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A New Strategy For Repairing Consumer Trust: Targeting Negative Emotions

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Companies sometimes violate the trust of consumers, and those trust violations can cause consumers to experience strong negative emotions. In this research we examine the different types of negative emotions that trust violations by companies can cause, and whether acting to reduce those negative emotions allows trust to be repaired.

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A New Strategy for Repairing Consumer Trust: Targeting Negative Emotions

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EXTENDED ABSTRACT

Companies regularly violate the trust of their customers. In response to these violations of their trust, consumers can experience strong negative emotions. Seeking to contain and hopefully reverse the reputational damage caused by their offensive actions, companies that have violated consumer trust often engage in attempts at trust repair. In this paper we ask the question: is the likelihood that a company's trust repair attempt succeeds dependent on its ability to reduce the strong negative emotions that consumers feel following a trust violation? While previous literature has proposed several types of trust repair strategies as being effective, this literature mainly takes a value-expectancy approach, assuming that people update their trusting beliefs by calculating the likelihood that the violating party will display better behavior in the future (Desmet, Cremer, & Dijk, 2011; Dirks, Kim, Ferrin, & Cooper, 2011; Kim, Ferrin, Cooper, & Dirks, 2004). In contrast to this approach, we predict that for trust repair strategies to be effective, they must address the strong negative emotions that people feel after a trust violation has been committed.

Because specific negative emotions can have very different effects on consumer judgments and beliefs (Lerner & Keltner, 2000, 2001; Lerner, Li, Valdesolo, & Kassam, 2015), in order to understand how negative emotions might impact the success of trust repair strategies, we first need to predict that types of negative emotions consumers are likely to feel after companies violate trust. Drawing on common multi-factor definitions of trust (Colquitt, Scott, & LePine, 2007; Mayer, Davis, & Schoorman, 1995) benevolence, and integrity of a trustee, we predict that when a company violates integrity consumers will experience anger. This is because integrity involves the belief that a company will abide by commonly accepted norms of behavior, and according to the emotion appraisal literature, the perception that another party has violated norms leads to anger (Lerner et al., 2015; Ortony, Clore, & Collins, 1988, p. 148; Smith & Ellsworth, 1985). In addition, we predict that when a company violates competence consumers will experience fear. This is because competence involves the belief that a company has the ability to control the delivery of positive outcomes, and the emotion appraisal literature predicts that perceptions that another party does not have control over important outcomes (and instead the situation is in control) leads to fear (Lerner et al., 2015; Ortony et al., 1988, p. 112; Smith & Ellsworth, 1985).

Given those negative emotions, we then offer predictions about what types of trust repair strategies will best reduce those negative emotions. Because the anger that people experience after an integrity violation can involve appraisals that the violating party is blameworthy and has disrupted commonly accepted norms, we predict that the violating party will need to indicate its remorse and its intention to abide by commonly accepted norms in the future. Although it hasn't been tested in the domain of marketing, previous literature in the domain of economic games has identified that remorse can be effectively expressed by offering monetary penance (Bottom, Gibson, Daniels, & Murnighan, 2002). Reducing the fear that follows a competence violation will require a different strategy. Because the fear that people experience after a competence violation can involve appraisals that the other party is not in control of important outcomes, we predict that the violating party will need to indicate that it has reestablished control of those important outcomes.

Recent research has demonstrated that incidentally-induced emotions can influence trust for another party, with strong negative emotions such as anger reducing trust relative to a control, neutral-emotion condition (Dunn & Schweitzer, 2005, Study 5). While Dunn & Schweitzer didn't test it, a reasonable extension of their findings is that reducing negative emotions will increase trust. Thus, we expect that effectively reducing the negative emotions caused by a competence or integrity violation will increase trust, and that the causal relationship between a company's trust repair strategy and an increase in trust will be mediated by a reduction in the negative emotions caused by the company's trust violation.

We test our predictions in two empirical studies. In Experiment 1, participants read scenarios about companies committing either competence or integrity violations, and then choose anger- or fear-related words to express how they feel. We find that participants are more likely to choose anger-related words following an integrity violation (log odds = 1.48, $p < .001$) and are more likely to choose fear-related words following a competence violation (log odds = -1.34, $p < .001$). In Experiment 2, participants read scenarios about a pharmaceutical company committing either an integrity or competence violation, and then read about the company either not trying to repair trust, trying to repair trust by increasing consumer certainty, or trying to repair trust through monetary penance. We find that, in the integrity violation condition, monetary penance reduces anger more than does no repair or a certainty increasing repair ($F(1,113) = 26.53$, $p < .001$). In the competence violation condition, a certainty-increasing repair reduces fear more than does no repair or monetary penance ($F(1,116) = 57.02$, $p < .001$). In addition, monetary penance is the most effective strategy for increasing trust after an integrity violation ($F(1,113) = 10.18$, $p = .002$), and increasing certainty is the most effect strategy for increasing trust after a competence violation ($F(1,116) = 29.85$, $p < .001$). Finally, the increase in trust that is caused by an effective trust repair strategy in both the competence and integrity violation conditions is mediated by a reduction in the negative emotion associated with the trust violation.

This research adds to the literature on trust violation and repair by demonstrating that different types of trust violations can lead to different negative emotions, and that a trust repair strategy targeted at reducing the dominant negative emotion caused by a trust violation will be the most effective way to increase trust.

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