve the issue, or at least aims to show its stakeholders it takes the problems seriously. In addition, the agency may take opportunity to improve its reputation by emphasizing its unique role in the political system. On the other hand, the *evasive frame* is expected to include problem denial, continued monitoring and shaping public expectations. Under this frame, the agency aims to evade responsibility by denying the proposed problem and managing public expectations about the exact jurisdiction of the agency. However, as salience in the case study of the energy crisis is high, monitoring the issue may be promised to sooth public concerns.

Table 2. Framing analysis operationalized.

Frame	Response strategy	Indicators
DIRECT FRAME	<i>Problem acknowledgement:</i> The agency acknowledges the existence of a problem.	- Problem is explained. - Sources of the problem are appointed. - Concern is acknowledged.
	<i>Responsibility acceptance by taking active measures:</i> The agency takes responsibility by actively taking measures against the problem.	- Measures against the problem have been taken. - Future actions are announced. - Information is given about the planning of new measures.
	<i>Creating a unique reputation:</i> The agency cultivates their reputation by emphasizing the unique features of the agency.	- Unique powers of agency are deployed. - Unique powers of agency are explained.
EVASIVE FRAME	<i>Problem denial:</i> The agency denies the problem currently exists.	- Problem is downplayed. - No reason to suspect problem currently exist.
	<i>Continued monitoring:</i> The agency promises to monitor the issue for a certain period.	- Possibility of future problem is acknowledged. - Importance of monitoring is acknowledged. - Extra supervision is promised.
	<i>Managing public expectations:</i> The agency clarifies the jurisdiction and powers of the agency to keep public expectations realistic.	- Mandate is clarified. - Powers are explained. - Responsible actors are appointed.

4.4 Data collection and sample

The data that is used to answer the research question of this paper consists of *secondary data*, specifically external published sources from the ACM's own website. The ACM publishes statements about its decisions and practices on its own website, enabling them to respond to issues in the economy. To understand how the ACM responds to reputational threats, it is deemed appropriate to analyse this channel of public communication. For this paper, 16 sources from the ACM's website are used. In addition, 19 online news media articles and other online sources are used to complement this analysis. A majority, 17 out of these 19 sources are used to describe the reputational threats and responses of competitive organizations to the ACM. Thus, a totality of 18 sources is used to research the ACM's response strategies to these reputational threats, which has resulted in a total of 102 quotations. The *time span* of data collection reaches from June 2021 until April 2023, as this captures the three reputational threats that are analyzed and the height of the energy crisis. The reputational threats included in this paper are visible in table 1.

4.5 Reflection on reliability and validity

Before starting with the research analysis, a brief reflection on the reliability and validity of this paper's research design is required. To begin with, the *measurement reliability* of this thesis is considered to be medium. While this research can be reproduced by using similar concepts and data collection methods, the qualitative approach of this paper renders duplication difficult. As qualitative research analysis allows for multiple interpretations, it may be hard to replicate this research and obtain the exact same results. Misinterpretation or conceptual stretching during data collection remain possible errors of researchers, which are hard to eliminate in qualitative studies. In a similar vein, the *measurement validity* of this paper is medium. Conceptual definitions and operationalizations are well emerged in the existing academic literature, but it is impossible for a qualitative case study to guarantee a perfect validity score.

Besides measurement validity, internal and external validity of this research should be discussed. The *internal validity* of this paper is considered to be strong. Spurious correlation is avoided by holding potential independent variables constant in this case study. For example, media attention and political salience is high throughout this case. This lack of variation rules out its influence on different reputational response strategies of the ACM. As such, potential explanatory variables in the existing literature are eliminated in this case study, which renders its internal validity to study the role of levels of reputation as a causal mechanism of reputational strategies. While this specific case study of the ACM renders the internal validity to be solid, the *external validity* is rather poor. While the energy crisis has been a global problem, the ACM is a unique Dutch institution. As the ACM combines the role of an antitrust watchdog and consumer protection agency, these unique features may be difficult to find in other countries. It is therefore questionable to what extent the findings of this study are transferrable to different institutions in different countries.

Chapter 5. Empirical Analysis

This chapter includes the empirical analysis of this paper, meaning the framing analysis of reputational strategies of the Netherlands Authority Consumers & Markets (ACM) during the energy crisis from June 2021 until April 2023. The first section describes the different functional areas of the ACM and their reputational status. The second section analyses three reputational threats during the energy crisis, first quantitatively then qualitatively.

5.1 The functional areas of the ACM and their status

The Netherlands Authority for Consumers & Markets has two main functional areas in the energy sector. The organization functions in the first place as an *antitrust watchdog* to ensure competitive pressures create a fair economic playing field. This is especially important in the Dutch energy sector, as this sector was only liberalized from government control in 2004 and the nature of this sector renders it prone to monopolistic tendencies (ACM 2007; ACM n.d.-a). As an antitrust watchdog, the ACM faces no competitive pressures from other organizations at the national level, as it is the only institution who oversees the energy market from this perspective. A similar actor is the European Commission, yet this institution can be seen as a superior rather than a competitor as the ACM is obliged to follow regulations decided upon by the Commission (ACM n.d.-b). With such a unique mandate, it has not been difficult to forge a relevant bureaucratic identity translating into a unique bureaucratic reputation. Moreover, competition law has been the agency's expertise for many years, as it was the national competition authority from 1998-2013 under the name of the Netherlands Competition Authority (NMa) (Parlement n.d.). When considering the relevance of reputational histories, it is argued that the ACM holds a high reputation in the area of antitrust in the energy market.

Secondly, the ACM functions as *protector of consumer interests* by detecting and sanctioning unlawful practices, but also by raising awareness via the use of informational campaigns. However, forging a unique bureaucratic reputation is more difficult in this functional area, as this dimension is occupied by similar institutions and the mandate is more recently added to the ACM. One of the biggest competitors in this area is the Consumersunion, which is an association that protects the interest of consumers by providing information and raising awareness (De Consumentenbond n.d.). Other organizations have also written about similar topics in the light of the energy crisis, such as the association for Dutch homeowners, Vereniging Eigen Huis (VEH n.d.). As such, it has been more difficult for the ACM to highlight the uniqueness of its role as a consumer protector. Moreover, the ACM emerged only in 2013, after the Netherlands Consumer Authority was absorbed by the Netherlands Competition Authority and the Netherlands Independent Post and Telecommunications Authority (OPTA).

Considering the short reputational history, as well as the existence of similar organizations in the field, it is argued that the ACM holds a low reputation in the area of consumer protection in the energy market.

5.2 Quantitative description of ACM’s reputation strategies

Three major reputational threats have attempted to damage the ACM’s reputation during the energy crisis. The *first* reputational threat concerns the illegal terminations of fixed energy contracts and energy supply in October 2021. Due to the higher energy prices, energy suppliers attempted to force customers into more expensive energy contracts. The *second* reputational threat occurred in September 2022, when four major energy suppliers suddenly announced massive price increases. These two reputational threats focus on the ACM’s function as a guardian of consumer interests. The *final* reputational threat discussed in this paper regards the extremely high energy prices throughout the energy crisis leading to the suspicion of excessive profits by the Fixed Costs Union. This reputational threat focuses on the ACM’s jurisdiction of antitrust monitoring. Moreover, as this reputational threat continued to resurface in the media over a longer period of time, this threat is used to test the hypothesis that the ACM would eventually resort back to a more direct response strategy. The table below describes the data quantitatively.

Table 3. Quantitative description.

	<i>PROTECTOR OF CONSUMERS</i>		<i>ANTITRUST WATCHDOG</i>	
	Threat 1: terminations of supply & contracts 2021	Threat 2: sudden price increase 2022	Threat 3.1: high energy prices 2021- 2022	Threat 3.2: response to Fixed Costs Union 2023
Direct frame				
<i>Problem acknowledgement</i>	12 (41,4%)	4 (25%)	0 (0%)	4 (16%)
<i>Active measures</i>	14 (48,3%)	10 (62,5%)	0 (0%)	6 (24%)
<i>Highlighting unique features</i>	1 (3,4%)	2 (12,5%)	0 (0%)	3 (12%)
Evasive frame				
<i>Problem denial</i>	0 (0%)	0 (0%)	9 (28,1%)	7 (28%)
<i>Continued monitoring</i>	1 (3,4%)	0 (0%)	13 (40,6%)	4 (16%)
<i>Managing public expectations</i>	1 (3,4%)	0 (0%)	10 (31,3%)	1 (4%)
Total	29 (100%)	16 (100%)	32 (100%)	25 (100%)

The table reveals that the *direct response frame* is more pervasive among the ACM's responses to reputational threats that target the functional area of consumer protection. Especially strategies of problem acknowledgement and active measures are often detected. Yet the emphasis on unique features is only captured 3 times in a total of 45 quotations, consisting of 6,7%. Note that the evasive frame was as good as absent for these reputational threats, as the numbers of 1 are regarded as anomalies here. On the other hand, the *evasive frame* is very common among the reputational threat that targets the ACM's role as an antitrust watchdog. Unexpectedly, this frame is also common among the second part of this reputational threat. In the hypotheses, it was theorized that the ACM would eventually use the direct frame to respond to the prolonged reputational threat of excessive high energy prices. Unanticipatedly, the table reveals a mixture of the direct and evasive frame in response to this prolonged reputational threat. It is possible that the direct frame was used to take responsibility under public pressure yet divert the problem again when evidence was found to engage in problem denial effectively. These findings shall be explored further in the qualitative analysis of this paper.

5.3 Qualitative description of the ACM's reputation strategies

In this section, the responses of the ACM to the three major reputational threats during the energy crisis are analyzed qualitatively, using online newspaper articles and statements from the ACM's website.

5.3.1 Illegal terminations of fixed contracts and energy supply in October 2021

In the first week of October 2021, an article was published on the website of RTL Nieuws about energy companies who attempted to demand higher prices under fixed contracts and threatened to cut off customers that objected to these higher tariffs. According to complaints from consumers, DGB Energie en Enstroga were the suppliers who were engaging in these illegal practices. A customer of Enstroga explained how she received notice of a higher 'winter rate', even though the customer has a fixed price contract (Beijer 2021). It is prohibited for energy suppliers to increase retail prices under fixed contracts, nor dissolve the contract when the customer rejects the higher retail prices. In fact, it is illegal for energy companies to disconnect consumers from gas and electricity during the winter period without written warnings about unpaid bills (ACM a 2021). The Consumersunion and expert Sjak Lomme express concerns about these developments in the article as they expect DGB Energie en Enstroga are in financial troubles. Sjak Lomme wonders about the response of the ACM as bankruptcy could prove problematical for consumers (Beijer 2021). However, spokesperson Joyce Donat of the Consumersunion argues the market would be "bankrupt" if the ACM allows these activities. "Consumers can then no longer rely on fixed-rate contracts" (NOS 2021b).

A day later, the ACM published a statement titled “high energy price is not a valid reason to terminate supply”, expressing that “terminating supply without warning and without notice is never allowed.” (ACM 2021a). In addition to ending supply, dissolving fixed contracts by increasing the rates is also not permitted. The ACM deemed this clarification was necessary as it received several tips from consumers about this issue. With this statement, the ACM acknowledged this impediment in consumer protection and recognizes the problem by explaining the legalities of contract dissolution and termination of supply. Moreover, the authority advises consumers to write a letter of objection to their suppliers when affronted by similar maltreatment. Furthermore, the organization pledged to confront energy companies on these prohibited practices (ACM 2021a). A few days later, the ACM published two example letters for consumers to object to these malpractices of energy companies. Both examples can be found on the ACM’s main website (ACM n.d.-a) and its consumer-website the ConsuWijzer (ACM ConsuWijzer 2021). Both articles again explain why these practices were illegal and promise action besides activating consumers to object. Therefore, strategies of *problem acknowledgement* and *active measures* are detected in these first statements of the ACM.

After the ACM publicly acknowledged the problem and promised action, the Consumersunion published a statement ordering energy companies DGB Energie en Enstroga to revert the illegal dissolution of fixed energy contracts. In addition, the Consumersunion published an example letter for consumers to file complaints with their energy suppliers and said to notify the ACM about this problem (Spierenburg 2021). Only two days later, the ACM responded that it would “take action against energy companies that terminate fixed energy contracts” (ACM 2021b). According to the ACM’s research, Enstroga effectively cut off consumers from gas and electricity during the winter period. The ACM forces this company to proceed delivery to its customers under the agreed rate, under penalty of 15,000 euros per week with a maximum of 45,000 euros if the company fails to comply (ACM 2021b). According to a solvency investigation of the Fixed Costs Union, these penalties would only lead to bankruptcy of the organization as Enstroga was already facing a negative solvability (Van de Ven 2021). Therefore, the emphasis on these unique penalties is besides compliance also a strategy to highlight its *uniqueness* as a consumer authority and effectively separates itself from the Consumersunion.

5.3.2 Poorly communicated price increases for flexible price contracts in September 2022

Approximately a year later, at the end of September 2022, thousands of Dutch households received notice from their energy supplier that their energy bill would increase considerably on the first of October. The four biggest energy companies, Vattenfall, Essent, Eneco, and Green Choice, increased their retail prices for gas and electricity from 30% to 100% (Niewold 2022a). For some households this resulted in a doubling of their energy bill while only having one week

to organize the financial means to pay it. As some customers only received notice a week prior, the announcement resulted in financial concerns, especially among lower income groups which are also more often situated in poorly isolated rental homes. While such steep price increases in the energy sector were expected as a result of the economic sanctions against Russia in the Russo-Ukrainian war, the scale of these increases caused commotion among the Dutch population, nonetheless. News outlets rose the attention to the issue by publishing articles with headlines as: “Big differences in sharply rising energy rates as of Oct. 1” (NOS 2022) or “Energy suppliers raise variable energy tariffs substantially in October” (Redactie Trouw 2022), generating more public commotion.

On the 23rd of September, ACM spokesperson Tjitte Mastenbroek responded to this public commotion by acknowledging the proposed problem to several news outlets; energy suppliers are not allowed to raise their prices this suddenly as it gives consumers not enough time to potentially switch to a different energy supplier (NOS 2022b). The authority argued that price increases are allowed under variable contracts as long as this is communicated to the consumers 30 days in advance. This legal timeframe is stipulated in the Electricity Guideline of 1998, which states that the termination period for consumers to switch energy suppliers is 30 days (Wettenbank n.d.). As such, the ACM explained to RTL Nieuws that consumers must be made aware of any changes in their energy contract 30 days in advance (Niewold 2022b). This line of reasoning is in agreement with the jurisprudence of the Dispute Commission, which also stated such price changes need to be communicated 30 days in advance to give customers time to switch to a different energy supplier (Dispute Commission 2022). Therefore, the ACM responded to the reputational threat of sudden price increases with a strategy of *problem acknowledgement*, as the authority agreed the issue would impede consumer rights and explained why.

The ACM took several measures against the problem. At first, the ACM provided consumer advice regarding the issue. For example, the ACM urged consumers to take action by issuing a letter of objection to their energy suppliers. On its consumer website, the ConsuWijzer, the ACM published an example letter with tools to easily personify the letter (ACM ConsuWijzer n.d.). Later, the ACM also created a webpage with answers to its frequently asked questions (ACM Consuwijzer 2022). Three days after its first response of problem acknowledgement, the authority began to actively work towards a solution in cooperation with energy suppliers. On the 26th of September, the ACM engaged in conversation with branch organization Energy Netherlands to clarify the exact communication rules regarding price changes in variable contracts. As a result of this conversation, the ACM saw need to clarify the 30-day communication period to all energy suppliers. Therefore, they issued a letter to all energy suppliers explaining the legal communication period and warning the companies to not trespass

this legal rule (ACM 2022). As such, the ACM took several *active measures* to solve the problem of these sudden price increases.

In this letter, the ACM urged the energy suppliers to comply with the law, reminding them that disobedience may be rewarded with penalties. “The ACM has the power to take action against it, either by imposing fines, orders for periodic penalty payments or binding instructions.” (ACM 2022). As the ACM is the only institution that can penalize companies for misconduct, the emphasis on its unique powers is important to highlight its relevance in the field of consumer protection. For example, the Consumersunion, a competitor of the ACM, pressured the ACM to take effective measures and not just urge consumers to take action themselves (Donat 2022). Moreover, the ACM emphasized in its statement to consumers that it shall respond with strong tools when energy companies fail to comply (ACM ConsuWijzer). As such, these strategies aim to signal a message of uniqueness and assurance to consumers, while enforcing compliance from energy suppliers. The latter was successfully achieved after all energy companies eventually agreed to postpone the price increase, after Eneco and Green Choice at first attempted to disobey the ACM’s rules (NOS 2022c). Therefore, this strategy has highlighted its *uniqueness* in the field, while also enforcing compliance from energy suppliers

5.3.3 Extreme energy prices from causing eventually suspicion of excessive profits

The problem of rising energy prices became apparent at the end of June 2021, summarized effectively by the headline of an RTL Nieuws article: “Sharp rise in energy bills threatens 5.5 million households by July 1” (Le Clercq 2021). This trend of rising prices became especially visible in September, when the issue gained attention by headlines as “Unprecedented price increases energy: from October 1, new contract hundreds of euros more expensive” (Ten Teije 2021). These higher tariffs coincided with the illegal attempts of smaller energy companies to dissolve fixed contracts and terminate energy supply, and therefore sparked general discussion about the role of the ACM as a supervisor in the energy market (ACM 2021a). The escalation of the Russo-Ukrainian War in February of 2022 aggravated the situation on the energy market, only the mild temperatures of the spring suppressed its impact on energy rates. The problem surfaced again in the end of September when newspapers raised attention to the issue with titles as “Energy suppliers raise variable energy tariffs substantially in October” (Redactie Trouw 2022). As energy suppliers communicated these increases an extremely short period in advance, the situation gained created extra public commotion (Niewold 2022b).

Besides inflation, bankruptcies, and energy poverty, these extreme energy prices also led to the suspicion of collusion and abusive schemes impeding competitiveness in the energy market. The unequal distribution of the burdens of this energy crisis became visible in the summer of 2022, when it appeared that besides companies in renewable energy sectors, oil- and gas

companies were profiting substantially from the energy crisis. Companies like Shell, BP, and Exxon Mobil saw their profits double and even almost quadruple (Kuiper 2022). Shortly after, research on behalf of the ACM indicated that consumers lost trust in their energy suppliers and especially question if energy companies ask a “fair price for their services” (Rodrigues 2022, 5). These sentiments were enforced in October 2022, when energy suppliers abruptly announced their tariffs were to increase substantially (Niewold 2022b). Energy prices were supposed to decline for consumers over the course of the winter period, as the gas price decreased due to mild winter weather. Yet as prices maintained its level, Dirk-Jan Wolfert, director of the Fixed Costs Union, expressed concerns that energy suppliers might abuse the current economic environment to obtain usurious profits. As such, Wolfert specifically attacked the ACM stating that this situation demands “a proactive stance by the regulator and fair market functioning.” (Van de Ven 2022).

To answer the question “Why are the energy prices so high?”, the ACM attempts to explain the sources of the current energy crisis (ACM n.d.-c). In its response, the ACM ignored the possibility of abusive schemes of energy suppliers and engaged indirectly in a strategy of *problem denial*. This strategy was continued in March 2022, when the ACM declared that heat suppliers did not seem to misuse the economic circumstances. It was the first time the ACM publicly used the word “abuse” in context of the higher energy prices, and thereby indirectly rebutted the thoughts that the energy prices were abusively high (ACM 2022a). Almost 6 months later, public attention was once again drawn towards the unprecedentedly high energy prices with the announcements of the winter rates. Yet the ACM responded with strategies of problem denial, arguing that the energy prices were not anti-competitive of nature. In response to several newspapers, press secretary Tjitte Mastenbroek explains that the ACM had no reason to suspect that these new prices are unreasonably high (Radar Avrotros 2022). Focusing on the difference between purchase and sales prices, the ACM sees thus far no reason to suspect abusive price schemes, denouncing the argument that the current energy prices are anti-competitive.

Several promises about *monitoring* the prices in the energy market have been made by the ACM. Its first promise of monitoring was published in the summer of 2022, captured with the title “ACM: extra alert to abuse of current market conditions” (ACM 2022b). The chairman of the ACM, Martijn Snoep, asserts that the ACM currently has no grounds to suspect that the inflated energy prices result from insufficient competitive forces. Nevertheless, the ACM pledges to take immediate action should any evidence indicate the contrary (ACM 2022b). Several months later, the ACM publicly declared to place an extra critical focus on the European gas-market, in cooperation with other European regulatory agencies. This decision was prompted by the volatility in gas prices and the primary objective was to guarantee fairness and competitiveness in gas pricing (ACM 2022d). Finally, in December 2022, the ACM announced

to strengthen its supervision on consumer tariffs in the energy market. According to the agency, “The basic premise of supervision is to protect consumers from unreasonably high rates.” (ACM 2022e). To conclude, the ACM pledged several times to increase its supervision on competitive forces in the energy market in response to the inflated energy prices.

Besides problem denial and promises of extra supervision, the ACM is also found manage its public expectations about the powers of the authority. As such, the regulatory body aims to eliminate the gap between public perceptions and the actual jurisdiction of the ACM. Evidence reveals that the ACM managed its public expectations in several different statements. In an informational article, the ACM attempts to answer the question “What is the ACM doing about high energy prices?” (ACM n.d.-c). By explaining the causes for the instability on the energy market, the organization aims to clarify its functional role in this economic area. As such, it states that energy market is free and therefore the agency cannot manipulate prices. On the other hand, the ACM illuminates it can retract the license of energy suppliers when they no longer adhere to the law. Besides, the agency also supervises the financial position of energy suppliers (ACM n.d.-c). In addition to this explanation, the ACM also specifically asserted it “cannot lower the current energy prices” while simultaneously pledging to increase its supervision on potential abuse of the current economic circumstances (ACM 2022b). These examples reveal the existence of strategies of *public expectations management* in response to the reputational threat of suspiciously high energy prices.

Due to the long period of reputational threats regarding competitive supervision of the ACM, the allegations of the Fixed Costs Union in December 2022 could not be responded to with an evasive frame as done before. Instead, the ACM is shown to use a direct frame in its response strategies, similar to its responses to the reputational threats regarding consumer protection. The response of the ACM started in the beginning of February 2023, with the *acknowledgment* of the ACM that the price differences between energy suppliers were difficult to find. To increase transparency and competition, the watchdog announced it shall publish a pricing monitor each month. Furthermore, the ACM declared it “initiated an investigation into the three largest energy suppliers (Eneco, Essent and Vattenfall) to verify that their tariffs are not unreasonable” (ACM 2023a). These statements prove the ACM finally has taken *active measures* after partially admitting a problem exists. A month later, the organization published the results, accompanied by a press release with the headline: “3 largest energy suppliers do not charge unreasonable rates” (ACM 2023c). In these documents, the ACM emphasized how the agency deployed its *unique* powers to obtain the evidence for this conclusion, such as demanding insights in confidential company information (ACM 2023b).

While stated above that the ACM could not respond with evasive strategies to attack of the Fixed Costs Union, the ACM did use strategies of *problem denial* several times after the results of the investigation into anti-competitive pricing were published. As such, the ACM argued that

that the prices of the 3 largest energy suppliers were not abusive, but rather in line with the higher purchasing prices. As this strategy seems to be used mainly in response to the outcome of the ACM's investigation, it can be argued that this strategy was used as a reflection to convince the public the ACM had resolved the issue effectively and to sooth public concerns. The use of problem denial after effectively resolving with a reputational threat is arguably a part of a strategy of *credit claiming* (Erlich et al. 2021, 690). Similar strategies of credit claiming can be found regarding the price notification period of 30 days. For example, the ACM stated in December 2022 that “energy suppliers now adhere well to 30-day deadline”, emphasizing its successful management of this consumer protection problem earlier in the year (ACM 2022). While these responses are interesting to analyze in the light of strategies of credit claiming, this area remains unfortunately unexplored in this paper.

To summarize, this chapter has analyzed three major reputational threats regarding the ACM's regulatory role in the energy crisis, first quantitatively, then qualitatively. The first and second reputational threat focused on the ACM's role as a guardian of consumer interests. The data revealed that the ACM responded to these threats with a *direct response frame*, including strategies of problem acknowledgment, active measures, and unique features. The third reputational threat focused on the jurisdiction of monitoring competitive forces in the energy market. The evidence showed that the ACM used *evasive response strategies* to deal with this reputational threat, including problem denial, promises of monitoring and shaping public expectations. However, these evasive strategies were also detected when the Fixed Costs Union argued energy companies were making excessive profits and urged the ACM to act. This was not expected, as its was theorized to only detect a direct frame due to the time frame of this threat. It is possible the use of problem denial in this situation is part of a strategy of *credit claiming*, which could be an interesting research approach for future studies. The next chapter shall compare the findings of this section to the theoretical expectations formulated in the third chapter.

Chapter 6. Analytical Discussion

This chapter aims to answer the research question by discussing the supporting and undermining evidence regarding the hypotheses of chapter 3. Furthermore, the implications of this study for regulatory agencies are briefly discussed.

6.1 Reflection on hypotheses and theory

After analyzing the response of the ACM to several reputational threats over the course of the energy crisis, it is now relevant to reflect on the aforementioned theoretical expectations. Based on existing literature, regulatory agencies are found to often ignore reputational threats that target functional areas with solid reputations (Maor et al. 2013). However, due to intensive media attention, the *first* hypothesis argued that (H1A) a regulatory agency will be more likely to deny the existence of the problem in response to reputational threats that target functional areas with a higher reputational status. This is because a positive reputation can endure these threats, yet explanations as to why the proposed problem does not exist are necessary to sooth public concerns. As anticipated, the ACM denied the existed of a problem multiple times in response to this reputational threat. Also, the ACM provided extensive explanations as to why the current energy prices were inflated and volatile, such as the economic sanctions against Russia (ACM n.d.-c). It is argued that these explanations are necessary for the public to accept the strategy of problem denial, due to the high media attention and public salience of the energy crisis. Therefore, the findings of this paper provide supporting evidence for the first hypothesis.

While functional areas with more established reputations can endure reputational threats with more evasive response strategies, functional areas with fragile bureaucratic reputations are forced to provide direct explanations (Gilad et al. 2015; Maor et al. 2013). As such, the *second* hypothesis argued that (H1B) a regulatory agency will be more likely to acknowledge the existence of the problem in response to reputational threats that target functional areas with a lower reputational status. This expectation is based on research by Maor et al. (2013) and Gilad et al. (2015), as this indicated that regulatory agencies cannot afford to ignore the proposed problem without providing plausible explanations to avoid reputational damage. In line with this expectation, the ACM acknowledged the proposed problems in response to reputational threats that targeted its functional area of consumer protection. Besides simply acknowledging the problem, the ACM also often explained the legal dimensions of the problem and emphasized the importance of this issue. In fact, no problem denial was detected in response to these reputational threats, as visible in table 3. These findings seem to confirm the theoretical expectation that regulatory agencies respond with strategies of problem acknowledgment to

provide credible explanations to its audiences when the area under attack suffers from a poor reputation.

When regulatory agencies acknowledge the existence of a problem, it is expected the organization will take active measures to solve the issue. This is because when the problem lies within the mandate of the agency, a lack of action will result in reputational damage (Gilad and Yogev 2012). Moreover, when a regulatory agency suffers from a poor reputation, research reveals that agencies actively protect their reputation (Bach et al. 2023; Maor et al. 2013; Rimkuté 2020). As such, the *third* hypothesis argued that (H2A) a regulatory agency will be more likely to express and take active measures against the problem in response to reputational threats that target functional areas with a lower reputational status. The findings of chapter 5 revealed that the ACM indeed took several measures in response to the reputational threats that targeted its jurisdiction of consumer protection. Moreover, the actions the ACM was taking or planning to take to solve the acknowledged problem were announced after the problem was publicly acknowledged. This indicates that the strategy of active measures indeed functions as the necessary next step to problem acknowledgement, aiming to solve the issue and thereby attain a more positive reputation. Finally, since no contradictory evidence was found, these findings provide convincing support for hypothesis H2A.

As established before, regulatory agencies can respond with minimal resources to reputational threats that target functional areas with more positive reputations. However, due to the media attention and public salience of this paper's case study, it is argued that simply ignoring the reputational threat is not possible (Erlich et al. 2021; Gilad et al. 2015; Maor et al. 2013). As such, to soothe public concerns, it is argued that (H2b) a regulatory agency will be more likely to express and engage in *monitoring* of the problem in response to reputational threats that target functional areas with a higher reputational status. As a result, the regulatory agency continues with the evasive frame in responding to reputational threats regarding its highly established jurisdiction. The quantitative and qualitative analysis reveal that the ACM indeed responded with promises of monitoring to its reputational threats regarding excessively high prices. On the other hand, some contradictory evidence was detected. For example, the ACM also used this strategy a few times in response to the attack of the Fixed Costs Union, as visible in table 3. There is no explanation available as to why this occurred. Yet it is maintained that a majority of the evidence supports the hypothesis.

After using strategies of problem denial and continued of monitoring, it is expected that the ACM continues on this evasive trajectory by minimizing the gap between public perceptions and the actual mandate of the agency. *Managing public expectations* about the role of the institution are relevant because it reduces unattainable expectations of the public (Gilad and Yogev 2012). This therefore limits reputational damage about tasks that do not lie within the mandate of the organization to begin with. This is especially important for functional areas that

enjoy higher reputational levels since this strategy explains the inaction of the agency regarding certain reputational threats. As a result, it was theorized that (H3) a regulatory agency emphasizes the boundaries of its mandate in response to reputational threats that target functional areas with a higher reputational status. The findings did provide supporting evidence for this theory. From a quantitative perspective, the strategy of managing public expectations was detected multiple times in response to the reputational threat of excessively high energy prices. The qualitative analysis confirmed that these responses largely involved the ACM explaining to the public that it has no power to decrease energy prices. Finally, while this strategy was detected two times in the category of consumer protection totally, this small number is regarded more as an anomaly than contradicting evidence.

Due to the competition of similar organizations in the field of consumer protection, it is argued the ACM suffered from poor reputational uniqueness regarding this functional area. As a result, to improve their reputational uniqueness, it is hypothesized that (H4) a regulatory agency emphasizes its *unique features* in response to reputational threats that target functional areas with a lower reputational status. However, limited evidence in support of this hypothesis was found. The quantitative analysis found merely three expressions that highlighted the unique features of the ACM concerning reputational threats that targeted its functional area of consumer protection. In addition, the qualitative analysis revealed that these three responses mainly included warnings to energy companies demanding compliance while simultaneously expressing the unique powers of the ACM. As such, it can be argued that these statements are not even meant to improve the reputational uniqueness of the ACM, but only aim to enforce the compliance from these energy companies. Yet scholars argue that these statements can do both (Müller and Braun 2021; 671). Furthermore, no disconfirming evidence has been found, that is no statements concerning the unique features of the ACM regarding its role as a supervisor of anti-competitive pressures have been detected. Nonetheless, the sample here remains too small to make any conclusive statements about this hypothesis.

The *final* hypothesis considered the impact of prolonged media attention on the reputational strategies of regulatory agencies. It was argued in chapter 3, that while regulatory agencies can employ evasive strategies towards reputational threats that target functional areas with higher reputational statuses, the agency is forced to employ more direct strategies when these threats are prolonged over a longer period of time. Therefore, (H5) a regulatory agency is more likely to acknowledge the problem, take active measures and emphasize its unique features in response to reputational threats that target functional areas with a high reputational status when the threats are continued over a prolonged period of time. However, the findings concerning this hypothesis are mixed. On the one hand, several direct strategies in response to the accusation of the Fixed Costs Union are detected, yet also several evasive responses are noticed. Especially the strategy of problem denial is used several times, but mostly in response to the

positive result of the ACM's investigation into the pricing schemes of energy suppliers. As such, these strategies of problem denial are arguably part of the strategy of credit claiming (Erlich et al. 2021). However, remaining unexplored in this paper, it is difficult to evaluate the mixed evidence in favor and against this final hypothesis.

Based on these considerations, this thesis aims to answer the following research question: *Does the content of reputational threats affect the reputational strategies of independent regulatory agencies and how?* To begin with, the evidence collected in this paper does seem to confirm that the content of reputational threats affects the reputational strategies of regulatory agencies. The case study of this paper revealed that the ACM employed largely different reputational strategies based on the functional area that the reputational threat attacked. The content thus matters insofar as it tells which jurisdiction of the agency is threatened. The reputational status of this jurisdiction is then argued to shape the response strategies, depending on whether or not the attack threatens the existing reputational status. Thus, the argument is made that reputational threats affect response strategies via the level of reputation of a certain functional area. Convincing evidence is found that supports this causal mechanism. For example, the ACM tends to use evasive response strategies regarding its functional area that has a lower reputation, while using more direct strategies to deal with the reputational threats that target its functional area which enjoys a higher reputation. A final hypothesis considered the influence of media attention on these strategies, yet mixed evidence made a drawing conclusions impossible.

6.2 Implications for regulatory agencies

Cultivating a positive bureaucratic reputation is a complex endeavor, as there are multiple groups of stakeholders to satisfy and different functional areas to maintain (Gilad and Yogevev 2012, 321). While aiming to please everyone, regulatory agencies may decide to focus their resources on one specific objective to appease a specific reputational threat. As this thesis has shown, more active response strategies were used to maintain the protection of consumers, while a more passive stance was taken towards threats that attacked the supervision of competitive forces. However, such selective responses to threats, even if well-intentioned, can still harm the agency's overall reputation. For example, stakeholders may suspect that one functional area or interest-group is favored by the agency. Or worse, the agency may be seen as more concerned with protecting its image than with fulfilling its regulatory duties. Such public perceptions can erode trust, credibility, and eventually even regulatory autonomy (Carpenter 2001), as regulatory agencies are viewed as scientific institutions that should focus on their regulatory duties rather than their popularity. Therefore, it is important for regulatory agencies to properly divide its attention to all regulatory duties to *avoid suspicion of bias* due to reputational considerations.

Chapter 7. Conclusion

To conclude, the findings suggest that regulatory agencies, such as the ACM, tailor their responses based on the reputational status of the functional area under attack. The study confirms that reputational threats influence response strategies, with agencies using different tactics for areas with higher and lower reputations. However, not all *hypotheses* were supported with convincing evidence. For example, too little evidence was collected concerning the strategy of highlighting unique features in response to reputational threats that targeted the functional area of consumer protection. The chapter also addresses the impact of prolonged media attention on reputational strategies, noting mixed evidence for the hypothesis. In terms of *implications* for regulatory agencies, this thesis emphasizes the complexity of cultivating a positive bureaucratic reputation, considering multiple stakeholders and functional areas. This study suggests that selective responses to threats, even if well-intentioned, may harm the agency's overall reputation by creating perceptions of bias or prioritizing certain interest groups. The importance of balancing attention across all regulatory duties to avoid suspicions of bias is highlighted, emphasizing the significance of maintaining trust, credibility, and regulatory autonomy. This comprehensive analysis provides insights into the nuanced strategies employed by regulatory agencies in response to reputational threats, shedding light on the complex dynamics involved in managing bureaucratic reputation.

Before finalizing this thesis, a brief reflection on the strengths and limitations of this research is necessary, as well as offering suggestions for further research. To start with, the main *strength* of this research is argued to be this paper's case study. The ACM and its reputation-management during the Dutch energy crisis is a unique, topical, and relevant case study. This case study enabled this paper to study the influence of different reputational histories across the two main functional areas of the ACM. On the other hand, this case study design is also a *weakness* of this thesis, as it limits the generalizability of the results. Since it is possible that the results in this thesis are unique to the ACM due to its distinct institutional design and unique circumstances of the energy crisis, the results may not hold for other regulatory agencies in different jurisdictions. Future research could therefore attempt to research the influence of existing levels of reputations on the response to reputational threats again by investigating other regulatory agencies in other contexts. If other researchers are not able to replicate the results for other regulatory agencies, this thesis provides a unique insight into the reputation strategies of the ACM during the energy crisis, nonetheless.

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