

# In stories we trust: How narrative apologies provide cover for competitive vulnerability after integrity-violating blog posts

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## **Abstract**

Consumers' confidence in companies has fallen due to recent and widespread violations of integrity and consumers' voicing of discontent in weblog (blog) posts. Current research on integrity restoration offers little guidance regarding appropriate responses. We posit that not only what (with which content) but also how (in which format) the company responds, contributes to an effective restoration of integrity and a reduction of consumers' intentions to switch. The results of Study 1 show that the combination of denial content and analytical format as well as apologetic content and narrative format works better than combinations of opposing response content and format. Comparing narrative apologies and denials in two consecutive studies, we demonstrate that the concept of "transportation"—the engrossing effect of a narrative—is the mechanism underlying narrative-based integrity restoration. We further assess in Study 2 how the use of empathy accounts for higher levels of transportation and perceived integrity. In Study 3, we establish that a personal response by the involved employee is more effective than a response issued by the company's spokesperson. Consumers trust in stories from the involved employee.

*Keywords:* Attitude; Cognition; Consumer Behavior; Market Orientation; Marketing Strategy; Customer Relationship Management and Customer Satisfaction; Electronic Commerce and Internet Marketing; Information Processing; Intention-Behavior Link; Market Analysis and Response;; Organization Behavior; Public Policy; Services Marketing; Empirical Generalizations;

## 1. Introduction

Weblog (blog) posts keep gaining in importance and are dramatically influencing the way consumers process and share information (Woodside, Sood, & Miller, 2008) and make purchase decisions (Pew Internet & American Life Project, 2006). It is these stories that present-day consumers have come to trust. Recent and widespread online violations of integrity and consumers' voicing of discontent form a threat to consumers' confidence in companies (Ward & Ostrom, 2006). Even unconfirmed posts can develop rapidly into stories with serious destructive potential and are a source of severe competitive vulnerability because consumers switch to competitors at virtually no cost to them (Elsner, Heil, & Sinha, 2009). Well-known companies, including American Airlines and Kryptonite, have experienced massive exits by consumers based on posts on anonymous blogs. For such companies, a strategy of reticence, or hoping that the storm of negative word-of-mouth will just blow over, is no longer effective in the changing competitive landscape. Rather, the highly reactive blogosphere demands a quick and appropriate response in the blog's comment section to avoid the further erosion of consumer trust and subsequent loss of market share (Li, Bernoff, & McHarg, 2004). Trusov, Bucklin, and Pauwels (2009) show that an effective marketing strategy online differs from traditional public relations strategies, such as issuing press releases or comments from a spokesperson. Therefore, an in-depth assessment of effective responses to integrity violations, such as those voiced in consumer blogs, is crucial from a competition perspective.

Interestingly, recent theory on social interaction in an offline setting has predicted that a response that denies a breach of integrity restores trust more effectively than one that apologizes (for a review, see Snyder & Stukas Jr., 1999). Empirical evidence for this prediction is scant and limited to studies by one research team (Ferrin, Kim, Cooper, & Dirks, 2007; Kim, Dirks, Cooper, & Ferrin, 2006; Kim, Ferrin, Cooper, & Dirks, 2004). These studies focus almost exclusively on the content of responses (i.e., apology or denial) that are presented in factual, analytical formats. Blog posts differ in several ways: (1) the blog post format is more narrative and experiential (Delgadoillo & Escalas, 2004), (2) the sheer number of blog posts makes it hard to respond to and

control their competitive impact (Gartner Research, 2007; *The Economist*, 2006), and (3) blog posters tend to be non-professional authors who are personally involved (Kozinets, de Valck, Wojnicki, & Wilner, in press).<sup>1</sup> Current research on integrity restoration therefore offers little guidance regarding whether an overtly persuasive, fact-based, analytical response format is appropriate or whether the firm instead should adopt a covertly persuasive, first-person narrative style in its response.

In addressing this issue, we begin our literature review by briefly describing integrity violations and their impact on consumers' trusting beliefs and subsequent intentions to switch. We then sketch the processing of analytical responses that aim to restore integrity perceptions and reduce intentions to switch. Next, we turn to the processing of narratives. We make a case for the concept of "transportation" as the mechanism underlying narrative-based integrity restoration. Having laid the groundwork for our hypotheses, we report on three separate studies in which we aim to make three substantive contributions to prior research.

First, we show in Study 1 which combinations of response content and format work best under what conditions. Considering the potential competitive impact of blog posts, we also establish that integrity perceptions lead to outcomes that are relevant for competition: lower intentions to switch. In relation to integrity-violating blog posts, we posit that not only the content but also the format of a response contribute to an effective restoration of integrity and a reduction of intentions to switch. We distinguish consumer processing of analytical versus narrative response formats. Messages in analytical formats present a case by following a logical line of argument (Schellens & de Jong, 2004). In contrast, narrative formats are essentially stories consisting of story characters that experience causally connected events within a particular context and time span (Brewer & Lichtenstein, 1982). In the case of an analytical format, consumers tend to scrutinize response content, whereas a narrative format generally causes them to feel compelled. This engrossing effect commonly is referred to as transportation, which is conceptualized as "an integrative melding of attention, imagery, and feelings, focused on story events" (Green, 2004, p. 248). As a result of transportation, consumers are no longer aware of

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<sup>1</sup> We thank an anonymous reviewer for noting these defining differences.

their prior beliefs, so a negative cognitive response is inhibited (Escalas, 2007; Slater, 2002b). Instead, they will empathize with the main character in a story (Green & Brock, 2002). We argue that a reader of a narrative response to an integrity violation may thus come to empathize with the accused party. Consequently, empathic appeals should strengthen the inherent expression of regret in an apologetic content. Conversely, such an effect is less likely when the reader processes a denial.

Second, to further our understanding of transportation in relation to narrative responses to blog posts, we restrict ourselves, from Study 2 on, to narrative formats and examine two recently identified transportation drivers: empathic and imaginative appeals (Green & Brock, 2002). To date, research has yet to disentangle the potentially divergent impact of these drivers (Green & Brock, 2000); we assess how the use of empathy and imagery may account for variation in levels of transportation in relation to responses to online integrity violations. Specifically, we examine whether consumers perceive different integrity levels when they empathize with the accused party or imagine events and thereby engage in transportation. This investigation may answer Singhal and Rogers's (2002) call for a more comprehensive understanding of narrative processing and, therefore, transportation's unique effects on beliefs and intentions.

Third, we examine the narrative format of blog responses in relation to the other unique characteristic of blog posts, namely, the perspective of a specific narrator. Telling a story from the point of view of the person directly involved enhances the probability that readers will empathize with this person and his or her world view (Sanders, 1994). We extend this concept and examine in Study 3 whether a personal response by the employee who is directly responsible for the integrity violation is more effective in restoring perceived integrity than is a response issued by the company's spokesperson. That is, we examine the impact of an important contingency on responses to integrity violations in consumer blogs.

## **2. Literature review**

### 2.1. *Research on integrity violations*

According to Hirschman (1970), consumers provide feedback to companies via two mechanisms, voice and exit. An allegation of violated integrity is an example of voice, whereas a switch to the competition is an exit. Integrity-based trust is negatively linked to the propensity to exit (Morgan & Hunt, 1994). Before describing why and how responses to integrity violations can restore integrity perceptions and reduce consumer exit, we must understand the nature of integrity-based trust. In online marketplaces, various entities may be the objects of trusting beliefs and loyal intentions, including communities of vendors and users or the communication medium itself (Urban, Amyx, & Lorenzon, 2009). In this sense, trust is based on integrity, that is, an entity is perceived to adhere to necessary or acceptable principles and standards (Mayer & Davis, 1999). Previous trust research insufficiently addresses integrity, despite its increasing economic relevance during recent crises in markets as diverse as financial services, healthcare, telecommunications, and transport, which have suffered massive breakdowns in credibility (e.g., Plender, 2009; Williams Walsh, 2008). The effects of integrity violations on beliefs include substantial decreases in the accused party's perceived trustworthiness compared with that of competitors, resulting in severe competitive vulnerability (Lewicki & Bunker, 1996). Moreover, the very existence of the company may be threatened if consumers pursue an exit strategy in response to an integrity violation (Fornell & Wernerfelt, 1987; Johnson & Auh, 1998), even if an allegation is unsubstantiated (Kim et al., 2004).

Verbal responses can restore integrity even before remedying behavior can be displayed (Xie & Peng, 2009). A restoration effort's acceptability results from elaboration of the company's culpability and from the likelihood that confidence may be breached again (Snyder & Stukas Jr., 1999). In response to a violation, admitting wrongdoing signals guilt; a promise that the failure will not happen again implies redemption. Dual-process models of belief change (e.g., the Elaboration Likelihood Model, Petty & Cacioppo, 1986) note that consumers weigh the promise to behave well in relation to an admission of guilt. However, Snyder and Stukas Jr. (1999) show that in the case of an integrity violation, consumers attach more importance to guilt than to redemption

signals. The rationale behind this finding is that consumers consider a lack of principles or awareness of moral consequences difficult to change.

Two common verbal responses are apology and denial (Lewicki & Bunker, 1996). An apology relates positively to guilt. In contrast, a denial fails to signal guilt and addresses neither the details of the accusation nor the relevance of the domain (Snyder & Stukas Jr., 1999). Rejecting culpability or attempting to counter the negative information may lead consumers to give the accused party the benefit of the doubt, sometimes even in the wake of contradictory evidence (Ditto & Lopez, 1992). Overall, then, empirical evidence suggests that denials work best in response to an integrity violation (Ferrin et al., 2007; Kim et al., 2004).

## 2.2. *Hypotheses development*

We posit that the aforementioned relationships between integrity violations and responses hold primarily for an analytical processing pattern, as described in the Elaboration Likelihood Model (ELM). However, guilt signals may be less likely to have weight when people process narratives. Instead, such processing entails a dramatic view of the information, such that transportation may be the underlying mechanism (Escalas, 2007; Green & Brock, 2002; Slater & Rouner, 2002).

Gerrig (1993) uses the term “transportation” to describe the feeling of entering the world evoked by the narrative. As a result of being transported, readers are no longer aware of their beliefs prior to reading because they are engrossed in the narrative events. When confronted with a claim that counters their intentions, consumers are inclined to draw on their prior beliefs to generate negative cognitive responses (Petty, Cacioppo, & Schumann, 1983). In that case, an integrity restoration attempt will most probably fail. However, transportation inhibits such negative cognitive responses (Green & Brock, 2000). Consequently, it “may lead to at least temporary acceptance of values and beliefs that represent a shift from the individual’s existing beliefs” (Slater & Rouner, 2002, p. 177). In other words, whereas readers tend to argue against analytical persuasive messages that are inconsistent with their prior beliefs and intentions, they do not do so when confronted with a narrative-based claim, even when it runs counter their beliefs (1996). Instead, transported readers empathize with the main story character (Green & Brock, 2002).

These transporting appeals may prompt readers of a narrative response to empathize with the accused party, strengthening the expression of regret. In this respect, apologies should evoke more empathy than denials because of their inherent capacity to move readers (Menon & Dubé, 2007). Hence, we hypothesize:

- H1a.** When an accused party responds using an analytical format, consumers perceive greater integrity in that party if the response content is a denial rather than an apology.
- H1b.** When an accused party responds using a narrative format, consumers perceive greater integrity in that party if the response content is an apology rather than a denial.

Online customers can switch to the competition at virtually no cost, increasing the likelihood that in the case of a wrong response, companies accused of a failure of integrity incur damage in terms of customer exit too. In that respect, an integrity failure is a source of competitive vulnerability (Lewicki & Bunker, 1996). Yet Jaworski and Kohli (1993) demonstrate that when companies are responsive to their customers, the vulnerability is lessened.<sup>2</sup> This implies that customers may still attach more importance to integrity-restoring consumer-company communications than to alternative service options and that such communications decrease the number who switch (de Ruyter & Brack, 1993). Therefore, we hypothesize that an analytical denial or a narrative apology by the accused company should evoke enough integrity to make consumers resist the temptation to exit.

- H2a.** When an accused party responds using an analytical format, consumers switch less often if the response content is a denial rather than an apology;
- H2b.** When an accused party responds using a narrative format, consumers switch less often if the response content is an apology rather than a denial.

### **3. Study 1**

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<sup>2</sup> We thank John Roberts for this inspiring interpretation.



### 3.1. *Method*

In Study 1, we examine the differential effect on perceived integrity and intention to switch of an analytical versus a narrative format in various response contents. Participants read three online texts: descriptions of an initial service encounter and integrity violation (both written by the same consumer) and a response by the service provider. The response was an analytical apology, an analytical denial, a narrative apology, or a narrative denial. This created a 2 (response format: analytical or narrative) × 2 (response content: apology or denial) factorial design. In addition, to test whether the consumer's accusation was sufficient to change participants' integrity perceptions and intentions to switch, we assigned two control groups to the consumer's blog posts only. All participants were randomly assigned to the different experimental and control groups.

#### 3.1.1. *Participants*

University students from a medium-sized Dutch university ( $n = 153$ ) participated. Their average age was 23 years. A minority (3.9%) had children; 82.3% of the childless participants considered it likely they would have them in the future. Somewhat more women (68.6%) than men took part in the experiment.<sup>3</sup>

#### 3.1.2. *Manipulations*

We chose to set the scene in a healthcare context for two reasons. First, Green, Brock, and Kaufman (2004) claim that a topic's popularity may be a signal of its capacity to transport readers. Healthcare involves death, disease, and power, three "absolute interests" (for the complete nine, see Schank, 1979, p. 281). Second, the privatization of many hospitals has caused the sudden need for these service providers to compete in the market place. As a result, the relationship with their customers has undergone dramatic changes (Simmons, Birchall, & Prout, 2007). Increasing

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<sup>3</sup> We conducted separate hypotheses tests for men and women. The results are weaker because of the reduced statistical power, but they show a result pattern similar to those reported herein.

evidence supports the importance of doctor–patient communication to reduce consumer intention to switch (Tanner, 2004).

In the initial blog post, a patient spoke highly of her obstetrician. In the subsequent post, she accused him of an integrity failure during a problematic childbirth. In the blog’s comment section, the doctor responded with either an apology or a denial. Moreover, the two versions adopted either analytical or narrative formats. In the narrative apology condition, the doctor stated for example: “I simply did a **bad** job with this birth, and I **apologize** for that”, whereas in the denial condition, the doctor stated: “I did a **good** job with this birth, and I have **no reason to apologize** for that” (see Appendix A for more scenario fragments).<sup>4</sup>

### 3.1.3. *Measures*

To assess perceptions of the doctor’s integrity, we asked participants to indicate, on four Likert-type items, the extent to which they believed that the doctor possessed certain traits (e.g., “Sound principles seem to guide Dr. Jacobs’ behavior”). Six other items were aligned with participants’ intentions to switch (e.g., “If I or my partner had to see an obstetrician, I would rather go to another doctor than to Dr. Jacobs”). These items came from Mayer and Davis (1999).

The measurement of whether the participants were equally capable of experiencing narratives involved assessments of their homogeneity in terms of empathic ability (Davis, 1983) and image-producing capacity (Betts, 1909; Sheehan, 1967).

## 3.2. *Results*

### 3.2.1. *Manipulation checks*

For our confirmation of the response format manipulation (analytical or narrative), we asked participants to respond to a first manipulation check question about the features of the doctor’s comment, followed by seven semantic scales (e.g., “arguments–images” and “a line of logic–a chain of events”;  $\alpha = .91$ ). The second question revealed whether the participants recognized the

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<sup>4</sup> All complete scenarios are available upon request from the first author.

response content: “In the blog, Dr. Jacobs was accused of incorrectly delivering a baby. What was Dr. Jacobs' response to the accusation?” Their possible responses were: “He admitted to incorrectly delivering the baby and admitted personal responsibility for the problem.”, “He did not admit to or deny the accusation”, or “He denied the accusation completely.”

Responses to these two checks revealed that the manipulations were successful: Participants' format perceptions differed significantly between the analytical ( $M = 2.81$ ,  $SD = .77$ ) and narrative response formats ( $M = 5.11$ ,  $SD = .54$ ;  $t_{(99)} = 16.60$ ,  $p < .001$ ), and all 101 participants not assigned to the control conditions answered the response content question correctly ( $\chi^2_{(2)} = 73.11$ ,  $p < .001$ ,  $\phi = .85$ ). In Table 1, we provide the average scores, reliabilities, and intercorrelations of the dependent and control variables.

[Insert Table 1 – **Study 1: Descriptive statistics** – about here]

Finally, our MANOVA for homogeneity indicates that the randomization was successful. Participants across all conditions were equally capable of experiencing narratives (Wilks'  $\lambda = .96$ ,  $F_{(10, 292)} = .67$ ,  $p = .752$ ).

### 3.2.2. *Hypotheses tests*

In Table 2, we present the average scores and standard deviations of perceived integrity and intention to switch across the analytical and narrative response formats, as well as the apology and denial response content conditions.

[Insert Table 2 – **Study 1: Perceived integrity and intention to switch as a function of response format and content** – about here]

First, we conduct a  $2 \times 2$  MANOVA for perceived integrity and intention to switch across the response content and format conditions. As predicted, we find a significant interaction effect (Wilks'  $\lambda = .82$ ,  $F_{(2, 96)} = 10.50$ ,  $p < .001$ ,  $\eta^2 = .179$ ). To further test the hypotheses from H1a to

H2b, we determine whether participants have a certain integrity perception and intention to switch as a result of reading the first blog post and whether the analytical denial and narrative apology may restore these. We also check whether the opposing response content and format combinations (e.g., analytical apology and narrative denial) do not soften the integrity violation. The two control groups did not read the doctor's response; specifically, 32 participants only read the initial blog post, and 20 participants read the initial post and the violation. A MANOVA across these groups and the response content and format conditions reveals a significant difference (Wilks'  $\lambda = .56$ ,  $F_{(10, 292)} = 9.91$ ,  $p < .001$ ,  $\eta^2 = .253$ ). The univariate results also support H1a, H1b, H2a, and H2b: the interaction effects on integrity perceptions ( $F_{(5, 147)} = 20.92$ ,  $p < .001$ ,  $\eta^2 = .416$ ) and intentions to switch ( $F_{(5, 147)} = 4.69$ ,  $p < .01$ ,  $\eta^2 = .138$ ) are both significant.

We now report the simple contrasts. Participants, who reported their integrity perceptions after the initial post, the analytical denial, or the narrative apology, reported significantly higher integrity levels than those who reported their integrity perceptions after the violation, the analytical apology, or the narrative denial (i.e., initial post versus analytical apology: mean difference = 1.87,  $SE = .24$ ,  $p < .001$ ; initial post versus narrative denial: mean difference = 1.53,  $SE = .26$ ,  $p < .001$ ; initial post versus violation: mean difference = 2.23,  $SE = .26$ ,  $p < .001$ ; analytical denial versus analytical apology: mean difference = .90,  $SE = .24$ ,  $p < .001$ ; analytical denial versus narrative denial: mean difference = .55,  $SE = .26$ ,  $p < .05$ ; analytical denial versus violation: mean difference = 1.26,  $SE = .27$ ,  $p < .001$ ; narrative apology versus narrative denial: mean difference = .87,  $SE = .29$ ,  $p < .01$ ; narrative apology versus analytical apology: mean difference = 1.21,  $SE = .27$ ,  $p < .001$ ; narrative apology versus violation: mean difference = 1.58,  $SE = .29$ ,  $p < .001$ ). The differences of initial post versus analytical denial (mean difference = .97,  $SE = .23$ ,  $p < .001$ ) and narrative apology (mean difference = .66,  $SE = .26$ ,  $p < .05$ ), as well as narrative denial versus violation (mean difference = .71,  $SE = .29$ ,  $p < .05$ ), are also significant. The differences of analytical denial versus narrative apology, narrative denial versus analytical apology or violation, and analytical apology versus violation are not significant (mean differences  $< .40$ ,  $ps > .15$ ; see Figure 1).

[Insert Figure 1 – **Perceived integrity for different response content and format combinations** – about here]

In terms of their softening effects on intentions to switch, the initial post, analytical denial, and narrative apology were also superior to the violation and to the opposing response content and format combinations (i.e., initial post versus analytical apology: mean difference = .71,  $SE = .27$ ,  $p < .05$ ; initial post versus narrative denial: mean difference = .77,  $SE = .30$ ,  $p < .05$ ; initial post versus violation: mean difference = 1.00,  $SE = .30$ ,  $p < .01$ ; analytical denial versus analytical apology: mean difference = .66,  $SE = .27$ ,  $p < .05$ ; analytical denial versus narrative denial: mean difference = .71,  $SE = .30$ ,  $p < .05$ ; analytical denial versus violation: mean difference = .94,  $SE = .30$ ,  $p < .01$ ; narrative apology versus narrative denial: mean difference = .83,  $SE = .33$ ,  $p < .05$ ; narrative apology versus analytical apology: mean difference = .78,  $SE = .30$ ,  $p < .05$ ; narrative apology versus violation: mean difference = 1.06,  $SE = .33$ ,  $p < .01$ ). The remaining pairs do not differ significantly (mean differences  $< .30$ ,  $ps > .35$ ; see Figure 2).

[Insert Figure 2 – **Intention to switch for different response content and format combinations** – about here]

### 3.3. *Discussion*

Most prior empirical research considers whether narratives change beliefs (see Slater, 2002a). The results of Study 1 support our contention that narrative processing differs conceptually from analytical processing. In particular, an analytical denial and a narrative apology restore integrity perceptions and reduce intentions to switch more effectively than do their diametrically opposed response content and format combinations. Whereas Ferrin et al. (2007) and Kim et al. (2004) find that an analytical denial restores integrity perceptions because the response conveys a lack of guilt, we believe that a narrative apology's restoration effect results from the high level of transportation into the narrative world evoked by this combination, in response to which people do not engage in analytical elaboration (Slater & Rouner, 2002). Regarding the competitive impact of

narrative blog posts, transportation appears crucial for integrity perceptions to lead to a decrease in intentions to switch. Our analysis of narrative responses seems to support this claim. However, the data cannot be decisive with respect to the predicted causal relation between transportation and narrative-based integrity perceptions because we did not measure or manipulate transportation. Therefore, we test the narrative processing–integrity restoration relationship further by, in a second study, assessing and exploring what triggers transportation and its consecutive effects on narrative-based beliefs.

The analytical format is not considered from Study 2 on because consumers create blog posts to make sense of who they are (Herring, Scheidt, Bonus, & Wright, 2004) and these communications are typically structured as a story (Scott, 1993). Consumers also complain about companies to friends online (Ward & Ostrom, 2006). Delgado and Escalas (2004) show that such integrity violations are also in a narrative format. Furthermore, we find in Study 1 that within the “wrong” response content and format combinations, narrative denial restores integrity relatively more effectively (i.e., less badly) than does analytical apology or not responding at all. This finding echoes those of prior research that show a response format identical to that of the preceding communication is more persuasive than a different format (Adaval & Wyer Jr, 1998) because information processes employed in one format may linger in a subsequent one (Schwarz & Wyer, 1985; Smith, 1990). Following this empirical evidence, we concentrate only on narrative formats because a narrative violation is best followed by a response in the same format.

#### **4. Study 2**

Green and Brock (2002) note two key transportation drivers: empathy and imagination. Empathy with the main character may explain the relationship between, on the one hand, transportation and, on the other, narrative-based changes in belief and intention. Readers may empathize with the main character by experiencing the narrative events. As Guber (2007, p. 56) suggests, “the spirit that motivates most great storytellers is: ‘I want you to feel what I feel.’” Readers also may vividly imagine the narrative events. As a result, readers may be transported into the world of a

narrative blog post, prompting them to believe that the (lack of) integrity they perceive is based on their mentally simulated experience (Feiereisen, Wong, & Broderick, 2008). Thus, by priming the individual transportation drivers, we can further explore the particular effects of narrative responses to integrity violations.

In their experiments, Green and Brock (2000) report significant positive correlations between the level of transportation and liking the main story characters. However, although their research supports the claim that transportation can be manipulated successfully, they cannot disentangle empirically the ways in which transportation changes beliefs. Therefore, in Study 2, we examine whether independent mental priming of empathy influences perceived integrity, mediated by transportation. In summary, when the accused party responds with a narrative apology, we hypothesize that

- H3.** Consumers exhibit greater beliefs in the integrity of an accused party if they engage with empathy rather than imagery;
- H4.** Transportation mediates the relationship between empathy and perceived integrity.

#### *4.1 Method*

Using a procedure similar to that of Study 1, we asked participants to read an online text. We told them that this was a blog post featuring a resignation speech by a CEO of a public railway company in a Western European country, posted in the wake of a corruption scandal that had broken two days earlier, in which he was accused of transferring public funds to his private account. For the sake of generalizability, we used such an announcement instead of an integrity-violating blog post, thereby preventing possible confounding effects of empathy with the accusing party, not just the accused.

In our manipulations of the response content, the CEO either apologized for what he did or denied the accusation. We also gave distinct sets of instructions about how to approach the reading task, priming one group to empathize with the CEO and the second group to imagine the events that took place. The control group was not instructed to process the narrative in any

particular way. The participants were randomly assigned to the response content and priming conditions. The study thus used a 2 (response content: apology or denial) × 3 (priming: empathy, imagery, or control) factorial design.

#### 4.1.1 *Participants*

Of the 145 students who participated, 52.4% were women and 87.6% traveled by train at least once a month. The participants' average age was 23 years.

#### 4.1.2 *Manipulation and priming*

To test the relationship between the response content and the transportation drivers, we created two narrative blog posts: an apology and a denial. For example, the following excerpt comes from the narrative apology: "To every train passenger—and to all those who believed in what I tried to stand for—the accusation is true. I am guilty of transferring funds to my private account, and I sincerely apologize." Participants in the denial condition read: "To every train passenger—and to all those who believed in what I tried to stand for—the accusation is false. I am not guilty of transferring funds to my private account. I deny everything I was accused of over the last few days" (see Appendix B for more scenario fragments).

To distinguish between the levels of transportation, we used three primings: empathy, imagery, and control. Our empathy condition follows the method used by Green and Brock (2000). It attempted to encourage participants to feel empathy for Adam Klein, the CEO. After the introduction to the study, participants read from a computer screen:

The text of the blog post will be used as a voiceover in a movie on the events leading to Adam Klein's resignation. Your responses will help the actor playing Adam Klein to become involved in his role. While reading this blog post, use your emotion. Think about how Adam Klein was feeling and how you might feel in the situation. Place yourself in Adam Klein's shoes. [...] You are now Adam Klein!

The imagery priming instructions encouraged participants to picture the narrative events. The instructions noted:



The text of the blog post will be used as a voiceover in a movie on the events leading to Adam Klein's resignation. Your responses will help the director of the movie to select the most important events. While reading this blog post, use your imagination. Think about the settings and what happened. Form a helicopter view of Adam Klein's life. [...] You are now a movie director!

The control group simply read the blog post.

#### *4.1.3. Measures*

To measure transportation effects, we used 15 items developed by Green and Brock (2000). The Likert-type scales ranged from “strongly disagree” to “strongly agree.” We adapted the items’ formulations slightly to make them appropriate for responses to the blog post. Sample items were: “While reading the blog post, I could easily picture the events described” and “I found my mind wandering while reading the blog post” (reverse coding).

Except for a slight adaptation to the particular context, the perceived integrity measures were identical to those used in Study 1. Example items included “I like Adam Klein's values” and “Adam Klein will stick to his word.”

As in Study 1, we assessed the participants’ homogeneity. Because the priming instructions could interact with empathic or imaginative ability measures, we compared the participants in the various conditions according to Tellegen’s (1974) absorption scale, which measures the general tendency to become immersed in life experiences. Items in the absorption scale include “The sound of a voice can be so fascinating to me that I can just go on listening to it” and “I would much rather stick to my own ideas than be guided by others” (reverse coding).

## *4.2. Results*

### *4.2.1. Manipulation and priming checks*

To check the content manipulation, we used a question similar to that in Study 1, adapted to the CEO situation. Only two participants misidentified either the apology or denial ( $\chi^2_{(2)} = 126.32, p < .001, \phi = .93$ ).

A question from Green and Brock (2000) also measured the participants' understanding of their task while they were reading the blog post. They answered on two semantic scales anchored by "use my emotion—use my imagination" and "think about how Adam Klein is feeling, and how I might feel in the situation—think about the settings and what happened" ( $\rho = .68, p < .001$ ). The item averages differentiate reliably between the priming conditions ( $t_{(98)} = 8.32, p < .001$ ), such that the empathy-primed participants tried to empathize with the CEO ( $M = 2.76, SD = 1.55$ ) and the imagery-primed participants attempted to picture the narrative events ( $M = 5.24, SD = 1.42$ ). Thus, the manipulation and priming wear successful. In Table 3, we list the average scores, reliabilities, and intercorrelations of the dependent and control variables.

[Insert Table 3 – **Study 2: Descriptive statistics** – about here]

We find no differences for absorption between the conditions. All groups show the same tendency to engage in life experiences ( $F_{(5, 139)} = 1.80, p = .117$ ). This indicates that the randomization is also successful.

#### 4.2.2. *Hypotheses tests*

We present the average scores and standard deviations of perceived integrity and transportation across the apologizing and denying response content and the empathy, imagery, and control conditions in Table 4.

[Insert Table 4 – **Study 2: Perceived integrity and transportation as functions of response content and priming instruction** – about here]

A  $2 \times 3$  analysis of variance to test H3 and H4 reveals significant differences between priming conditions' effects on restored integrity ( $F_{(2, 139)} = 6.26, p < .01, \eta^2 = .083$ ). Specifically, participants primed to empathize with the CEO perceive more integrity than those who pictured the narrative events (mean difference = .63,  $SE = .18, p < .01$ ). These priming conditions do not differ significantly from the control (mean differences  $< .40, ps > .05$ ).

The ANOVA also reveals an interaction effect of priming and response content on restored integrity ( $F_{(2, 139)} = 5.20, p < .01, \eta^2 = .070$ ). Simple contrasts show that the apology restores perceptions of integrity more effectively with empathy than with imagery priming (mean difference = .55,  $SE = .24, p < .05$ ). The empathy and control conditions differ marginally (mean difference = .45,  $SE = .25, p = .079$ ). However, the empathy, imagery, and control conditions do not provoke different integrity perceptions after the denial (mean differences  $< .06, ps > .80$ ). These results provide strong support for H3.

The instructions create significantly different transportation effects ( $F_{(1, 95)} = 14.57, p < .001, \eta^2 = .113$ ). Participants instructed to empathize with the CEO indicated that they felt more transported into the response than did those who were told to invoke their imagination (mean difference = .63,  $SE = .15, p < .001$ ). We find no significant differences between the imagery priming and control groups (mean difference = .20,  $SE = .16, p = .212$ ).

To test H4, we also conduct a mediation analysis and compare participants who are primed to empathize with the CEO with the control group across both apology and denial conditions. The empathy-primed participants perceive the most integrity ( $F_{(3, 95)} = 2.79, p < .05, \eta^2 = .082$ ). When we include transportation in the equation as a covariate, the former effect becomes insignificant ( $F_{(3, 92)} = 2.22, p = .091$ ). A subsequent Sobel test offers strong support for H4 ( $Z = 1.84, p < .05$ ).

#### 4.3 Discussion

Our results clearly demonstrate that the use of empathy restores perceptions of the integrity of the accused party more effectively than does imagery. Empathy also transports readers much further into the narrative response than does imagery. Furthermore, narrative apology readers

appear to display stronger integrity perceptions as a result of empathizing with the accused party, rather than as a result of imagining the events described in the narrative. Another important finding indicates that the impact of empathy on integrity perceptions is mediated by transportation. For a narrative apology, empathy seems to provide a crucial driver for provoking transportation. The apparent significance of empathy prompts us to examine further how it might be evoked most effectively. In our next study, we relate to different narrators.

## **5. Study 3**

In our first two studies, the person responsible for the service failure responded to the accusation. In reality, however, a company's spokesperson or public relations (PR) professional commonly formulates a reply, presumably to exploit the (in comparison to the accused person) greater credibility of the PR spokesperson. However, in narrative processing, source credibility may be largely irrelevant. Instead, empathy with the persons portrayed in the narrative appears to determine transportation into and thus the impact of the narrative content (Slater, 1997). In turn, blog post readers may experience more empathy toward the involved employee than toward a PR spokesperson, who may seem more aloof, associated with "cheap talk" (Farrell & Rabin, 1996), and not in a position to remedy the specific integrity violation. In Study 3, we test this largely overlooked incongruity effect between the narrator and message content.

**H5.** Consumers perceive greater integrity in the accused party if the responsible employee, rather than the company's spokesperson, issues the apology.

### *5.1 Method*

Our previous experiments took place in a healthcare or public services context—markets in which competition is still relatively low (though this characteristic is changing as a result of widespread privatization). To confirm the basic findings of Studies 1 and 2 in a highly competitive market, we selected a classic retailing case: a dishonest car dealer, called R&W Cars. As in Study 2,

participants first read an announcement of the dealer's behavior and then read a blog post with a narrative apology. We manipulated the perspective taken in the narrative to determine empathy (Sanders, 1994). Participants were randomly assigned to these high or low empathy conditions in the between-subject design.

### *5.1.1 Participants*

For the study, 95 students were invited to participate. Women constituted 50% of the participants. The participants were 22 years of age on average. While 30.5% owned a car, 56.4% of the carless participants considered it likely that they would buy one in the future.

### *5.1.2 Manipulations*

We used two versions of the same narrative apology: In the high empathy condition, the apology came from the responsible sales representative. He stated: "Please allow me to present my side of the story so that I can, I hope make you understand." In the low empathy condition, the apology came from a distant spokesperson. He said: "We would like to take a moment to present our side of the story for your information" (see Appendix C for more scenario fragments).

### *5.1.3 Measures*

The dependent and control measures are largely similar to those in Study 2, namely, the extents to which the participants experience transportation, perceive integrity, and tend to become absorbed in life experiences.

## *5.2. Results*

### *5.2.1. Manipulation checks*

First, to assess the degree of empathy, we slightly adapted the formulation of Davis's (1983) empathic ability items to make them appropriate to the response to the blog post context; examples include "While I was reading the blog post, I imagined how I would feel if the events in

the story were happening to me” and “I did not get extremely involved in the blog post” (reverse coding) ( $\alpha = .83$ ). The manipulation was successful because participants in the high empathy condition report significantly more empathy ( $M = 4.67$ ,  $SD = .89$ ) than those in the low empathy condition ( $M = 3.47$ ,  $SD = 1.04$ ;  $t_{(93)} = 5.88$ ,  $p < .001$ ). We offer, in Table 5, the average scores, reliabilities, and intercorrelations of the dependent and control variables.

[Insert Table 5 – **Study 3: Descriptive statistics** – about here]

The level of absorption does not differ as a function of condition ( $t_{(93)} = 1.73$ ,  $p = .086$ ), so our randomization is successful.

### 5.2.2. *Hypotheses tests*

We present the average scores and standard deviations of perceived integrity and transportation across the high and low empathy conditions in Table 6.

[Insert Table 6 – **Study 3: Perceived integrity and transportation as a function of empathy** – about here]

We conduct an ANOVA with perceived integrity as the dependent variable and empathy as a between-subject factor. Empathy has a significant effect on perceived integrity ( $F_{(1, 93)} = 6.15$ ,  $p < .05$ ,  $\eta^2 = .062$ ). Those manipulated to sense higher empathy exhibit more integrity perceptions, on average, than those in the low empathy condition. Thus, H5 receives support.

As a second test of H4, pertaining to the mediating effect of transportation, we include the level of transportation as a covariate in the ANOVA for perceived integrity. The empathy effect becomes insignificant ( $F_{(1, 92)} = 2.99$ ,  $p = .087$ ). A Sobel test indicates that the effect of empathy on integrity perception is mediated significantly by the level of transportation ( $Z = 1.90$ ,  $p < 0.05$ ).

## 6. **General discussion**

The dramatic proliferation of blogs and their impact on the ways companies compete leads to the pressing need for companies to respond effectively to threats to perceptions of their integrity (see Martin & Smith, 2008). Preliminary evidence clearly reveals that words speak louder than actions in relation to the short-term restoration of integrity because such restorative messages provide a signal of interactional justice (Patterson, Cowley, & Prasongsukarn, 2006). Explanations for this effect suggest that verbal communication provides meaningful information and a signal of sensitivity to the concerns of consumers. Thus far, though, the identification of which words are more effective and when (i.e., in which conditions) has remained unexplored. We find that consumer perceptions of integrity and intentions to switch depend on both response content and format. In line with the findings of Ferrin et al. (2007) and Kim et al. (2004), we reveal that denials restore integrity to a significantly higher degree than apologies if framed in an analytical format. To account for this phenomenon, Snyder and Stukas Jr. (1999) argue that apologies tend to be associated with guilt, and people regard guilt admissions as a negative sign after integrity violations. Consumers seem more willing to accept human failures after factual denials because the facts correspond better to a lack of guilt. Despite considerable attention to analytical elaboration in research on persuasive communication (e.g., Petty & Wegener, 1998), such studies largely ignore narrative responses, which seem to require of readers an emotional effort to process. We argue that the superiority of a narrative apology to a narrative denial may come about because the former facilitates the restoration of beliefs and intentions based on a compelling narrative. An unknown or threatening violator of integrity may become more “human” after a narrative apology. We show both theoretically and empirically that the immediate consequence of such a disarming effect is decreased consumer intention to switch.

We also explore what has been called “transportation”, the mechanism that underlies narrative processing. We distinguish empathic and imaginative appeals, the main transportation drivers, and support prior assertions that have been left empirically unverified (Green & Brock, 2002). Empathy, which induces transportation into the feelings of a story character, has a significant, positive impact on perceptions of the integrity of the accused party. Likewise, we find

a positive effect for imagining the narrative events. However, this effect is not as strong as that of empathic appeals, meaning that consumers who try to perceive the situation through the alleged evildoer's eyes will consider the accused party more honest than those who develop a helicopter view of the events. In combination with the content of narrative responses, we find that consumers who feel empathy while reading a narrative apology are more likely to restore integrity perceptions than are consumers picturing the events, though the strategies' effects do not differ for consumers confronted with a denial. In that sense, narrative apologies' relatively superior effectiveness appears due to what Escalas and Stern (2003, p. 567) so aptly call the consumer "who vicariously merges with another's feelings." This idea is more than a suggestion, as demonstrated by the comments of a participant in the second experiment:

To me Adam Klein appears to be a likeable, motivated manager who enjoyed doing his job, but maybe did not fully oversee the seriousness or responsibility linked to his task...

His blog entry seems to be honest and truly regretting his behavior.

In another extension of contemporary research, we examine the effects of the perspectives adopted by the narratives (Winterbottom, Bekker, Conner, & Mooney, 2008). Our results reveal that the point of view in a narrative blog post significantly explains empathy with the narrator, which affects perceived integrity. In other words, consumers confronted with an apology by the responsible violator exhibit more empathy and integrity perceptions than those confronted with the company's spokesperson. As expected, this linkage remains robust in markets characterized by high levels of competitive intensity. A narrative offered by the focal employee produces such empathy – is so transporting – that consumers restore integrity perceptions, despite content that blatantly mentions an alternative option for service. Consumers who feel empathy for the responsible employee become transported into his or her narrative and therefore have fewer cognitive resources available to draw on their prior beliefs and interpret what the high competitive intensity is suggesting.

These findings confirm the positive relationship among empathy, transportation, beliefs and intentions. A light switch can illustrate Green and Brock's (2000) findings that transportation can be switched on; we extend the metaphor by introducing the notion of a dimmer switch, in that



empathic appeals represent a brighter manifestation of the same light and may prevent consumers from switching off in the process.

### 6.1. *Limitations and suggestions for further research*

Even though we investigate the moderating effect of the perspective taken in the company response, we fail to incorporate some other moderating variables, such as loyalty toward the company or brand. Loyal customers may be naturally inclined to empathize with a brand as a result of their relationship tenure or breadth. They may experience more transportation when confronted with a narrative about that particular brand (Escalas, 2004). Arguably, such consumers will agree with the covertly persuasive narrative as a matter of course. Similarly, companies have considerable means to bad-mouth competitors. Attempts to use storytelling systematically to strengthen their own competitive position and call loyal customers to action may inadvertently prompt a remarkable change in competitive markets, even if we ignore the many moral and ethical questions. Thus, research into the consequences and appropriateness of efforts to influence loyal consumers' behavior in this way is imperative.

Unlike loyal consumers, disgruntled consumers have no goal other than to spread rumors and bring down an accused company. Ward and Ostrom (2006) demonstrate that these investigative consumers quickly form ad hoc groups online. Consequently, although we show that both analytical denials and narrative apologies lead consumers to grant the accused party the benefit of the doubt, there may also be other forces at work in the blogosphere.<sup>5</sup> As a result, companies may not always have the option of denial when they face an (illegitimate) accusation. It may therefore be interesting to research these angry consumers within the blogosphere.

We also did not consider the degree of media richness in our studies, though this issue remains a matter of debate among transportation researchers. Green and Brock (2002) argue that the less the senses are triggered by a narrative, the more imaginative effort the recipient must exert and thus the more transportation occurs. Therefore, reading a novel should provoke greater transportation than watching a movie or attending a play. However, Polichak and Gerrig

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<sup>5</sup> We thank an anonymous reviewer for this intriguing observation.

(2002) suggest that audio-visually broadcasted stories (e.g., those on YouTube) generate different participatory responses than do written stories. An explanation may be that the audio-visual media trigger not only the sense of sight but also the sense of hearing. For marketing scholars, the distinctive effects of appeals to either deep or wide senses suggest an area of interesting research possibilities with regard to the competitive impact of user-generated content.

Finally, we have assumed that the accused companies automatically take responsibility for the consumer complaint. However, as the current crisis in financial markets illustrates, it may not be obvious that companies will take negative stories about their performance seriously (e.g., Plender, 2009). Further research should investigate the reasons companies either take or pass responsibility for an integrity violation, for as long as companies do not attribute blame internally, they will not react, in which case negative word-of-mouth could destroy their competitive positioning. In other words, a more in-depth understanding of the differences in mindsets between companies that search their own conscience and companies that attribute blame to external causes beyond their power offers a fruitful research path.

## 6.2. *Managerial implications*

Companies would be well advised to devote attention to detecting online narratives that indicate negative consumer experiences before those stories cause serious damage (Elsner et al., 2009; Li et al., 2004). Firms should provide employees with the necessary resources to monitor blogs that tend to play leading roles in rapid information dispersion across online social networks of consumers. For example, WebClipping ([www.webclipping.com](http://www.webclipping.com)), arguably the Internet's most influential user-generated content monitoring service, measures online public opinion. It is managerially relevant to analyze this opinion and determine the level of threat that the blogs represent for the company's competitive position.

Furthermore, firms should respond to the blog posts that they deem harmful. Our results demonstrate that companies can restore most of their integrity and subsequently retain customers by posting the right combination of response content and format in the wake of negative blog stories: either denying responsibility for the matter in an analytical fashion or

apologizing in the form of a narrative that triggers consumers' affective reactions. Using pre-developed scripts, employees can follow basic decision rules and arrive at the right response (i.e., analytical denial or narrative apology). Producing restorative narratives is a difficult but well-justified task associated with specific skills and techniques. For example, the skills needed to converse with consumers through narrative communication and empathic sensitivity might be taught through creative narrative writing exercises. This approach also could help acquaint employees with the unique subculture of the blogosphere, with its own specific language (in this case, narrative), values, and customs. As a result, all employees will feel responsible for responding to blog posts and maintaining online peer-to-peer conversations about the company.

As our third study implies, successful integrity restoration may depend on the people who communicate for the company. Firms therefore should realize that if they respond to an integrity violation with a narrative apology, the consumers' opportunity to feel for the involved party becomes crucial and in effect determines whether they will trust the firm or switch to its competition. From a practical viewpoint, developing and testing concept responses with consumer panels seems logical. Only when consumers can empathize sufficiently with the company does a narrative apology gain a clear advantage over a denial. In summary, we suggest that this evidence represents a clarion call for companies to strengthen their competitive positioning by communicating professionally. When a company ensures that consumers like its narrator, it ensures that in its stories they will trust.

## Appendix A

### *Initial blog post fragments*

[...] I am pleased with the obstetrician that I chose. In fact, Adam and I are both VERY pleased. [...] I'm so relieved. I was worried I might have to see several doctors before Adam and I found one that we both liked and who was willing to at least let me try for a natural birth. But I have a tremendous peace about this. [...] He's awesome. I'm feeling good about it. We felt that we are really on the same level here [...].

### *Integrity violation fragments*

[...] we went to the hospital, but when we were there, we had Dr. Jacobs – the obstetrician – tell us that he was not going to do a natural birth! I thought I wasn't hearing right! This was not what we discussed during the intake. Before we practically knew it, Dr. Jacobs did an ultra sound of Sebastian, measured some things and said that it was a big baby, so we couldn't go natural, since it would be inefficient, because the process was going to take up too much time. [...] I had already had one drug in IV, and now Dr. Jacobs was going to give me the epidural, which I had not agreed to take, just to make me shut up! [...] Anyways, the final crew came in, and finally there was Dr. Jacobs again, who had obviously been at home being on call (judging from the clothes he was wearing) and he decided that it was time to get the baby. [...] They let me push for at least a whole 3 minutes when without any occasion, they got the vacuum and the scissors because the baby needed to come out! Now, was there any medical reason for it? Was it obvious that the baby was in distress? I never heard anything about that. Instead, Dr. Jacobs made sure we knew he wanted to go back to the dinner table ASAP [...] He was like 3250 grams, and that's like an average baby. One of the nurses actually told us that a baby this size could have easily been delivered in the slower natural way. By that time, Dr. Jacobs was out the door already! [...] I don't really think that Dr. Jacobs is fit to deliver babies! He clearly broke his promise and commitment he made to our way [...]

### *Analytical apology fragment*

[...] Parents need to be able to explicitly choose what they share, and obstetricians should not have the right to overrule a birth plan. The World Health Organization estimates that

- Worldwide yearly 110,000 birth accidents happen;
- 85% of these are related to obstetricians imposing their will upon parents;
- Observing birth plans to the letter in all cases has the potential to decrease the number of accidents by 8.6%.

These are the statistics that my actions should have been based upon. And who am I not to respect these numbers? I agree with Mrs. Klein's account of her delivery on all points. It is an accurate account of what happened. The birth plan was disregarded. In fact, I only followed up on a small 25% of the ideas listed in the plan, and I apologize for ignoring the other 75% [...]

### *Analytical denial fragment*

[...] Parents need to be able to explicitly choose what they share, but obstetricians should have the right to overrule a birth plan. The World Health Organization estimates that

- Worldwide yearly 110,000 birth accidents happen;
- 85% of these are related to parents imposing their will upon obstetricians;
- Observing birth plans to the letter in all cases has the potential to increase the number of accidents by 8.6%.

These are the statistics that my actions were based upon. And who am I not to respect these numbers? I disagree with Mrs. Klein's account of her delivery on a number of points. It is not an accurate account of what happened. I deny disregarding the birth plan. In fact, I followed up on a substantial 25% of the ideas listed in the plan, and I have no reason to apologize for ignoring the other 75% [...]

### *Narrative apology fragment*

[...] The actual labor was not a rewarding experience. I was exhausted, because I had rushed in from home being on call. When I came into the delivery room, I believed the baby was in distress – since it had taken me so long to get to the hospital – so then, after 15 minutes of needless pushing and screaming, I used the vacuum and scissors. There was obviously no clear medical reason for doing that. I guess I then intuitively took action. Within 5 minutes, I got the baby out; his face swollen and red, as were both of his arms. In the midst of the chaos, I did not have total control over the procedure. After Sebastian was born, I felt empty and weak. I handed him off and he was whisked away to the incubators. So yes, I disregarded the philosophy behind the birth plan completely. When I met Laura and Adam, I told them that I would help them bring Sebastian into this world. Last week Laura delivered her baby Sebastian without any of her wishes met, and today I still feel bad about it. I completely agree with Laura's story of her delivery. I've made a lot of mistakes delivering this child. I simply did a bad job with this birth, and I apologize for that [...]

### *Narrative denial fragment*

[...] The actual labor was a rewarding experience. I was still in perfect shape, though I had rushed in from home being on call. When I came into the delivery room, I believed the baby was in distress – since it had taken Laura so long to be induced – so then, after 15 minutes of needless pushing and screaming, I used the vacuum and scissors to get the baby out. There was obviously a clear medical reason for doing that. I guess I then automatically took action. Within 5 minutes, I got the baby out; his face and arms only a little flushed. In the midst of the chaos, I had total control over the procedure. After Sebastian was born, I felt empowered and strong. I handed him off and he was whisked away to the incubators. So yes, I respected the philosophy behind the birth plan completely. When I met Laura and Adam, I told them that I would help them bring Sebastian into this world. Last week Laura delivered Sebastian without any major complications, and today I still feel proud of it. I do not completely agree with Laura's story of her delivery. I deny making any mistakes delivering this child. I did a good job with this birth, and I have no reason to apologize for that [...]

## Appendix B

### *Narrative apology fragments*

[...] From those to whom much is given, much is expected. I have been given much -- the love of my family, the faith and trust of the people of this country, and the chance to lead this company. I am deeply sorry that I did not live up to what was expected of me. To every train passenger—and to all those who believed in what I tried to stand for—the accusation is true. I am guilty of transferring funds to my private account, and I sincerely apologize.

When I first entered the railway's office complex, I was the epitome of the classic manager: young, brash, obscenely overpaid and sporting a brand-new MBA. From my first day, however, when I was told that some colleagues hadn't really wanted to see me hired, I found myself in the middle of a venal greed machine whose story unfolded with Kafkaesque absurdity and frustration. Working for the railway meant cocky wheeling and dealing, and the insidious groupthink that made railway employees unquestioningly accept spoon-fed propaganda [...] Over the course of my public life, I have insisted—I believe correctly—that people, regardless of their position or power, take responsibility for their conduct. I can and will ask no less of myself.

For this reason, I am resigning from the office of railway CEO [...]

### *Narrative denial fragments*

[...] The bigger they are, the harder they fall. I have been given much -- the love of my family, the faith and trust of the people of this country, and the chance to lead this company. It hurts that these joys are now taken away from me, although I did not do anything wrong. To every train passenger — and to all those who believed in what I tried to stand for — the accusation is false. I am not guilty of transferring funds to my private account. I deny everything I was accused of over the last few days.

When I first entered the railway's office complex, I was the epitome of the classic manager: young, brash, obscenely overpaid and sporting a brand-new MBA. From my first day, however, when I was told that some colleagues hadn't really wanted to see me hired, I found myself in the middle of a venal greed machine whose story unfolded with Kafkaesque absurdity and frustration. Working for the railway meant cocky wheeling and dealing, and the insidious groupthink that made railway employees unquestioningly accept spoon-fed propaganda [...] Over the course of my public life, I have insisted — I believe correctly — that people, regardless of their position or power, should not stay on when they feel no longer wanted. I can and will ask no less of myself.

For this reason, I am resigning from the office of railway CEO [...]

## Appendix C

### *High empathy fragments*

[...] I want to apologize for the experience you are referring to. I feel really unhappy about the way I treated you, under any circumstance and I certainly understand why you aren't happy either. Please allow me to present my side of the story so that I can, I hope make you understand where I was coming from [...] I felt frustrated and when I heard your price, the first thing I thought was: "This price competition in our industry is killing me. How can I satisfy my customers, when the price is never right?" So, when you were seated in the room and I disappeared for a couple of minutes, I was really trying to convince the manager why you weren't willing to pay that much for the car. He said to me that you could get it for a little more than what you were offering. But we both know that it's easy to get great deals practically around the corner in this industry. Indeed, I hear of a new competitive move almost every day, so I feel the only way I can improve myself as a sales representative is listening carefully to you, my customer, so that I can think of ways to add value [...] I totally understand that you found my offer unsatisfactory. It feels the same to me. All I ask from you is to not condemn me for this one frustrating experience [...]

### *Low empathy fragments*

[...] First off, let us express our apologies for the experience you are referencing. We are not happy with the way you were treated, under any circumstance, and it is certainly clear why you aren't either. We would like to take a moment to present our side of the story for your information, although we will not be held liable [...] Now, when you told the sales representative your price, he arrived at the conclusion that this price competition in the industry is a killer and that it is a major roadblock to achieving customer satisfaction here at R&W Cars. So, when you were seated in the room and the sales representative disappeared for a couple of minutes, he was trying to convince the manager why you weren't willing to pay that much for the car. The manager told him that you could get it for a little more than what you were offering. However, it is an undeniable fact that it's easy to get great deals practically around the corner in this industry. One hears of a new competitive move almost every day, so that is why we decided to focus on added value as our competitive edge [...] To us it is clear that you found the offer unsatisfactory. However, do not condemn the entire organization for this one frustrating experience [...]

**Table 1**

		<i>M (SD)</i>	<i>α</i>	1	2
1.	Intention to switch	4.04 (1.11)	.88		
	Perceived integrity	3.47 (1.19)	.83	-.60 **	
2.	Empathic ability	4.93 (.97)	.82		
	Image-producing capacity	5.35 (.76)	.74		.21 **

\*\*  $p < .01$ .



**Table 2**

Format	Content	Perceived integrity <i>M (SD)</i>	Intention to switch <i>M (SD)</i>
Analytical	Apology	2.74 (1.07)	4.38 (1.20)
	Denial	3.64 (1.09)	3.73 (1.12)
Narrative	Apology	3.95 (.65)	3.60 (.98)
	Denial	3.08 (.96)	4.44 (1.01)
Initial blog post control		4.61 (.83)	3.67 (.99)
Integrity violation control		2.38 (.78)	4.67 (.93)

**Table 3**

		<i>M (SD)</i>	<i>α</i>	<i>1</i>
1.	Perceived integrity	3.58 (.92)	.84	
	Transportation	3.90 (.79)	.74	.17 *
	Absorption	4.37 (.88)	.73	

\*  $p < .05$ .

**Table 4**

Content	Instruction	Perceived integrity	Transportation
		<i>M (SD)</i>	<i>M (SD)</i>
Apology	Empathy	4.14 (1.02)	4.30 (.67)
	Imagery	2.97 (.94)	3.72 (.62)
	Control	3.69 (.66)	4.02 (.83)
Denial	Empathy	3.59 (.76)	4.17 (.81)
	Imagery	3.53 (.89)	3.89 (.60)
	Control	3.53 (.84)	3.25 (.78)

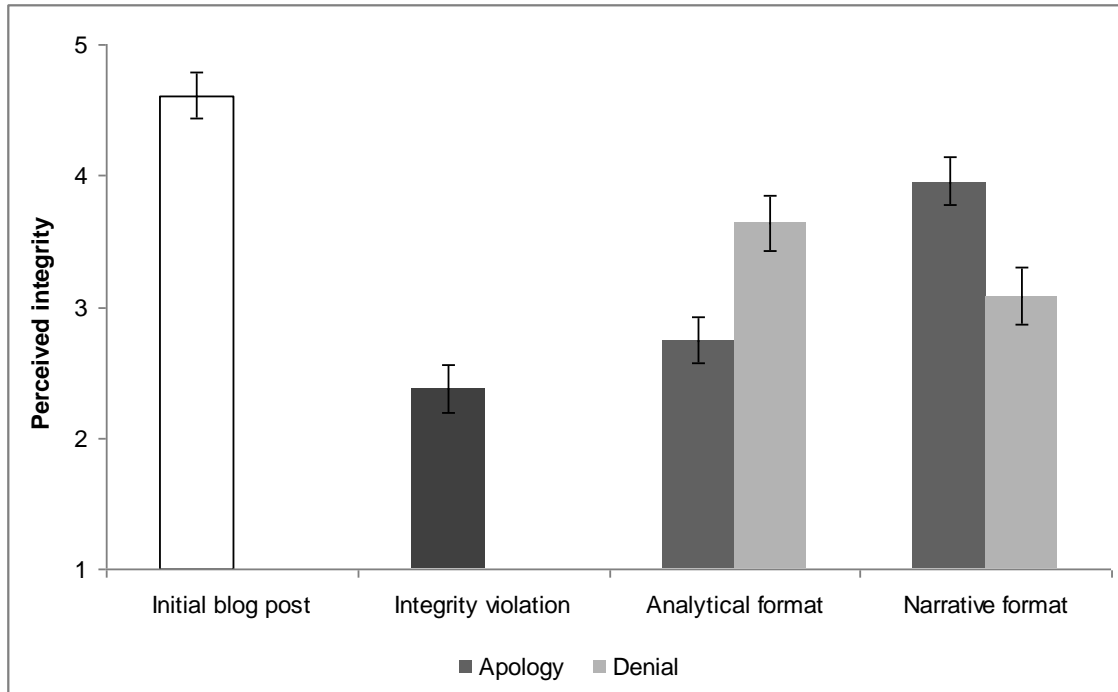
**Table 5**

		<i>M (SD)</i>	<i>α</i>	<i>1</i>
1.	Perceived integrity	4.19 (1.11)	.89	
	Transportation	4.01 (.65)	.79	.21 *
	Absorption	4.37 (.83)	.71	

\*  $p < .05$ .

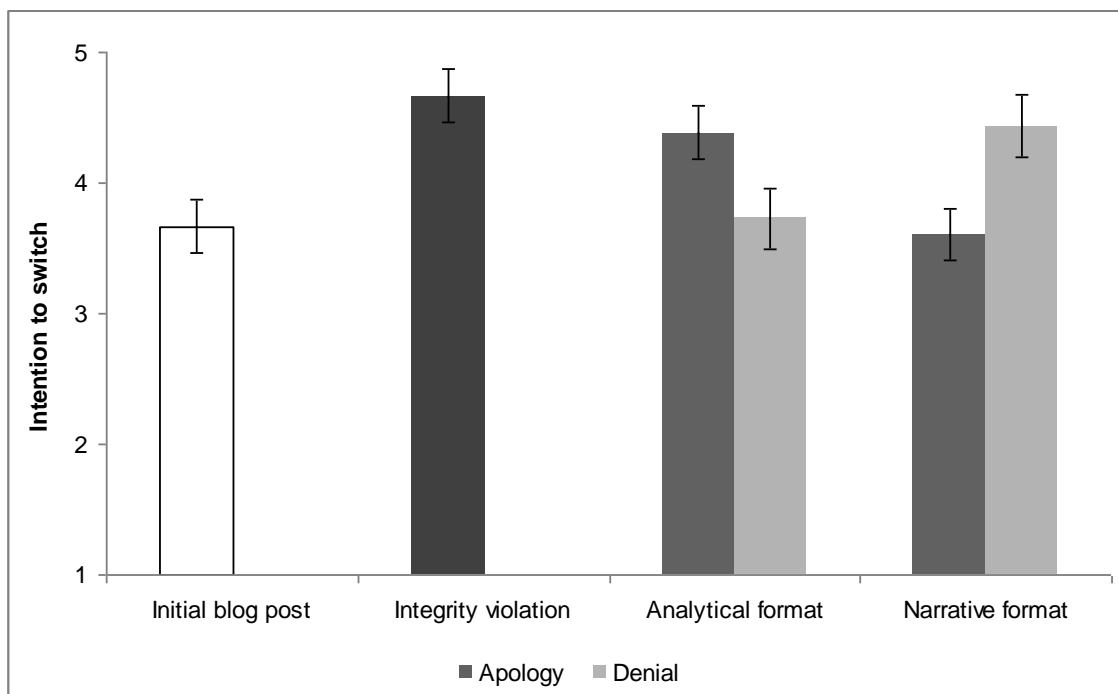
**Table 6**

Empathy	Perceived integrity	Transportation
	<i>M (SD)</i>	<i>M (SD)</i>
High	4.40 (1.04)	4.23 (.52)
Low	3.82 (1.15)	3.62 (.69)



The error bars show the standard error.

Figure 1



The error bars show the standard error.

Figure 2

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