Service brand rehab: Diagnosing trust repair mechanisms

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Abstract

Purpose - This paper aims to understand consumers' response to the trust repair mechanisms adopted by corporate brands in a service sector context following prominent trust damaging organizational transgressions.

Design/methodology/approach - Adopting a qualitative approach, six focus group discussions are employed to investigate three high profile consumer trust erosion cases within the service sector.

Findings - Consumer trust varies by context. Despite the severity of trust damage, corporate brands can recover trust towards their brands amongst consumers not directly affected by transgressions. Not all trust repair mechanisms are equally applicable to all service contexts and re-branding could be used as a trust repair mechanism. Corporate brands in the service sector should focus on sense-making, relational approaches and transparency. Orchestration of trust repair mechanisms needs to be integrated within the trust rehabilitation processes.

Research limitations/implications - This study illustrates it is important to reconsider trust repair processes to accommodate context and integrate post-transgression consumer research.

Practical implications - Successful corporate brand rehabilitation of consumer trust requires examination of the trustworthiness dimensions consumers express before and after the transgression to select the most appropriate trust repair mechanisms. Findings suggest organizations also have preventative trust repair management programs.

Originality/value - This research is the first to empirically apply the conceptual framework of Bachmann *et al*. (2015) to explore consumer responses to the trust repair mechanisms adopted by corporate brands by context.

Keywords: trust repair; trust erosion; service brands; focus group; template analysis

Paper type: Research paper

Introduction

Trust is a complex issue often perceived to be a sentimental concept, but in fact trust delivers hard and measurable results for brands. In an era of widespread brand crises (Li and Wei, 2016) and with consumers becoming increasingly cynical about brands, trust helps build and maintain a meaningful relationship between the consumer and brand (Bozic, 2017). In recent times, spectacular organizational transgressions by a number of corporations have damaged the trust multiple stakeholders' have in those brands. Among these stakeholders consumers undoubtedly play the most significant role in a brand's survival and sustainable existence (Freeman, 1984). In particular, as a result of consumer trust erosion, brands are not only losing sales, but more importantly suffering from long-standing and hard to repair reputational damage (Richards *et al.*, 2011). To survive, these damaged brands must spend time in trust rehabilitation to repair and regain trust.

Trust repair is a complex brand-specific rehabilitation process. This is due to the complexity of trustworthiness, one of the key elements that define trust (Rousseau *et al.*, 1998). Although individual trustworthiness dimensions have varied weightings in different brand scenarios, several studies (i.e. Hurley, 2018; Sirdeshmukh *et al*., 2002; Xie and Peng, 2009) propose, but do not explore, the impact of different trustworthiness dimensions on trust erosion severity. This paper argues that it is an understanding of the context-specific impact of the trustworthiness dimensions on the severity of trust damage that should come first before the identification of appropriate trust rehabilitation mechanisms. Hence, the first objective of this this study is to understand the important trustworthiness dimensions of the consumer-brand trust relationship and, using these dimensions, evaluate the severity of trust damage in the trust erosion incident.

According to Bachmann *et al.* (2015), no single trust rehabilitation mechanism within the extant literature provides a complete solution for trust repair. Instead they propose a combination of multiple approaches presented in an integrative framework for trust rehabilitation across different levels (i.e. organizational, interpersonal, and societal). In particular, Bachmann *et al.* (2015) identify six key trust rehabilitation mechanisms: sense-making, the relational approach, regulation and formal control, ethical culture and informal control, transparency and accountability, and trust transference. However, Bachmann *et al.'s* (2015) work is conceptual in nature and requires further empirical exploration to understand its applicability to corporate brands and consumer trust.

To date, most management and marketing literature has focused on dyadic organizational contexts of trust repair by investigating the relationships between firm and employee, or buyer and supplier (i.e. Bachmann *et al.,* 2015; Stevens *et al.*, 2015). Fewer studies have focused on consumer trust repair and those that do generally have an emphasis on apology and promise as key trust repair strategies (i.e. Basso and Pizzutti, 2016; Van Laer and De Ruyter, 2010). Bozic (2017) argues that research on consumer trust repair is in its infancy, and having critically reviewed thirty academic outputs that focused on consumer trust repair, highlights the context-specific nature of consumer trust. Bozic (2017) concluded that there is a need for new studies that adopt a qualitative approach to empirically explore the context-specific consumer trust repair process and mechanisms with the purpose of challenging existing knowledge and providing new insights. This view echoes that of Bachmann *et al.* (2015) who also called for more ‘ideas' about the contextual factors that can affect trust repair. This paper therefore responds to both Bachmann *et al.*’s and Bozic’s calls and aims to explore and enhance understanding of consumer responses to trust repair mechanisms adopted by corporate brands in the services context. The second objective of this study is therefore to identify which trust repair mechanisms adopted by service sector corporate brands contribute to consumer trust repair following a transgression.

The contextual focus of this paper, the service industry, represents a highly complex setting for trust repair practices, as service delivery and consumption are simultaneous and longitudinal processes. Relationships between corporate brands and consumers are built over time and, as with any long-term relationship, oscillate between conditions of loyalty and advocacy in high trust situations, and potential severance within low trust situations (Aaker *et al.*, 2004).

This paper is organized as follows. First, literature around consumer trust and organizational trust repair mechanisms is discussed. Second, the methodology is presented including a detailed discussion of the focus group procedure and data analysis methods followed. Third, an overview of the primary research data is provided, followed by a critical review of the results against existing research. The paper ends with academic and managerial implications and suggestions for future research.

Theoretical background

Defining key concepts: consumer trust, trust erosion and trust repair

Understanding trust is a challenging process due to the abstract and complex nature of trust (Bozic, 2017; Dirks *et al*, 2009, Gillespie and Dietz, 2009; Rousseau *et al.*, 1998). Generally trust is defined as *"the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party"* (Mayer *et al.*, 1995, p.712). This definition identifies trust as a fundamental aspect of relationships between individuals (i.e. interpersonal trust: Mayer *et al.*, 1995) and/or collectives (i.e. organizational or impersonal trust: Gillespie and Dietz, 2009).

Both forms of trust relationship are present in consumer and corporate brand trust contexts, where the former relates to trust between a consumer and a brand, and the latter to trust between a group of consumers (e.g. an online consumer community) and a brand. Consumer trust is generally defined as the *"emotional security that makes consumers think that the other (a brand, an employer or a firm) will fulfil their* *expectations of results or behaviour"* (Singh and Sirdeshmukh, 2000, p.37). Similarly, Chaudhuri and Holbrook (2001, p.82) defined brand trust as the *"willingness of the average consumer to rely on the ability of the brand to perform its stated function"*. Hence, in this paper, the term 'consumer trust' is used to refer to the relationship between the consumer(s) and the corporate brand, employing the cross-disciplinary definition of trust as being *"a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another"* (Rousseau *et al.*, 1998, p.395).

Two important elements of the consumer trust relationship are: i) belief (expectation) in the trustworthiness of another party; and ii) behavior or behavioral intention (Rousseau *et al.*, 1998). It is therefore key for a corporate brand, firstly, to understand the conditions upon which trust is built. There are three commonly identified dimensions of trustworthiness: integrity (honesty and fairness); competence (skills and knowledge); and benevolence (compassion and consideration of others' interests) (Dietz and Gillespie 2012; Pirson and Malhotra 2011; Schoorman *et al.*, 2007). These dimensions of trustworthiness, individually or in various combinations, are known to provide the conditions for consumer "trusting behavior" (Mayer *et al.*, 1995, p.726), however what remains unknown is what impact the different trustworthiness dimensions have on trust erosion severity. It is therefore important to understand the context-specific impact of the trustworthiness dimensions on the severity of trust damage before the appropriate trust rehabilitation mechanisms are identified.

Trusting behavior is an essential concern for corporate brands. When trust leads to trusting behavior, the trustor (i.e. the consumer), as well as to some degree the trustee (i.e. the brand), assume a certain level of risk (e.g. risk of trust failure). There are three main forms of trust. The first, cognitive- or calculus-based trust, occurs where there is credible information regarding another party's trustworthiness in terms of managerial and technical competence (Lewicki and Bunker, 1996; Rousseau *et al.*, 1998). It is based on a consumer's thoughts about, and confidence in, the ability, skills and competence of the corporate brand (Mayer *et al.*, 1995). The second is affect- or relational-based trust, which occurs as a result of repeated positive interactions that enforce perceptions of trustworthiness, mainly relating to benevolence, transparency and integrity (Mayer *et al.*, 1995; Rousseau *et al.*, 1998). Relational-based consumer trust is more subjective and emotional in nature. The third form of trust is behavior or behavioral intention (Rousseau *et al.*, 1998). According to Rousseau *et al.* (1998), within this form are two opposing forms of trust: deterrence-based trust, which is effectively a manifestation of distrust in that costly sanctions are required to limit opportunistic behavior; and identification-based trust, where shared values and repeated positive experiences nurture relationships and increase trust between the consumer and the corporate brand.

Negative incidents within any trust relationship can lead to trust erosion (Rousseau *et al.*, 1998). <u>Trust erosion</u> occurs when there is a reduction in the perception of the trustworthiness dimensions discussed earlier, causing a decline in one party's willingness to be vulnerable to another (Dietz and Gillespie, 2012). Reductions in the perception of trustworthiness are usually caused by a specific transgression: that is, an action or behavior that violates laws, rules, ethical values or social boundaries (Bertels *et al.*, 2014). Depending on the nature and severity of the transgression, consumers may experience different degrees of trust erosion, and have various emotional and behavioral reactions.

The actions taken by a corporate brand in an attempt to return a relationship with the consumer(s) to a positive and balanced state following a transgression are defined as trust repair (Dirks *et al.*, 2009). As consumer trust is the foundation for long-term relationships with, and loyalty towards, corporate brands, it has to be properly maintained, managed and rehabilitated as necessary (Flores and Solomon, 1998). In effect, trust repair strategies and mechanisms form the basis of the corporate brand rehabilitation process. Hence, in this study, the terms trust repair and trust rehabilitation are used interchangeably.

Trust rehabilitation mechanisms

To date, much of the research surrounding consumer trust has revolved around the development of trust, the processes and implications of trust erosion, and the applicability of (usually) individual trust-repair mechanisms within the context of isolated and dyadic case studies (Bozic, 2017). As argued within this paper's introductory section, trust repair is a complex brand-specific rehabilitation process, and within the extant literature no single trust rehabilitation mechanism provides a complete solution for trust repair. Instead a combination of multiple approaches presented in an integrative framework is required for trust rehabilitation.

Bachmann *et al.* (2015) present the most comprehensive conceptual framework for trust-repair to date, integrating six key mechanisms:

1) Sense-making - this involves establishing a shared understanding and accepted account of what happened, who is responsible and what needs to be reformed. Practical examples of such actions involve internal audits and accounts, public inquiries and investigations (Gillespie and Dietz, 2009; Pfarrer *et al.*, 2008).

2) Relational approach - this attempts to restore a relationship to a state of social equilibrium by reducing negative affect through social rituals, symbolic acts and offerings (Dirks *et al.,* 2009; Stevens *et al.,* 2015). Examples of such actions include apologies, compensations or punishment.

3) Regulation and formal control - this involves external intervention and monitoring by authorities, and changes to internal controls, such as organizational rules and policies, codes of conduct, sanctions and incentives that encourage acceptable conduct, without suffocating innovation and flexibility (Bachmann *et al.*, 2015).

4) Ethical culture and informal control - this refers to the ethical values engrained in routines and procedures of the corporate brand or organization (McKendall and Wagner, 1997). Strategies for producing a more ethical culture include removal of unethical actors and role models, and a change in focus towards the long-term, as opposed to short-term, needs of the corporate brand (Martin, 2011).

5) Transparency and accountability - this involves the timely disclosure of relevant information about and accountability for decision-making processes, procedures, functioning and performance (Bachmann *et al.*, 2015). Transparency allows stakeholders, including consumers, to monitor and make decisions about their relationship with the corporate brand, provided that the organization is honest, comprehensive and balanced in its reporting and that stakeholders trust this to be the case (Grimmelikhuijsen and Meijer, 2014). Bachmann *et al.* (2015) highlight that, in some cases, transparency may further erode trust by exposing greater incompetence, a lack of integrity, or poor treatment of stakeholders.

6) Trust transference - this involves the transference of trust from a credible trusted entity, such as the government, a regulatory body or inquiry leader, to a discredited entity and can equate to direct experience with an individual or organization (Bachmann and Inkpen, 2011; Zucker, 1986). In practice, such mechanisms are exercised via certification, accreditation, awards or endorsement. For trust transference to be effective, consumers must trust the third party entity.

The current study seeks to understand the use of these six mechanisms. For example, where trust erosion is significant, should combinations of these trust repair mechanisms be applied to re-orientate the trust relationship (Bachmann *et al.,* 2015). Conversely, where trust erosion is minimal, is it appropriate for isolated mechanisms to be employed to recalibrate the relationship to an optimal state (Stevens *et al.,* 2015; Wicks *et al.,* 1999). This research argues that it is necessary to understand the important trustworthiness dimensions in the trust relationship, as well as the severity of trust erosion, in order to determine the trust repair mechanisms that will be most effective in the trust rehabilitation process.

Methodology

Focus group discussions

To address this study's research questions a qualitative approach is adopted and focus group discussions employed. This decision was driven by the rationale that the cases under investigation (Case I - human resource (HR) issues in the retail sector; Case II - health and safety (H&S) issues in the leisure sector; Case III - the mis-selling of Payment Protection Insurance (PPI) in the financial services sector) are high profile and have received wide coverage across varied mass and social media, potentially attracting diverse reactions from society (See Table 1). Thus, group and focused interactions are necessary to generate data and insights to address the research issues (Boddy, 2005).

[Insert Table 1 about here]

Population and sampling

Participants were recruited for this research by cold contacting (Thomas *et al*, 2007) in a shopping street in a busy town. A quota sample was used to ensure that sufficient participants were recruited for each of the three cases and focus groups. Potential participants were approached, informed about the research (in-line with the researchers' institutional ethics policy), their general awareness of each of the cases established and then they were invited to participate in the research. The focus groups took place at a later date.

Drawing on the procedures proposed by Krueger (1988) and Morgan (1997), the selection criteria ensured that participants possessed adequate knowledge of the case under investigation and that the range of participants reflected the broader population profile. The selection criteria specified that a participant must be aged 18 years or over, be highly aware of the case under investigation and a permanent resident of Bournemouth, UK. Bournemouth is a major town on the south coast of England with a population of around 194,500 residents (Dorset County Council, 2017); it was selected for reasons of feasibility and accessibility.

As this research is mainly interested in consumers' general opinions and speculations about the selected transgressions; there was no requirement for participants to be directly involved with the incidents under investigations. This decision was driven by difficulties associated with accessing direct victims of all the selected trust erosion incidents and related ethical implications, as well as a desire to compare consumers' opinion across three cases. Hence, the study needed participants with similar levels of involvement with the trust erosion incidents (in this case media awareness as a minimum).

On average, each focus group consisted of eight participants, which is considered an ideal group size and widely employed in qualitative studies (Hamzah *et al.,* 2014). In total, 48 consumers participated in this study, resulting in a sample with a roughly equal gender distribution (22 females and 26 males), and ages ranging from 18 years to over 75 years. Participants had varied educational levels (See Table 2). This study comprised a total of six focus groups, with two focus groups addressing each case study (2 x HR; 2 x H&S; 2 x PPI).

[Insert Table 2 about here]

Focus group procedure

A market research agency, the Market Research Group (MRG), was commissioned to help conduct the focus group discussions over a two-month period in 2017. Each focus group discussion lasted 90 minutes on average and took place in a university building that was easily accessible to the participants. A moderator conducted each session with a facilitator to assist and record field notes, and followed the procedures recommended by Krueger (1988) and Morgan (1997).

Prior to each focus group discussion, participants received forms explaining the purpose of the study; their selection as an insightful informant for the focus group; the procedures (including the intended use of an audio recorder); an assurance of confidentiality and anonymity; rights to access the data; opportunities to raise questions or issues; and their consent of voluntary participation. Once the participants understood the aim and the content of the consent form, they initialed it to indicate their consent to voluntarily participate in the research. To ensure anonymity, before commencing the discussion each participant received a name card, which the moderator placed in front of him or her. This procedure facilitated the moderator in reporting field notes during the discussion.

The discussion session began with participants being paired and asked to talk about their understanding of trust and distrust based on business contexts. Then, each pair was invited to share the specifics of their discussion with other sub-groups. The purpose of the pairing and sharing exercise was threefold in that it served as an ice-breaking conversation; helped establish rapport between and amongst the participants; and clarified the overarching topic for discussion. Next, the discussion session continued with a series of questions specific to one of the three cases under investigation (i.e. either HR, H&S or PPI). As stated previously, the three cases were all high profile: two cases, H&S and HR, are fairly recent (2015 and 2013 respectively) whereas the PPI case started in 1998 but disputes and bad publicity are ongoing. Questioning covered three key issues pertinent to this study: i) the participants' general awareness of the incident with respect to the underlying cause(s), the individual(s) liable for the incident, and the immediate consequences of the incident; ii) the extent to which the incident has damaged consumer trust in the company and the sector in which the company operates; and iii) the extent to which the corrective actions employed by the company have restored consumer trust in the brand. The discussion session concluded by inviting the participants to share any newly emerged thoughts or ideas before thanking them for their time and contribution to the session.

Data analysis

Data analysis involved a researcher independently coding the data in NVivo 11 according to procedures outlined by Crabtree and Miller (1999) and Waring and Wainwright (2008). Focus group transcriptions were imported into the NVivo 11 interface. These were auto-coded to create a case for each "participant", a process essential for identifying individual participant references. Prior to coding, the six consumer focus group transcripts were each read twice to structure the 172 pages of transcripts into more manageable units based on the major questions asked by the moderator (i.e. "What does trust mean to you?"; "What do you know about this case/incident?"; "How successful do you think the corrective measures taken by the company or companies involved have been for restoring trust?").

Analysis of the focus group data involved a mix of *a priori* and data-driven coding to address the different objectives. The *a priori* analysis used template analysis where the analysis starts with an *a priori* theoretical framework as a preliminary guide for determining the initial codes of the issues under investigation (King, 1998). Template analysis is particularly useful to further refine, extend and enrich a theoretical concept or framework. This procedure is widely applied to analyze the content of qualitative data and is in line with the procedure suggested by King (1998). In this study the theoretical framework used was that devised by Bachmann et al (2015). The data-driven codes were selected following a detailed analysis of all the data, thus providing a more detailed and in-depth exploration of the data.

Following this a three-phase analysis process was followed:

Phase 1 (data-driven coding) involved auto-coding focus group transcriptions according to key questions asked by the interviewer (for example, to address objective 1, participants were asked: What does trust mean to you?).

Phase 2 (*a priori* coding) involved establishing a coding template and manually coding the transcriptions into pre-defined nodes. For example, to identify the severity of trust erosion (objective 1), *a priori* nodes were constructed relating to the impact of the incident on consumers' "affect", "behavior and intended behavior" and "cognition".

Phase 3 was two staged (*a priori* coding followed by data-driven coding); this addressed objective 2: trust repair mechanisms. First nodes were constructed for each of the six mechanisms within Bachmann *et al.'s* (2015) trust repair framework (e.g. "sense-making"; "the relational approach"). For each of these, transcriptions were coded according to awareness of specific strategies and indications of the success (or lack of success) of these strategies in trust repair. The second (data-driven coding) stage of Phase 3 involved identifying nodes for trust repair mechanisms that were not included in the *a priori* coding; establishing sub-nodes for the pre-determined six trust repair mechanisms; and interpreting emerging data codes related to trust repair mechanisms (orchestration and re-branding). This provided a much richer interpretation and understanding of the trust repair mechanisms. All nodes identified in Phase 3 were then re-coded using a redefined coding template to indicate overall success of trust repair in each case.

Following completion of the analysis process coding, several “matrix coding” queries were constructed to explore the relationship between the themes (i.e. nodes) and either the case studies or the demographic data. These queries identified the number of references to, or the number of participants who referred to, each of the nodes in order to identify different perceptions and patterns in the responses. Figure 1 presents the overall data structure developed as a result of the three-phase analysis process.

[Insert Figure 1 about here]

First order nodes represent the NVivo child nodes or sub-nodes, for example, “resolution of issues”, “customer service”, “procedures and systems” and “products and services” that are part of one of the trustworthiness dimension - “competence” - one of the second order nodes. The impact of the transgression on the consumer and the explanation for the lack of trust erosion determined the severity of trust erosion - one of the aggregate nodes. Three outcomes in terms of the impact of trust erosion on the consumer, namely “affect”, “behavior and intended behavior” and “cognition” represent second order nodes linked to the aggregate node - severity of trust erosion.

To explore the success of trust repair mechanisms, transcripts were coded into nodes for each of the six mechanisms within Bachmann et al.’s (2015) trust repair framework - second order nodes. Additional first order nodes were created for aspects that were considered as additional trust repair activity (i.e. “re-branding”) or fundamental to each mechanism (i.e. “orchestration”). The frequency of coding provided an indication of the awareness of each mechanism and strategy therein (i.e.

for second order node “sense-making”, two first order nodes were constructed: “communication with public” and “inquiry”. Transcripts were additionally coded according to indications of the success (“Success Yes”) or lack of success (“Success No”) of strategies listed as second order nodes, with a further first order node created for recommendations. Indications of trust repair were re-coded to indicate overall success (or lack of success) of trust repair mechanisms for each of the case studies.

Findings and Discussion

Discussion of the findings is organized around the two objectives of the research.

Evaluation of the impact of the trustworthiness dimensions on trust damage

When exploring the trustworthiness dimensions critical for consumer trust, participants in this study mostly discussed elements identified by previous research (e.g. Dietz and Gillespie, 2012; Mayer *et al.*, 1995; Pirson and Malhotra, 2011). In particular, participants across all groups defined trust in terms of competence and integrity when talking about trust in corporate brands and organizations (see Table 3).

[Insert Table 3 about here]

Competence concerned the resolution of issues, procedures and systems (particularly security):

“Occasionally something goes wrong so I can accept it but it’s what the company does with the product that isn’t right, what they do afterwards, how they help you

out with that and that gives me trust in the company and I would return to that company." [Participant 2]

Participants who defined trust (or a lack of trust) in the corporate brand talked about integrity and highlighted the need for ethics, honesty, justice and fairness:

"We were talking about these huge, huge companies. They are out to make profit let's face it, and some of it is greed and where there are shareholders that is even more so. That's what they are looking at, their shareholders and their profits." [Participant 24]

All of these views correspond with existing research on trustworthiness (i.e. Basso and Pizzutti, 2016; Xie and Peng, 2009).

Responses relating to importance of the trustworthiness dimensions varied between groups, particularly when discussing the specific cases. Participants in the HR (Case I) groups focused more on integrity, benevolence, and identification. This was echoed by the PPI (Case III) participants, where identification and integrity were also frequently mentioned. Participants in the H&S (Case II) groups differed in that transparency and communication, and competence were most frequently mentioned.

Echoing existing research (i.e. Basso and Pizzutti, 2016; Van Laer and De Ruyter, 2010) these results suggest that the trust dimensions may change as a result of context and the type of trust damage. However, this study argues that those dimensions that most closely match the cause of the trust damage enables brands to better understand what has been lost and, therefore, what needs to be repaired.

Following this the impact of the trustworthiness dimension, identified earlier, on the severity of trust erosion was investigated. The transgressions investigated appear to have had the greatest impact on cognitive trust (see Table 4) with 32 participants mentioning this. This could be due to the fact that all three cases are high profile, and although consumers might not have been affected by the trust erosion incidents themselves, awareness is high due to media coverage of all incidents.

For HR (Case I), the focus was on the CEO and his role in the scandal:

> *"When it came to light what was actually happening and he had to face up to that and it was all out in the open then surely you should be the one to say what exactly you are doing to put things right to gain people's trust again."* [Participant 47]

However, the severity of the damage to the HR (Case I) brand was limited by a number of factors. Participants cited: "*the products are cheap*; *there is limited choice in terms of other [similar type of] retail shops";* and the retailer is unlikely to repeat these transgressions now that they have been *"caught out"*.

[Insert Table 4 about here]

In the case of PPI, the scandal also had the greatest impact on cognitive trust:

> *"They don't have to answer to anyone the banks do they really, so they don't deal with the same problems that other businesses do. Even brand reputation, they don't really care, we all know that banks are by design terrible so how much of their reputation can they tarnish, they pretty much do what they want realistically."* [Participant 32]

There was, however, a feeling that consumers had to trust banks because they have no choice. In addition, a few participants talked of the positive side of PPI, as they have had a good experience, and viewed PPI compensation as a bonus:

"I didn't know I was mis-sold it, I'm getting something for nothing if you know what I mean." [Participant 30]

For the H&S (Case II) groups, the impact of the accident also affected cognitive trust, but notably, in this case, behavior and intended behavior were also affected.

"I'd go to Disneyland and Universal because well it's Disneyland and it's Universal and you know they're great brands. [This leisure park], *I don't see them as a good brand anymore, I wouldn't go."* [Participant 7]

Participants reacted emotionally to the H&S event as it had a personal impact, physically harming individuals, rather than a company's employees or a material asset, such as money. Participants did, however, consider the event to be a '*freak accident*', indicating that it was unlikely that an accident of this nature would occur again. Moreover, participants in the H&S event (as well as the HR event) were not personally affected by the trust erosion incidents. Hence, this study suggests that damage to relational-based trust does not necessarily lead to changes in behavior unless it directly affects a consumer:

"It's quite a personal thing isn't it? If you yourself have personally gone through the experience, you are less likely to re-engage than someone else. If it's a personal experience you are more charged." [Participant 3]

Overall, the results indicate that consumers who are not involved in the transgression suffer only a cognitive-based trust breach.

An emerging topic identified from the group discussions is a compromise in the trust relationship where participants across the three cases indicated that a need for trust could be traded against the benefits to the consumer (e.g. price considerations in

Case II). Consumers do accept that transgressions can occur but they may not always be considered important:

> *"To be honest, life is busy, it's easy to be distracted by other things and life moves at a very fast pace and sometimes the things we should be thinking about we don't."* [Participant 9]

The literature provides evidence of 'acceptance' of trust erosion in other contexts, for example, Milliken *et al.* (2003) observed a 'silence' by employees following a trust erosion incident as they did not want to raise issues with their employer.

In the psychology literature (Mayo, 2015), compromise within cognitive-based trust is referred to as alternative cognitions. People tend to "switch" or "swap" important trustworthiness dimensions based on alternative benefits available to them in a given scenario (Mayo, 2015). This results in a cognitive-based distrust mind-set being very fluid and context based, as well as consumer specific. Moreover, most existing research (i.e. Corbitt *et al.*, 2003; Liew *et al.*, 2017) argues for trust being critical for consumers' patronage behavior. The current study suggests that cognitive-based trust (also referred to as social distrust by Hill and O'Hara, 2006; Mayo, 2015) and affective-based trust breaches are distinct from behavior and behavioral intent. Indeed, this study finds that compromise is possible in the case of cognitive-based or affective-based distrusts only.

Identification of the mechanisms which contributed to consumer trust repair

This section examines which trust repair mechanisms employed by the corporate service brands had been successful in restoring consumer trust following each transgression. All participants' comments presented in this section support the effectiveness of various trust repair mechanisms based on participants' general opinions about the effectiveness of specific trust repair mechanisms for a specific case. However, some of the comments particularly in the PPI case relate to participants' own personal experience. In order to determine success, first the mechanisms participants were aware of were identified, before categorizing them as being successful or unsuccessful as considered by the participants. A summary of the findings is presented in Table 5.

[Insert Table 5 about here]

Table 5 shows that support is found for all the trust repair mechanisms identified by previous studies (i.e. Bachmann *et al.*, 2015; Dirks *et al.*, 2009; Gillespie and Dietz, 2009; McKendall and Wagner, 1997; Stevens *et al.*, 2015). However, what is notable is that the in-case analysis identified differences in levels of awareness and specific nuances linked to each identified trust repair mechanism.

Awareness of the use of the trust repair mechanisms was highest amongst H&S participants (Case II). Almost two thirds of these mechanisms, relational approaches in particular, were considered to have repaired trust in the leisure service brand. The position was completely different for HR (Case I) and PPI (Case III) participants. In both of these cases, there was a lower awareness of the attempts made by the brands to rebuild and repair trust. The attempts were also deemed to be less successful in restoring trust. This could be anticipated for the HR case as the people affected by the transgression were employees of the firm, rather than customers; however, it is quite surprising to observe this in the PPI case where customers were affected.

Looking across all groups it is noticeable that although trust transference received only eight mentions, it had the highest number of references indicating success, as opposed to a lack of success, followed by transparency, relational approaches and sense-making. Successful trust transference was discussed in connection with the H&S case, where the Health and Safety Executive (HSE) had approved the ride in question as safe. In this case one participant highlighted:

> *"Did they have any outside, independent experts to help decide what to do? I believe so. It was the Health and Safety Executive. Right. Good. We trust them now."* [Participant 11]

Trust transference in the H&S case was identified as the key mechanism to retain customer loyalty with participants recommending the H&S company focus on maintaining close relationships with the Health and Safety Executive (HSE), the UK's national regulator for workplace health and safety, and independent amusement park certification authorities, and use them to manage consumer trust towards their brand:

> *"Maybe H&S would never actually be able to do anything to satisfy your personal feelings towards it, maybe your trust needs to come from the Health and Safety Executive or whoever it is that actually holds them to account."* [Participant 7]

Based on Krackhardt (1992), the HSE serves as a proxy for trust and in the context of what has been discussed in relation to objective 1, consumers can form their cognitive-based and affective-based trust based on third-party assurance and judgments of the brand. This particular finding, alongside the findings of Mueller *et al.* (2004), highlights the multi-stakeholder nature of the brand trust rehabilitation process.

In line with this, participants in all groups were united in their view that transparency is a trust repair mechanism that should be implemented by multiple accountable stakeholders including the media. For example, PPI Participant 20 stated:

"We need truth from every department as well, that's not just the banking world but the media world as well because that creates a situation whereby, oh look what's happened there and it's not necessarily true or it's bent the things to their way of thinking so then mistrust occurs."

Transparency, as Bachmann *et al.* (2015) argue, can be seen as a substitute for trust, as honesty and integrity are one of the key trustworthiness dimensions. In the H&S case consumers' ability to observe and engage with accurate information coming from the brand was seen as critical to restoring trust:

"They definitely communicated with news outlets and stuff like that because there was quite constant coverage I remember so they were communicating and responding whereas some companies when these things happen they do take a step back and you don't hear a lot. I do feel that there was a lot of coverage." [Participant 5]

In the PPI case, transparency did not only include information sharing as a core activity to restore consumer trust, but also brands' accountability. This is in line with the definition proposed by Rawlins (2008). PPI participant 27 highlighted that banks had changed their procedures and were now explaining the PPI product:

"My perception is, is that now they are selling it with a loan or with a mortgage or whatever but maybe under a slightly different name but also they are actually explaining it now whereas before they weren't."

Findings from this research show that it is transparency with accountability that in fact leads to trust rehabilitation. Transparency, as a simple information sharing activity, requires consumers to believe in the rigor of shared information.

Successful relational approaches were mostly mentioned for the H&S case, particularly relating to the corporate parent/company's immediate acceptance of responsibility and provision of funds and support for rehabilitation:

> *"Yeah he went in the media and he apologized… I as a consumer appreciate this and it is just helps me personally to justify why I still should go on a ride"* [Participant 9]

This is not surprising as the nature of the H&S case's trust erosion assumes emotional response due to much more severe consequences for victims. However, based on previous research (Dirks *et al.*, 2009) the relational approaches are mostly effective for consumers who were directly affected by the distrust incident. Indeed in line with this, successful relational approaches were mentioned for PPI, where one participant received an unprompted compensation cheque from their bank:

> *"If you go to Barclays and say I had a Barclaycard with you or I've had a mortgage with you I think you've mis-sold me something, they will look at it for you completely free of charge. There's a whole floor of people sat there waiting to do it."* [Participant 27]

Another participant referred to the proactive steps taken by one of the banks to assist consumers with PPI claims:

> *"I've actually done it myself and I have got a repayment back from one bank which was NatWest, which I didn't realize I had so many PPIs with but I got*

repayment back from them, so I didn't have to lose any money to a third party that were dealing with it on my behalf." [Participant 23]

However, it is critical to signify that this study demonstrates the importance of relational approaches in repairing cognitive-based and affective-based trust amongst those who were not directly affected by the trust erosion incident. Moreover, it has been highlighted that having relationships with those affected and publicizing this would perhaps help further repair cognitive-based (social) trust in the case of PPI:

"All they are doing in effect is paying out more money by obviously paying out to solicitors and other people that are chasing it on other people's behalf. Rather than them actually inwardly looking at whomever we actually mis-sold it to and writing to them individually. If banks had actually done that then they would have got a lot more trust back rather than putting the onus on the individual." [Participant 27]

Finally, successful sense-making strategies were mentioned for the H&S case in relation to the corporate parent/company's apology and open communication regarding the incident and subsequent reparative measures:

"It's important they did communicate with the media otherwise it could have been so much worse, the coverage of the whole situation." [Participant 13]

All H&S participants shared this view, which demonstrates that sense-making is very closely linked to the relational approach. Whereas in the case of HR and PPI the majority of participants highlighted that sense-making today demands personalization; consumers' demand a personalized apology made to those affected:

"If you got a formal letter through with the explanation of your situation and how they can help you, you are going to take that a lot more seriously than

> *some advert with some geezer that quite clearly is an actor and doesn't work in the PPI industry, you are going to trust that a lot more."* [Participant 28]

Dirks *et al*. (2009) refer to this as attributional processes where explanation, apology, investigation and public inquiry are conducted immediately after the trust erosion incident with an attempt to restore behavioral trust amongst those directly affected. However, in this study's case it is found that open communication and coverage of the sense-making implementation will ensure restoring cognitive-based and affective-based trust amongst these not directly affected.

It is clear that consumer trust in the context of corporate service brands demands continuous monitoring and measures to restore broken trust dimensions. Although trust erosion in the consumer context is unlikely to affect consumers' behavior where no personal harm has been caused and consumer benefits are still delivered by the brands, measures aimed at restoring cognitive trust such as sense-making, relational approaches and transparency need to be used much more frequently by the brand.

This research reveals two emerging themes from the data in relation to trust repair mechanisms. One of them could be considered as an additional trust repair mechanism - re-branding. In the HR case five participants listed re-branding as a way to redirect consumers' attention from the trust erosion incident. In particular participants discussed the value of "changing the corporate image or its element" as an effective way of restoring cognitive-based trust. This, however, requires further investigation as according to Dixon and Perry (2017) and Muzellec and Lambkin (2006) re-branding is a complex process that can lead to positive outcomes of creating stronger brand equity but in most cases a weaker brand due to the inability to successfully transfer positive attributes from the original brand to a newly created brand.

Another emerging aspect highlighted by participants in relation to the trust rehabilitation process is orchestration. Participant 11 from the H&S case referred to it as:

> *"It is strategic and they need to think really hard about the best mix of things and how to do it."*

Orchestration means that each trust erosion incident requires careful planning, coordination and combined implementation of trust repair mechanisms that best repair affected or important trustworthiness dimensions. Although Xie and Pegg (2009) confirmed the importance of the trustworthiness dimensions in repairing consumer trust, the empirical findings from this study confirms Bozic's (2017) theoretical speculations about the importance of establishing trust repair programs with identification of relevant trust repair mechanisms mapped against affected/important trustworthiness dimensions and severity of trust erosion for each particular incident. This indeed can be done post trust erosion incident but also as a preventative measure by identifying trustworthiness dimensions and their importance in case of various potential trust erosion incidents.

Conclusions

To date this research is the first study to respond to Bozic's (2017) call for empirical research which adopts a qualitative perspective to explore the consumer trust repair processes and mechanisms. In addition, this paper drew on the integrative trust-repair conceptual framework proposed by Bachman *et al.* (2015) and explored its use in the service industry context. Results from this study suggest that trust erosion mainly impacts cognitive-based consumer trust. Although existing research (i.e. Corbitt *et al.*, 2003; Liew *et al.*, 2017) argues for trust being critical for consumers' patronage behavior and loyalty, this study found that consumers tend to continue relationships with corporate brands where trust erosion impacted others (i.e. employees) or where consumer choice is limited due to unconditional trust in the competences of the relevant brands (i.e. financial brands in the PPI case) or due to market-based manipulations of service elements (i.e. low price in the retail services: HR case). This is an interesting finding that has significant academic, policy-making and practical implications. So far, it has only been theoretically discussed in the context of healthcare services (Fotaki, 2014). There is an opportunity to incorporate psychology literature to further understand the concept of alternative cognitions and compromise in the context of consumer behavior and branding research. When evaluating trust damage, it was found that where the impact of the transgression is personal i.e. if it involves potential harm to the individual, then the impact is also behavioral even when the incident is considered unlikely. However, based on Rousseau *et al.'s* (1998) explanation of behavioral trust, understandably leisure service (H&S) consumers are likely to distrust the brand until appropriate punishment is exercised, or they are likely to experience identification-based trust because the personal damage has not affected a consumer directly. Hence repeated and/or past positive experiences are likely to help restore relationships with the brand.

It can also be concluded that in the case of consumers not directly being victims of a trust erosion incident, only cognitive-based and affective-trust are affected. Despite the severity of trust damage, this research illustrates that corporate brands can recover trust towards their brands amongst consumers who were not directly affected by transgressions.

The evaluation of consumer responses to the trust repair mechanisms adopted by corporate brands in the service sector confirms the previous conceptual work of Bozic (2017) and Mayer *et al.* (1995) in that consumer trust varies by context. The findings of this research also highlight that context should be considered in terms of the nature of the trust erosion incident and not necessarily the type of business. Although previous research (Basso and Pizzutti, 2016; Xie and Peng, 2009) has suggested the importance of trustworthiness dimensions for trust restoration, with empirical data this research demonstrates the importance of examining trustworthiness dimensions and their impact on the severity of trust erosion in order to effectively rehabilitate consumer trust towards corporate brands.

In line with existing research (Bachmann *et al.*, 2015; Bozic, 2017), these findings suggest that not all trust repair mechanisms are equally applicable to all service contexts; hence the context specific nature of trust affects the choice of trust repair mechanism(s). It was found that corporate brands in the service sector should focus on sense-making, relational approaches and transparency. This finding, however, requires further validation in the context of different service sector brands as well as product brands. Orchestration of trust repair mechanisms implies a combination of trust repair mechanisms and mapping against important trustworthiness dimensions, which can be determined before the trust erosion incident. This suggests that there is a possibility for not only diagnosing trust repair mechanisms post-transgression but also having preventative trust repair management programs within organizational strategies.

Implications, limitations and future research

The findings of this study have implications for academics and practitioners as well as future research on consumer trust. This study illustrates that it is important to reconsider conceptual models of trust repair processes and integrate post-transgression consumer research that investigates general trustworthiness components in a particular corporate brand situation. This empirical research has evidenced that there is a complex relationship between consumer choice and consumer trust which should be investigated further. It also raises an important theoretical question as to whether consumer choice can replace consumer trust. This however requires further exploration.

This study argues that despite the severity of trust damage, corporate brands can successfully go through a trust rehabilitation process. This has an important practical implication for brand managers, demonstrating the value of trust repair rehabilitation planning across various potential transgression scenarios and negative outcomes. Drawing on three different service sector cases, this research provides examples that can help managers to rethink their trust repair processes and practices. The newly identified topics within the trust repair mechanism elements, re-branding and orchestration, require additional investigation and validation. As outlined in the findings and discussion section of this paper, re-branding as a trust repair mechanism, in particular, requires much more focused investigation.

Although this study provides a better understanding of consumer responses to trust repair mechanisms adopted by corporate brands, findings need to be interpreted with caution. Findings are limited and contextual, being applicable to the specific service sector cases examined. Brand crisis and trust damage as a result of it, is not restricted to the service sector as the Samsung phone incident and labor violation of Apple's suppliers in developing countries have demonstrated. Hence there is scope to extend this work into other industry sectors. The majority of focus group participants were not directly affected by the selected transgressions (apart from Case III where a minority of participants had limited experience), hence, the general opinions and speculations discovered may be different from what actual victims of trust erosion incidents might state. However, as these findings indicate there is a value in comparing views of consumers and victims of the trust erosion cases this study has explored. Moreover, research is needed that examines consumers' feelings post-transgression: even though consumers are aware of the events, time can impact on feelings of trust. A longitudinal study is needed to understand changes in consumers' interpretation of trust and evaluation of trust dimensions.

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Table 1. Background and context of cases

Case	Background	Trust damage	Potential trust repair actions
I. HR issues, retail sector	One of the UK's largest sports retailers, claims to offer the biggest brands at the lowest prices.	2013: poor working practices identified at the retailer and featured in a TV documentary program. Practices included: unfair bonus structure; use, and lack of	2017: CEO acknowledged and assumed responsibility for the failings identified. 2015: Reforms included casual staff offered choice between zero or 12 hour contracts; staff pay increased by 15p/hour for staff on NMW; reductions in pay docking; amendments/abolishment of the six strikes policy; improved

		transparency, of zero hours contracts; six strikes policy; health and safety issues; breaches of the National Minimum Wage (NMW).	procedures for health and safety, harassment and bullying; cooperation with HMRC to back pay underpaid staff.
II. Health and safety (**H&S**) issues, leisure sector	A well- known resort theme park in the UK.	2015: a crash between two carriages on a rollercoaster ride caused serious injuries to several riders. Confusion over the number of carriages on the track led to the crash. 16 riders were involved: several sustained serious injuries, including two single-leg amputations.	Immediately following the accident a statement was issued by the company accepting responsibility, pledging to conduct a detailed investigation and to cooperate with the HSE. The company stated its priorities were the needs of the injured riders and the health and safety of their attractions. Additional safety protocols were immediately implemented. The CEO apologized on national news and guaranteed compensation and care for the injured riders. Voluntary interim payments were made to the injured to help with their treatment and rehabilitation. The park re-opened with free tickets as gratitude for the support of those attending.
III. Payment protection Insurance, financial services - **PPI**	PPI was first sold in the 1980s with mortgages, loans and credit cards by UK banks and other lending companies. Purpose of PPI - repay borrowings in the event of reduced income (e.g. unemployment or sickness).	Enquiries from 1998 found PPI to be: expensive, ineffective and inefficient. The product was mis-sold to customers who were not eligible to claim on the product. High pressure sales tactics had been used to increase sales.	2007: Financial Services Authority (FSA) began to issue fines for mis-selling PPI. 2009/10: FSA introduced regulations on the selling of PPI. 2011: banks were required to pay mass PPI compensation to customers who had been mis-sold PPI. 2013: Financial Conduct Authority (FCA) imposed further fines on the banks as they had been found to be unfairly rejecting PPI claims. By 2017: billions of pounds paid in compensation to consumers and the claims

			continue.

Table 2. Detailed profile of the focus groups participants

Participant ID	Age category	Case study	Gender	Highest educational qualification
Participant 1	45-54	H&S	Female	Not specified
Participant 2	65-74	H&S	Female	Prefer not to say
Participant 3	55-64	H&S	Female	Prefer not to say
Participant 4	25-34	H&S	Female	Higher qualification below degree level
Participant 5	35-44	H&S	Female	Other qualification

Participant ID	Age category	Case study	Gender	Highest educational qualification
Participant 6	18-24	H&S	Male	A/AS level
Participant 7	35-44	H&S	Male	GCSE/O level
Participant 8	75+	H&S	Male	Undergraduate degree
Participant 9	18-24	H&S	Male	A/AS level
Participant 10	65-74	H&S	Male	GCSE/O level
Participant 11	75+	H&S	Female	Prefer not to say
Participant 12	18-24	H&S	Male	Other qualification
Participant 13	18-24	H&S	Male	A/AS level
Participant 14	Not specified	H&S	Male	Not specified
Participant 15	65-74	H&S	Female	Other qualification
Participant 16	18-24	H&S	Female	Undergraduate degree
Participant 17	18-24	H&S	Female	Undergraduate degree
Participant 18	45-54	PPI	Male	Higher qualification below degree level
Participant 19	75+	PPI	Male	School leavers certificate
Participant 20	65-74	PPI	Female	A/AS level
Participant 21	18-24	PPI	Male	Undergraduate degree
Participant 22	18-24	PPI	Male	Undergraduate degree
Participant 23	55-64	PPI	Male	GCSE/O level
Participant 24	65-74	PPI	Female	Other qualification
Participant 25	45-54	PPI	Male	Postgraduate degree
Participant 26	45-54	PPI	Male	Higher qualification below degree level
Participant 27	18-24	PPI	Male	Higher qualification below degree level
Participant 28	18-24	PPI	Male	A/AS level
Participant 29	18-24	PPI	Male	A/AS level
Participant 30	55-64	PPI	Female	Higher qualification below degree level
Participant 31	65-74	PPI	Female	Prefer not to say
Participant 32	Not specified	PPI	Male	Not specified
Participant 33	65-74	HR	Female	Higher qualification below degree level
Participant 34	18-24	HR	Female	A/AS level
Participant 35	35-44	HR	Female	A/AS level
Participant 36	35-44	HR	Male	Postgraduate degree
Participant 37	25-34	HR	Female	Postgraduate degree
Participant 38	65-74	HR	Male	Other qualification
Participant 39	18-24	HR	Male	A/AS level
Participant 40	18-24	HR	Male	A/AS level
Participant 41	18-24	HR	Male	A/AS level
Participant 42	65-74	HR	Female	Higher qualification below degree level
Participant 43	65-74	HR	Female	Higher qualification below degree level

Participant ID	Age category	Case study	Gender	Highest educational qualification
Participant 44	75+	HR	Female	Higher qualification below degree level
Participant 45	18-24	HR	Male	Undergraduate degree
Participant 46	65-74	HR	Female	Prefer not to say
Participant 47	25-34	HR	Female	GCSE/O level
Participant 48	18-24	HR	Male	A/AS level

Figure 1. Data structure

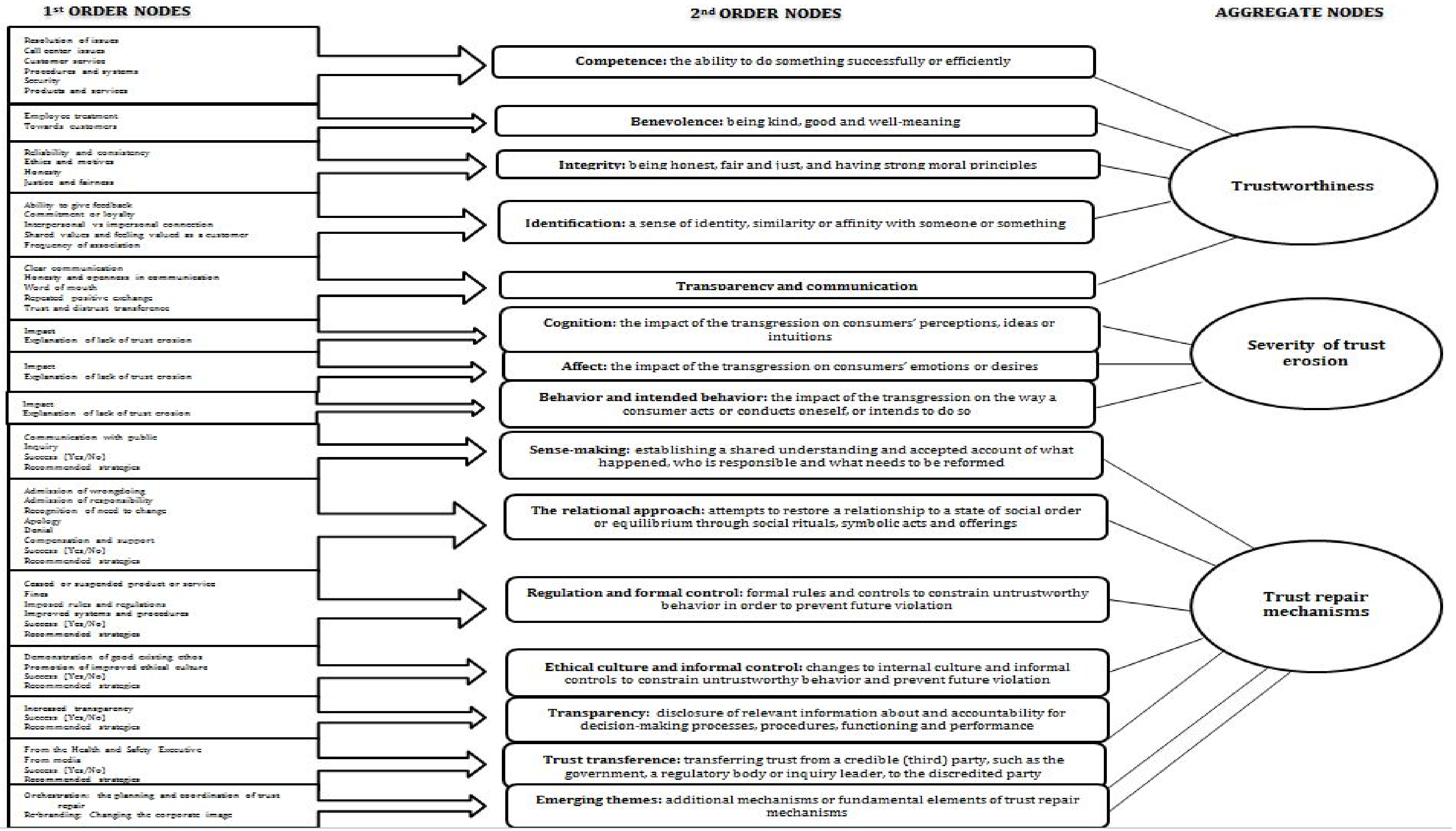

Table 3. Important trustworthiness dimensions

	Focus groups			Total
	Case I. HR	***Case II. H&S***	***Case III. PPI***	
3a. Important trustworthiness dimensions in brands and organizations (in general) (number of participants mentioning the aspect)				
Benevolence	11	8	7	**26**
Competence	9	13	10	**32**
Integrity	11	9	12	**32**
Identification	10	6	12	**28**
Transparency and communication	5	5	6	**16**
3b. Important trustworthiness dimensions when referring to the specific case studies (number of participants mentioning the aspect)				
Benevolence	9	5	7	**21**
Competence	4	9	9	**22**
Integrity	10	3	11	**24**
Identification	8	5	12	**25**
Transparency and communication	4	11	8	**23**

Table 4. Severity of trust erosion (number of participants mentioning the aspect)

Forms of Trust	**Focus groups**			**Total**
	Case I. HR	***Case II. H&S***	***Case III. PPI***	
Affect	3	2	0	**5**
Behavior and intended behavior	2	6	1	**9**
Cognition	13	8	11	**32**

Table 5. Success of trust repair mechanisms that the consumers are aware of (number of mentions)

Trust Repair Mechanisms	**Focus groups**						**Total**	
	Case I. HR		***Case II. H&S***		***Case III. PPI***			
	Successful/Unsuccessful							
	No	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**
Sense-making	6	0	2	5	1	0	9	5
Relational approaches	12	0	8	15	9	2	29	17
Regulation and formal control	5	0	5	4	5	1	15	5
Ethical culture and informal control	11	2	0	2	4	1	15	5
Transparency	4	0	2	4	2	1	8	5
Trust transference	1	0	0	5	2	0	3	5
Overall success	**30**	**2**	**18**	**34**	**20**	**5**	**68**	**41**