

DOCTOR OF PHILOSOPHY

Trust recovery: The case of the Kenyan service sector

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Trust recovery: The case of the Kenyan service sector

By

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November, 2020



*A thesis submitted in partial fulfilment of the University's requirements
for the Degree of Doctor of Philosophy*

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ABSTRACT

This research investigates trust repair strategies in the Kenyan service sector. This research identifies the factors that lead to trust being broken and the factors that influence the repair of trust. As the importance of building and rebuilding trust continues to grow, there is a need for further investigation into how organizations can successfully repair the broken trust. This thesis develops a conceptual framework for repairing trust, taking into account new strategies of repairing trust, such as value co-creation and service recovery strategies.

This thesis employed qualitative data, collecting data using interviews to investigate how customers, frontline employees and managers perceived violation of trust after a service failure including the most effective strategies for repairing the trust. In total 56 interviews with 36 customers, 16 frontline employees and 4 managers were conducted with collaboration with the biggest telecommunication organisation in East Africa, as well as the longest serving bank in Kenya.

Data was analysed using NVivo in order to generate themes. The data was rearranged into different categories based on the research objectives highlighted in this thesis. Codes were developed from the interview transcriptions and sub themes were developed, which were merged to develop the five main themes discussed in this thesis. Thematic analysis was used to analyse the data.

The results support that customers' involvement during service recovery process is pivotal in the process of trust repair. Therefore, confirming that value co-creation is a crucial tool in the process of trust repair. The research also highlights that service recovery strategies and trust repair strategies do overlap during the process of trust repair. Overall, this thesis contributes to the literature by offering a different scope of repairing trust after a service failure. The conceptual framework is crucial in providing a practical framework for managers to consider during the process of trust repair.

Table of Contents

| | |
|---|-----------|
| CHAPTER ONE: INTRODUCTION TO THE THESIS | 1 |
| 1.1 Research Motivation | 1 |
| 1.2 Research aim and objectives | 3 |
| 1.3 Research context | 5 |
| 1.4 Overview of emerging markets | 9 |
| 1.5 Kenya and its service industry | 11 |
| 1.6 Conclusion | 12 |
| CHAPTER TWO: LITERATURE REVIEW | 14 |
| 2.0 Chapter overview | 14 |
| 2.1 The nature of service failure | 17 |
| 2.1.1 Factors that lead to service failure | 20 |
| 2.1.2 Different levels of service failure | 23 |
| 2.1.2.1 Transactional service failure | 25 |
| 2.1.2.2 Emotional service failure | 25 |
| 2.1.3 Service failure severity | 26 |
| 2.1.4 Summary | 28 |
| 2.2 Service recovery | 28 |
| 2.2.1 Service recovery strategies | 30 |
| 2.2.1.1 Apology | 30 |
| 2.2.1.2 Compensation | 34 |
| 2.2.1.3 Explanation | 36 |
| 2.2.1.4 Denial | 38 |
| 2.2.2 The role of frontline employees in service recovery | 39 |
| 2.2.2.1 Employee empowerment | 41 |
| 2.2.3 Summary | 44 |
| 2.3 Trust | 45 |
| 2.4 Trust violation | 49 |
| 2.4.1. Competence- based trust violation vs Integrity-based violation | 50 |
| 2.4.2 Role of emotions following trust violation | 51 |
| 2.4.3 Summary | 55 |
| 2.5 Trust repair | 57 |
| 2.5.1 Competence based trust repair | 59 |
| 2.5.2 Integrity based trust repair | 60 |
| 2.5.3 Service dominant logic (S-D logic) | 63 |

| | |
|---|------------|
| 2.5.3.1 Value co- creation | 69 |
| 2.5.4 Affection | 73 |
| 2.6 Summary | 75 |
| 2.7 The role of culture in trust repair | 76 |
| 2.8 Conclusion | 82 |
| CHAPTER THREE: CONCEPTUALISATION CHAPTER | 84 |
| 3.0 Chapter overview | 84 |
| 3.1 Trust repair in the literature | 84 |
| 3.2 Service failure severity in literature | 87 |
| 3.4 The proposed conceptual framework | 96 |
| 3.5 Conclusion | 97 |
| CHAPTER FOUR: METHODOLOGY | 98 |
| 4.0 Chapter overview | 98 |
| 4.1. Background | 98 |
| 4.2 Ontology and Epistemology | 100 |
| 4.4 Research approaches | 106 |
| 4.5 Research design | 108 |
| 4.6 Qualitative method | 109 |
| 4.6.2 Interviews | 112 |
| 4.7 Data Collection process | 113 |
| 4.7.1 Sampling | 114 |
| 4.7.2 Research quality | 116 |
| 4.7.3 Ethical consideration | 117 |
| 4.8 Conclusion | 118 |
| CHAPTER FIVE: DATA COLLECTION STRATEGY | 119 |
| 5.0 Chapter overview | 119 |
| 5.1 Background | 119 |
| 5.2 Sample size | 124 |
| 5.3 Procedure | 127 |
| 5.4 Data analysis process | 128 |
| 5.4.1 Transcription and translation | 128 |
| 5.4.2 Data analysis process | 129 |
| 5.5 The analytical process | 131 |

| | |
|--|------------|
| 5.6 Conclusion | 146 |
| CHAPTER SIX: EMPIRICAL FINDINGS | 147 |
| 6.0 Chapter overview | 147 |
| 6.1 Service failure | 148 |
| 6.1.1 Service failure severity | 149 |
| 6.1.1.1 Customers' views: | 150 |
| 6.1.1.2 Employees' views: | 155 |
| 6.1.1.3 Managers' views | 160 |
| 6.1.2 Emotions after service failure | 162 |
| 6.1.2.1 Customers' views | 162 |
| 6.1.2.2 Frontline employees' views: | 163 |
| 6.1.2.3 Managers' views: | 164 |
| 6.1.1 Trust violation after service failure | 165 |
| 6.1.1.1 Customer views: | 165 |
| 6.1.1.2 Frontline employees' view: | 166 |
| 6.1.1.3 Managers' view: | 167 |
| 6.2 Service recovery | 169 |
| 6.2.1 Apology | 169 |
| 6.2.1.1 Customers views: | 169 |
| 6.2.1.2 Frontline employees' views: | 171 |
| 6.2.2 Organizational affection | 172 |
| 6.2.2.1 Customers' views: | 172 |
| 6.2.2.2 Frontline employees' views: | 174 |
| 6.2.3 Compensation | 176 |
| 6.2.3.1 Customers views: | 176 |
| 6.2.3.2 Frontline employees' views: | 178 |
| 6.2.3.3 Managers' views: | 179 |
| 6.2.4 Explanation | 180 |
| 6.2.4.1 Customers' views: | 181 |
| 6.2.4.2 Frontline employees' views: | 183 |
| 6.3 Role of frontline employees in service recovery and trust repair | 184 |
| 6.3.1 Service recovery | 184 |
| 6.3.1.1 Customers' views: | 185 |
| 6.3.1.2 Frontline employees' views: | 187 |
| 6.3.1.3 Managers' views: | 189 |
| 6.4 Value co-creation | 190 |
| 6.4.1 Interaction between frontline employees and customers | 191 |
| 6.4.1.1 Customers' views: | 191 |
| 6.4.1.2 Frontline employee views: | 195 |
| 6.4.1.3 Managers' views: | 198 |
| 6.4.2 Engagement conditions | 200 |

| | |
|--|------------|
| 6.4.2.1 Customer view's: | 204 |
| 6.4.2.2 Frontline Employees' views: | 208 |
| 6.4.2.3 Managers' views: | 209 |
| 6.5 Trust repair | 211 |
| 6.5.1 Customer views: | 211 |
| 6.5.2 Frontline employees' views: | 215 |
| 6.6 Conclusion | 217 |
| CHAPTER SEVEN: DISCUSSION OF EMPIRICAL EVIDENCE | 218 |
| 7.0 Chapter overview | 218 |
| 7.1 The revised conceptual framework | 219 |
| 7.1.1 Differences between the initial conceptual framework the revised conceptual framework | 221 |
| 7.2 Service failure | 223 |
| 7.2.1 Service failure severity | 223 |
| 7.2.2 Trust violation | 225 |
| 7.3 Service recovery strategies | 227 |
| 7.3.1 Apology | 227 |
| 7.3.2 Compensation | 230 |
| 7.3.3 Explanation | 231 |
| 7.4 Role of frontline employees in service recovery | 233 |
| 7.5 Value Co- creation | 235 |
| 7.5.1 Interaction | 235 |
| 7.5.2 Engagement conditions | 239 |
| 7.6 Trust repair | 240 |
| 7.7 Conclusion | 241 |
| CHAPTER EIGHT: CONCLUSION CHAPTER | 242 |
| 8.0 Chapter overview | 242 |
| 8.1 Summary of the Research and key findings | 242 |
| 8.2 Theoretical and Managerial Implications | 253 |
| 8.3 Contributions | 253 |
| 8.3.1 Value co- creation as a tool for trust repair | 254 |
| 8.3.1.1 Illiteracy and value co-creation | 255 |
| 8.3.2 The notion of service recovery strategies and trust repair strategies as distinct concepts | 256 |
| 8.3.3 Tension between managers and frontline employees | 256 |
| 8.4 Managerial implications | 257 |

| | |
|--|------------|
| 8.5 Limitations and Directions for Future Research | 259 |
| 8.5.1 Limitations | 259 |
| 8.5.2 Direction for future research | 259 |
| 8.6 Concluding remarks | 260 |
| REFERENCE | 262 |
| APPENDICES | 284 |
| Appendix 1: Employee interview guide | 284 |
| Appendix 2: Customer interview guide | 286 |
| Appendix 3: Informed consent form | 288 |
| Appendix 4: Participation form | 290 |

List of Tables

| | |
|--|-----|
| Table 1.1 Definitions of key terms related to this thesis _____ | 2 |
| Table 2.1 Definitions of service failure _____ | 19 |
| Table 2.2 Factors that lead to service failure _____ | 21 |
| Table 2.3 Definition of trust _____ | 48 |
| Table 2.4 Recovery strategies _____ | 62 |
| Table 2.5 S-D logic foundational premises _____ | 67 |
| Table 2.6 The axioms of S-D logic _____ | 68 |
| Table 4.1 Assumptions of Positivism and Interpretivism _____ | 105 |
| Table 4.2 Research design _____ | 108 |
| Table 4.3 Alternative research designs _____ | 109 |
| Table 4.4 Description of Quantitative, Mixed and Qualitative methods _____ | 111 |
| Table 5.1 The telecommunication's customer segments _____ | 123 |
| Table 5.2 Participant profile _____ | 126 |
| Table 5.3 Thematic analysis process _____ | 131 |
| Table 5.4 An example of a transcript analysis using thematic analysis _____ | 135 |
| Table 5.5 Interpretivism research rigour used in this research _____ | 139 |
| Table 6.1 Participant's profile _____ | 147 |
| Table 6.2 Developed themes _____ | 148 |
| Table 6.3 Factors that influence the participant's classification of service failure severity _____ | 150 |
| Table 6.4 Engagement conditions _____ | 201 |
| Table 7.1 Explanation facets _____ | 232 |

LIST OF FIGURES

| | |
|--|-----|
| Figure 1.1 Kenya's political stability index | 5 |
| Figure 1.2 Structure of thesis | 9 |
| Figure 1.3 Kenya's share of economic sectors in the gross domestic product (GDP) from 2007 to 2017 | 12 |
| Figure 2.1 Literature review map | 16 |
| Figure 2.2 Customer behaviour after experiencing a service failure | 23 |
| Figure 2.3 Levels of employee empowerment | 43 |
| Figure 3.1 The Four – Stage Process of organizational- level trust repair model | 85 |
| Figure 3.2 Structure of incidents- customer satisfaction- market share linkage | 91 |
| Figure 3.3 Proposed conceptual framework | 95 |
| Figure 4.1 Representation of research method applied | 100 |
| Figure 4.2 Research logic | 106 |
| Figure 4.3 Classification of sampling techniques | 114 |
| Figure 5.1 Class section categories in Kenya | 124 |
| Figure 5.2 Initial thematic map showing nine themes | 142 |
| Figure 5.3 Theme development | 145 |
| Figure 7.1 The proposed conceptual framework | 220 |
| Figure 7.2 The revised conceptual framework | 222 |

CHAPTER ONE: INTRODUCTION TO THE THESIS

1.1 Research Motivation

Organisations seek to build maintain long term relationships with their customers. These relationships are often underpinned by trust (Ganesan, 1994; Pirson and Malhotra, 2011; Gillespie et al., 2014). The importance of trust in relationship building is well documented in the extant literature, as trust promotes customer loyalty, which in turn promotes positive word of mouth, encourages repurchase intentions and motivates customers to sustain a relationship with the organization (Sirdeshmukh et al., 2002; Santos and Fernandes, 2008). Therefore, it is important for relationships, especially between customers and organizations to be well nurtured and well preserved. However, organisations often violate customers' trust in various ways and these violations are sometimes presented as major or minor event, which in turn lead to trust failure (Grover et al., 2019). Not acting on these violations leads in a decrease in customer loyalty and commitment, towards the organization that has violated the customer's trust which also leads to decreased profitability (Kim et al., 2009).

Moran (2013) emphasizes that the rise in the study of trust repair has been as a result of the publicized scandals by organizations, such as corruption and fraud (Lewicki and Brinsfield, 2017) that have led to customers trust in these organization's being in jeopardy (Kim et al: 2009; Bozic, 2017). Poor or a lack of customer relationship management when a transgression has taken place rapidly elevates the need to focus on strategies of repairing customer trust after a transgression (Gillespie and Dietz, 2009). A good relationship should be maintained between customers and the organizations and one element underpinning the relationship between customers and the organizations is trust (Dirks, Lewicki and Zaheer, 2009; Bozic, 2017).

Table 1.1 Definitions of key terms related to this thesis

| Concept | Definition |
|--------------------|--|
| Value co- creation | “Value co-creation refers to joint activities by parties involved in direct interactions, aiming at contributing to the value that emerges for one or both parties” (Gronroos, 2012, p.1523) |
| Service recovery | “Service recovery is also considered as a planned process that involves actions and activities taken by the service provider to rectify, remedy and correct a perceived service failure” (Gronroos, 1988). |
| Trust repair | The activities or the process undertaken by the trust violator to increase trust after a trust violation has taken place (Dirks et al., 2011, p.88). |
| Trust recovery | “Activities directed at making a trustor’s trusting beliefs and trusting intentions more positive after a violation is perceived to have occurred” (Kim et al., 2004, p.105). |

This research examines the relationship between service recovery, trust repair and trust recovery. The research positions value co-creation as a key tool for trust repair. Table 1.1 above establishes definitions of value co- creation, service recovery, trust repair and trust recovery. Trust recovery according to this research, is considered a process that takes place over a period of time and is influenced by a successful trust repair process, that improves customer trust in the organization. Trust repair and service recovery which are fundamental areas of discussion in this research, both refer to the process of rectifying a negative situation. As this research is focusing on the repair of trust that has been violated as a result of a service failure.

The most identifiable aspect is the relationship that exists between service recovery strategies and trust repair strategies. This research clearly highlights the recovery strategies that are used in the process of trust repair and assumes that the trust repair process begins during the service recovery process. The trust repair process begins when the service recovery strategies are integrated with value co-creation during the service recovery process. Therefore, suggesting that there is an overlap between service recovery strategies and trust repair strategies, which

have been considered as distinct notions in earlier and emerging research. This research therefore focuses on trust repair as a process that over time results to trust being recovered and this is once the trustor is able to demonstrate trusting beliefs and trusting intentions after a successful trust repair process. This thesis therefore focuses on extending trust repair literature by highlighting how the process of trust repair can be made more effective by incorporating value co-creation and service recovery strategies in the trust repair process. This research shows that including interaction between customers and frontline employees during service recovery results to high levels of satisfaction in the service recovery process which in turn leads to trust repair. Research should therefore place more emphasis on the importance of the customers and frontline employees in the process of trust repair, as existing research ignores customers position on trust repair and instead focuses all the responsibility for the trust repair process on the violator (Xie and Peng, 2009;Cao et al., 2014; Bansal and Zahedi, 2015).

This research, therefore, contributes to the knowledge of a dyadic perspective on the intricacies of trust repair after a transgression by answering the calls for research addressing the how question (Eisenhardt and Graebner,2007). This is by critically analysing how trust is broken and how trust can be repaired and this is by identifying effective trust repair strategies that can be used to repair trust and to recovery broken trust.

In this chapter, the research initiative, research aim, and the research questions will be presented to provide an overview of the research approach and to also provide an outline for the thesis structure.

1.2 Research aim and objectives

The research on trust repair has received a lot of attention in the last decade and while there is a lot of emerging research on trust repair, it cannot be necessarily assumed that the research will be applicable in all contexts. For instances, Bozic (2017) states that organizational trust cannot necessarily be effective in customer trust repair and this is because employees and

customers expectations are very different. A gap therefore exists in research that is focused on identifying the process of repairing customer trust and also in identifying new mechanisms of repairing trust (Bozic 2017; Bozic and Kuppelwieser, 2019). This research aims to contribute to knowledge on customer trust repair by introducing the concept of value co-creation as a tool for trust repair and to also offer a conceptual framework for trust repair that will assist organisations in visualising the conceptual dynamics in the process of repairing trust.

This thesis aims: to critically evaluate trust repair strategies in the Kenyan service sector.

The primary research objectives of this are:

1. To examine trust violation and trust repair in the Kenyan service sector.
2. To critically analyse the concept of value co-creation as a tool for trust repair in the Kenyan service sector.
3. To critically analyse the role of frontline employees and managers in the process of repairing customer trust.
4. To develop a theoretically and empirically grounded framework for repairing trust
5. To provide recommendations to managers on how to restore trust in the Kenyan service sector.

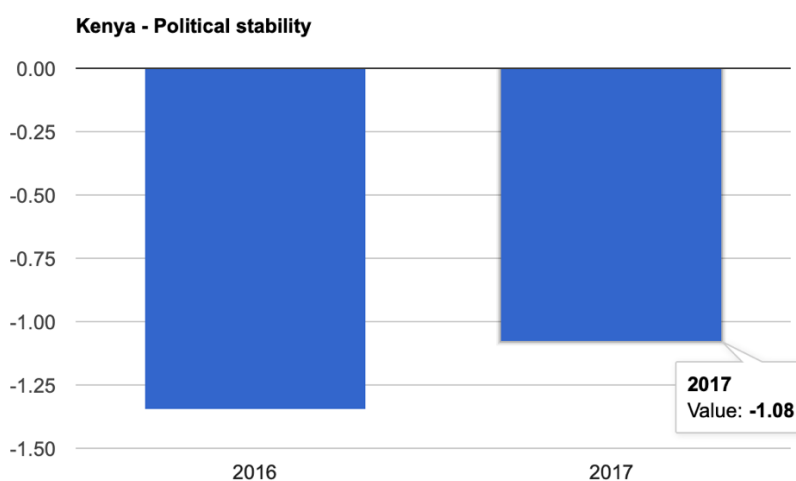
While there have been vast studies focusing on trust repair over the last decade (Bozic, 2017). Most of this research has focused on intra-organizational trust repair (Dirks et al., 2009; Kramer and Lewicki, 2010; Bachmann et al., 2015). Bozic (2017) state that research in trust repair has overlooked the focus on customer trust repair and the few that have studied trust repair, have done so in passing and not conducted an in-depth investigation on the factors that lead to customer trust repair. This thesis, however, provides a piece of empirical evidence on the

factors that lead to customer trust repair after a service violation. The importance of the findings from this research is that, they will be able to address the gap pertaining to customer trust repair in existing literature by examining the role of value co-creation as a tool for trust repair and to also provide a solution to service organizations on how to carry out the process of trust repair by introducing a conceptual framework that provides a visual presentation on how value co-creation can be utilised in the process to repair trust.

1.3 Research context

The data set comprised of customers, frontline employees and managers from the biggest telecommunication organization in Kenya, as well as one of the longest service banks in Kenya. Kenya is considered a typical example of an emerging market due to some of its characteristics which are associated with emerging markets, which include: lower than average per capita income with Kenya's per capita income in 2019 recorded as \$1816.5 (The World Bank, 2020) and rapid social change, which is highly volatile such as natural disasters and political instability.

Figure 1.1 Kenya's political stability index



Source: The World Bank (2017)

Figure 1.1 above represents Kenya's political stability index for 2016 and 2017. In 2016 the political stability index was -1.35, while in 2017 the political stability index was -1.08. According to The World Bank, political stability index below -2.5 is regarded as weak, while above 2.5 is regarded as strong, with factors such as absence of violence and terrorism being considered (The World Bank, 2017). The statistics provided in figure 1.1 indicate Kenya has a fairly weak political stability and as recent as January 2019, Kenya was victim to terrorism (GOV.UK, 2019)

An interpretive paradigm was adopted to develop the study's design and the selection of the research methods best suited to address the developed research questions. Interpretivism lends itself successful for theory development or pattern development after the data has been collected and analysed to the primary pursuit of the study: which in this case is to explore and establish the factors that lead to trust repair after service failure by using value co-creation as the tool for repairing the broken trust.

A qualitative research design was employed given the need to explore whether the new conceptualization of trust repair by using value co-creation as a tool for trust repair was in line with customers, frontline employees and managers perception of the process trust repair after a service failure and the effectiveness of value co-creation as a tool for repairing the broken trust. Therefore, the research design included in-depth interviews with 56 participants, which included: 36 customers, 16 frontline employees, and 4 managers, representing the telecommunication organisation and the bank from two of Kenya's biggest cities, Nairobi and Mombasa respectively.

The qualitative analysis was analysed using thematic analysis (Braun and Clarke, 2006) whereby themes were developed to bring out the participants expressions of trustworthy relationship constructs in an organizational context and its role in service marketing discussions.

Figure 1.2 represents a visual representation of the structure of this thesis. Each chapter of this thesis is structured as follows:

Chapter one – Introduction to thesis

This chapter addresses the aims and objectives of this thesis, presenting the importance of the study as well as the structure of the thesis. This chapter extends the introduction to this research, as well as an overview of the research approach and the main framework.

Chapter two – Literature review

This chapter addresses the first three objectives of this thesis which include: 1) to examine trust violation and trust repair in the Kenyan service sector 2) to critically analyse the concept of value co- creation as a tool for trust repair in the Kenyan service sector 3) to critically analyse the role of frontline employees and managers in the process of repairing customer trust.

Chapter three – Conceptualization chapter

This chapter continues the theoretical foundations discussed in Chapter two by addressing objective 4 that focuses on developing a theoretically and empirically grounded conceptual framework for repairing trust. This chapter presents a) the existence of new constructs of trust repair and b) highlighted the role of value co- creation in the process of trust repair.

Chapter four - Methodology

This chapter presents the research design as well as the methods and approaches used to address the research questions. This chapter will introduce qualitative research as the research methodology used in this thesis, using face to face interviews. The sampling method used in this thesis will also be discussed in this chapter.

Chapter five – Data collection strategy

This chapter presents the data collection strategy and provides a detailed explanation on the data collection process, information on how the data was analysed, as well as us how NVivo

was used in the process of analysing the data. Finally, the theme development process will also be discussed in this chapter.

Chapter six – Empirical findings

This chapter presents the evidence from the empirical investigation conducted. It also reports the results of the findings from this research, providing an initial introduction to the discussion of these results.

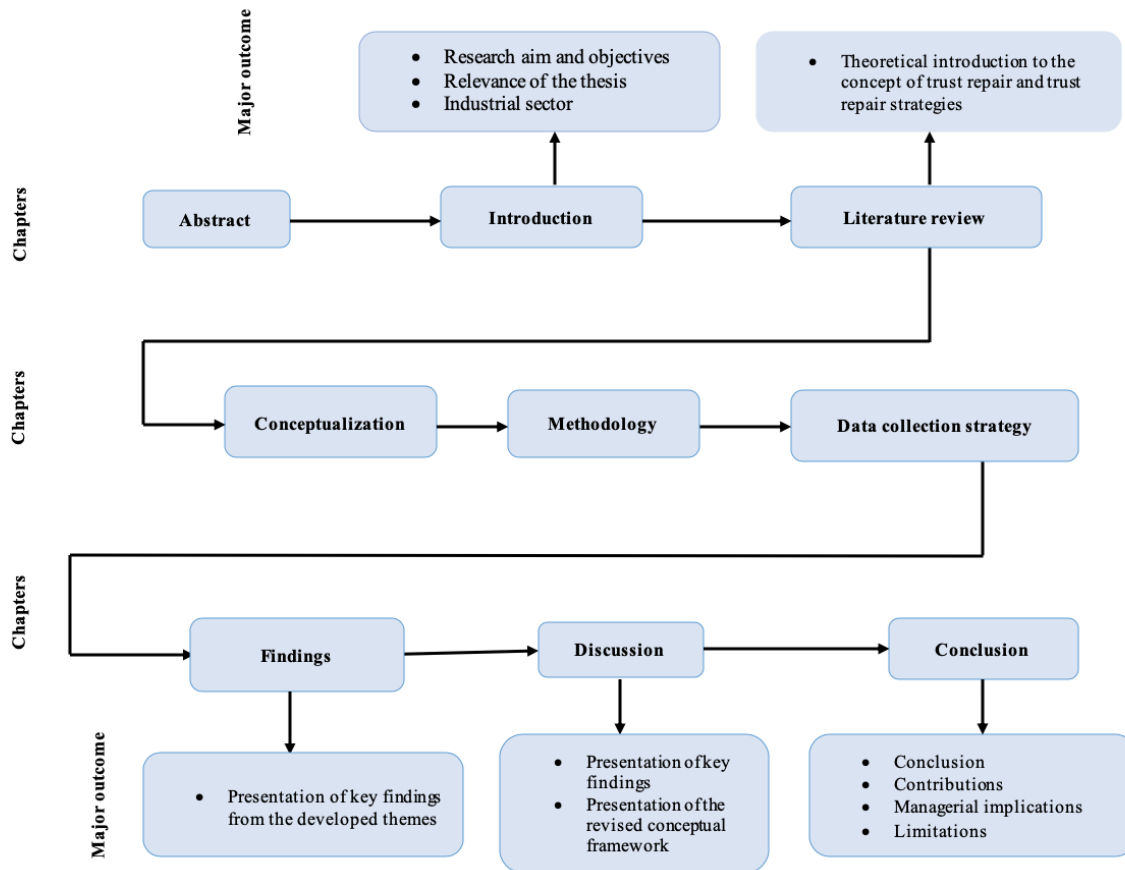
Chapter seven - Discussion of empirical evidence

This chapter presents the discussion chapter of the empirical findings against existing literature, as well as the interpretation and discussion concerned with the presentation of trust repair strategies. This chapter will also present the revised framework, modified based on the findings from the data analysed in this thesis.

Chapter eight - Conclusion chapter

This chapter presents the conclusion of this thesis. This chapter discusses the key findings of this thesis, as well as highlighting the limitations, contributions and managerial implications, including discussing directions for future research.

Figure 1.2 Structure of thesis



1.4 Overview of emerging markets

The rise of emerging markets according to Sheth (2011) is less than three decades old, with the term emerging markets being introduced in 1981 (Sharma et al., 2019). Over the years, there has been a renewed interest among marketing researchers to understand the differences between the consumers in the developed and emerging markets as well as the challenges and opportunities posed by these differences for both local and foreign marketers in these emerging markets (Sheth, 2011; Sharma, 2011; Guo, 2013; Kotabe and Kothari, 2016). This is because a majority of the emerging markets suffer from poor infrastructure and this does not necessarily refer to poor roads, but also poor transport systems, communication systems, financial institutions, shortage of electricity and good quality of education. Therefore, highlighting that

consumers in the emerging markets experience different challenges as compared to those experienced by consumers in the developed markets.

Emerging markets are also popularly known for their basic lack of marketing infrastructure which in the past, led to low market penetration, small market shares and poor profitability of foreign players in these markets (Dawar and Chattopadhyay, 2002). As a result of the shortcomings in the emerging markets such as low level of literacy resulted in the consumers in the emerging markets in the last decade, having no knowledge of brands and therefore international organizations did not have any success in emerging markets. This is because the consumers did not recognize the value of these international brands and instead would remain loyal to the local homemade products (Sheth, 2011; Sharma et al., 2019).

For this reason, it is important to study emerging markets and most especially the consumers and the markets and because they represent a large share of the world's population as well as economic growth (Sharma et al., 2019). For instance, Kenya faces an infrastructure financing shortage of approximately \$2.1 billion every year (The World Bank, 2017). Therefore, a stronger focus on emerging markets will push the theoretical boundaries of the marketing discipline and also provide significant practical benefits and managerial implications (Burgees and Steenkamp, 2013). This is because earlier studies in marketing have focused on marketing strategies and applications that are applicable and effective mostly in developed markets. Consequently, there is a need for research in marketing to also be conducted in the emerging markets to identify the marketing applications that can be generalised in both emerging and developed markets. As well as to identify marketing strategies that can only be applicable in the emerging markets as a result of factors such as underdeveloped infrastructure and cultural influence.

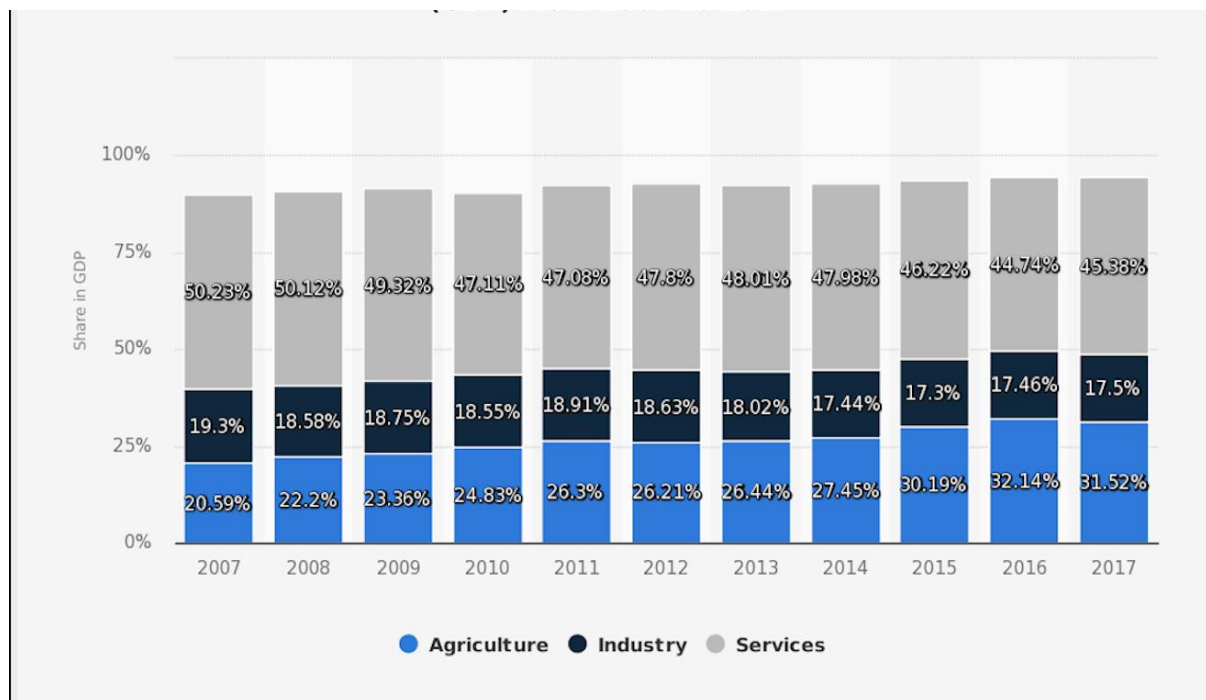
Areas in marketing such as relationship marketing and more specifically those focusing on trust recovery and trust repair have received limited research attention. Relationship marketing

establishes a competitive advantage by attracting, developing and maintaining relationships with customers through building trust and making commitments of resources to customers (Hunt et al., 2006). There is therefore a need for research in relationship marketing in emerging markets to investigate whether concepts of trust repair and recovery are present in emerging markets and to find out whether consumers are aware of existing relationships between them and service organizations. Many customers have no brand or product knowledge. They often do not even know how many markets operate. They largely depend on an intermediary, who provides selective information, selective choices, and cash flow financing (Sheth, 2011).

1.5 Kenya and its service industry

According to Statista (2019), Kenya's population in 2016 had risen to a population of approximately 46million. Kenya has a growing service sector, Figure 1.3 below shows share of economic sectors in Kenya's GDP from 2007 to 2017, with 45.34% of Kenya's economic growth in 2017 being derived from the service sector. Economic growth reached 5.8% in 2016 making Kenya one of the fastest growing economies in Sub- Saharan Africa (The World Bank, 2017). This is due to the rise in the tourism and agricultural sectors. The Kenyan economy, however, since the end of 2016 has been negatively affected by several factors, such as drought in the country and this has resulted in a decrease in the level of food production. This has greatly affected the economic growth of the country and this is because agriculture is the highest contributor in the country's GDP (The World Bank, 2017). The other factors that have also affected the economic growth in the country include an increase in oil prices, political instability due to the 2017 presidential elections and the slowdown in credit growth in the private sector. All these factors resulted in the country's GDP dropping from 5.5% in 2016 to 4.8% in 2017 (The World Bank, 2017). However, with the drought over in early 2018 and the country slowly regaining stability after the 2017 elections, there are predictions of a rise in economic growth in Kenya by the of the 2018 financial year.

Figure 1.3 Kenya's share of economic sectors in the gross domestic product (GDP) from 2007 to 2017



Source: Statista (2019)

1.6 Conclusion

As outlined in this chapter, the main aim of this thesis which is to provide a clear pattern that highlights the process of trust repair after a service failure in the Kenyan service sector has been presented. In addition, this chapter has also presented five main objectives around which the thesis is structured. The thesis structure has also been presented, highlighting how each chapter contributes to the respective objective. Finally, this chapter has presented a summary of the research approach.

The relevance of this thesis is justified by identifying the key disconnects and the limited research in customer trust repair. According to Bozic (2017) most of the research on trust repair has focused on intra-organizational trust repair (Dirks et al., 2009; Kramer and Lewicki, 2010; Bachmann et al., 2015) and he argues that this research cannot be applied to consumer trust repair because of the difference between employees and consumers. Accordingly, this research

addresses the existing gap in trust repair and provides a framework that can assist organizations in the process of trust repair after a service violation by showing how value co-creation can be used as a tool during the trust repair process.

CHAPTER TWO: LITERATURE REVIEW

2.0 Chapter overview

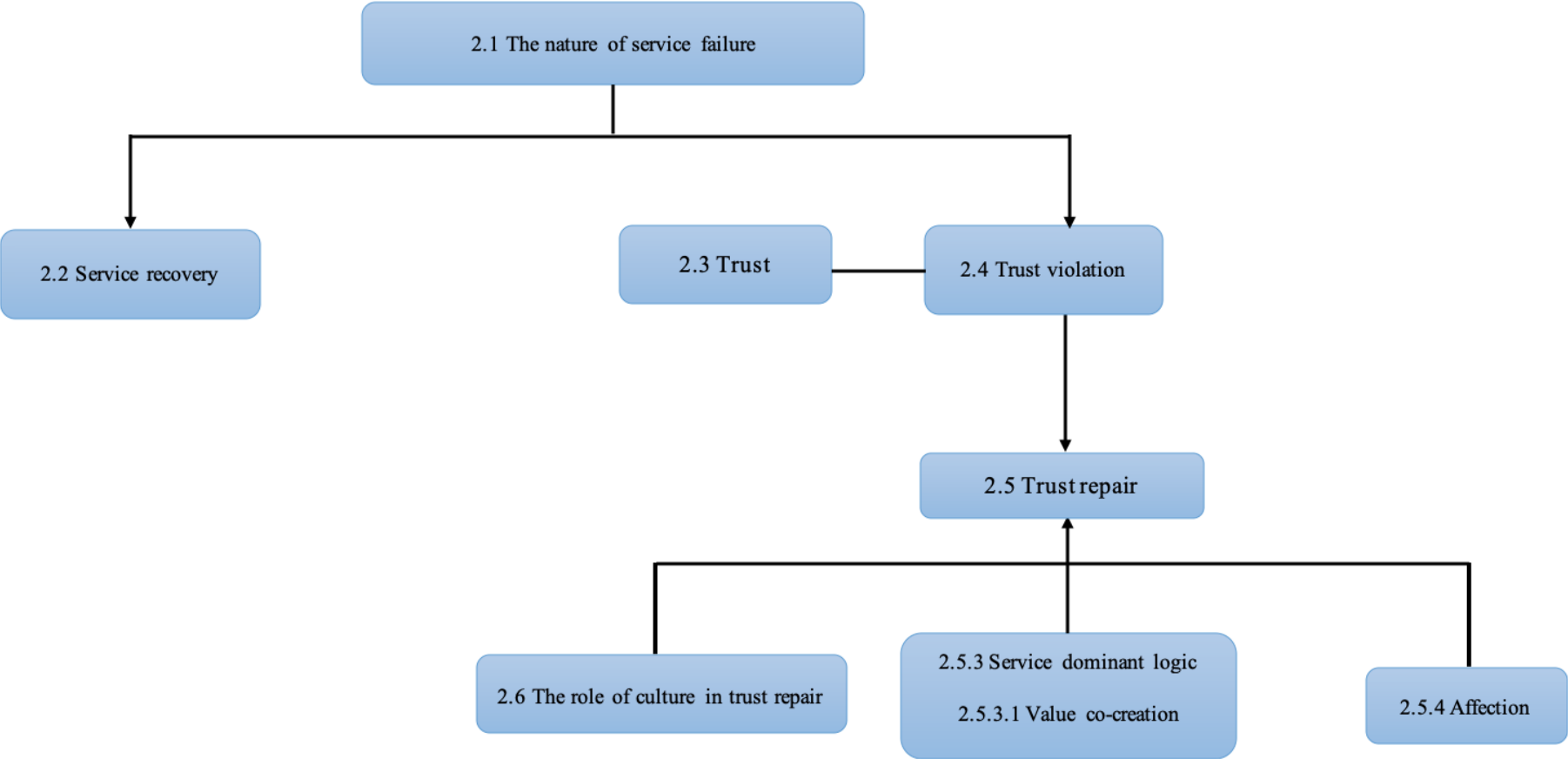
The study of trust repair has gained a lot of interest in research since the mid 1990's (Dirks et al., 2009; Kramer and Lewicki, 2010; Bachmann et al., 2015; Bozic, 2017). This is due to the fact that trust is considered an important factor in organizations, as trust is the foundation of the relationship between organizations and its customers (Lewicki and Brinsfield, 2017; Stevens et al., 2018). Trust is believed to be a key ingredient for a long-term relationship between customers and organizations (Morgan and Hunt, 1994; Aaker, Fournier and Basel, 2004) and it is also very important in strengthening customer loyalty, commitment and satisfaction (Pirson and Malhotra, 2011; Martin, 2018). As much as trust is considered important for any successful business, problems do occur, and recently there has been a high rise in trust violations, especially trust violations involving customers (Bozic, 2017). This has resulted to a growing body of literature focusing on trust repair and trust recovery (Kramer and Lewicki, 2010; Bachmann et al., 2015; Bozic and Kuppelwieser, 2019). To extend this growing body of research, this thesis will focus of identifying trust repair strategies in the Kenya service sector. However, before identifying new strategies for repairing customer trust as suggested by Bozic and Kuppelwieser (2019), it is important to investigate the factors that lead to trust violation and to have a better understanding of the different types of transgressions (Sitkin and Roth, 1993; Elangovan and Shapiro, 1998; Aquino et al., 2006; Kramer and Lewicki, 2010). As well as well as to identify the factors that can lead to customer trust repair such as explanation, apology, compensation and denial (Kramer and Lewicki, 2010; Lewicki and Brinsfield, 2017).

As discussed in chapter one, this research will analyse factors that result in trust failure and will identify strategies for repairing trust repair, including introducing a conceptual framework that highlights the role of customers, frontline employees and managers in the process of trust

repair. As a result of this, the purpose of this chapter is therefore to: 1) Examine the nature the nature of service failure and existing literature on how service failure can be recovered 2) provide the theoretical rationale for trust repair 3) to analyse the trust repair strategies proposed by existing literature 4) to identify the role of frontline employees and managers in the process of trust repair.

Figure 2.1 below represents the literature review map for this thesis. The figure highlights the key areas that will be discussed in this chapter, as well as clearly showing the connections between the topics and how they shape the direction for this thesis, including an providing an explanation for how the topics answer the research objectives of this thesis.

Figure 2.1 Literature review map



Source: author

2.1 The nature of service failure

Service failure has extensively been studied and this is because research has found that the successful delivery of service is pivotal for any organizations' success as it encourages customer retention, repurchase intentions, brand loyalty, commitment and strengthens the relationship between the customer and the customer (Zeithaml and Bitner, 2000; Coulter, 2009; Koc, 2010; Cassidy and Chin, 2015). However, regardless of successful delivery of service being considered one of the key foundations of a successful organisation, service failure has been found to be inevitable even for the biggest organizations providing the best form of service (La and Choi, 2010). This is as a result of the unique nature of service, which makes service highly personal and interactive in nature, making it susceptible to failure (Hart et al., 1990; DeWitt and Brady, 2003; McColl- Kennedy et al., 2003; Choi and Mattila, 2008; Magnini and Karande, 2009; Palmer, 2011; Jung and Seock, 2017). In other words, the tangible and inseparable nature of services also makes it nearly impossible for service providers to avoid service failure during service delivery (Chebat and Slusarczyk, 2005; Cambra-Fierro, Melero-Polo and Sese, 2015; Koc, 2019). Similarly, Hart et al., (1990) argue that service failure is inevitable at one point or the other in a service exchange situation no matter how hard the service provider tries to avoid it. McCollough (2009) conveys with this and emphasize that service failures occur on various occasions and that it is inevitable to avoid the occurrence of failure while providing services. It is therefore crucial that organizations understand the nature and ramifications of service failure (La and Choi, 2012). This is because service failure is not only considered to negatively affect a customer's service exchange journey (Vaerenbergh et al., (2019), but it is also considered a major cause of customer defection (Keaveney, 1995; McCollough et al., 2000; Knox and Van Oest, 2014). Koc (2017a) emphasize that service failure is prone to occur in the banking and telecommunication sector not only because of the nature or characteristics of services, but also because of the intense contact between the

customers and employees during service delivery. Due to the nature of services, Lapré, (2006) and Wolter et al., (2019) suggest that organizations need to be focused on identifying ways of resolving service failure, instead of trying to discover ways of eliminating service failure.

As a result of the extensive research in service failure, several definitions have been presented to explain its nature. Table 2.1 below provides an overview of the key definitions of service failure. Following the review of these definitions, there are two key themes that appear in the definitions of service failure and they include: service failure occurs when a service fails to meet customers' expectations, as well as when a lack of satisfaction is experienced after a service delivery. This thesis will use the definition by Palmer et al., (2000) which refers to any situation that has not gone as planned or as expected and as a result leads to negative feelings and responses. This is because this thesis focuses on evaluating trust repair strategies after a trust violation, which has been as a result of emotional loss after a service failure. Similar to the definition by Palmer et al., (2000), this research asserts that customers experience different types of emotions, such as anger, frustration and disappointment after a service failure. As a result of this, customers tend to experience negative responses such as emotional loss in the organisation, which this thesis considers to be the factor that leads to service failure.

Moreover, it is also important to note that service failure also results from factors such as customer dissatisfaction (Wang et al., 2014) negative word of mouth (Mattila, 2001) customer switching (Keaveney, 1995; Pranić and Roehl, 2013); Lower employee performance and morale (Bitner et al., 1994; Lee et al., 2013).

This research finds it important to first understand the concept of service failure and the factors that lead to service failure in order to better understand how trust violation occurs. Secondly, to identify how to resolve service failure and also to identify the factors for repairing broken trust, that has been as a result of service failure.

Table 2.1 Definitions of service failure

| Author | Industry | Definition | Author | Industry | Definition |
|-------------------------|-------------------------|--|------------------------------|-------------------|---|
| Koc (2017a) | Tourism and hospitality | Any type of error, mistake, deficiency or problem that occurs during the provision of a service, causing a delay or hinderance in the satisfaction of customer needs | Weun et al., (2004) | | The intensity of a service problem depending on how it is perceived by a customer |
| Voorhees et al., (2017) | | a situation in which customers perceive that the “core service” delivery was below their expectations. | Michel (2001) | Banking | Service failure refers to an instance whereby the service does not fulfil the customer’s expectations. |
| Chahal and Devi (2015) | Education | A situation when the quality of service does not meet the customers' expectations. | Maxham III (2001) | Telecommunication | Service failure is referred to as any adversity (perceived and/ or real) that takes place during a customer’s encounter with an organization |
| Chuang et al., (2012) | Banking | Situations in which customer perceptions of the service they receive fail to meet their expectations | Palmer et al., (2000) | Hospitality | Any situation that has not gone as planned or as required and as a result it leads to negative feelings and responses. |
| Zeithaml et al., (2009) | Education | This is when the delivered service does not meet the expectations of the customer, which then leads to customer dissatisfaction | Berry and Parasuraman (1991) | | A service failure is defined as a flared outcome that reflects a breakdown in reliability. |
| Lin (2006) | Food and retail | A situation where a service provider does not meet customer expectations in terms of its service products or engages in service behaviours that customers evaluate as unsatisfactory | Bitner (1990) | Travel | A situation where the provider of a service fails to achieve customer satisfaction when they do not adequately handle customer requests in a service encounter. |

Source: (author)

2.1.1 Factors that lead to service failure

A rich stream of research into the study of service failure has identified several factors that lead to service failure, including errors during the delivery of service, negative employee behaviour and mistakes in the final outcome of the service (Hoffman et al., 1995; Smith et al., 1999; Lee and Park, 2010).

Table 2.2 below represents the factors that lead to service failure. According to Bitner et al., (1990) and Hoffman et al., (1995) interactional service failure refer to the errors that occur when the customer is interacting with the organisation during the service encounter. Examples of this include encountering a rude employee, or an employee that appears not to be interested in serving the customer. Procedural service failure on the other hand refers to the manner in which the service is experienced by the customer (Smith et al., 1999). A good example of this, is a delay in service delivery. A process service failure on the other hand is referred to as an error that occurs when the service is being delivered (Smith et al., 1999; Chan et al., 2007). An example of this could be slow internet connection. This research stresses the importance of organisation having a clear understand of the nature of service failure, including some of the factors that lead to service failure (La and Choi, 2012) and most especially in their line of business. This in order to identify the ways that are best suited to resolve the service failure or to avoid the service failure where possible. Even if service failure is inevitable (Hart et al., 1990).

Table 2.2 Factors that lead to service failure

| Author | Factors that lead to service failure | Author | Factors that lead to service failure |
|-------------------------------------|--|--|---|
| <p>Bitner et al., (1990)</p> | <p>Group 1: Employee response to service delivery system failure:</p> <ul style="list-style-type: none"> ❖ Unavailable service ❖ Response to unreasonably slow service ❖ Response to other core service failures <p>Group 2: Employee response to customer needs. This include:</p> <ul style="list-style-type: none"> ❖ Response to “special needs” customers ❖ Response to customer preferences ❖ Response to admitted customer error ❖ Response to potentially disruptive others <p>Group 3: Unprompted and unsolicited employee actions. This include:</p> <ul style="list-style-type: none"> ❖ Attention paid to customers ❖ Try out of the ordinary employee behaviour ❖ Employee behaviour in the context of cultural norms ❖ Gestalt evaluation ❖ Performance under adverse | <p>Smith et al., (1999)</p> | <ul style="list-style-type: none"> ❖ Outcome related failure: occurs during the service encounter ❖ Process related failure: involves the manner in which the service is delivered. ❖ Irreversible/nonrepairable failure: When a service is unavailable. ❖ Reversible failure: When the service provided is incorrect, for example a wrong order. |
| | | <p>Nguyen and McColl-Kennedy (2003)</p> | <ul style="list-style-type: none"> ❖ Process failures vs outcome failures ❖ Magnitude of failure ❖ Core vs non-core failures |
| <p>Keaveney (1995)</p> | <ul style="list-style-type: none"> ❖ Core service failure: a mistake, an error in billing or a more dramatic service deficiency. ❖ Service encounter failure: is a deficiency in service delivery, for example a staff member who appears uncaring, impolite, unresponsive or unknowledgeable. | <p>Gelbrich and Roschk (2011a)</p> | <ul style="list-style-type: none"> ❖ Monetary vs nonmonetary failure |
| | | <p>Roschk and Gelbrich (2014)</p> | <ul style="list-style-type: none"> ❖ Irreversible vs reversible failure |

Source: (author)

There exists a debate on the type of service failure (see table 2.2) that carries more weight and has a greater impact on customers and the organizations (Chuang et al., 2011). This is because of the nature of the service failure, as well as the kind of relationship that the customers have with the organization. As a result of this, customers may react differently when they experience a service failure. Some consumers might choose to remain with the service provider or leave (Colgate and Norris, 2004). Some of the customers also chose not to complain (Susskind 2005), while others chose to complain in order to grant the service provider an opportunity to rectify the problem. Figure 2.2 below represents Colgate and Norris (2004) explanation of the different ways in which customers react when a service failure takes place. Table 2.2 shows that organisations see two types of customers after a service failure, complainers and non-complainers. Customer behaviour after a service failure is normally as a result of several factors, such as culture, the type of market, that is developed vs emerging market and learned helplessness (LaForge, 1989). As this research is focusing on trust repair strategies as a result of service failure, understanding how customers behave once their trust has been broken after a service failure will be important. As it will help the organisation in identifying effective strategies to use in repairing the broken trust as well as in resolving the service failure

Figure 2.2 Customer behaviour after experiencing a service failure

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Source: adopted from (Colgate and Norris, 2004)

2.1.2 Different levels of service failure

Service failure is perceived to occur at different levels during the service exchange process. The prior work on service encounter categorizes the relationship between the customers and service organisations into three categories: service or true relationship, pseudo relationship and service encounter (Guttek et al., 1999; Mattila, 2001). According to Mattila (2001) the three relationship categories also represent the different ways in which service is delivered, which in turn influences the degree of relationship between the organization and its customers, as this is based on the level of interaction between the customers and the organization when a service is being delivered. This research has found necessary to better understand the categorization of relationships between customers and organizations, in order to better understand to what extent these relationships influence customer's reaction to service failure. Guttek et al., (1999) explain the three levels in a service exchange relationship as follows:

Service or true relationships

In this type of relationship, the customer and organisation are expected to have multiple encounters, as compared to a one-off encounter. The customers in this relationship, develop relationships with the employees of an organisation, because their frequent interaction with the organisation allows them to interact with the same employees' multiple times. An intimate bond is developed as a result of the past interactions between the customers and the organization (Guttek, 2000). Customers in this relationship demonstrate high levels of trust in the organization and willingness to spread positive word of mouth about the organisation to others. According to Liljander and Ross (2002), customers in true relationships enjoy benefits such as customized services that tie them to the organization in a positive way.

- *Pseudo relationships*

In pseudo relationships, customers have repeated encounters with the same organisation, however, the customers interact with different service employees during each interaction (Mattila, 2001). Guttek et al., (1999) refer to pseudo relationships as relationships with strangers. As a result of the customer having multiple encounters with the organisation, the relationship between the organisation and customer allows the customer to develop some form of familiarity with the organisation. According to Guttek et al., (2000) customers in pseudo relationship are not concerned about having their services delivered by one particular employee. The only expectation is for all the employees to treat customers the same way.

Service encounter

In this type of relationships, the customers are expected to have a single encounter with the service organisation. Customers in this type of relationship interact with multiple brands in

and do not place loyalty or commitment to one single organisation. In service encounter relationships, the organisation to consider to only focus on acquiring new customers and focus less on fostering long- term relationships (Liljander, 2000). According to Mattila (2001) both the customer and the service organisation do not normally expect any future commitment as the service encounters in this category of relationship is normally an isolated interaction.

2.1.2.1 Transactional service failure

According to the different levels of relationships identified by Gutek et al., (1999), this research assumes that transactional service failure takes place during the service encounter relationship. Customers in this type of relationships only experience a transactional related loss due to the fact that no deep-rooted relationship exists between the organisation and the customer and also because there are low involvement transactions.

2.1.2.2 Emotional service failure

Emotional service failure is considered to occur in a service or true relationship and pseudorelationships (Gutek et al., 1999). This is because when customers experience a service failure in this type of relationships, they not only experience a transactional loss, but also an emotional loss. Customer's confidence in the organization (which the literature by Gillespie and Dietz (2012) refer to as an aspect that characterises trust) is also affected by the violation incurred (Palmatier, 2008) and in most occasions this leads to customer trust in the organisation being negatively affected (Wang, 2007). This is as a result of high involvement transactions in this type of encounters. For example, in the banking sector in some developing countries, whereby the customers have to go to their bank branch to complete a transaction. In such situations, customers tend to develop a level of trust and loyalty towards the organisation. Indeed, a service failure may result to emotional loss because the it is considered as an act of betrayal on the part of the service provider and in turn result to the customer generating

negative feelings towards the organisation, which is associated with broken trust (Grégoire and Fisher 2006).

2.1.3 Service failure severity

The severity or magnitude of service failure perceived by a customer is what is referred to as service failure severity (Smith et al., 1999; Weun et al., 2004). The severity of service failure also refers to the “magnitude of loss incurred by the customer as a consequence of negative experiences” (Huang, 2008, pp. 525). According to Lorenz, Johnson and Barakat (2017) the severity of service failure is measured according to the loss experienced by the customer and this impacts the extent in which customers are satisfied with the recovery process.

Service failure appears in different grades of severity starting from a low degree such as a short delay to more serious failures such as getting food poisoned in a restaurant (Palmer, 2011).

The magnitude of service failure and the severity of the failure are argued to be the cause of negative behaviours displayed by the victim (Leung, 1988). According to Schoenbach (1990) the greater the severity of the service failure, the more negative reaction will be observed from the victim. However, minor service issues which result in mild inconvenience are less likely to bring about significant negative behaviours such as revenge (Folkes, 1984). Nevertheless, customers experience a greater loss when the failure severity is high or increases even if an adequate recovery system is implemented (Weun et al., 2004; Lai and Chou, 2015; Nikbin et al., 2015). Service failures involving serious issues can result in severe loss and cause vengeful behaviours (Bechwati and Morrin, 2003). In other words, the greater the severity the more blame will be placed on the organization (Laufer, Silvera and Meyer, 2005) and the higher the level of dissatisfaction from the customer (Magnini et al., 2007). Similarly, Batak et al (2015) and Sengupta et al., (2015) also state that customer satisfaction with the service recovery, is greatly influenced by the level of severity of the service failure.

Research on service failure severity has categorised service failure severity using levels such as high and low service failure severity (Smith et al., 1999) and major and minor service failure severities (Keiningham et al., 2014) with major severity being considered to be extremely serious in the airline industry resulting to death. While minor severity is considered to result to minimal losses such as a late flight. However, this research finds it important to extend the research in service failure severity, as there is a need to find out directly from customers, the way in which they perceive service failure severity. As this will allow organisations to understand the factors that influence customer's perception of the levels of service failure severity.

Service failure severity significantly impacts the relationship between the interactions of the service organisations, trust in the organisation because it reduces the perceived reliability and confidence that the consumer has in the service provider and or the organization (Weun, Beatty and Jones 2004). Conversely, it negatively influences customer loyalty (Wang et al., 2011), increase customer dissatisfaction, influences customers repurchase intentions (Soares and Proença, 2015) and damage relationships with organisations (McQuilken, 2010; Sajtos et al., 2010).

Earlier studies have suggested that when research on service failure and service recovery is being conducted, service failure severity should also be considered as an area of study in order to ensure the viability of the study (Kelley et al., 1993; Webster and Sundaram 1998). This is because the impact of service failure is perceived differently by one customer to the next (Kahneman and Tversky, 1979) due to individual and situational variables and factors such as personality (Soares and Proença, 2015; Kruger, 2019). Therefore, organisations need to be able to understand the best way to resolve a service failure, by understanding the severity of service failure based on a customer's perspective (Soares and Proença, 2015). This will increase the chances of a customer being satisfied with the service recovery process.

2.1.4 Summary

This section provides an overview of the underpinnings of service failure. In order to better understand how trust violation transpires, it is important to first understand service failure, including the point at which service failure leads to emotional loss, which as a result leads to trust violation. It is also important to understand the factors that lead to service failure, even if service failure is considered to be unavoidable. Managers need to understand the different factors that lead to service failure, as it will provide a better understanding as to how trust violation comes about. The next section draws from service recovery literature to theoretically address how service failure is resolved.

2.2 Service recovery

Lovelock et al., (2009) define service recovery as the attempt by an organization to rectify a problem, after a service failure taken place. Service recovery is also considered a planned process that involves actions and activities taken by the service provider to rectify, remedy and correct a perceived service failure (Gronroos, 1988; Kwon and Jang, 2012; Kaltcheva et al., 2013). Vaerenbergh and Orsingher (2016) on the other hand, refers to service recovery as the set of actions an organisation takes to improve customer satisfaction and loyalty after a service failure.

The origin of the term “recovery” can be traced back to ‘Putting the Customer First Campaign’ of British Airways (Aish and Yousef, 2011). Service recovery continues to obtain augmented consideration in part due to mounting customer expectations and competitive marketplace responses designed to meet and exceed those expectations (Brown, Cowles and Tuten, 1996). Grewal and Levy (2007) state that providing a successful service recovery remains a challenge for many service organizations. It has been noted that service failure likely invokes a sense of injustice prompting the consumer to seek redress in the service recovery stage (Lin et al., 2011).

Temkin, (2012) states that in service recovery management, practitioners have developed their efforts to discovering solutions aimed at recovering service failures and retaining customers. As organisations have realised it is much more expensive attaining new customers as compared to retaining existing customers (Pfeifer, 2005). However, Hoffman et al., (2016) states that when a service failure takes place, many organizations simply attempt to resolve the failure and move forward with the hope that operations will return to normal, but organisations quickly forget and do not learn anything from their past violations.

Orsingher et al., (2010) argues that an effective service recovery strategy enables service providers to repair damage trust caused by the service failure and allows the service provider the chance to increase customer satisfaction and loyalty levels. Cambra- fierro et al., (2011) adds on that an effective service recovery aids in strengthening long- term relationships with customers and provides customers with valuable feedback and information that can be used to improve service delivery. Moreover, Krishna et al., (2011) emphasize the need for service providers to ensure that the service recovery process is focused, well implemented and managed, as customer's reactions to service failures differ from customer to customer.

It is important to note that service recovery may not always make up for service failures, but it can lessen its harmful impact when problems are properly handled (Colgate and Norris, 2001). Regardless of this fact, it is considered the norm that when a service failure occurs, the service provider has to address the issue in order to maintain a good relationship with the customer (Lovelock and Wirtz, 2007). In other words, customers might feel happy, valued, or even proud for having obtained an appropriate solution to the problem (Ozgen and Kurt, 2012). This is because that the intentions of the organisation are to ensure customer satisfaction is always maintained. Vaerenbergh, Varga, Keyser and Orsingher (2019) highlight that many customers are still dissatisfied with how organizations respond to service failures. According to Davidow (2015), organizations still struggle to deliver effective recovery, despite the vast body of

research in service recovery. This is because organizations continue to view service recovery as a cost rather than an investment.

As a measure to recapture customer trust and satisfaction, service providers may adopt various sustainable recovery strategies (Johnston and Michel, 2008). Table 2.5 in section 2.5 shows service recovery initiatives that have been put forward by Zeithaml, Bitner and Gremler (2006) and Krishna et al., (2011) showing the initiatives that most researchers deemed as the most appropriate as service recovery strategies. This thesis will use the service recovery initiatives put forward by Zeithaml et al., (2006) and Witz and Mittila (2004) in Table 2.5 because they provide a more extensive overview of service recovery strategies which matched this thesis research aim.

2.2.1 Service recovery strategies

The previous sections have highlighted the different factors that result to service failure and after a service failure. This section reviews the different service recovery strategies and their effectiveness in the service recovery process. Earlier research has identified verbal statements such as, excuses, explanation apologies, compensation and denial (Lewicki and Brinsfield, 2017) all highlighted as verbal statements, designed to acknowledge that a violation has occurred and to explain how it occurred (Druckman, Lewicki and Doyle, 2019). Kharouf and Lund (2019) found that apology, compensation, explanation and denial are the most effective strategies organisations can employ, therefore, this thesis will draw on these strategies to examine trust repair in the Kenyan service sector.

2.2.1.1 Apology

An apology refers to a combined statement of an acknowledgement of wrongdoing and an expression of guilt Lazare (2004). However, Fehr and Gelfand (2010) refer to apologies as messages containing acknowledgements of blameworthiness for negative events, which can include expressions of remorse (Davidow 2003; Roschk and Kaiser, 2013). Wang, Mattila and

Barlett (2009) refer to apologies as a public expression of remorse through which an organization acknowledges the complainant's distress. Roschk and Gelbrich (2014) similarly, state that when an apology is provided when a customer is in distress, it provides an emotional benefit that can offset the lack of attention customers feel after a service failure. Similarly, Haesevoets et al., (2013) state that an apology is crucial in maintaining relationships, as it focuses on addressing the emotional damage caused by the violation. An apology is considered an important strategy used by organizations to protect themselves from threats of their perceived trustworthiness after a trust violation (Kim et al., 2004; Bruhl et al., 2018). This is because it demonstrates that the organisation is remorseful and accepts that their conduct was wrong and unacceptable (Lewicki and Polin, 2012) and that the misconduct will not be repeated (Bachmann et al., 2015). In turn this promotes the organizations, trusting intentions. Ma et al., (2019) concur and also highlight that an apology after a trust violation is an effective strategy during the process of repairing customer trust because it is able to repair the perception of the organization's trustworthiness. As such, Vaerenbergh et al., (2019) emphasize that organizations should always offer an apology after a service failure, as the initial step of the service recovery process.

Grover et al., (2014) state that the cause of a violation is attributed to the organisation once they offer an apology, as it demonstrates that the organisation is admitting responsibility for the violation and expressing regret (Rasouliau et al., 2017). Apologies are associated with double effect which involves both negative and positive effects (Roschk and Kaiser, 2013; ten Brinke and Adams, 2015). The positive effect involves the apology representing the organisation's concern and sign of remorse for the customer, while the negative effect of delivering an apology represents an organisation admission of guilt for the service failure (Davidow, 2000; Rasouliau et al., 2017). Hence, it is assumed that giving an apology after a transgression could lower trust customer's trust it indicates that the organization attributes the

negative event to internal causes and deserves the blame (Scher and Darley, 1997; Bruhl et al., 2018). However, Roschk and Gelbrich (2014) state that an apology is particularly valuable, as it provides an emotional benefit that can offset the lack of attention customers feel after a failure and resulted to a positive response in the process of trust repair as it increases a trusting behaviour (Schniter and Sheremeta, 2014). On the other hand, Weiner (1991) posit that if an apology is effective, trusting parties may alter attributions to more external and uncontrollable causes, which could distract attention from the transgressor and, thus could repair trust (Brühl, Basel and Kury, 2018).

Darby and Schlenker, (1982) found that a victim expects a more profound apology depending on the magnitude of the negative repercussion caused by the transgression. Hence, an elaborate apology seems to be of higher psychological value to victims (Roschk and Kaiser, 2012). According to Sengupta et al., (2018) one of the clearest recommendations in recovery research is that organizations should apologize for service failures. As research in trust repair has gained a lot of interest in the last two decades, studies have highlighted that apologies are effective when an apology is given after a violation, as compared to when no apology is given. This is because by delivering an apology, the organisation is considered as showing empathy and concern for its customers and this can help in the repair of customer trust (Roschk and Kaiser, 2013; Rasoulilian et al., 2017). An apology is considered effective, when the person responsible for the service failure is sincere and takes personal responsibility for the violation and delivers an apology shortly after the trust violation has occurred or when a complaint has been made. This is because the parties involved at this point, already have a strong established relationship with each other and the trust has less likely been broken (Tomlinson et al, 2004; Druckman et al., 2019).

Based upon psychological research by Fehr and Gelfand (2010). Empathy, intensity and timing have been identified as three key components that distinguishes a good apology from a bad

apology These three components are important in the process of trust repair, because they do not only highlighting that the organization cares about its customers, but that they acknowledge that the customers have suffered a loss or a violation and that they are willing to rectify the problem.

The intensity of an apology when saying sorry for a service failure is defined by how often the service employee used the word “sorry” or synonymous (Roschk and Kaiser, 2012). Therefore, intensity reflects the implicit understanding in expressions such as “an elaborate apology” or “apologizing more strongly” used in current literature (Leary, 2010). This is in line with Lewicki and Brinsfield (2017) who emphasize that the content of an apology is essential when customers are evaluating the sincerity of the apology from the organisation and the level of the organisation’s remorse. Lewicki et al., (2016) also emphasize that the effectiveness of apologies is tied to the linguistic structure of the apology.

An apology is a complex statement, and it is essential to clearly distinguish between the different components of an apology and to evaluate their effectiveness in repairing trust (Scher and Darley, 1997; Lewicki and Polin, 2012). A poorly delivered apology can even further afflict and disrupt a relationship (1989). An apology is a first step toward reconciliation (Lewicki and Bunker, 1996) and further indicates and organization’s integrity and concern for those affected by the transgression (Korsgaard et al., 2002; Gillespie and Dietz, 2009).

The third component of an apology is timing. It refers to the point in time after failure occurrence when the service employee apologizes and reflects the chronological component (Frantz and Bennis, 2005). As earlier stated by Druckman et al., (2019), an apology is considered effective when it is delivered shortly after a service failure has taken place. This should be before the customer makes their own conclusions regarding the service failure and ends up losing trust in the organisation.

2.2.1.2 Compensation

Compensation refers to a strategy employed by organizations after a service failure has taken place, in order to provide the customer with some value-added benefit, so as to balance out the negative impact attributed to the service failure (Boshoff, 1999; Bonifield and Cole, 2008; Roschk and Gelbrich, 2014;2017). For example, organisations offer compensation in the form of free services, money, discounts and coupons in order to make the service exchange equitable for the affected customer (Ennew and Schoefer, 2003; Park and Park, 2016). Compensation is one of the most often used recovery strategies (Levesque and McDougall, 2000) and some researchers even argue that it is the most important strategy for dealing with service failure (Tax et al., 1998). Earlier research has highlighted that compensation is a tangible and substantive action and should indeed facilitate the process of restoring trust (Bottom et al., 2002; Desmet et al., 2010; 2011).

Bottom et al., (2002) have emphasized that compensation is considered more effective in restoring relationships after a violation, as compared to apologies. Indeed, earlier research has shown that after a service failure, a provider that carries out a service recovery strategy that involves a financial compensation (versus another who does not carry out this activity) will experience more favourable responses from the customers (Wirtz and Mattila, 2004; Harris et al., 2006). Similarly, it has been argued that compensating disgruntled customers, is the most effective strategy to cancel an organization's failure (Gelbrich and Roschk, 2011a; Gelbrich et al., 2014).

Prior research suggests that the efficacy of compensation as a service recovery strategy is influenced by the magnitude of the service failure (Smith et al., 1999; Johnston and Michel, 2008). Farrell and Rabin (1996) have argued that apologies are merely "cheap talk" and one of the ways in which trust can be effectively repaired is by introducing some form of

compensation and reparations to restore the tangible damage created by the violation or the monetary loss incurred by the customer.

According to Vazquez- Casielles et al., (2012) the lack of a financial compensation can produce anger, as customers feel that they have paid for a (higher or lower) quality service but that, due to the failure, they have really received a service of a substantial lower value. Thus, the financial compensation is a strategy to restore equity and it also increases the customer's predictions towards complaining to the organization (the customer when faced with future service failures complains to the organization as it has already shown its intention and ability to solve problems) (Vazquez- Casielles et al., 2012). Accordingly, a non-verbal response, such as the offer of a financial compensation, may be necessary to validate and strengthen the claim that the perpetrator will behave trustworthily in the future (Dirks et al., 2011). Earlier research states that offering financial compensation after a violation is enough for the person that has been wronged to trust the organisation again and to re-establish their relationship (Bottom et al., 2002; De Cramer, 2010; Desmet et al., 2010; 2011).

According to Desmet et al (2010), financial compensation is classified into three categories: under compensation (smaller than loss) equal compensation (equal to loss) and overcompensation (more than loss). Desmet et al., (2011) indicate that overcompensation will result in a greater willingness to preserve a relationship. Haesevoets et al., (2015) concur and state that overcompensation offers greater satisfaction with the service recovery process, positive perception of the offender and also encourages higher levels of trust in the offender and in turn positively influences a greater wiliness for the customer to continue their relationship with the organization. This is because the customer will realise that the organisation is not only profit focused but is also focused on maintaining their relationship with the customer and to ensure that they are satisfied with the service encounter. Moreover, Gelbrich et al., (2016) assert that managers should offer compensation according to their

customers' relationship status. For strong relationship customers, overcompensation (or combining compensation with another strategy) is important, because these customers give high return satisfaction, while for weak relationship customers, given they provide limited satisfaction returns (service providers shouldn't invest too much on them as they won't value the gesture).

2.2.1.3 Explanation

An explanation, according to Bozic and Kuppelwieser (2019) refers to a statement that provides information containing details indicating what could have resulted to the service failure, what products and services could have been affected and what action is being taken to resolve the problem. Shawn et al., (2003) state that providing an explanation after a service failure is important because a service failure is an event that is not obvious or entirely known to a customer and therefore there is a need to provide information providing details on the cause of the service failure. Earlier research by Bies (1987) and Folger and Cropanzano (1998) identified four types of explanation that have been followed by many other authors and are distinguished as: excuses, justifications, referential and apologies. According to Blount (1995) customers tend to be motivated to find an explanation whenever a violation takes place, especially in the case whereby the customer decides to make a complaint about the violation. Gelbrich and Roschk (2011) findings support this argument and state that customers seek the possible causes of a service failure and this helps to mediate consumer's negative response towards the organisation. Providing customers with an explanation regarding the causes of a service failure is considered important for the organisation, because the organisation is able to get ahead of the situation, in order to be able to avoid any speculations regarding the cause of the service failure, which can make the situation worse and sometimes unfixable. For instance, research by Folkes (1984) found that customers normally have a strong interest to find out the cause of a violation and they tend to form an assumption of the cause of a violation from

whatever information available to them. Concurrently, Weiner (2000) and McColl- Kennedy and Sparks (2003) highlighted that customers are likely to assign assumptions as the cause of the violation. However, in order for organisations to ensure that customers do not assign assumptions to a service failure, Baker and Meyer (2014) suggest that in order for organisations to have control of the situation after a service failure has taken place, they should ensure that they provide customers with clear information on the cause of the violation. This does not necessarily get rid of all the negativity associated with the violation, but it helps the customer to better understand the cause of the violation which helps in restoring some level of trust.

Tax et al., (1998) found that customers are expected to convey positive feelings when an organization takes responsibility of the violation and takes the initiative to provide customers with an explanation or information to help in better understanding the cause of the violation. Explanations have been associated with positive outcomes after a service failure. For instance, it is believed that explanations might lower how customers perceive the level of service failure severity (Karatepe, 2006; Sparks and Fredline, 2007). In some situations, explanations influence customers perception on the cause of the service failure and it results to customers shifting the cause of the service failure to external factors instead of the service organization (Bitner, 1990; Mattila and Patterson, 2004). In addition, Pugh et al., (2018) found that explanations are not only important when informing the customer on the causes of the service violation, but also when it is used to pass on information to the customers on how the organization plans to prevent the failure from happening again. This is important during the trust repair process, as it helps to develop a trusting belief on the part of the customer.

The quality of an explanation is regarded important, in order for the explanation to be considered effective. For instance, past research has highlighted that an effective explanation should contain two key elements, adequacy and sincerity (Bradley and Sparks, 2012; Wilson

et al., 2012). This means that a high-quality explanation should be clear, informative and truthful in order to produce high levels of satisfaction. Explanations are found to be more effective in the process of trust repair when coupled with apologies (Bottom et al., 2002). Essentially, Elangovan et al., (2015) found that the use of explanations and apologies together, during a recovery process are more effective in minimising the erosion of trust than providing an explanation on its own. Similarly, Lewicki and Brinsfield (2017) emphasized that it is considered important to include an explanation while delivering an apology after a violation. The explanation should contain details for why the violation took place, as this is considered important during the recovery process, as it leaves the customers feeling that the organization is being transparent and in turn, they consider the organization credible (Beth et al., 2010).

2.2.1.4 Denial

Denial is considered one of the frequently used recovery strategies applied by service organizations (Kim, Avery and Lariscy, 2009). Denial can be negatively perceived as it indicates that the organisation feels that there is no need to rectify its behaviour after a violation (Kim et al., 2004; Ferrin et al., 2007; Poppo and Schepker, 2010). Erickson et al., (2011) state that denial is used by organizations as strategy to reject any form of responsibility for a violation.

A denial is regarded as a recovery process that lacks empathy and ignores the customers as it does not normally leave any room for any form of interaction with customers after a violation (Coombs, 1999). Moreover, a denial may result to a situation escalating as customers may feel that they did not receive an explanation for the cause of the failure or answers to their queries regarding the violation, which leads to frustration and sometimes anger (Gillespie et al., 2014). According to Fuoli et al., (2017) denial tends to be used as a means to confuse customers in their agenda of obtaining the truth behind the causes of a trust violation and this in turn interferes with the process of trust repair. As it creates a sense of untrustworthiness on the part

of the organization. Coombs (1999) emphasize that denial as an organization's response after a service failure, ignores the needs of the customers and indicates a sign of no compassion, on the part of the violator (the organization). Gillespie et al., (2014) concur with this and indicate that, denial may result in the crisis caused by a violation to escalate because it leaves important questions unanswered and this in turn leads to customers being frustrated as they need to understand the cause of the violation. The use of denial after a violation by an organization may indicate that the organization feels that there is no need to rectify their behaviour (Kim et al., 2004; Ferrin et al., 2007; Poppo and Schepker, 2010). Kim and Harmon (2014) also emphasize that the main problem with using denial after an integrity-based violation, is that the organization might have actually committed the violation and therefore by denying, they will see no reason to make any changes in order to avoid the issue from reoccurring.

According to Dai and Wu (2015) denial is divided into two, direct and indirect denial. Direct denial refers to the trustee outright claims the facts and reasons for the violation are false. Indirect denial on the other hand is whereby the trustee uses a scapegoat to claim the facts and reasons as false in order not to bear any responsibility for the violation. Organisations have been identified as using one of the two strategies, in order to avoid the risk of losing the customer, by diverting the blame away from themselves.

2.2.2 The role of frontline employees in service recovery

According to Maxham and Netemeyer, (2003) the role of frontline employees is pivotal in the process of service recovery, with 65% of front-line employees accounting for the first point of complaint initiation. Similarly, the findings by (Johnston and Michel, 2008) indicates that the role of frontline employees is very crucial in the role of service recovery as they are the first point of contact when a customer is aggravated by a service failure and makes a complaint on it. As frontline employees are considered the first point of contact after a service failure, Zeithaml, Bitner and Gremler (2009) state that frontline employees' role in service recovery is

indeed crucial and they hold effective and rapid problem-solving abilities. In practice, Shumacher and Kompulla (2016) emphasize that the most favourable insight into the implementation of service recovery process is imparted by frontline employees. An important role of employees during the service recovery process, is employees' willingness to listen to customers once they have experienced a service failure. According to Vaerenbergh et al., (2019) willingness to listen refers to the employee's commitment to listen to the customer's description of an unsatisfactory experience. This is because it creates a feeling that the employees or the organization care about customer satisfaction after a service experience. According to Liao (2007) the role of employees in the service recovery process can make a difference to customers' perception of the recovery process in several ways, this can have both positive and negative effects on the overall outcome. Moreover, Vaerenbergh et al., (2019) state that favourable employee behaviour plays a crucial role in managing customer's emotional reaction after a service failure. This could be by the frontline employees demonstrating patience, courtesy and politeness to the customers when they make a complaint regarding a service failure and taking the time to listen to their grievances.

Employees who lack soft skills such as empathy and affection, cause customers to defect from service providers (Helms and Mayo, 2008). According to Du et al., (2011), favourable employee behaviours play an important role in managing customers' emotional reactions. The lack of empathy is also crucial in how customers perceive service quality and service recovery (Zhang, Lu and Cheng, 2018).

However, even though the function of frontline employees in the process of service recovery is indeed pivotal (Boshoff and Allen, 2000) there has been very little focus in this area of research (Suh et al., 2005). This research will evaluate the role of frontline employees in the service recovery process, with a key focus on their role in the effort of repairing customer trust.

2.2.2.1 Employee empowerment

Empowerment refers to “the actions of the employer in ensuring the employees have the skills and knowledge to be able to solve complaints” (Cook, 2002). Babakus et al., (2003) however, refers to frontline employee empowerment as a feeling of freedom and authority to handle customer complaints. Similarly, empowerment also involves the frontline employees being granted the ability to make decisions as well as to identify ways in which the failed service delivery can be resolved (Lovelock and Wirtz, 2011). This is relatable with this research, as it relates to the ways in which frontline employees can be empowered to customize the trust repair process during the process of service recovery.

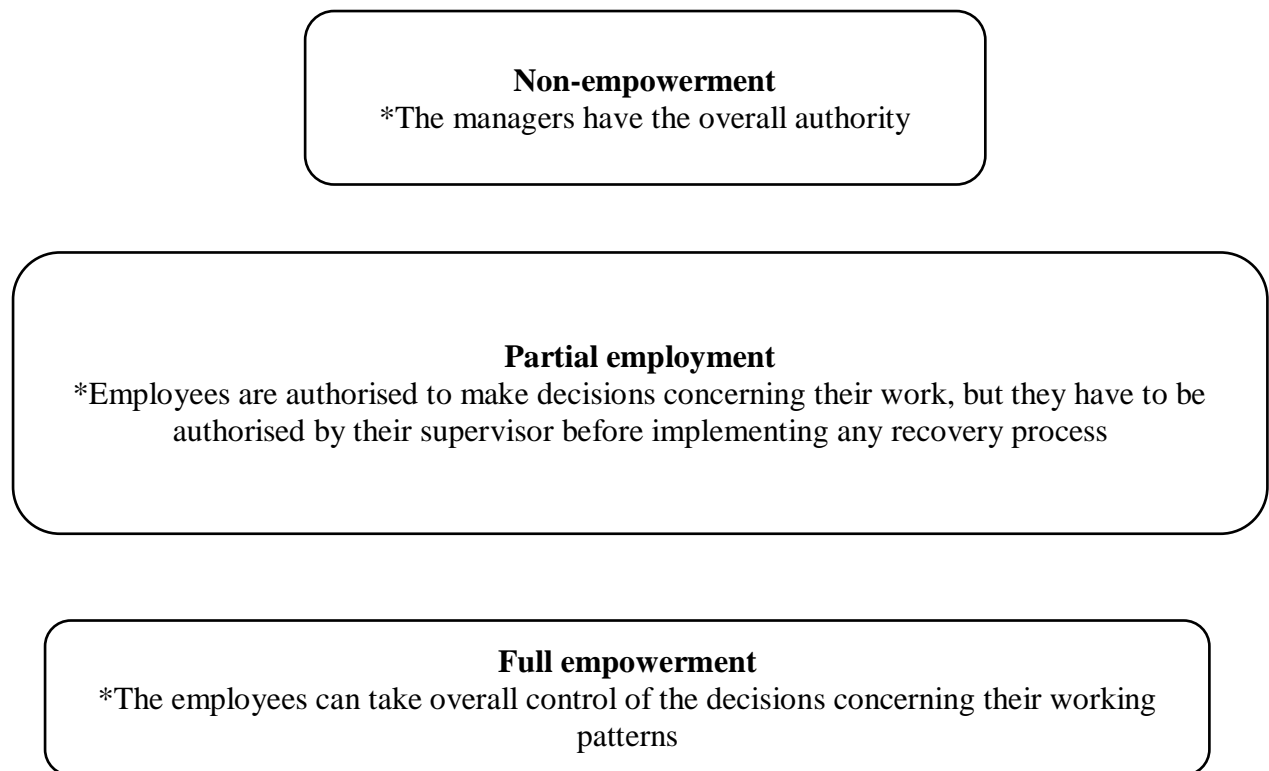
The concept of empowerment in relation to service failure and recovery was first mention by Berry and Parasuraman (1992). According to Cook (2002) employee empowerment is considered a crucial part in the service recovery process and it has been closely associated with successful service recovery performance (Yavas et al., 2003, 2010; Crawford and Riscinto-Kozub, 2010).

Empowerment of frontline employees should ensure that frontline employees have been equipped with knowledge and the ability to realise that a service failure has taken place. As well as the ability to effectively resolve a service failure and to be able to understand the expectations of customers regarding a successful service recovery strategy (Jong and Ruyter, 2004; Bhandari, Tsarenko and Polonsky, 2007; Robinson Jr, Neeley and Williamson, 2011). Employee empowerment is critical in employee professional development because when employees are given the opportunity to perform different duties, they tend to learn from the experience and in turn develop or enhance their skills and knowledge. This not only boosts employee morale, but as a result of the new knowledge and skills that they develop, the employees also undertake their duties with confidence, which also improves their quality of work (Hanaysha and Hussain, 2018). For instance, Jacqueline (2014) asserts that frontline

employees develop new capabilities in performing work duties and this is through the application of knowledge and skills that they may have acquired.

One of the most important factors of employee empowerment after a customer has experienced a service failure, is that the customers tend to have confidence that employees will be able to resolve the service failure efficiently and will apply a speedy recovery (Boshoff and Allen, 2000; Yavas et al., 2010). This enables the frontline employees to take control of the situation and to ensure that the aggravated customers are satisfied with the recovery efforts (Karatepe et al., 2009). In line with this, Boshoff and Leong (1998) and Bradley and Sparks (2000) highlight that customers value being attended to by frontline employees who are entirely aware of the most effective service recovery strategies to successfully resolve the violation. However, the research by Davidow (2018) states that employees operate using the direction of policies provided by their organisations through the instructions or guidance from their managers. Their research finds that, instead of the policies being there to help the employees assist the customers, the policies are found to force employees to overlook the customer problems in some situations and instead focus more on the policies. Therefore, this leads to employee frustrations and customer frustrations and therefor leads to negative effects for all parties.

Figure 2.3 Levels of employee empowerment



Adopted from Cook (2002)

As shown in Figure 2.2 the full empowerment level enables the employee who is the first point of contact when the customer makes their initial complaint, to be in control of making the decision on how to rectify the failure (Bradley and Sparks, 2000). In the partial empowerment stage as highlighted in figure 2.3, the frontline employees have the permission to make decisions regarding their work as well as the best way to resolve the service failure. However, they are not authorised to make strategic decision- making processes (Yoo et al., 2006). In the first level, the employees are motivated to make their own decisions and to take part in initiatives that would lead to improvements in the organization. However, in this level the managers are in charge of handling all the customer complaints (Bradley and Sparks, 2002).

2.2.3 Summary

As discussed in this section, there exists different service recovery strategies applied in the process of service recovery based on the service failure that a customer experience. This section also discusses the role of frontline employees in the service recovery process. Identifying the role of frontline employees as important in service recovery, however employee empowerment plays a crucial role in service recovery satisfaction as it impacts employee motivation and performance. Recognising the importance of frontline employees in service recovery, it is important to also understand the importance of frontline employees in trust repair. It is also important for organisations to better understand the different service recovery strategies and to also understand the meaning of these recovery strategies in different market contexts. There is a need for organisations to recognise the importance of frontline employees in the process of service recovery and trust repair and to better understand how employee empowerment can be implemented and monitored in order to enhance the level of satisfaction of the service recovery process.

The next section introduces the concept of trust and trust violation and identifies the different types of trust violation, including the role of emotions in trust violation. As stated in section 2.1.2 service failure does lead to trust violation. It is therefore important to have a clear understanding of the different types of trust violation, before identifying the most appropriate recovery strategies to be implemented in the trust repair process.

2.3 Trust

Trust is a pervasive in social life and a basic element if both intimate and distant interpersonal relations (Fuoli and Paradis, 2014). Trust is considered as a dynamic construct that changes over time as social relationships evolve (Saunders et al., 2010; Fuoli et al., 2017). The concept of trust has drawn attention in the current research on service and has resulted to a high degree of ambivalence in its performance, resulting into trust being a major element while assessing and choosing a service provider (Lin and Lu, 2010). Trust represents a necessary ingredient to direct and manage different types of relationships (De Cremer, 2012). Almost each and every kind of interaction that we engage in on a day to day basis involves a degree of trust evaluation (Haesevoets et al., 2014). As a result, trust is considered a key factor in developing and maintain successful relationships (Basso and Pizzutti, 2016).

According to Gambetta, (1988) trust is based on an individual's expectations that others will behave in ways that are helpful or at least not harmful. Trust refers to customer's choice to rely on an organization in which a customer has confidence in (Moorman et al., 1993). Robinson (1996) on the other hand characterized trust similarly in terms of individuals' "expectations", assumptions, or beliefs about the likelihood that another's future actions will be beneficial, favourable or at least not detrimental to one's interests" (p. 576). In interpersonal relationships, trust is defined as the willingness to rely on another party and to take action in circumstances where such actions make one vulnerable to the other part (Doney and Cannon, 1997).

According to Tax et al., (1998) trust is deemed as an important factor as it has received much emphasis on being an important ingredient for a strong and long-lasting relationship between consumers and organizations (Morgan and Hunt, 1994). According to Yoon and Kin (2009) emphasize that trust is considered to influence customer loyalty. This indicates that when customers develop trust in an organization, it normally positively impacts customer loyalty in the organisation.

It is often assumed trust in others develops gradually over time (Lewicki and Wiethoff, 2000). But observations suggest that individuals can exhibit surprisingly high levels of trust even without a history of interaction (Weber et al., 2005). Despite its benefits, trust is fragile, set in uncertainty and influenced by stakeholder perceptions of competence, integrity and goodwill (Mattila, 2009; Rawlins, 2008).

According to the findings of Kim et al., (2004) the foundation of trust is composed of trusting intentions and trusting beliefs, with trusting intentions being influenced by trusting beliefs (Kim, Dirks and Cooper, 2009). Trusting beliefs or trustworthiness can be categorised into three dimensions: ability, benevolence and integrity (McKnight, Choudhury, and Kacmar 2002; Xie and Peng, 2009; Gillespie and Dietz, 2009). According to Gillespie and Dietz (2009) the three dimensions of trust represent:

- **Ability:** an organization's collective competencies and characteristics that enable it to function reliably and effectively to meet its goals and responsibilities.
- **Benevolence:** organisational actions indicating genuine care and concern for the well-being of stakeholder (delivering on customer needs)
- **Integrity:** organisational action that adheres to moral principles, such as honesty and fairness.

Trust evolves from customers continuously receiving high quality service, meeting customers' expectations, honest and fair treatment and confidence in the organization's intentions to ensure the customers best interest (Berry 1999; Liljander and Roos, 2002). Trust is also believed to develop through communicative interaction between the customer and the organization (Ingenhoff and Sommer, 2010; Gillespie, 2011). Similarly, Holmes and Rempel (1989) state that trust is strengthened if service providers are receptive in ways that acknowledge a customer's particular needs and affirm their sense of worth.

According to Mayer, Davis and Schoorman (1995) integrity trust refers to the belief in an organization's honesty and reliability and the expectations that the organization adheres to a set of principles that the trustor finds acceptable. Trusting intentions on the other hand represent "a willingness to make oneself vulnerable to another in the presence of risk" (Kim et al. 2004, p. 105). Thus, trusting beliefs are an assurance that the trustee displays favourable traits to induce trusting intentions (Sahi, Sekhon and Quareshi, 2016).

The more consumers perceive service providers as competent, benevolent and having integrity, the higher is their trust in the service provider (Cho, 2006; Sirdeshmukh et al., 2002; Schuman et al., 2010). Trust is an important factor as it is a key element in ensuring that relationship bonds are maintained. Table 2.3 lists a few definitions of trust according to various scholars. The two key themes that are common in the majority of trust definitions in earlier research are: having confidence in an individual or an organisation and the positive expectations of the behaviour and trustworthiness of another individual (Dietz and Gillespie 2012; Sirdeshmukh, Singh and Sabol, 2002; Mayer, Davis and Schoorman, 1995). La and Choi, (2012) identify trust as one of the major elements affiliated with the recovery of service. As a result of this, this thesis will place its focus on the definition of trust by Sirdeshmukh, Singh and Sabol (2002) which considers trust as customer expectation towards a service organisation with the belief that the organisation will be dependable and reliable and will also be able deliver the promises made to its customers.

Table 2.3 Definition of trust

| Author | Source | Definition | Author | Source | Definition |
|------------------------------------|-----------|---|---|--------------------|--|
| Dietz and Gillespie (2012) | Marketing | A feeling that allows someone to have the confidence to rely on an organization or another individual | Rousseau, Sitkin, Burt and Camerer (1998) | Management Review | A psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behaviour of another. |
| Palmatier et al., (2006) | Marketing | A tool that enables parties to preserve a relationship that is profitable and beneficial to both of them. | Doney and Cannon (1997) | Marketing | The willingness to rely on another party and to take action in circumstances where such actions make one vulnerable to the other party. |
| Sirdeshmukh Singh and Sabol (2002) | Marketing | The expectations held by the consumer that the service provider is dependable and can be relied on to deliver on its own promises. | Mayer, Davis and Schoorman (1995) | Management Review | 'The trustor's positive expectation of the trustee while accepting the possibility of risks. |
| Morgan and Hunt (1998) | Marketing | Trust is termed as being the relationship mechanism that facilitates cooperation and coordination and that result to relationship commitment. | Moorman et al., (1993) | Marketing Research | A customer's choice to depend on a provider of a service in which a customer has confidence in. |

2.4 Trust violation

Trust violation refers to a situation in which the trustor is perceived to fail to meet the obligations of their relationship with their trustee (Kharouf and Lund, 2019). For example, trust is put to test when an organisation does not live up to the promises that it makes to its customers (Bitner, 1995) or when a service fails in other aspects (Liljander and Roos, 2002). As discussed in section 2.3 the presence of trust in any organization is an important asset (Ingenhoff and Sommer, 2010; Pirson and Malhotra, 2011). However, some events instigated by an organization can lead to trust violation (Poppo and Schepker, 2010). Kim, Dirks and Copper (2009) emphasize that trust violations occur, when events lower trusting beliefs and trusting intentions towards an organization. In other words, negative events such as the case of a service failure (Gillespie and Dietz (2009), tend to disappoint customers' expectations which in turn lead to customers re-evaluating their trust in the organization (Basso and Pizzutti, 2016; Bruhl, Basel and Kury, 2018). In other words, trust violation seriously affects victim's perception of the relationship and their feelings towards the offender (Lewicki and Brinsfield, 2017).

Sajtos, Brodie and Whittome (2010) found that the more severe the failure, the greater the damage on trust. Similarly, Memery et al., (2019) argue that the level of trust in the relationship prior to a trust transgression will impact the severity of trust erosion and the ability for trust repair. Liao et al., (2009) concur with this and state that the gravity of the violated trust is dependent on the magnitude of the violation, the number of customers affected by the violation and the element of trust that was violated. Customers undergo a cognitive reappraisal of the relationship following a trust failure, with a tendency to privilege negative evidence over positive evidence (Kim et al., 2004).

Specific trust violations can often be attributed to a breach of either competence or integrity (Kim et al., 2004). Kim et al., (2004) argue that customers consider a single integrity failure to be an indicator of a dishonest partner, but do not consider a single competence failure to be an

indicator of incompetence (Fuoli et al., 2017). According to Tsai et al., (2010) trust is believed to be violated more following an integrity-based violation as compared to when the violation is considered as a competence-based violation.

2.4.1. Competence- based trust violation vs Integrity-based violation

According to Kim et al., (2006; 2013) competence-based violations are associated with mistakes or misunderstandings. Competence- based related trust violations occur when a perpetrator violates the positive expectations that another person or group has about the perpetrators technical and interpersonal skills required to perform a certain task (violation of competence beliefs) (Kharouf and Lund, 2019).

Integrity-related trust violations arise when a perpetrator adheres to a set of moral principles that are considered as unacceptable by another person or group, such as lying and cheating (violation of morality beliefs) (Kim et al., 2004; 2006; 2013 Mayer et al., 2007). Trust violation includes intentions that decline the level of confidence in another party (Kim et al., 2009). The problem of damaged trust is of particular relevance as many organizations struggle to regain trust that has been lost as a result of massive financial misbehaviours and questionable decision-making (Centre for Public Leadership, 2009).

Higher responsibility for integrity-based trust violation leads to lower trust because stakeholders attribute the causes for the trust violation to being internal and under the control of the company (Tomlinson and Mayer, 2009).

Integrity-based trust violations, such as manipulation, fraud, or corruption, are considered as a serious breach of trust, which is followed by a decline in trust (Bruhl et al., 2018). Customers tend to weigh more negative reactions towards integrity-based violations as the blame is normally placed more on the organisation as compared to placing the blame on external factors. So far, this research has discussed the relevance of service failure, service recovery including the role of frontline employees in service recovery. As well as the different types of violations.

The next section, section 2.4.2 will focus on the role of trust violation after service failure and will discuss the role of emotions after trust violation has occurred, including the different types of emotions normally displayed by customers after a trust violation.

2.4.2 Role of emotions following trust violation

According to Ma et al., (2018) violations do not only destroy customer trust but also negatively impact customer emotions. Surachartkumtonkun et al., (2015) highlight that customer rage is highlighted around the world as a factor that is negatively impacting the relationship between customers and employees after trust violation.

Customer reactions to service failure encompass dissatisfaction, emotional and behavioural responses (Sparks and Fredline, 2007). Emotions and concepts including anger, trust and commitment have an impact on the outcome of post service failure behaviours, service recovery strategies (Bonifield and Cole, 2007) and positive service recovery responses. Emotions are also very important to investigate because of their impact on customer attitudes and behaviours (Mattila and Enz, 2002; Smith and Bolton, 2002; Miller et al., 2009). Therefore, it is important to evaluate emotions while planning a service recovery process because it helps to understand the general mood and emotion of the customer in order to identify the most appropriate method to use while trying to recover from a service failure as a result of a violation.

Priluck and Wisenblit, (2009) state that customers' interpretations of the cause of the service failure are based on the factor that is considered as the main cause of the service failure. For instance, some of the attributes a customer can associate with a service failure could be internal factors brought about by an organisation's actions, or external factors that are not related or linked to an organisation. Dependent on the factors that the customers consider as the cause of the service failure, customers are likely to react differently in terms of the level of satisfaction with the service recovery process, as well as the emotions that they display after a service

failure (Harrison- Walker, 2012). According to Joskowicz- Jabloner and Leiser (2013) trust violations tend to lead to a host of negative outcomes in terms of emotions and behaviours, on the part of the customer.

Research also suggests that customer satisfaction and loyalty are to some extent influenced by the customer's emotions prior to the service encounter and directly after the service encounter (Oliver, 1997a). Schoefer (2008) also states that emotion has an important role to play in defining customer satisfaction. Emotions provide customers with the opportunity to analyse the service encounter and also to analyse the emotions that they develop once a service failure has occurred (del Rio- Lanza et al., 2009).

Emotion has been described as a mental state of readiness that arises from cognitive appraisals of events or thoughts and may result in specific actions to affirm or cope with the emotion, depending on its nature and meaning for the person having it (Bagozzi, Gopinath and Nyer, 1994). Emotions can also be described as sudden and automatic responses that start to be shaped right after the failure has occurred without hanging around while service providers try to cope with failure with various recovery strategies (Ozygen and Kurt, 2012). Emotions are essentially automatic responses to external changes (or internal perception of changes) in relationships between the individual and environment that affect behaviours (Tsarenko and Tojib, 2012).

Consumer behavioural response is generally influenced by individual's state of emotions built during the interaction and consumption of the service (Bedi, 2010). They are identified as one of the important aspects responsible for the arousal of ambivalence and conflict influenced by individual's emotional intelligence and thereby affecting overall customer- service provider relationship (Bell, 2011).

Many customers experience strong emotional reactions particularly in response to service failure and service recovery encounters (Smith and Bolton, 2002). Schoefer and Ennew, (2005)

also state that emotions are also another important outcome of the service recovery even though there has been relatively limited focus on the role of emotions in relation to service recovery. Violation of trust is likely to be an emotional event for the trustor (Schoorman, Mayer and Davis, 2007).

Bebko et al., (2006) argue that a key determinant of a consumer's level of expectations is the collective service promises of the service organization, both implicit as well as explicit. Wetzer et al., (2007) state that distinguishing between specific expectations seems to be important in gaining deeper insights into the behavioural outcomes.

According to Ross and Friman, (2008) emotions are classified based as goal directed and reactive emotions. Reactive emotions are normally experienced during a service encounter or a service experience. For example, when a service experience meets a customer's expectations, the customer normally experiences positive emotions, however, when the service experience does not meet a customer's expectations, the customer normally experiences negative emotions (Vazquez- Casielles et al., 2012). Goal-directed emotions on the other hand, are aroused when the customer consciously seeks to have a specific experience. For example, going on holiday. The customer normally seeks to have an enjoyable experience, which normally results in the customer experiencing positive emotions.

Wetzer et al., (2007) identify six emotions experienced by consumers following a service failure which include frustration, anger, disappointment, regret uncertainty and irritation. They continue by stating that anger, frustration and irritation are conceptually related however they are potentially different in terms of their behavioural implications. Harrison- Walker, (2012) state that when errors occur, customers experience one of several negative emotions.

Disappointment is an emotion that is experienced when something positive was expected but did not occur (Van Dijk et al., 1999). Frustration occurs when events put the attainment of a goal or need satisfaction out of reach, delaying its attainment or requiring or requiring

additional effort (Scherer, 2001). Anger on the other hand occurs when the event is seen as caused by others (Roseman and Smith, 2001). McColl- Kenney and Smith (2006) state that customer anger is considered as one of the most commonly negative emotions that result from the service encounters. Bougle et al. (2003) found evidence the discrete negative emotion “anger” mediates the relationship between service encounter dissatisfaction and customer’s behavioural responses following service failure and recovery.

Tronvoll (2011) argues that anger and frustration are the most frequently experienced types of negative emotions. Moreover, Harrison- Walker, (2012) state that the customers display the strongest expression of anger when they feel or realise that the service failure experienced was both deliberate and avoidable. Anger in some situations, is considered to result to trust failure which in some customers which in some cases also results to customers defecting (Vazquez-Casielles et al., 2012)

Consumption emotion is distinguished from the related affective phenomenon of the mood on the basis that emotions have relatively greater psychological urgency, motivational potency and situational specificity (Westbrook and Oliver, 1991).

Williams and Aaker (2002) state that the possible coexistence of positive and negative emotions has been largely neglected. Varela- Neira et al., (2008) also add on that differential effects of positive and negative emotions have been noted in respect of response to service failure. Kozub et al., (2014) state that researchers have sought to identify specific emotions and to link them with the respective recovery strategy in order to ensure effectiveness of the recovery strategy.

As the size of the loss due to a failure gets larger, the customer will view the exchange as more inequitable and be dissatisfied (Smith et al., 1999) and develop more negative feeling towards the service provider (Ozgen and Kurt, 2012). It is a complex state that reflects a change in the process of one’s thought and behavioural aspects (Choraria, 2013).

Emotions begin with an individual's assessment of the personal meaning of the encountered experience and are often the outcome of cognitive appraisal efforts (Fredrickson, 2011). Similarly, Desai and De Souza (2015) state that the negative emotions after a service failure are not as a result of the service failure itself but are instead underlined by how the customer analyses the service failure experienced.

Customers' positive and negative emotions play a role in stimulating their involvement in value co-creating (Fuller,2010). According to Petzer, DeMeyer, Svari, and Svensson (2012) it is important to consider customers' emotions after a trust violation because, by recognizing and understanding customer's emotions, the organization will be able to effectively determine the most suitable recovery strategy for repairing customer trust.

2.4.3 Summary

The previous two sections analysed research on trust and trust violations. Section 2.3 introduced the concept of trust and expounded on the concept of trust and its importance as a foundation for any long-lasting relationship. The section also evaluated the dimensions of trust which include ability, benevolence and integrity (Gillespie and Dietz, 2009) and their importance in demonstrating a party's level of trustworthiness. Section 2.4.1 discussed the different types of trust violations and went ahead to analyse integrity based and competence-based trust violation. Identifying the types of trust violations is important for organisations, as it allows the organisations to identify the most appropriate trust repair strategy to use in the process of repairing trust. Section 2.4.2 discusses the role of emotions following service failure and identifies the different types of emotions expressed by customers after a service failure, which are associated to emotional loss.

The next section, section 2.5 picks up from 2.4.1 and it will introduce the concept of trust repair and will help to provide a better understanding of how competence based trust violation and integrity based trust violation as discussed in section 2.4.1 can be repaired, as well as proposing

trust repair strategies for the respective trust violations from existing research. The next section will also introduce the concept of Service dominant logic, value co-creation and affection as additional strategies that this research considers crucial in the repair of customer trust.

2.5 Trust repair

Trust repair has become an area of interest that has received a lot of attention in recent research (Lewicki and Brinsfield, 2017; Bozic 2017; Kharouf and Lund, 2019). Lewicki and Brinsfield (2017) emphasize that trust repair is not an isolated activity initiated and carried out by a sole individual; highlighting that it is important for both the trustor and the trustee to be involved in the process of trust repair. According to Kim et al., (2009) trust repair concerns improving the trusting beliefs and trusting intentions that have been lowered by the trust violation, typically by addressing the initial assumptions of the customer (Haselhuhn et al., 2010; Kharouf and Lund, 2019). Trust repair also refers to a process that occurs when a transgression causes the positive state that constitutes trust to disappear and or negative states to arise as perceived by one or both parties and activities by one or both parties substantively return (trust) to a positive state (Dirks et al., 2009, p.69). Trust repair, according to Kramer and Lewicki (2010) is also referred to as the attempts by the trustee to restore partly or completely the willingness of the trustor to be vulnerable again in the future. According to Tomlinson and Mayer, (2009) repaired trust is also defined as the level of trust following a violation, which restores the trustor's willingness to be vulnerable to the trustee's future actions.

The positive expectations of trust often can be violated, resulting in reduced trust and the need to repair trust (Kim et al., 2009). Whereas trust building can easily be thought of as an active process, trust repair appears at a first glance to be a reactive process (Kramer and Pittinsky, 2012). In this research, trust repair is considered a reactive process to recover trust that has been broken as a result of service failure.

According to Xie and Peng, (2009) the necessity and ability to repair trust is a critical issue with much theoretical value and practical merit. Friend et al., (2010) state that if recovery is successful, trust can be re- established, but if not, a "spiral of distrust" may ensue. Therefore, the process of trust repair is one that requires a lot of attention and care while being carried out,

in order to ensure that the process is successful and trust is re-established and not destroyed any further during the process.

Earlier and emerging growing body of research has emphasized that it is essential for organisations to have an understanding of what transpired before a trust violation took place in order to have a better understanding of how to repair the broken trust (Schoorman et al., 2007; Tompron et al., 2015). This is pivotal in any trust repair process because it helps the organisation to identify the point at which the trust was broken, the exact factor that resulted to the trust being broken and in turn, this assists in identifying the most appropriate trust recovery strategy to use.

Research has highlighted that broken trust can be repaired but is contingent on the violator's response to the accusation and (Kim et al., 2006; Schweitzer et al., 2006; Ferrin et al., 2007). Tomlinson and Mayer (2009) on the other hand propose that in the process of trust repair, we can make the victim hopeful of future cooperation and promote trust repair by mitigating such negative emotions as anger while instead developing positive emotions. Joskowicz-Jablonek (2013) concur and state that it is important to acknowledging that trust violations lead to a host of negative outcomes in terms of emotions and behaviours and therefore it is crucial to develop a better understanding of how violated trust can be successfully repaired. It is also important to note that it is very hard to repair trust once it has been broken (Dimsarian Weber et al., 2012; Kharouf and Lund, 2019). Therefore, it is very important to identify the ways in which trust can be repaired after the relationship has been negatively affected (Bozic, 2017) and this research suggests that most effective way of achieving this is by involving both the trustor and trustee in the trust repair process.

Gillespie et al., (2014) emphasize that in order for trust repair to be successful, trustors, in this case customers have to be convinced that the organization is sincerely going to resolve the

problems in the organization in order to ensure that the customers do not have to experience the negative event again in the future.

Kim et al., (2004) have found that denials and apologies have varying power to repair competence- based and integrity- based trust among organizations. Earlier research has highlighted that competence- based trust violations are more open to efforts of repairing the violated trust as compared to integrity-based violations (Kim, Ferrin, Cooper and Dirks, 2004; Kim, Dirks, Cooper and Ferrin, 2006; Dirks et. al., 2011).

Kim et al., (2004) believe that the context of trust repair is composed of both trusting beliefs and trusting intentions. Gillespie and Dietz (2009) argue that an organization restores trust by sending repeated, clear and consistent signals of its renewed trustworthiness throughout its response to the failure. This can be demonstrated by the organization continuously engaging the customers during the recovery process, in order to ensure that they are demonstrating that they care about the customers opinion, which encourages trustworthiness.

According to Dietz and Gillespie, (2012) an effective response to a trust failure requires interactions with customers aimed at both controlling a feeling of lack of trust and demonstrating trustworthiness a new. The process of trust repair involves several steps which evolve overtime, demonstrating that the process of trust repair is a continues process (Gillespie and Dietz 2009; Bachmann et al., 2015). Table 2.4 represents the different trust recovery strategies as discusses in earlier research. This research focuses on applying the most effective recovery strategy in the process of trust repair chosen based on the interaction between customers and the frontline employees during the service recovery process, in the process of trust repair.

2.5.1 Competence based trust repair

Apology as a recovery strategy is considered an effective when resolving competence- based related violation (Fuoli et al., 2017). This is because apologies demonstrate an organization's

integrity and concern for the affected parties after a transgression (Gillespie and Dietz, 2009; Gillespie et al., 2014). Leunissen et al., (2013) found that an apology leads to more forgiveness after unintentional than after intentional transgressions.

According to Gelbrich and Roschk (2011a) compensation is an effective strategy that an organization can apply in the process of competence- based trust repair in order to make up for a failure that a customer has incurred.

Bitner (1990) emphasize that if an explanation is not provided, it is a sign of admission of guilt and therefore a combination of a verbal statement, for example an apology and compensation would be more effective in the process of trust repair (Cui et al., 2018). Especially in the case of competence- based trust repair, whereby the customer is more likely to forgive the organisation for their violation and in turn regain trust in the organisation when an appropriate recovery strategy is applied.

2.5.2 Integrity based trust repair

Past research has underscored the difficulty of addressing integrity- based violations (Ferrin et al., 2007; Kim et al., 2004; 2006; 2013). Kim and Harmon (2014) found that rather than simply apologizing or taking the unethical risky path of trying to deny culpability when one is actually culpable, trustees may instead consider combining an apology with a justification when their culpability is clear.

Kim et al. (2004) found that denial is more effective than apology in an integrity-based trust violation and succeeding studies confirmed their results (Ferrin et al., 2007; Kim et al., 2006; 2013; Lewicki and Brinsfield, 2017). Studies found that there were higher levels of trust after a trustee denied responsibility for integrity-based violations (Ferrin et al., 2007; Kim et al., 2013). Lewicki and Brinsfield (2017) highlight that the unclear aspect of denial as a strategy of repairing trust, is how the denial should be framed or combined with other repair tactics in order to for example display empathy or acknowledge harm to the victim. Ferrin et al., (2007)

suggest that compared to denial and apology, reticence is an inferior strategy in handling both competence- based and integrity- based trust violations.

Table 2.4 Recovery strategies

| Author | Type of study | Recovery strategies | Author | Type of study | Recovery strategies |
|--------------------------------|-------------------|--|-------------------------------------|------------------|------------------------------------|
| Brühl et al., (2018) | Empirical study | Apology, excuse, refusal | Krishna et al., (2011) | Empirical study | Communication, Explanation, Excuse |
| Fuoli et al., (2017) | Empirical study | Denial, apology | Gelbrich and Roschk (2011a) | Conceptual study | Compensation |
| Lewicki and Brinsfield (2017) | Conceptual study | Short term strategies: <ul style="list-style-type: none"> • Verbal statements • Apologies • Compensation • Denial Long term strategies <ul style="list-style-type: none"> • Structural arrangements e.g policies, contracts, procedures • Reframing (shifting blame) • Forgiveness • Silence | Gillespie and Dietz (2009) | Conceptual study | Apology, denial |
| Bozic (2017) | Literature review | Verbal response, organizational restructuring, penance, hostage, posting and involvement or use of third parties. | Schweitzer et al., (2006) | Empirical study | Apology, promise |
| Hansen et al., (2016) | Empirical study | Apology, compensation | Kim et al., (2006) | Empirical study | Apology, denial |
| Basso and Pizutti (2015) | Empirical study | Compensation, apology | Zeithaml, Bitner and Gremler (2006) | Conceptual study | Explanation, speedy response |
| Haesevoets et al., (2015) | Empirical study | Compensation | Wirts and Mattila (2004) | Empirical study | Apology, compensation |
| Simsarian Weber et al., (2012) | Empirical study | Organisational support | Smith, Bolton and Wagner (1999) | Empirical study | Apology |
| Zhang (2012) | Conceptual study | Apology | Bitner (1990) | Empirical study | Explanation |
| Desmet et al., (2011) | Empirical study | Compensation | | | |

Source: Adopted from Kharouf and Lund (2019)

2.5.3 Service dominant logic (S-D logic)

Lusch et al., (2007) outlined a new dominant logic for marketing, which is referred to as S-D logic. S-D logic resulted in the evolution of marketing (Gummesson et al., 2010) as traditional marketing only focused on the exchange of goods for goods (Chandler and Vargo, 2011). However, S- D logic introduced the concept of a mutually beneficial exchange of service for service, as the foundational grounds for exchange (Lusch and Vargo, 2006a; Vargo and Lusch, 2011; Wilden et al., 2017) with the central focus of the concept being intangibility, exchange process and relationships amongst the actors (Vargo and Lusch, 2008). Furthermore, service encounter is considered the locus of S-D logic (Vargo and Lusch, 2008) with value co-creation actualizing the whole exchange process through the integration of resources (William and Aitken, 2011). Encounters in service ecosystems enable networks of actors to co- create value (Chanlder and Lusch, 2015; Barile et al., 2016). The role of customers also changed in S-D logic, as the customers also became co-creators of value through the exchange and sharing of operant resources such as knowledge, capabilities and information (Vargo and Lusch, 2008; Merz et al., 2009; Edvardsson et al., 2011; Hughes and Vafeas, 2018). Vargo and Lusch (2008) also state that customers are always co- creators emphasizing that co- creation does not end in the single moment of consumption and they have also identified that co- creation of value occurs through resource integration and service integration.

Moreover, Lusch and Vargo (2009) argue that customers as actors in S-D logic are considered to contain great knowledge and skills of which organisations should take advantage of in order to experience great benefits during the service encounter. In S-D logic all actors become resource integrators (Lusch and Nambisan, 2015).

Lusch et al., (2008) argue that in S-D logic value co-creation takes place when resources are converted into outcomes that are beneficial to the parties involved, and the beneficiary refers to the value created as value in use (Lusch and Vargo, 2014). The value in S- D logic is

generated by the collaborative actions of co-creation between customers and organizations (Grönroos and Voima, 2013). This leads to the assumption that customers co-create value with organizations through interactions and varied contextual experiences (Zhang, Lu and Chen, 2018). The S-D logic notion of value co-creation suggests that “there is no value until an offering is used or experienced and perception are essential to value determination” (Vargo and Lusch, 2006, p.44). Therefore, in value co-creation resources are considered to have no value unless they are applied and integrated into a service process that benefits its actors (Mele et al., 2010). Similarly, Gronroos (2011) argues that value cannot be created before its purchased and that it develops only when the customer has experienced it. In other words, S-D logic is focused on making choices concerned with implementing the best strategies to facilitate and enhance value co-creation with network partners such as customers and employees for mutual and long-term relationships (Madhavaram and Hunt, 2008; Karpen et al., 2012). Besides, S-D logic is not only important in maintaining long term relationships but is also important in creating meaningful and memorable experience for both the customer and the service provider (Homburg et al., 2017).

The concept of S-D logic has greatly changed the relationship between customers and organisations. This is because of its highly relational nature and the fact that is concerned with knowledge-based value propositions that characterize contemporary exchange. For instance, Vargo and Lusch (2004) state that S-D logic has the capability of changing an organization’s culture, operations and overall strategic outlook to create shared benefit and satisfaction to the customers and the organization (Lusch, Vargo and O’ Brien, 2007).

When the co-creation process takes place, customers derive an outcome named value-in-use (Lemke, Clark and Wilson, 2011). Lemke, Clark and Wilson, (2011) add on that it is only in the acceptance condition that customers obtain an outcome from the service, which is they also refer to as value-in-use and state that it represents a combination of hedonist, utilitarian or

even symbolic benefits. Vargo and Lusch (2008) point out that value is determined in use through activities and interactions of customers with the service provider or providers and others Gronroos (2008) has argued, that when a customer experiences value- in- use the effects also affect the service provider and this is because it results into customers being satisfied with the service they have received which leads to customer loyalty and a strong customer relationship which results into positive returns for the business as a result of future recurring purchases.

S-D logic suggests that a variety of co-creation experiences will result from diverse (heterogeneous) interactions that will effectively lead to the personalization of the co-creation experience (Gebauer, Johnson and Enquist, 2010). Fisher and Smith (2011) stress that S-D logic assumes that actors involved in the value co-creation process benefit equally from their interactions. Although value is experiential and individually determined by the user, the process by which value is created consists of interactions and resource integrations that are co-creative processes (Yngfalk, 2013). Moreover, actors need to feel that they are going to receive mutual benefits from the value created in order for them to be actively involved in the value co-creation process (Ballantyne et al., 2011) and needs to be clearly spelt out and understood to all stakeholder domains (Frow and Payne, 2011). Because it is dynamic and controversial, value can mean different things and can be viewed in different dimensions (Vargo and Lusch, 2008a).

Vargo and Lusch, (2008) state that organizations only offer value propositions to the customer, which are defined as an organization's resources and competencies that form the foundation of value creation (Gronroos, 2008). Customers then decide to engage, or not engage, in the value co- creation process by either accepting or rejecting this proposition (Vargo, Maglio and Akaka, 2008). Gelbrich, Gathke and Gregoire, (2015) also concur that a major premise of the S-D logic is that organizations only offer value proposition to the customer and they have the

option to reject or accept this value proposition. On the other hand, flawed service or service failure can be seen as defective resources and competencies of an organization that devalue the usual value proposition (Gelbrich, Gathke and Gregoire, 2015).

If customers accept the value proposition, they will add their resources and competencies to those of the organization, if they reject the value proposition, they do engage in such actions (Vargo and Lusch, 2008).

S-D logic according to Vargo and Lusch (2004) emphasizes that marketing should be viewed as a set of processes and resources with which the organization seeks to create value propositions. Processes in this case refer to procedures, tasks, mechanisms, activities and interactions which support the co-creation of value (Payne et al., 2008).

According to Payne et al., (2008) this process view accentuates the need to view the relationship between the provider and the consumer as a longitudinal, dynamic, interactive set of experiences and activities performed by the provider and the customer, within a context, using tools and practices that are partly overt and deliberate and partly based on routine and unconscious behaviour.

In conceptualizing service as a value co-creation process (Vargo and Lusch, 2008b), interaction becomes the defining aspect of resource integration efforts and subsequent value-driving experiences (Prahalad and Ramaswamy 2004; Karpen et al., 2012).

Service logic literature on the other hand deems direct interaction essential between the co-creation actors which is as a result of joint activities (Gronroos, 2011). Organizations cannot play solo in providing high – quality services but must adopt customer- oriented philosophies by maintaining long- term and emotional bonds with customers through co-creation of memorable experiences (Vargo et al., 2008; Zhang, Lu and Chen, 2018).

Table 2.5 S-D logic foundational premises

| Premise | | Explanation/justification |
|----------------|---|--|
| FP1 | Service is the fundamental basis of exchange. | The application of operant resources (knowledge and skills), “service,” is the basis for all exchange. Service is exchanged for service. |
| FP2 | Indirect exchange masks the fundamental basis of exchange. | Goods, money and institutions mask the service- for- service nature of exchange. |
| FP3 | Goods are distribution mechanisms for service provision. | Goods (durable and non- durable) derive their value through the use- the service they provide. |
| FP4 | Operant resources are the fundamental source of competitive advantage. | The comparative ability to cause desired change derives competition |
| FP5 | All economies are service economies | Service (singular) is only now becoming more apparent with increased specialization and outsourcing |
| FP6 | The customer is always a co-creator of value. | Implies value creation is interactional. |
| FP7 | The organization cannot deliver value, but only offer value propositions. | The organization can offer its applied resources and jointly (interactively) create value following acceptance but cannot create/ deliver value alone. |
| FP8 | A service centred view is inherently customer oriented and relational. | Service is customer- determined and co-created; thus, it is inherently customer oriented and relational. |
| FP9 | All economic and social actors are resource integrators. | Implies the context of value creation is networks of networks (resource-integrators). |
| FP10 | Value is always uniquely and phenomenological determined by the beneficiary | Value is idiosyncratic, experimental, contextual and meaning laden. |
| FP11 | Value cocreation is coordinated through actor-generated institutions and institutional arrangements | Service ecosystems involved in value co-creation require institutions and institutional frameworks to sustain themselves. These represents rules and norms |

Source: Adopted from Vargo and Lusch (2008; 2016)

Table 2.6 The axioms of S-D logic

| Axiom | Description |
|----------------------|--|
| Axiom 1/ FP1 | Service is the fundamental basis of exchange |
| Axiom 2/ FP6 | Value is co-created by multiple actors, always including the beneficiary |
| Axiom 3/ FP9 | All social and economic actors are resource integrators |
| Axiom 4/ FP10 | Value is always uniquely and phenomenologically determined by the beneficiary |
| Axiom 5/ FP11 | Value co- creation is coordinated through actor- generated institutions and arrangements |

Source: Adopted from Vargo and Lusch (2016)

Gronroos, (2008) states that in S-D logic, through the service provider- customer interaction, the service provider can take an active role in engaging with their customers' value- generating. The author has explicitly stated that the customer is not a trivial co- creator, but the main actor in value creation. He continues by stating, the value is created by the customer, while the role of the supplier is to facilitate the value creation process.

S-D logic emphasizes that the most important foundation of value is co- creation of experience, with each and every customer taking part in the co- creation (Gebauer, Johnson and Enquist, 2010). By allowing customers to provide input regarding the actual outcome of the recovery process, co- creation increases the likelihood that the organization can restore equity to the relationship (Roggeveen, Tsiros and Grewal, 2012).

On the basis of its evolving foundational premises (Vargo and Lusch, 2008), this thesis more specifically while focusing on the process of trust repair, will follow the S-D logic axioms Vargo and Lusch (2016) in table 2.6 which were adopted from the 11

premises of the S- D logic Vargo and Lusch (2008; 2016) in table 2.5. This is because these axioms consider the customer as always being the co- creator of value and all the actors as resource integrators and that value co- creation is coordinated through rules and norms. Rules and norms in this research refer to things such as cultural factors and organisational policies that may influence the process of value co-creation.

The next section will examine the concept of value co- creation, with great focus on its influence in the process of trust repair. This is in order to identify whether the interactive aspect of value co-creation is an important strategy in the process of repairing trust.

2.5.3.1 Value co- creation

Value co- creation refers to exchange activities in which the actors involved interact with the aim of contributing to the value experienced by either one or both actors (Gronroos,2012). More specifically, Gebauer et al., (2010) state that co-creation refers to the basic principle that the participation of both the customer and the service provider is required to create value. In value co- creation, organizations do not create value, but instead present recommendations that have the prospective to co- create value together with customers (Vargo and Lusch, 2008). Moreover, Galvagno and Dalli (2014) state that value is created through interaction two or more actors. According to Lusch and Mabisan (2015, pp 157) from an S-D logic perspective, “value co- creation is referred to as the processes and activities that underlie resource integration and incorporate different actor roles in the service ecosystem”. Value co-creation underscores that all actors integrate resources and engage in service exchange (FP9)—all in the process of synergistically and reciprocally co-creating value (Vargo, Maglio and Akaka, Vargo and Lusch, 2016).

A recent addition to the value co- creation discourse is that of the discussion of the role of institutions and institutional logics (Hughes and Vafeas, 2018). These are the formal

and informal constraints, that is, rules and norms that play a major role in shaping actors' behaviour in resource integration (Edvardsson et al., 2014; Hughes and Vafeas, 2018). Every organisation provides its rules and highlights its norms to the respective actors during value co-creation. As this research is considering the integration of value co-creation in the process of trust repair, it is assumed that the organisation will set out rules that will regulate the process of trust repair, in order to ensure mutual benefits are experienced by both the customer and the organisation.

According to Löbler (2013) an actor in value co-creation can either be a resource integrator at either a passive or active level. In this research, the frontline employees and customers are considered as active actors who share knowledge and skills during the process of trust repair.

The findings from Vargo and Lusch (2008; 2016) focus on value co-creation during the service experience and does not investigate value co-creation and its impact on trust repair after a service violation. This thesis considers value co-creation to be important during the process of trust repair, as organizations are expected to provide customers with recovery strategies that they consider effective in the recovery process and customers are expected to provide their own opinion on whether the recovery strategy offered to them is effective in resolving their violation.

Roggeveen et al., (2012) find that in a co-created service recovery, when customers believe they can shape the outcome of the recovery, their sense of justice is enhanced, thus resulting in customers experiencing great levels of satisfaction with the service recovery process, which in turn results to higher repurchase intentions. Similarly, (Greenberg, 1990) state that an individual's consider processes, such as the service recovery process as fair, when they are involved in the decision-making process. Customer engagement involves intensive interaction and communication with

organizations to facilitate value co- creation (Brodie et al., 2011; Wirtz et al., 2013). Customer participation in recovery allows to shape or personalize the content of the service recovery through joint collaboration with the service provider (Roggeveen et al., 2012). According to (Xu et al., 2014) a customer is more likely to perceive a solution as just if he or she is responsible for it, rather than having a solution presented readymade. Cui et al., (2018) state that the outcomes that customers receive during the recovery process determines the customer's intentions and trust in the organization, including likelihood of the customer's trust in the organization being repaired.

Once a service failure has taken place, customers normally want to share their feelings with the organization or an employee of the organization, in most cases this tends to be the frontline employee (Gelbrich, 2010). The implementation of interactive channels would be effective in providing platforms for customers to share their distress after a service failure. Frow et al., (2015) state that engagement platforms refer to avenues or systems developed to enable effective and efficient co-creation to take place and argue that the effectiveness of value co- creation is determined by the engagement platforms designed for actors to engage in. The Frontline employees have a central function in the customer interface by acting as 'ambassadors' for their organisation (Geigenmüller and Greschuchna, 2011) and simultaneously 'translating' the customer's voice back into the organization (Blocker et al., 2012). Santos- vijande et al., (2012) also emphasize the critical role that frontline employees play in facilitating co-creation activities and highlight that this is because of their high level of interaction with customers during service exchange.

Yi and Gong, (2013) argues that interactions between customers and employees are crucial factors in customer engagement with value co- creation. Employee responsiveness, empathy and politeness are key factors linked to value co- creation

(Zhang, Lu and Cheng, 2018). Randall et al., (2011) who emphasize that value co-creation implies a certain degree of transparency, which is an important component in promoting trust. Trust is built through equality in inherent dialogue. According to Randall et al., (2011) the act of co-creation requires organisations to embrace transparency, good or bad about their product. Moreover, Baker (2014) consumers are appreciative when credible employees are attentive to their situation after a service failure. Bharwani and Jauhari (2013) state that as a result of the role of frontline employees being crucial in the process of value co-creation, frontline employees may have to develop new skills as their role in this case changes from service providers to experience providers. This is because customers prefer to interact with employees who invest a significant amount of energy in identifying the most appropriate for them, thus demonstrating a genuine effort to create a feeling of trustworthiness towards the organization Mostafa, Lages and Sääksjärvi (2014).

Existing research on value co-creation highlights that customers have more to offer an organization rather than just financial resources (Vargo and Lusch, 2008). In the process of value co-creation, customers are considered to also offer competencies and ideas, which enables them to act on other resources and also provide benefits to the organization that they co- create with (Karpen et al., 2012). According to Palmatier et al., (2006) customer relationships are strengthened by the perception of benefits and quality of interaction they experience during the process of value co- creation. Organisations also benefit from co- creation and this is because through the process of co- creation, the organisation gets to learn their customers likes and preferences, which help to develop long term relationships between the organization and the customer, if this new knowledge is implemented during the service exchange and therefore enhancing the customers service exchange experience (Karpen et al., 2015). This in

turn benefits the organisation because it not only enhances their knowledge on their customers, it also positively impacts their financial returns, as a result of customer satisfaction, positive word of mouth, repurchase intentions. However, Zhang, Lu and Cheng, (2018) argues the process of value co- creation is not just for the organization to solicit feedback; customers must be informed about how their feedback has taken into account and has changed organizational practices.

2.5.4 Affection

Affection according to Thomas et al., (2005) refers to the pleasant feelings that a customer has towards an organisation and vice versa. In other words, customer affection is considered the emotional feature that sustains relationship bonds between customers and an organization (Young, 2006) that usually develops after several pleasant experience and interactions. For instance, affection is thought to develop after several favourable experiences and interactions between a customer and an organization (Yim et al., 2008).

Affection and trust have been considered as being two pivotal factors for the longevity and strength of human relationships (Hook et al., 2003) and have been considered the primary components in building service loyalty (Yim et al., 2008). La and Choi (2012) highlight that researchers have begun to investigate affection in the context of service failure and recovery.

Yim et al., (2008) argued that intimacy is the most important factor of customer – organization affection across service industries. Choi and Choi, (2014) state that previous research suggests that emotional responses to service recovery influence customer affection which they defined as the disposition or specific state of mind that is associated with a feeling of liking or a type of love.

Customer affection is distinct from customers' emotional responses in that customer affection is engendered and further strengthened or weakened by customers' emotional reactions in response to service recovery efforts (Choi and Choi, 2014). Customer affection serves as a relationship sustaining emotion between a customer and an organization (Young, 2006). La and Choi (2012) also argue that affection also serves as one of the key factors along with trust in customer - organization relationship recovery.

Affectionate bonds play an uncompromising fundamental role in most human relationships and sometimes advocates or defends relationships from threats (Park, Tansuhaj and Koble, 1991). Bell (2000) also adds on that cultivating customer's affectionate ties or "customer love" with an organization is critical in building customer loyalty.

Customer affection is expected to have a carryover effect over time by overcoming relationship partners' or marketers' failures (Maxham and Netemeyer, 2002). Williams (2004) argue that affective attachment and affective state influence how people evaluate the trustworthiness of others, how motivated they are to display trust in others. Yim et al., (2008) also showed that customer organization affection influenced customer trust toward the service provider and the organization.

Since customer affection after service recovery is closely involved in the customer re-evaluation process of the company's quality (in particular, trustworthiness of the firm (Xie and Peng, 2009) the impact of the customer affection on customer trust will be greater than that prior to the failure.

Xie and Peng (2009) emphasized the effectiveness of affective initiatives in reshaping the corporate image of integrity and benevolence, as well as communication with sufficient information about the organization's competence. This thesis however

focuses on organizational affection towards customers after a violation, which is an area of study that has received minimal literature in research. Organizational affection according to this research, refers the caring nature of an organisation towards a customer, highlighted by behavioural attributes such as a show of compassion when a customer has experienced a violation. This thesis considers organizational affection as a mediating factor between the emotional response from the customer after a service recovery and trust repair.

2.6 Summary

The previous sections, section 2.5 introduced the concept of trust repair and highlighted that trust repair involves improving trusting intentions and trusting beliefs (Kim et al., 2004). Trust repair is also considered a reactive process and most importantly in this research, trust repair is considered to take place as a strategy of recovering trust that has been broken as a result of service failure. In section 2.5.3 the concept of service dominant logic has been introduced and its relevance to this research is to provide a better understanding of the inception of value co- creation as well as how value is created through the integration of resources by actors, with the aim of either one or both benefiting. This research finds it important to understand value co- creation as it will help to paint a clear picture of what aspects of value co- creation are important in the process of trust repair. This research also finds it important for organisations to first understand the customers' expectations of the service experience, in order to better support and assist customers with their own value fulfilment (Karpen et al., 2012). This is because value is a subjectively phenomenon and is also individually determined (Holbrook 2006; Karpen et al., 2012). Therefore, this research finds that value co- creation and especially the interactive process is important in the understanding individual customer experiences during the process of service recovery. The next

section, section 2.7 will focus on the role of culture in the process of trust repair and will also provide a better understanding on whether or not culture has any impact or influence in achieving a success trust repair process.

2.7 The role of culture in trust repair

Culture and more specifically national culture is a very important factor to consider while carrying out a study to understand consumers of a market. Hofstede and Hofstede (2005) refer to national culture as the collectivist programming of the mind which distinguishes the member of one group or category of people from those of others. Culture is known to influence individual's preferences such as values, attitudes, behaviour, as well as marketing and consumer behaviour in many ways (Mosquera, Uskul and Cross, 2011; Nikbin, Marimuthu and Hyun, 2016). This includes factors such as consumer decision making, complaint behaviour, the evaluation of the service recovery process and even customer relationship with an organization. de Mooij (2010) concurs and states that culture is generally accepted by marketing researchers as one of the most important and underlying determinants of consumer behaviour. According to Weck and Ivanova (2013) business relationships are essentially determined by people with different cultural backgrounds participating in the interactions.

Hofstede et al., (2010) believes that the national level is the most fundamental and is at the heart of the primary socialisation process in early childhood, giving people their values and beliefs. There is unanimity among scientists and business people about the importance of national culture (Wright and Drewery, 2006; Bazerman, Tenbrunsel, 2011). There is hardly any aspect of life that cultural values do not affect (Mourali et al., 2005).

Collectivists are less likely to use other complaining responses, such as switching or negative word- of- mouth, to express their dissatisfaction in service failures (Wan,

2013). As compared to directly complaining to the organization. This maybe as result of consumer helplessness, which results to customers practicing vindictive nWOM (Gelbrich, 2010).

Complaining requires a customer to express their dissatisfaction directly to the service provider meaning to break the harmony of the situation (Prasongsukam et al., 2003). The majority of prior research has applied social harmony when explaining why collectivists complain less than individualists (Wan, 2013). Customers in collectivist societies tend to adopt less confrontational and more indirect modes of complaint behaviour such as doing nothing and this is so as to avoid confrontation and to maintain social harmony (Heung and Lam, 2003).

Service failure poses a threat to consumer's desired social identity and creates a certain degree of embarrassment, especially when other people witness the service failure (Wan, 2013).

According to Gillespie et al., (2004); Hollensen (2011) there are eight elements that are included in the perception of culture. They include; language, verbal language, non-verbal language which includes; technology and material culture, communal institutions, education, values and attitudes, aesthetics and religion.

According to the Kenyan service sector, Kaur and Chawla (2016) indicate that verbal language has an important role in marketing and this is because it is important in information gathering and evaluation efforts. This is because with the recent advancement of technology, a good percentage of the population prefer verbal language as the main form of communication.

Education is an important factor that defines the culture on a county. The literacy level in Kenya, based on age 15 and over who can read and write is 78% as at 2018, with 81.1% representing the male population, while 74.9% representing the female

population (Kenya Ministry of Education, 2017). In the service sector and in particular during transactions, the level of education has been identified as an important factor when consumers have experienced a service failure. This is especially when it has to do with written complaints or even verbal complaints. Lack of literacy makes it difficult for one to express themselves and also affects the self-esteem of individuals. According to Phau and Sari (2004) complainers tend to exhibit greater self-confidence and individualistic character. Language can be considered the most important element since its usages indicate certain inherent values and beliefs of people (Yadar and Shankar, 2016). Therefore, the manner in which it is used in marketing by service organizations is very important for developing a connection with its customers and in turn resulting to trusting relationships being developed.

On the other hand, consumers who are less assertive and conservative tend to have a lower self- confidence and are afraid to take a risk towards complaining, which is associated with collectivists. This results in majority of consumers in collectivists cultures, choosing not to make a complaint but instead switching to a different service provider after a service failure.

Non- verbal language according to Kuar and Chawla (2016) differs from country to country and is also an important and powerful mean of communication. Manners and customs ought to be prudently monitored as in what precisely is disparate amid the cultures. This is very important in the service industry in Kenya and this is because, consumers in this market will want to develop relationships with organizations that they can relate with. Also, the organisations that conduct their businesses in a manner that is culturally acceptable to these consumers.

Kuar and Chawla (2016) refer to values and attitudes ascertain what people contemplate is right or suitable, what is vital and what is desirable. Cultural norms are derived from

values and defined as an accepted standard of doing things that most of the people agree with these can be defined as specific rules that a group of people use for deciding what is appropriate and not appropriate (Kaur and Chawla, 2016).

Tight cultures have clear norms that are reliably imposed (Pelto, 1968), while loose cultures on the other hand, have unclear norms and hence deviance is more tolerated (Triandis, 1989). As a result of the difference in cultural norms, consumers react differently to service failures.

Service failures and service recovery efforts are social exchanges and therefore highly influenced by an individual's cultural orientation (Mattila and Choi, 2012).

According to (Krokosz- Krynke, 1998) high or large power distance causes high standardization. High standardization means many procedures and rules that subordinates have to follow and, as a consequence, the number of decisions they can make and their competencies become very narrow (because their tasks and activities are fully described by procedures and rules). High standardization is practiced in majority of the Kenyan service organizations and therefore, majority of the employees tend to follow the rules given to them, even if they do not agree with some of them.

Hofstede (1984) argues that organizations are 'culture bound' and that people from a particular national background will prefer a certain structure because it fits their implicit model of design and similar organizations in different countries will resemble different types because of different cultural preferences.

Collectivists experience higher levels of perspective taking when hurt, they may be more likely to make a decision to forgive their offender and move forward reconciliation (Hook et al., 2009). Collectivists cultures are known to be more conscious with their relationships with other people and place a lot of emphasis and importance on high values on face, group harmony, conflict avoidance, respect and group status (Triandis,

1995). The reason for studying the dimensions of culture and in this research mostly focusing on individualism/collectivism as well as power distance is because they are all correlated.

As a result of the penetration of international organizations in the Kenyan market, as well as a percentage of the middle class and high-class population having travelled across the world, the Kenya's market culture is demonstrating both collectivist and individualistic characteristics, which would also be referred to as multiculturalism. This is because there still exists a large population and especially in the rural areas that still demonstrate a collectivist culture, while consumers in the urban areas who are more educated demonstrate an individualistic culture. According to (Fukuyama, 1995) It is important to note that cultural boundaries between nations are becoming increasingly "fuzzy" with economic integration and there may be significant cultural differences within countries (Fukuyama, 1995; Locke, 1995). It is not being implied that norms and values are embraced by all groups or subgroups consistent across all segments of a population (Doney et al., 1998).

According to Zoogah et al., (2015), in most parts of Africa, with Kenya being an example. Skilful use of aspects of collectivist and individualistic orientation can be observed; highlighting the presence of both tribal and national culture and this is due to its colonial history, cultural dexterity.

People from different national cultures vary in their willingness to trust (Johnson and Cullen, 2002; Ferrin and Gillespie, 2010). Strong underlying similarities and commonalities between the two parties protect the relationship in the event that trust is violated. In a collectivist society, it is common for individuals or a group to offer forgiveness to an offender (Terzino, 2007) and this is because forgiveness serves to restore closeness and also social harmony (which is important in a collectivist society)

rather than counter personal benefits (Sandage and Williamson, 2005). Paz, Neto and Mullet (2008) emphasize that in a collectivist society, forgiveness might be expected as a social duty in order to emphasis on relationships and for social harmony. On the other hand, in an individualistic society, forgiveness is granted once the victim makes an independent, conscious decision to forgive the other.

Culture plays an important role in creating beliefs about “how emotions should be experienced and expresses” (Levonson and Gross (2008, p.82). Generally individualistic cultures seek self- emotion is common when interacting with others’. Collectivistic cultures believe that expression of emotions can harm relationships; therefore, it is important to continuously regulate one’s (Butler, Lee and Goss. 2009). Culture might impact complaint behaviour (Hernandez and Fugate, 2004) and influences patterns of responses to post- purchase dissatisfaction because cultural norms affect individuals’ values, self-concepts and perceptions of others (Liu and MCclure, 2001).

Consumers with a high-power distance orientation are more sensitive to the status of the employee delivering an apology, therefore they expect them to be more satisfied when an apology is given by an employee they perceive to be of high status (Prasongsukarn et al., 2003).

According to Bowen and Schneider (2014), organizational culture concerns the basic internalized assumptions and shared values that guide an organization’s actions. In service organizations, a service climate emerges from culture as it guides the development of service policies and routines making it a more direct correlate to customer experience (Bowen and Schneider, 2014). Power distance influences employee behaviours and organisational structure and process (Khatri, 2009) which has attracted less attention. Therefore, it is important to investigate the ways in which

culture and organizational culture affects the development of a trust in service organizations.

Culture also affects how customers perceive the service recovery strategies applied. For example, Wong (2004) stated that in high power distance cultures, apologies are more effective than compensation in restoring satisfaction and in improving repurchase intentions. de Matos et al., (2011) emphasized that recovery satisfaction and post-complaint behaviour are moderated by uncertainty avoidance and power distance. Indicating that culture has an impact on consumer complaint behaviour.

According to the findings of Baker and Meyer (2014) which are in line with the findings of Bies and Shapiro (1987) and Dunning et al., (2004) supported that customers from a high-power distance society view the outcome of a recovery process as more just when the employee giving the apology is higher in status. Meaning that customers from high-power distance societies value an apology from a manager as compared to that of a low status employee such as a frontline employee, because they believe they consider the manager to be more trustworthy because they hold a great level of authority in the organization. One important area that should be considered in trust research is the characteristics of the trustor and their social context (Kim et al., 2009; Fulmer and Gelfand, 2015). This is especially important during the process of trust repair. This is because in some cultures, certain strategies may hold a different meaning, from that of another culture.

2.8 Conclusion

The main aim of this chapter was to address the first three objectives of this thesis which include:

1. To analyse the nature of trust failure and trust repair.
2. To analyse value co- creation as a tool for trust repair.

3. To critically analyse the role of frontline employees and managers in the process of repairing customer trust.

The main outcomes of this chapter have been discussed with the help of literature review and they are as follows:

First, by clarifying the nature of service failure and discussing the types of service failure, informed on the factors that lead to service failure and in identifying the point in which emotional loss is experienced after service failure, which leads to trust violation. Subsequently, service recovery literature was included in order to identify and understand the different service recovery strategies used to respond or resolve service failure. It was also important to discuss trust violation in order to better understand the types of trust violation, as well as effect trust repair strategies. The section on trust repair, also saw the introduction of the value co-creation which this research seeks to identify its role in the process of trust repair. Finally, the role of culture was discussed as this research will be carried out on the Kenyan context. Therefore, it is important to understand how culture influences customer behaviour after service failure and also the influence of culture on the trust repair process.

The next chapter will focus on the development of a conceptual framework for trust repair and address research objective four, that aims to develop a theoretically and empirically grounded framework for repairing trust. The next chapter will bring together the literature reviewed in this section and further extant literature that addresses this objective.

CHAPTER THREE: CONCEPTUALISATION CHAPTER

3.0 Chapter overview

Chapter two provided a theoretical rationale, through an analysis of vast literature, for shifting the focus of service recovery study from simply focusing on resolving service failure to repairing customer trust as whole after a service failure.

Following a multidisciplinary review of the nature of service failure, trust failure and trust repair. Chapter 2 (a) identified the factors that lead to trust failure (b) the different recovery strategies and the role of frontline employees in service recovery (c) taking a new approach in studying the effectiveness of value co- creation as a strategy of service recovery during the process of repairing trust.

The objectives of this chapter are twofold:

1. To propose a conceptual framework that captures the way in which value co-creation through a step-by-step process would lead to trust repair.
2. To critically evaluate the framework's theoretical and practical applicability in contrast to existing models.

The main outcome of this chapter is to identify the key theoretical assumptions that form the basis for the proposed conceptual framework.

3.1 Trust repair in the literature

Section 2.5 of the literature review chapter focuses on trust repair and provides an overview of the different definitions of trust repair and expounds on the perceptions of trust repair based on various authors' perceptions. This focuses on different models that have influenced the development of the conceptual model in this thesis.

- **The organizational- level trust repair model**

Gillespie and Dietz (2009) propose a model for repairing trust after an “organizational-level failure,” defined as an incident, or series of incidents, that threatens the legitimacy of the organisation and undermines perceptions of the organisation’s trustworthiness (that is ability, benevolence, and or integrity (Mayer et al., 1995). Figure 3.1 below represents the four-step organizational – level trust repair model (Gillespie and Dietz, 2009).

Figure 3.1 The Four – Stage Process of organizational- level trust repair model

Propositions for the Principles and Four-Stage Process of Organization-Level Trust Repair

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Source: Gillespie and Dietz (2009)

Gillespie and Dietz (2009) assert that effective trust repair requires a four- stage process. In stage one, the organisation is expected to promptly acknowledge that a problem has taken place and to ensure that clearly communication is sent out to inform the affected parties that investigations on the cause of the problem are being carried out. The second stage involves the organisation providing a timely and transparent explanation on the cause of the violation, including information on how the issue is being resolved. The third stage involves the organisation providing an apology and

compensation, only in the case whereby the investigations have indicated that the organisation is responsible for the violation. that depicts the organisation as taking responsibility for the violation. In this stage, the organisation also introduces mechanisms for resolving the problem, based on the magnitude of the violation. The fourth and final stage involves the evaluation of the trust repair process

Of most relevance to this thesis, Gillespie and Dietz (2009) focus solely on repairing trust between the organization and its employees, although their later work suggests the approach and proposal are pertinent for repairing trust with other organizational stakeholders such as stakeholders (Dietz and Gillespie, 2011).

The trust repair model argues that a timely response at each stage is better than a slow response, However, Gillespie and Dietz (2009) note that a rushed diagnosis, immediate communication without accurate evidence and poorly implementation of repair strategies could hinder the repair of trust. In other words, there is a curvilinear effect between timeliness and effective trust repair (Gillespie and Dietz, 2014). This means that a timely and accurate response during the process of trust repair, results in the repair of trust being positively influence. However, a rushed and inaccurate response of trust repair could hinder the process of trust repair. This research finds the model by Gillespie and Dietz (2009) limited by the fact that it does not include value co- creation in the process of trust repair in order to be able to integrate the trustee's perspective in the trust repair process. Secondly, the research by Bozic (2017) argues that employees and other organizational stakeholders, such as customers have different characteristics. Therefore, highlighting that propositions and reforms that would work for employees would not necessarily work for customers in all situations. As a result, this research proposes a trust repair framework that will integrate value co- creation in the trust repair

process, which will also include the perspective of customers in the trust repair process and that also involves the trustor in the trust repair process.

3.2 Service failure severity in literature

This section is a continuation of chapter 2, section 2.1.3 which focused on service failure severity and it will analyse several conceptual frameworks in literature that are focusing on failure severity using terms such as failure magnitude and major or minor incidents to mean the same as the severity of failure. This section will focus on two frameworks that investigate the impacts of service failure severity.

- **Investigating the customer satisfaction model by Smith et al., (1999)**

The first analysis is focusing on the customer satisfaction model developed by Smith et al., (2009). In this model Smith et al., (1999) investigate the impact of type and magnitude of the service failure encounter, as this influences how customers perceive the fairness of the encounter. According to their hypothesis, the degree of the service failure influences the ways in which customers respond to a service failure.

In order for the customer to perceive the service recovery as fair, the service organisation is expected to use a recovery strategy that leaves the customer feeling like they did not experience the service failure. Customer satisfaction with service recovery efforts is based on the reforms and strategies used to recover from the service failure, as well as the customers evaluation of the severity of the service failure against the reparations offered. Smith et al., (1999) argue that customers evaluate the losses experienced from a service failure separately from the benefits in which they experience from the service recovery process. This is because, even if a customer receives huge reparations or overcompensation for losses that they experienced as a result of a service

failure, they will still perceive the loss as greater than the benefits or resources offered by an organization during service recovery.

Customers are considered to expect different levels of service recovery efforts based on the level of severity of the service failure experienced. Therefore, the research by Smith et al., (1999) indicates that there is some level of interaction between the level of service failure severity experienced and the level of service recovery efforts that should be applied. This means that the severity of service failure influences the level of service recovery required in order to restore perceived justice.

According to Smith et al., (1999) the results from their model estimation procedure shows that both compensation and a speedy response have a greater incremental impact on customers' justice evaluations when the failure is less severe. The added value of these recovery resources is reduced as the magnitude of the failure increases. The research by Smith et al., (1999) focused on the restaurant and hotel industry. According to their findings, compensation is the most effective service recovery when the magnitude of the service failure is high,

In both the restaurant and hotel contexts, neither the effect of an apology nor the effect of the recovery initiation differed by failure magnitude. Smith et al., (1999) explained this by stating that this may have been as a result of manipulating only two levels of failure magnitude (high and low), the part of a customer's value function where a moderating effect of failure magnitude could be detected was not captured.

The framework by Smith et al., (1999) is limiting and this is because there is a need to measure the severity of failure by having a neutral or middle level so as to ensure that over compensation or under compensation does not take place and so as to ensure that satisfaction by the customer is reached using the appropriate form of compensation

(Gelbrich, Gätke and Grégoire, 2015; Haesevoets et al., 2017). The model by Smith et al., (1999) also focused on evaluating satisfaction with service recovery against service failure severity. Their model however was not designed to focus on evaluating the success of a trust repair against different levels of service failure severity, which is an area that the conceptual framework in this research aims to evaluate.

- **Structure of incident market share linkage**

Keiningham et al., (2014) refer to major incidents as depicted in their model as accidents resulting in injury or death while minor incidents as noncatastrophic service failures such as delays or lost baggage. Their classification of major and minor incidents reflects their distinction of severe service failures as those incidents that result in injury or death.

According to Keiningham et al., (2014) the classification of the major and minor incidents in the model was done through an objective criterion and not a customer perceived measure of severity.

According to Keiningham et al., (2014) model results, major incidents have a significant negative effect on future market share (Ms). Minor incidents on the other hand show substantially stronger effect on satisfaction than major incidents, underscoring the importance of this predictor in influencing consumer's satisfaction in the future.

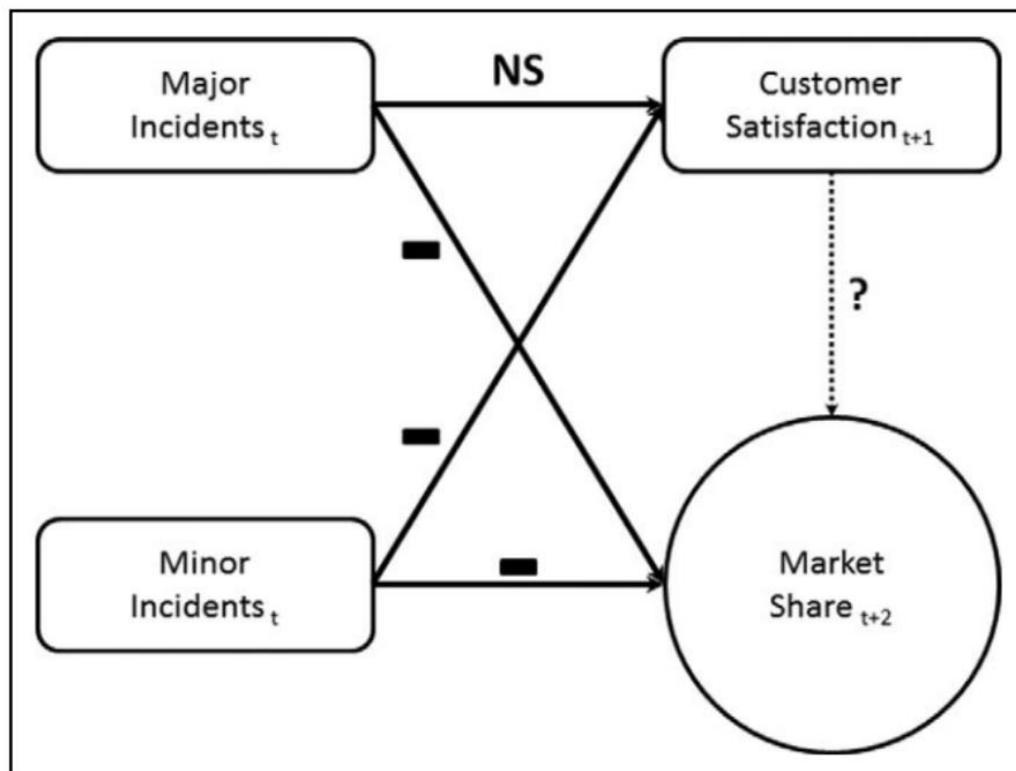
Keiningham et al., (2014) suggest that in an environment where consumers view major incidents as being extraordinarily unlikely, their rare occurrence (if managed properly) will not hold the same way as minor incidents with relatively high probabilities of occurrence.

This does not mean that major incidents have no impact on consumers. One of the most important findings of our study is that major incidents negatively impact future market share but not consumer satisfaction. We believe this discrepancy to be very telling. If market share declines but consumer satisfaction remains the same (or increase), this may signal that dissatisfied consumers are defecting due to their concerns about major incidents, and as a result their voices are not being heard in consumer satisfaction surveys.

The framework by Keiningham et al., (2014) has been concluded based on assumptions of how customers would categorise service failure severity and has not been obtained from actual customer perceived measure of a service failure severity. This research on the other hand plans to involve qualitative methodology and analysis of actual customer experiences of service failure and service failure severity. Including actual experiences of frontline employee experiences of handling different service failure experiences and finally managers experiences in overseeing frontline employees as they handle different levels of service failure complaints. The other way in which this research will extend the literature on service failure severity, is that the findings of Keiningham et al., (2014) state that major incidents only negatively affect market share and not customer satisfaction. Research defines satisfaction as a customer's post consumption evaluation of a product or service determined by the perceived discrepancy between prior expectations and the actual performance (Mittal and Frennea (2010)). Therefore, the level of satisfaction that a customer experiences is determined by the service that they expected to receive against what they actually received. As a result of using one service setting, the framework in this research is limited especially while focusing on the occurrence of major and minor incidents. According to Keiningham et al., (2014) they believe major incidents occur less than minor incidents and therefore, satisfaction

would not be greatly affected after a major incident as customers would defect after experiencing a major failure. However, because the study only focused on one service setting, it was not able to identify whether major incidents occur frequently in other settings. Secondly, the model by Keiningham et al., (2004) also focused on evaluating service failure severity against customer satisfaction and market share. However, their model was not designed to focus on evaluating the success of a trust repair against different levels of service failure severity, which is an area that the conceptual framework in figure 3.3 aims to evaluate. Figure 3.2 below represents the customer-satisfaction share linkage model by (Keiningham et al., 2014).

Figure 3.2 Structure of incidents- customer satisfaction- market share linkage



Source: Adopted from Keiningham et al., (2014)

3.3 Value co- creation in literature

- **Conceptual model of value co- creation in service**

By combining the resource categorization from the Servuction model (Eigler and Lagaard 1976) with the resource- in- action variables of the interactive model (Gronroos,1978), Gronroos (2012) found it possible to derive a model of value co- creation in service. This model is based on the notion that customers create value through usage as value-in- use and that the co- creation of value therefore takes place in joint collaborative activities during direct interactions of the parties (Gronroos, 2012).

According to Gronroos (2012) the content of the resource categories has evolved over time, but the same categories still hold, as do the action variables. New accessibility resources and new means of creating accessibility have emerged, as have new communication tools but the basic structure of the model holds as (Gronroos, 2012).

The model by Gronroos (2012) highlights how key elements such as interaction are important in the value co- creation process by improving the outcome of the service after it has been experienced by the consumer. The model, however, focuses on the experience the customer has after as a service encounter. However, it does not focus on how to improve the customer experience once the customer encounters a negative service experience, service failure in this case. Therefore, this research intends to focus on how when interaction is applied in the service recovery process will result to a successful trust repair process.

- **An integrative model of value co- creation**

Andreu et al., (2010) proposed a model of value co- creation that integrates two previous research frameworks: the model by Payne et al., 2008, which highlights the process of value creation and the model by Gronroos (2008) that specifies the roles of actors.

In this model both suppliers and customers manage and integrate their resources and activities are performed by the supplier, the consumer and by both parties in interaction (supplier- customer). During the encounter process, suppliers and consumers jointly manage the process of interaction and exchange. They rely on their own resources and the capacity to share and integrate certain of these consistent with their own objectives.

The model depicts the importance of “matching” between processes and roles. Customers and suppliers must match up all resources and practices to properly manage their activities and co- create value (Andreu et al., 2010). The more precise the potential matching of resources, actions and aims within and among these processes, the greater will be the potential value.

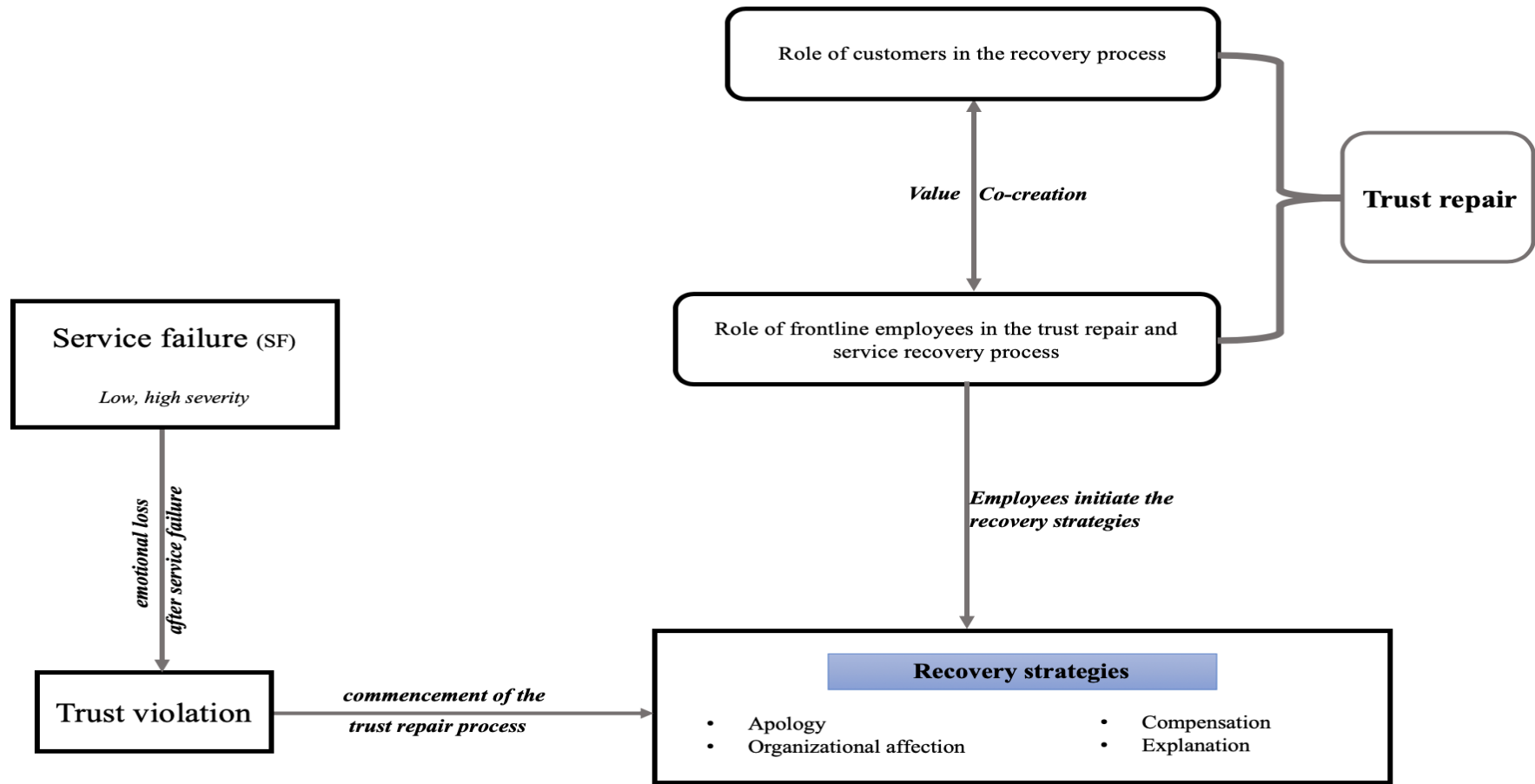
According to this model, the value co- creation framework reinforces the active role of both suppliers and consumers. Moreover, value co- creation can be viewed as a wheel that requires customer knowledge to turn it. The model illustrates how the customer mobilises knowledge and other influences that influence the value proposition (Ordanini and Pasini, 2008).

Andreu et al., (2010) however state that even if customer knowledge is the basic foundation for the effective commencement of the value co- creation process for the supplier, customer integration should also be used to integrate resources from customers into the organization’s processes and thereby foster joint value creation.

Value co- creation management is concerned not only for the supplier but also for the customer. His process depends on their involvement and is related to the management of all processes in terms of resources ad practices (Andreu et al., 2010).

The model by Andreu et al., (2010) is that the model is focused on creating value for the consumer when the value is being delivered. However, it does not focus on how value co- creation can be applied after a service delivery has been unsuccessful. It also does not focus on how to the model can be implemented in the process of service recovery in order to repair trust that may have been violated as a result of a service failure.

Figure 3.3 Proposed conceptual framework



Source: (author)

3.4 The proposed conceptual framework

Following the review of several key theoretical frameworks, this thesis proposed a conceptual framework in Figure 3.3. The conceptual framework above draws from value co-creation model in service by Gronroos (2012). Gronroos' (2012) model focuses on frontline employees and customers as key actors during value co-creation, an approach adopted by the proposed conceptual framework of this thesis. Gummesson and Mele (2010) highlight the importance of integrating multiple actors extending the range of co-creation opportunities. This research argues that understanding the nature of service failure and how service failure is categorised will help to better understand how to repair trust, as well as how service failure leads to trust violation. While this research attempts to identify factors that lead to trust violation in the Kenyan service sector.

The framework begins by showing that trust violation is a result of service failure and in this case trust violation may take place at different levels of service failure. The framework further highlights that the trust repair process begins when interaction between frontline employees and customers is introduced during the service recovery process. The role of the frontline employees is to act as the initial point of contact when a customer approaches the organization with a complaint regarding a service failure. The frontline employees introduce the service recovery strategies to the customers and through value co-creation, the frontline employees and customers are provided with the opportunity to interact and identify the most appropriate strategy to recover the service failure. The trust repair process is assumed to be taking place during this recovery process, as this research assumes that by introducing value co-creation during the service recovery process, customers will be satisfied with the recovery process,

which will in turn help to repair the customer trust that was broken, as a result of the service failure. Therefore, the outcome of this process will be trust repair.

3.5 Conclusion

The chapter, upon integrating the literature and theoretical foundations developed in Chapter 2 with the theory and value co-creation framework by (Gronroos, 2012) created a solid foundation for integrating value co-creation as a function of trust repair. It presented the development of a conceptual framework, in the form of a trust repair framework, concerned with clearly capturing the manner through which trust repair can be repaired through value co-creation, more specifically the interaction between frontline employees and customers during the service recovery process.

The next chapter will include the methodology chapter which will address the research design and the research philosophy for this thesis.

CHAPTER FOUR: METHODOLOGY

4.0 Chapter overview

Chapter three introduced the conceptual framework for trust repair and presented a critical analysis on an already existing framework for repairing trust, value co-creation and service failure severity. Identifying the pivotal aspects that will be introduced by the conceptual framework in this thesis, that were not addressed by those earlier models. The aim of this chapter is to present the methodology adopted for this thesis. The chapter will also:

- Explain the research design and philosophical choice of this thesis.
- Furthermore, it will provide an extensive account of the different research methods and strategies that will be employed.
- Describe the sampling methods that will be incorporated in the methodology as well as the methods that will be used in the analysis.

Denzin and Lincoln (2005) refer to methodology as a fundamental set of beliefs that guide the research methods of data collection and analysis which then create a foundation for any research. Research design on the other hand refers to the choices made in terms of the methodology and methods that will be used to address the research questions (Collis and Hussey, 2014).

4.1. Background

This thesis examines trust repair in the Kenyan service sector, by critically analysing trust recovery strategies and how they can be applied in the process of repairing trust Kenya is poised to be among the fastest- growing economies in East Africa, according to the latest World Bank Group's (WBG) economic analysis for the country (The World Bank (2015). The Kenyan population is 47,737,667 as of November 22nd 2016 based

on the latest UN estimates (Worldometers, 2016) with telecommunication being the biggest communication company in East and Central Africa. One of the main reasons for the choice of the telecommunication organization is because it delights with over 25.1 million subscribers, which represents more than half of the Kenyan population (Safaricom, 2016). The other important reason for the choice of organisation is because the organisation allowed the researcher to collect first-hand information from unhappy customers, frontline employees and managers.

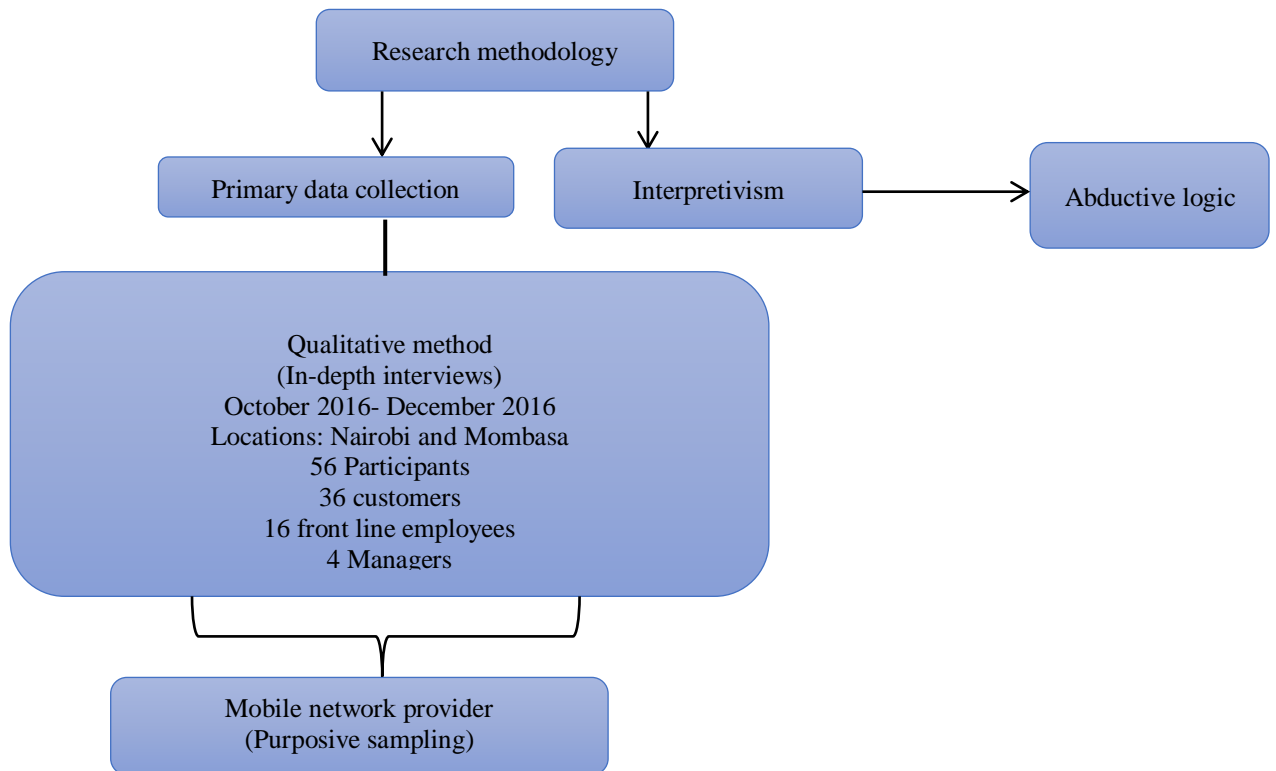
On the hand, Co-operative Bank of Kenya is the first locally owned commercial bank in Kenya with other 7.5 million customers, 150 branches and over 9000 mobile banking agents for its MCo-op mobile banking service (Central Bank of Kenya, 2018). Co-operative Bank of Kenya works to cater to all types of customers, while majority of the other banks in the country such as Standard Chartered Bank, I&M Bank and Barclays Bank do not offer services to all types of customers. Also, the easy accessibility to the branches and agents of the bank's customers makes it a good choice of organisation to use for this research. Based on the population size in Kenya and participation in the global economy, there is need to consider the Kenyan economy while considering the implementation of value co-creation in the Kenyan service industry market.

The choice of country was justified by the need of contextualisation. The research is Kenyan (Kiswahili is a language of a regional status spoken in Kenya). Collecting data using subjects' vocabulary is useful as it achieves comprehension of social contexts, maximises contextualisation of the data collection, allows for greater translation equivalence and understanding of the emerged meanings (Burgees and Steenkamp, 2006; Crouch and McKenzie, 2006).

This chapter will start with a for the philosophical approach chosen for this research as well as the subjective view of reality and the underlying paradigm from which

qualitative strategy has been applied. Figure 4.1 below identifies the research method that will be used to answer the research question of this thesis as well as to achieve the aims and the objectives.

Figure 4.1 Representation of research method applied



(Source: author)

4.2 Ontology and Epistemology

The philosophical assumption consists of an outlook towards the nature of reality (ontology), how the researcher knows what he or she knows, (epistemology) the function of values in the research and (methodology) the methods used in the process (Creswell, 2003).

Guba and Lincoln (1988) asked a few questions to explain the difference between ontology, epistemology and methodology and how the three relate:

- Ontological assumption: which tries to find out what is the nature of reality?
- Epistemological assumption: which tries to find out the relations that exist between the researcher and that being researched?
- Methodological assumption: which asks what is the research process?

Creswell (2007) attempted to answer these questions by stating:

“In the ontological assumption reality is subjective and diverse as seen by participants in the study while in the epistemological assumption, the researcher attempts to lessen the distance between themselves and that which is being researched. The methodological assumption on the other hand states that the researcher employs inductive logic, studies the topic within the context and uses a transpiring design”.

- **Ontology**

According to Blaike (2000) ontology is about claims and assumptions that are created about the nature of social reality and it claims what exists. Questions of social ontology have to do with the nature of social entities. The focal point of orientation here is the question of whether social entities can and should be regarded as objective entities that have a reality external to social actors, or whether they can and should be considered as social structures, built up from the deeds and perceptions of social actors (Bryman and Bell, 2011).

The ontological assumption falls into two positions which are many times referred to respectively as objectivism and constructivism (Bryman and Bell, 2011). Objectivism is an ontological assumption that suggests that social phenomena and their meanings have an existence that is distinct from social actors. It implies that social phenomena and the categories that we use in everyday discussions have an existence that is independent or separate from actors (Bryman and Bell, 2011).

According to Bryman and Bell (2011) constructivism is an ontological position that argues that social phenomena and their meanings are continually being realized by social actors. It implies that social phenomena and categories are not only as a result of social interaction but that they are in a constant state of modification.

According to Collis and Hussey (2014) the ontological assumption is concerned with the nature of reality.

- Positivists believe social reality is objective and independent to the researcher. Therefore, there is only one reality and everyone has the same sense of reality.
- Interpretivists believe that social reality is subjective because it is socially constructed. Therefore, each person has his or her own sense of reality and there are numerous realities.

The ontological standing of this research is close to constructivists, who believe that social phenomenon comprises of multiple realities. This is because this research is focused on identifying ways in which trust can be repaired after a trust violation. Therefore, the research has to find out from different sets of participants, that is customers, frontline employees and managers their views on the most effective strategies of repairing trust after it is violated. Therefore, presenting different points of view as every participant will have their own different way of understanding and evaluating situations, therefore creating several realities.

▪ **Epistemology**

Derived from the Greek words episteme (knowledge) and logos (reason), epistemology is centred on the knowledge – gathering process and is concerned with developing new models or theories that are superior than competing models and theories (Grix, 2004).

According to Bryman and Bell (2011) an epistemological issue is concerned with the question of what is (or should be) regarded as admissible knowledge in a discipline.

The epistemological assumption according to Collis and Hussey (2014) is concerned with what we accept as valid knowledge. This involves an exploration of the relationship between the researcher and that which is researched:

- Positivists believe that phenomena can only be validly considered as knowledge if it is observable and measurable. They try to maintain an independent and objective stance.
- Interpretivists on the other hand, strive to minimize the distance between the researcher and that which is researched.

The epistemological assumption in this research is subjective. This is because the researcher could not separate themselves from the research and the analysis conducted. This is important in qualitative research as Collins (1998) report that the interaction with participants during the data collection process shifts the paradigm of choice away from the scientific enquiry.

4.3 Philosophical choice

There are several philosophical choices such as positivism, post positivism and interpretivism (Grix 2004; Creswell, 2007; Collis and Hussey 2014). However, the two mostly used philosophical choices in marketing research are positivism and interpretivism. This section provides a brief overview of the different philosophical choices and the presents the justification for the philosophical choice used in this thesis.

▪ Positivism

Grix (2004) defines positivism as an epistemological position that supports the application of natural sciences methods while studying social reality. Collis and Hussey, (2014) and Hair Jr et al., (2015) support this argument and refer to social reality as singular and objective.

In terms of practice, positivist researchers apply vigorous methods of collecting and analysing qualitative data and do not only focus on one view or a single reality, instead they take into account the views of different participants (Creswell, 2007).

- **Interpretivism**

Interpretivism on the other hand is an epistemological viewpoint in research is expected to respect the differences between people and the objects and researches should understand the subjective meaning of society (Bryman, 2004). Collis and Hussey (2014) report that emergence of interpretivism was as a criticism of positivism. According to their findings, interpretivism is subjective is based on multiple realities. Therefore, social reality is affected by the act of investigating it.

Table 4.1 Assumptions of Positivism and Interpretivism

| Philosophical assumption | Positivism | Interpretivism |
|---|--|---|
| Ontological assumption (the nature of reality) | <ul style="list-style-type: none"> • Social reality is objective and external to the researcher. • There is only one reality. | <ul style="list-style-type: none"> • Social reality is subjective and socially constructed. • There are multiple realities. |
| Epistemological assumption (what constitutes valid knowledge) | <ul style="list-style-type: none"> • Knowledge comes from objective evidence about observable and measurable phenomena. • The researcher is distant from phenomena under study. | <ul style="list-style-type: none"> • Knowledge comes from subjective evidence from participants. • The researcher interacts with phenomena under study. |
| Axiological assumption (the role of values) | <ul style="list-style-type: none"> • The researcher is independent from phenomena under study. • The results are unbiased and value-free. | <ul style="list-style-type: none"> • The researcher acknowledges the researcher is subjective. • The findings are biased and value-laden. The findings are biased and value-laden. |
| Rhetorical assumption (the language of research) | <ul style="list-style-type: none"> • The researcher uses the passive voice, accepted quantitative words and set definitions. | <ul style="list-style-type: none"> • The researcher uses the personal voice, accepted qualitative terms and limited priori definitions. |
| Methodological assumption (the process of research) | <ul style="list-style-type: none"> • The researcher takes a deductive approach. • The researcher studies cause and effect, and uses a static design where categories are identified in advance. • Generalizations lead to prediction, explanation and understanding. • Results are accurate and reliable through validity and reliability. | <ul style="list-style-type: none"> • The researcher takes an inductive approach. • The researcher studies the topic within the context and uses emerging design where categories are identified during the process. • Patterns and/ or theories are developed through understanding. • Findings are accurate and reliable through verification. |

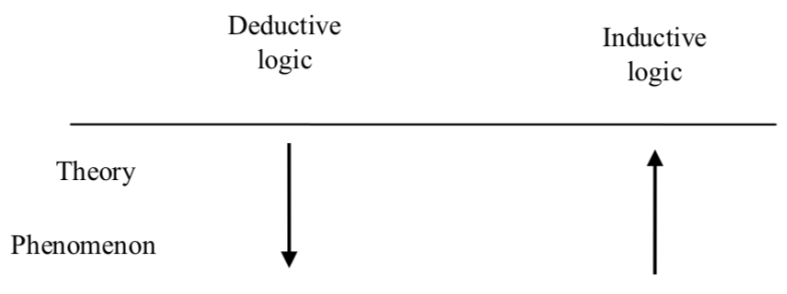
Source: Adopted from Collis and Hussey (2014)

Table 4.1 shows the philosophical assumptions of positivism and interpretivism which include ontological, epistemological, axiological, rhetorical and methodological assumptions. This research has adopted an interpretivist route, this is because the enquiry shed light on the meaning that consumers, frontline employees and managers place on their existing a trustworthy relationship between the organization and the consumers. The interpretivist route also sheds light on the importance that the customers, frontline employees and managers place on Value co- creation after a service failure, during the process of service recovery, in order to ensure that trust repair is successful.

4.4 Research approaches

There exists three approaches that are used in research, inductive logic, deductive logic and abductive logic, which is a combination of both inductive and deductive logic. Inductive logic refers to when a researcher uses the empirical data collected to develop a theory, while deductive logic refers to a case where the researcher looks for data that explores and accommodates existing theory. Figure 4.2 highlights the different research logic. This section provides an overview of three research approach as well as justification for the research approach best suited for this thesis.

Figure 4.2 Research logic



Source: Adopted from Grix (2004)

- **Deductive approach**

Grix (2004) states that deductive theory and research is a type of approach in which theory informs research in the inception and hypothesis sets out what evidence the researcher looks for. Data then is collected to validate or refute the hypothesis. Deductive theory represents the most common view of the nature of the relationship between theory and research (Bryman and Bell, 2011). Deductive theory according to Collis and Hussey (2014) is whereby a conceptual and theoretical structure is developed and then assessed by empirical observation.

- **Inductive approach**

Inductive logic refers to the process by which conclusions are obtained from direct study of empirical evidence (Landman, 2000). These conclusions are then applied into the development of theory (Grix, 2004). According to Bryman and Bell (2011) inductive approach is related to the relationship between theory and research, in which the theory is as a result of the research. It is developed from the observation of empirical reality, thus general conclusions are induced from particular occurrences, which is the opposite of the deductive method (Collis and Hussey, 2014). Deductive theories according to Grix (2004) in contrast to inductive theory come to their conclusion by exerting reason to a given set of premises.

- **Abductive approach**

Abductive approach is considered as a means of assigning “primacy to the empirical world but in the service of theorizing” (van Maanen et al., 2007, p.1149). According to Dubois and Gadde (2004;2014) abductive approach is effective when the objective of the researcher is to uncover new ideas, new connections or relationships and other variables.

According to Lukka and Modell (2010) abductive approach has overtime, slowly been accepted as a pivotal part in interpretivism research. Dubois and Gadde (2004) argue that the use of abductive approach is more effective than using deductive or inductive approaches on their own when developing a framework.

In studies using abductive approach, the initial framework is successfully revised, as the unexpected empirical findings develop during the analysis process, including the theoretical understanding obtained during the process (Dubois and Gadde, 2004).

This study is based on an abductive approach and this is because the logic behind this thesis is based on both theory from existing literature that influence the development of the primary conceptual framework, presented in Chapter 3 Section 3.5.2. As well as the empirical findings that modify the primary framework, leading to the development of a revised model found in Chapter 6, section 6.7.

4.5 Research design

Research design refers to the type of inquiry within qualitative, quantitative and mixed methods approaches that provide specific direction for procedures in a research design (Creswell, 2013).

According to Crotty (1998) a good research design should have four identifiable approaches that support the methodology and method used to design the research. Table 4.2 below has been adopted and modified from Crotty (1998) to highlight the five approaches that have been applied by this research.

Table 4.2 Research design

| Approaches of research design | This study's research design |
|--------------------------------------|---|
| Epistemology | Subjective |
| Theoretical perspective | Interpretivism |
| Approach | Abductive |
| Methodology | Qualitative approach |
| Method | <ul style="list-style-type: none"> • Purposive sampling • In-depth interviews |

Adapted from Crotty (1998)

Table 4.3 Alternative research designs

| Quantitative | Qualitative | Mixed Methods |
|--|---|--|
| <ul style="list-style-type: none"> • Experimental designs • Nonexperimental designs, such as surveys | <ul style="list-style-type: none"> • Narrative research • Phenomenology • Grounded theory • Ethnographies • Case study | <ul style="list-style-type: none"> • Convergent • Explanatory sequential • Exploratory sequential • Transformative, embedded or multiphase |

Source: Adopted from Creswell (2013)

Table 4.3 above presents the different approaches that can be used in a research based on the method most applicable for the area of study. The next few sections of this chapter will explore the different methods of data collection as well as to justify the reason as to why the approaches applied in this research are the most effective in addressing the objectives of this thesis.

4.6 Qualitative method

Patton (2001) states that qualitative research uses a naturalistic approach that strives to understand a phenomenon in distinct settings, such as “a real-world setting” where the researcher does not attempt to distort the phenomena of interest.

Qualitative research according to Grix (2004) is concerned with interpreting the subjective experiences; this refers to the perspectives of the individuals being studied.

Hair Jr. et al., (2015) also define qualitative data as textual or visual information collected and categorized by researchers to address a research topic rather than numerical illustrations or observation. A good qualitative study according to Eisner (1991) can assist to understand a situation that would otherwise be hard to understand.

The main reason behind the decision to use qualitative exploration in this research include:

1) the research objectives, method of data collection is important to understand the most effective factors for customer trust repair based on customers views as well as to also understand how customers categorize service failure severity when a service disappointment takes place. This advantage of qualitative method has been emphasized by Silverman (2000) who stated that qualitative method of data collection can be able to capture dimensions of human actions that cannot be captured by quantitative method of data collection. 2) literature highlighted there was a limited number of trust repair studies that have focused on qualitative research 3) the situation in the field, that is, the organisation did not have an effective contact structure for their customers that could be used for distributing the questionnaire surveys.

As presented in table 4.3 above, this qualitative research will apply a phenomenology approach, and this will be by interviewing participants who have experienced trust violation as a result of a service failure, as well as employees and managers who have interacted with customers who have experienced a trust violation as a result of a trust failure. The reason for this is so that the researcher can be able to describe the meaning and understanding that customers, frontline employees and managers hold regarding trust failure after a violation and the strategies of repairing trust. This is in line with Creswell (2007) description of phenomenology, which is referred to as the process of describing the meaning and understanding of a phenomenon for specific individuals, who have experienced the phenomena.

4. 6. 1 Qualitative research versus quantitative research

Qualitative data are normally momentary, understood only within context and are linked with an interpretivist methodology that normally results in findings with a high degree of validity (Collis and Hussey, 2014). It contrasts with quantitative data, which

are usually precise and can be captured at different points in time in varied contexts, and are associated with a positivist methodology that normally results in findings with a high degree of reliability (Collis and Hussey, 2014).

Smith (1981) states that both quantitative and qualitative data collection approaches and analysis procedures have their own respective strengths and weaknesses. As a result of all the different techniques and procedures having different effects, it makes sense to use diverse methods to cancel out the ‘method effect.’ This will result into greater confidence being placed in the conclusion (Saunders, Lewis and Thornhill, 2009).

Table 4.4 Description of Quantitative, Mixed and Qualitative methods

| Quantitative methods | Mixed methods | Qualitative methods |
|---|---|--|
| Pre- determined | Both predetermined and emerging methods | Emerging methods |
| Instrument based questions | Both open and closed ended questions | Open ended questions |
| Performance data, attitude data, observational data and census data | Multiple forms of data drawing on all possibilities | Interview data, observational data, document data and audio- visual data |
| Statistical analysis | Statistical and text analysis | Text and image analysis |
| Statistical interpretation | Across database interpretation | Themes, patterns interpretation |

Source: Adopted from Creswell (2013)

Table 4.4 above adopted from Creswell (2013) outlines the different elements in the three methods of research highlighting the factors that would be most important to a researcher when selecting a method of data collection.

4.6.2 Interviews

Interviews are a method for collecting data in which selected participants (the interviewees) are asked questions to find out what they do, think or feel (Collis and Hussey, 2014).

There are three main types of interviews, structured interviews, unstructured interviews (in depth), semi structured interviews that are described below:

- In a semi- structured interview, the research prepares some questions that encourage the interviewee to talk about the main topics of interest and develops other questions during the course of the interview (Collis and Hussey, 2014).

One advantage of semi- structured interviews is that the order in which the questions are asked is flexible and the researcher may not need to ask all the prepared questions because the interviewee may have provided the relevant information when answering the question (Collis and Hussey, 2014).

- In depth interview is an unstructured one- on – one discussion session between a trained interviewer and a participant (Hair et al., 2015). Like focus groups, in depth interviews can be useful in clarifying concepts (Hair et al., 2015).

The reason as to why qualitative researchers use unstructured interviews is because it serves as a way of probing deeply into an issue while carrying out the research (Hair et al., 2015). The lack of structure also allows for the identification of issues that would not be revealed by a structured question (Hair et al., 2015).

In depth interviews allow much deeper probing than does a focus group (Hair et al., 2015). Probing means that a researcher delved deeply into a response to identify possible hidden reasons for a particular behaviour (Hair et al., 2015).

In depth interview participants are usually more comfortable discussing potentially sensitive topics (Hair et al., 2015). Open ended questions allow the participants to freely

voice their experiences and minimize the influence of the researcher's attitudes and previous findings (Creswell, 2004).

One disadvantage of in-depth interviews is that they are generally more expensive than focus groups. Since the interviews are one-on-one (Hair et al., 2015).

This research however using an interview guide that is structure, will also adopt in depth interviews as a method of data collection so as to be able to examine the factor that lead to trust repair. This is because this method will be able to provide deep information as the respondents will have a platform that will allow them to freely express their views on the topic being studied and also because as stated by Kendall, (2008) that qualitative interviews data often gather more in depth insights on participant attitudes, thoughts and actions which will be very important in gathering useful data for this research. This method will also be used to critically analyse and categorize different severities of service failure and their impact on trust. This method is the most appropriate to answer this objective as interviews are best applicable where there little is already known about the study phenomenon or where detailed insights are required from individual participants. The interview guide will be used to monitor and ensure that all of the questions are addressed, however, the participants will be provided with time to expound on their answer, as long as it is in line with the questions asked related to the topic.

A copy of the interview guide used in this research has been attached in Appendix 1 and 2, representing the frontline employee and customers interview guide respectively.

4.7 Data Collection process

This section provides details of the data collection process, which includes the sampling, research quality, ethics applied in this research. Data according to Collis and Hussey (2014) refers to facts or things used as a basis for inference or reckoning.

Research data can be quantitative or qualitative. Data can also be classified by source. The study may also be based on an analysis of secondary data or an analysis of primary data (Collis and Hussey, 2014).

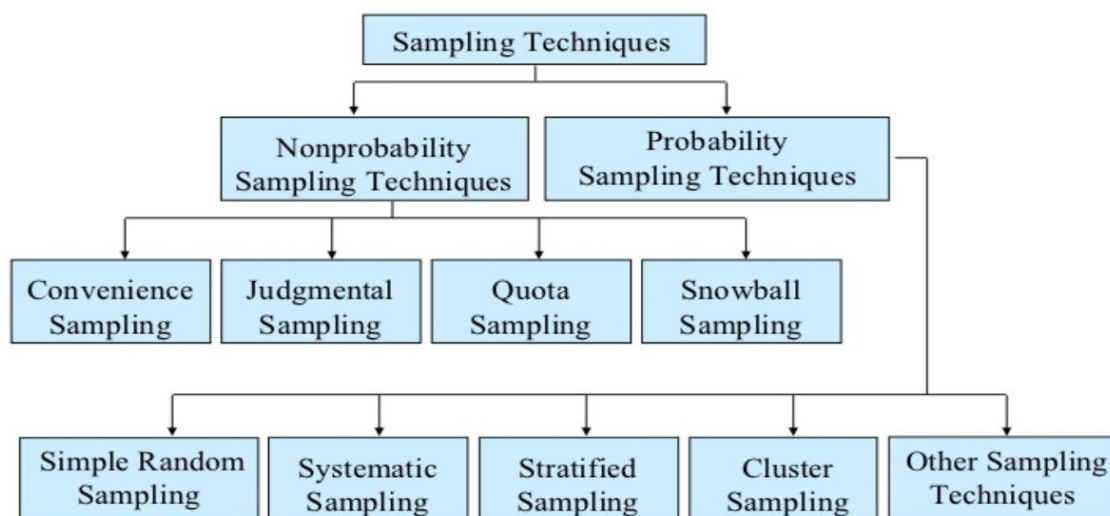
4.7.1 Sampling

A sample is a subset of a population, while a sample size is the appropriate number of subjects to include in a sample (Collis and Hussey, 2014). A population can be referred to as the universe of units from which the sample is to be selected (Bryman and Bell, 2011). It can also be referred to as a body of people or collection of items under consideration for statistical purposes (Collis and Hussey, 2014).

The importance of sampling in any research is to guarantee that the sample group is an accurate representative of the population without any inaccuracy.

The most frequently used methods of sampling are random and non-random sampling techniques. Figure 4.3 below presents a list of the different sampling techniques that can be used in research.

Figure 4.3 Classification of sampling techniques



Source: Adopted from Malhotra, Dirks and Wills (2013)

A random sample is an unbiased subset of the population, which allows the results obtained for the sample to be taken as being true for the whole population, in other words the results from the sample are generalizable to the population (Collis and Hussey, 2014).

Simple random sampling is a straightforward method of sampling that assigns each element of the target population an equal probability of being selected (Hair Jr et al., 2015).

Probability sampling is typically used in quantitative research. This involves a selection of a representative sample from the population using a random procedure to ensure objectivity in selecting the sample. The finding from the sample data can then be generalized to the population with a specified degree of accuracy (Hair et al., 2015).

Probability methods are based on the premise that each element of the target population has a known, but not necessarily equal probability of being selected in a sample (Hair Jr et al., 2015).

In non- probability sampling is a straightforward method of sampling that assigns each element of the target population an equal probability of being selected (Hair Jr et al., 2015). Within non-probability sampling, purposive sampling involves distinguishing and selecting groups or individuals that are experienced and well informed with a situation of interest (Creswell and Clark, 2011).

This research uses purposive sampling method, because the research questions deal with how organisations can repair trust. The population includes customers who have experienced a breach in trust after a service violation and their input on effective strategies of repairing broken trust. As well as frontline employees and managers who

have been in interaction with customers who have experienced a trust violation after a service failure. Patton (1990) emphasize that purposive sampling is advantageous in capturing key themes that shared across variation am individual cases.

4.7.2 Research quality

The quality of research can be determined by the assessment of the research validity and reliability (Forza,2002) with validity and reliability being considered to decrease opportunities for research bias and to increase transparency (Singh, 2014). Patton (2001) states that validity and reliability are two factors that any qualitative research should be concerned about while designing a study, analysing results and judging the quality of the study. This corresponds to the question that “How can an inquirer persuade his or her audiences that the research findings of an inquiry are worth paying attention to?” (Lincoln and Guba,1985, p.290).

The idea of discovering truth through measures of reliability and validity is replaced by the idea of trustworthiness (Mishler, 2000), which is defensible (Johnson 1997) and establishing confidence in the findings (Lincoln and Guba, 1985).

Seale (1999) states that while establishing good quality studies through reliability and validity in quantitative research, the trustworthiness of a research report lies at the heart of issues conventionally discussed as validity and reliability.

Patton (2001) states that with regards to the researcher’s ability and skills in any qualitative research, reliability is often found to be a consequence of the validity in the study. A scientific study must always address these two issues, reliability and validity. When these issues are properly addressed, measurement error is reduced (Hair et al., 2015).

Lincoln and Guba (1985) provide a guide to use in order to evaluate rigor of interpretivist research, by substituting validity and reliability with trustworthiness.

These include credibility, confirmability, dependability and transferability. Table 5.5 in Chapter 5 of this thesis represents the research rigour applied during the data collection process as well as during the analysis of data. According to Bloomberg and Volpe (2016) trustworthiness as a guide for evaluating qualitative research differs from the criteria used in quantitative research and this based on how well the researcher provides evidence that his or her evidence represent the situation or individuals being investigated.

4.7.3 Ethical consideration

The term ethics refers to the moral values or principles that form the basis of a code of conduct (Collis and Hussey, 2014). Research ethics on the other hand refers or is concerned with the manner in which research is conducted and how the results or findings are reported (Collis and Hussey, 2014).

According to McNeill and Chapman (2005), research can have a very powerful impact on people's lives. A researcher has a set of moral principles that guide her in the choice of how to conduct him or herself with regard to such topics as confidentiality, anonymity, legality, professionalism and privacy when dealing with people in research (Blaxter et al., 1997).

Research ethics therefore relates to questions about how we formulate and clarify our research topic, design our research and gain access, collect data, process and store our, analyse data and write up our research findings in a moral and responsible way (Saunders, Lewis and Thornhill, 2009).

Bell and Bliss (2007) state that ethics codes increasingly emphasize the importance and openness and honesty in communicating information about the research to all interested parties. Most ethical problems can be anticipated and dealt with during the design stage of any research project (Saunders, Lewis and Thornhill, 2009).

This research obtained ethical approval before embarking on the data collection stage. This is important before starting any data collection process in order for participants to be made aware of what the research is about and what it entails. The participants in this research were presented with a consent form in order to have a better understanding of what the research was about, see Appendix 3. As well as a participation form, Appendix 4 which included the information on what was expected from them as participants during the process and also to ascertain to them that all the feedback that they will be confidential and anonymous when used in the research. Finally, the participants were also informed that their feedback would be stored securely in order to maintain the confidentiality of their feedback.

4.8 Conclusion

This chapter has presented details on the methods and approaches used in collecting data to address the research objectives of this thesis. This includes the philosophical choices, justification for method applied as well as the sampling method and ethical process followed during the whole process. The next chapter will present the data collection process, including detailed information on how the data was analysed and as well as the introduction of the developed themes from the analysis process.

CHAPTER FIVE: DATA COLLECTION STRATEGY

5.0 Chapter overview

Chapter 4 presented and highlighted the methods that would be used while collecting data to address the research design and philosophy that will be applied in this research, as presented in figure 4.1. This aim of this chapter is to provide details of the procedure undertaken while collecting the data, the transcription process of the data collected and the analysis process which includes the development of codes and the themes from the data analysed.

The research objectives of this research include:

1. To examine trust violation and trust repair in the Kenyan service sector.
2. To critically analyse the concept of value co-creation as a tool for trust repair in the Kenyan service sector.
3. To critically analyse the role of frontline employees and managers in the process of repairing customer trust.
4. To develop a theoretically and empirically grounded framework for repairing trust
5. To provide recommendations to managers on how to restore trust in the Kenyan service sector.

5.1 Background

This section details the initial phase of the of the data collection process, including details on how the data collection process commenced.

The data included two sectors and data sets. The first phase begun with data being collected from the telecommunication sector and the second phase involved data being collected from the banking sector. The main reasons for using both cases was in order

to evaluate if the use of the service recovery strategies and value co-creation in the process of trust repair is different in both selected sectors and to compare the similarities and differences between the trust repair process from both sectors. This is in line with (Eisenhardt and Graebner, 2007) who stated that multiple case studies allow for wider exploration of research questions and theoretical development.

The initial stage of the data collection process began when the researcher arrived at the telecommunication's headquarters. The researcher was introduced to a research assistant whose role was to introduce the researcher to the employees and branch managers in the different branches visited. Once the data collection process began, the researcher was shown where they could conduct the interviews in each of the respective branches. The branch managers provided the researcher with areas in the branch, such as an office or a table at the branch reception, where the interviews could be conducted. The researcher introduced herself to the potential participants in the customer group, while they were waiting in line to be served and informed them to pass by the researcher's table when they had received the service that they required. The researcher also approached potential participants when they were exiting the branch. In the case of the frontline employees, the employees were interviewed during their break, as this was the agreement with the organization, in order not to take them away from their job for a long time. The managers were interviewed in their offices in their respective branches. The interviewees were offered a drink and a snack and were also given a few minutes to go through the consent form and the participant information form to read and sign before the interview began.

The researcher embarked with the data collection and the process began in Nairobi. As well as purposive sampling that was used in this research in section 4.9, the researcher discovered while out in the field, that the telecommunication organization had

segmented its customers based on their demographic and they categorised the segments based on the customers' age and income. The segments are five in number which include; Mass customers, hustlers, discerning professionals, youth and platinum customers. The telecommunication organization has applied target marketing whereby the organization has chosen three of the segments, which include the youth, hustler and platinum segment and developed products and marketing mixes customised for each of these segments. This was noted during the initial interviewing process. As the first few interviews were conducted, it was evident that the customers in the hustler, youth and platinum segment did not meet the requirements of the interview, as when asked if they had experienced a service failure in the recent past from telecommunication organisation, they responded that they had no issues to report as they had not experienced a service failure and were happy with the services offered to them. This was not the case with the customers in the discerning professional and mass segments respectively. These participants expressed that they had experienced one or more service failures from the telecommunication organization and their lack of confidence in the organization. These segments as stated above are categorized based on the customer spending. The mass customers are the lowest spending in the telecommunication organisation, the hustlers are the businesspeople, or people running small businesses. The discerning profession are the customers working in the corporate world, they spend a minimum of 1000Ksh to 2500Ksh a month and the platinum customers spend a minimum of 15000Ksh a month and they can be from any of the other segments. These can be through Mpesa transactions, data or calls and texts. They are mostly business owners, C.E.O's and directors. Table 5.1 below shows the different customer groups and their respective segments according to the telecommunication organisation and figure 5.1 is used to show the social categories in Kenya. The

importance of this is that the telecommunication organisation has used these categories to classify their customers according to their social class as well as the customer's level of income.

Table 5.1 The telecommunication’s customer segments

| Segment | Categories | Social economic class | Gross income per month | Monthly spend |
|--|--|-----------------------|----------------------------------|--------------------------------|
| Discerning professional | • Young flashers (25- 32 years) | • B, C1 and upper C2 | • 40,000Ksh | • Min 1000Ksh |
| | • Mature trendies (33 -39 years) | • B, C1 and upper C2 | • 40,000Ksh | • Min 1000Ksh |
| | • Mature Professionals (40 years or older) | • B, C1 and upper C2 | • 40,000Ksh | • Min 1000Ksh |
| | • Affluent influencers (40 years or older) | • AB | • 150,000Ksh | • Min 2500Ksh |
| Hustler | ➤ Stable hustler (33 years or older) | • B, C1 and upper C2 | • 40,000Ksh | • Min 1000Ksh |
| | ➤ Network young (25 -32 years old) | • B, C1 and upper C2 | • 40,000Ksh | • Min 1000Ksh • Min 2500Ksh |
| | ➤ Savvy loyalists (40 years) | • AB | • 150,000ksh | |
| | ➤ Older Toa Mpango (33 years or older) | • DE | • No income/ less than 15,000Ksh | • Max 500Ksh |
| | ➤ Toa Mpango (25 -32 years) | • DE | • No income/ less than 15000Ksh | • Max 500Ksh |
| | ➤ Young progressive worker (25- 32 years) | • Lower C2, D | • 15, 000 – 39,000 Ksh | • Max 1000Ksh • Max 1000Ksh |
| | ➤ Progressive worker | • Lower C2, D | • 15, 000-39, 000 Ksh | |
| ➤ Young cautious caller (19 -24 years) | • DE | • 15,000- 39, 000Ksh | • Max 1000 Ksh | |
| Youth | ➤ Hi – pot students (18- 24 years) | • B, C1 and C2 | • No income/ 40, 000Ksh | • Max 1000Ksh |
| | ➤ Tweens (18 years and under) | • A, B, C1 and C2 | • No income | • Max 1000Ksh |
| | ➤ Prudent young (18 -24 years) | • Lower C2 and D | • No income/ 15,000- 39,000Ksh | • Max 1000Ksh |
| Mass | ➤ All age groups | • E | • No income or very low income | • Max Ksh 300 |
| Platinum | ❖ All segments | | | • Min 15000Ksh |

Figure 5.1 Class section categories in Kenya

Social Grade of Chief Income Earner

| Social Grade | Description | % population |
|---------------------|---|---------------------|
| A | High managerial, administrative or professional | 4 |
| B | Intermediate managerial, administrative or professional | 23 |
| C1 | Supervisory, clerical and junior managerial, administrative or professional | 29 |
| C2 | Skilled manual workers | 21 |
| D | Semi and unskilled manual workers | 15 |
| E | State pensioners, casual or lowest grade workers, unemployed with state benefits only | 8 |

Source: NRS 2008 (unweighted sample 37,359, estimated population 15+ (000s) 49,077)

5.2 Sample size

Qualitative research has recently come under a lot of criticism due to its lack of rigour in terms of there being little or no justification given for the sample sizes that are actually used in research (Marshall et al., 2013). Several scholars have therefore provided several principles for determining sample size. Guest et al., (2006) identifies data saturation as a useful way of determining the sample size for qualitative research. Data saturation in this case referring to the point at which no new information or themes are observed in the data from the completion of additional interviews or cases.

There is also an inverse relationship between the amount of useable data obtained from each participant and the number of participants. Morse (2000) states that the principle links the number of participants with the research method used. If when using semi structured interviews, one obtains a small amount of data per interview question (that is relatively shallow data) then to obtain the richness of data required for qualitative analysis, one needs a large number of participants (at least 30 to 60).

The sample size used for this qualitative research was, 56 participants, including thirty-six customers of the telecommunication organization and the bank, thirteen employees, eleven of who were frontline employees from the different retail shops and branches in Nairobi and Mombasa, while three represented the call centre and social media department. Also interviewed were four managers of the telecommunication organization and the bank which included one team leader from the call centre. Of the managers interviewed, one was a manager from a retail shop for the telecommunication organisation in Nairobi. One bank branch manager, one team leader from Mombasa and one retentions team manager from Nairobi, both representing the telecommunication organisation. The participants were of different ages as well as different backgrounds, as represented in Table 5.2. The sample size for this research was determined when data saturation was reached while the data collection process was taking place. This was when no new information was being obtained from the interviews being conducted and the participants were repeating information that had already been obtained from the previous interviews (Guest et al., 2006).

Table 5.2 Participant profile

| Name | Profession | Gender | Age | Location |
|----------------------------|-------------------------------|--------|-----|-------------|
| CUSTOMERS | | | | |
| Isabella | Accountant | Female | 45 | Nairobi |
| Kinyanjui | Entrepreneur-Design and print | Male | 37 | Nairobi |
| Catherine | MD of an NGO | Female | 47 | Nairobi |
| Jack | Lawyer | Male | 42 | Nairobi |
| Monica | Medical practitioner | Female | 38 | Nairobi |
| Patrick | Retired Coca- Cola manager | Male | 56 | Nairobi |
| Patricia | IBM (USA) | Female | 50 | Nairobi/USA |
| Vandross | Project manager | Male | 31 | Nairobi |
| Lawrence | Business consultant | Male | 44 | Nairobi |
| Hassan | Tour driver | Male | 57 | Mombasa |
| Augustine | Businessman | Male | 48 | Nairobi |
| Elizabeth | Hairdresser | Female | 37 | Mombasa |
| Robert | Civil servant- government | Male | 45 | Mombasa |
| Samuel | Pastor | Male | 39 | Mombasa |
| Claudia | School owner | Female | 37 | Nairobi |
| Mary | Marketing personnel | Female | 41 | Nairobi |
| Muthama | Disk jockey | Male | 31 | Nairobi |
| Gilgalo | Civil engineer | Male | 31 | Nairobi |
| Francis | Accountant | Male | 45 | Nairobi/UK |
| Ibrahim | Businessman | Male | 57 | Nairobi |
| John | Pathologist | Male | 34 | Nairobi |
| Swaleh | Businessman | Male | 34 | Mombasa |
| Mike | Businessman | Male | 42 | Nairobi |
| Mark | Sales executive | Male | 24 | Nairobi |
| Mathew | Insurance broker | Male | 40 | Mombasa |
| Keffar | Businessman | Male | 36 | Mombasa |
| Renold | Businessman | Male | 62 | Nairobi |
| Christina | Charity founder | Female | 50 | Mombasa |
| Mohammed | Legal officer | Male | 58 | Mombasa |
| Willis | Salesman | Male | 49 | Mombasa |
| Nima | County government employee | Male | 41 | Mombasa |
| Damaris | Farmer | Female | 66 | Nairobi |
| Yusuf | Businessman | Male | 38 | Mombasa |
| Dolce | Financial advisor | Female | 30 | Nairobi |
| Ziwe | Consultant | Female | 36 | Mombasa |
| Wade | Real estate- C.E.O | Female | 67 | Nairobi |
| FRONTLINE EMPLOYEES | | | | |
| Jackie | Customer service executive | Female | 32 | Nairobi |
| Jay | Customer service executive | Female | 38 | Nairobi |
| Christa | Customer service executive | Female | 42 | Mombasa |
| Edgar | Customer service executive | Male | 33 | Nairobi |
| Habiba | Customer service executive | Female | 31 | Mombasa |
| Eunice | Customer service executive | Female | 32 | Nairobi |
| Martin | Customer service executive | Male | 25 | Nairobi |
| Peris | Customer service executive | Female | 33 | Mombasa |
| Jennifer | Customer service executive | Female | 28 | Mombasa |
| Heyi | Customer service executive | Female | 29 | Mombasa |
| Nicholas | Customer service executive | Male | 30 | Nairobi |
| Georgina | Customer service executive | Female | 34 | Nairobi |
| Vanessa | Customer service executive | Female | 28 | Nairobi |
| Caroline | Customer service executive | Female | 30 | Mombasa |
| Patricia | Customer service executive | Female | 37 | Nairobi |
| Tiffany | Customer service executive | Female | 33 | Nairobi |
| MANAGERS | | | | |
| Grace | Team leader | Female | 35 | Nairobi |
| Edwin | Team leader | Male | 28 | Mombasa |
| Mercy | Retention manager | Female | 36 | Nairobi |
| Lucy | Retail manager | Female | 44 | Nairobi |

5.3 Procedure

In order to obtain background information on the participants, the interview began with the participants being asked to provide a bit of background about themselves for example their age, occupation, how long they have been customers of the telecom or how long they have worked for the telecom, respectively.

The participants were asked open-ended questions and they were also probed to encourage the participants to provide more detailed information on their responses

The interviews were conducted between the months of October and November 2016.

Interviews in Nairobi were conducted in English while interviews in Mombasa were conducted in both English and Kiswahili. This is because of the diversity between the two towns. The majority of the population that resides in Nairobi speak English and this has been greatly influenced by the fact that most of that population has received formal education with the lowest level being high school, with English being a taught language up to high school level. Therefore, in Nairobi, English is widely spoken in commerce, education and government. In Mombasa on the other hand, the educational level is very low and as a result of this there exists a huge population who have not received even the lowest level of formal education and therefore cannot converse in any other language other than Kiswahili. Also, the fact that Mombasa is located in the East Coast of Kenya and having the biggest port in the country, Kiswahili tends to be widely used in the area as a result of the language being the common language for trade.

The interview guide was developed in English and verified by the researcher's supervisory team, then translated in Kiswahili by the research agency employed by the telecommunication company and cross referenced by the researcher. To achieve optimum use of interview time, interview guides serve the useful purpose of exploring many respondents more systematically and comprehensively as well as to keep the

interview focused on the desired line of action (DiCicco- Bloom and Crabtree, 2006). The interview guide in this research was not sent to the participants before the interview and this was to avoid any bias and for the participants not to prepare for the answers to the questions before the interview and as stated by DiCicco- Bloom and Crabree (2006), this was also so as to ensure the interviewee had control of the interview session.

Semi-structured interviews were conducted. The duration of the interviews was between thirty minutes and one and a half hours. According to Corbin and Strauss (2008) these types of interviews are conducted only once, with an individual or with a group and generally cover the duration of thirty minutes to more than an hour.

The participation selection was guided by the conceptualization and this was focused on two segments of customers and these were the discerning professionals and the mass customers from the telecommunication organization. However, from the bank, no particular segment of customers was targeted but the sampling process focused on the customers who has experienced a service failure in both cases. This was important in order to ensure that the participants provided sufficient feedback on the area of study.

5.4 Data analysis process

This section details the process of data transcription, data translation and also the data analysis process.

5.4.1 Transcription and translation

As stated above, the in-depth interviews conducted were audio recorded to ensure that no information was lost and also to allow the researcher to focus during interview. A Majority of the interviews were conducted in English with only ten of them being conducted in Kiswahili. All the interviews conducted in Kiswahili were translated to English. The researcher consulted a colleague who is more conversant in the Kiswahili language to ensure that the interviews were adequately translated to mean the same in

English. The interviews were all transcribed by the researcher and although the process of transcription may have seemed time consuming, frustrating and at times boring, it was an excellent way for the researcher to start familiarising themselves with the data (Riessman, 1993).

The transcriptions were between three and five hours as the interviews were between 30 mins and 90 minutes. Once all the data had been transcribed from audio to text, data analysis was conducted using NVivo software to some extent.

5.4.2 Data analysis process

The procedure of data analysis was to reduce data, display data and draw and verify conclusion from the data (Miles and Huberman, 1994). The researcher used the Nvivo software, a software designed to facilitate the construction of relational networks identifying the content and structure of respondents' opinions (Fraser, 1999; Richards, 1999), as a tool to facilitate data reduction which refers to 'the process of selecting, focusing, simplifying, abstracting and transforming the data that appears in the transcription' (Ghauri and Gronhaug, 2005).

After the first two interviews were analysed, the developed categories underlying the analysis of further cases was noted in order to increase comparability across the interview transcripts (Flick, 2002). The codes were formulated using the language that the respondents used. Once data reduction had taken place, the next step was to ensure that the language was formulated to resemble the words that would be used in relationship marketing.

Data was rearranged into different categories based on the research objectives as well as the literature highlighted in chapter two. As the analysis proceeded, new features emerged, or new interpretations were provided to the same extract and at this point it was important to ensure that this data was not ignored as it represented new areas that

the researcher might not have looked into in chapter two that would improve the story being told by researcher.

Miles and Huberman (1994) suggest that the analysis process involves reducing and displaying the data as well as drawing and verifying conclusions. In addition, terms like ‘always, must and have to,’ from the transcripts received close attention, as they might indicate the beliefs or assumptions participants had in mind regarding their understanding or experiences (Strauss and Corbin, 1998).

During the analysis process, the ideas about themes and their interaction were recorded in order to help move from empirical to the conceptual level of data analysis and towards developing propositions.

This study also compared the similarities and differences across the descriptions from the participants (Strauss and Corbin, 1998). This was important as the participants were sampled from two different towns in Kenya, Nairobi and Mombasa. This is because these two towns are different in terms of culture, educational background as well as interests. Therefore, it was important to note the differences and similarities in how the participants responded to the question so as to be able to also analyse how this might have influenced the findings of this research.

The overall analytical approach largely followed the conventions of thematic analysis, which is a method for ‘identifying, analysing and reporting patterns (themes) within data (Braun and Clarke, 2006). The end point of the thematic analysis is the reporting of the content and meaning of patterns (themes) in the data where “themes are abstract (and often fuzzy) constructs the investigator identify before, during and after analysis (Ryan and Bernard, 2000). This study used these phases as a guide in analysing the data collected from the in-depth interviews conducted during the data collection phase of the research.

5.5 The analytical process

Braun and Clarke (2006) identified a process that would be best suited when analysing qualitative data using thematic analysis. Table 5.3 provides a breakdown of the phases identified by Braun and Clarke (2006) that acts as a step to step guide in the analysis process of qualitative data analysis.

Table 5.3 Thematic analysis process

| Phase | | Description of the process |
|--------------|---------------------------------------|--|
| 1 | Familiarising yourself with your data | Transcribing data (if necessary), reading and re-reading the data, noting down initial ideas. |
| 2 | Generating initial codes | Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code. |
| 3 | Searching for themes | Collating codes into potential themes, gathering all data relevant to each potential theme. |
| 4 | Reviewing themes | Checking in the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic 'map' of the analysis. |
| 5 | Defining and naming themes | Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells; generating clear definitions and names for each theme. |
| 6 | Producing the report | The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis. |

Source: Adopted from Braun and Clarke, (2006)

This initial phase began with listening through to all the recorded interviews so as to be able to immerse in the data and to be familiar with the depth of the content as encouraged by Braun and Clarke (2006).

This process begun with reading through the entire data set twice before embarking on coding, this was so as to be able to develop ideas and to identify patterns that were expounded on as the reading progressed. This was important in this research as it made it possible to identify and omit the

interviews in the analysis stage of the research that did not touch on the set objectives of this research.

During this phase, notes were taken, and ideas were introduced for coding that made it easier to revisit in the phases that followed. While the researcher was listening to the recording short notes were made and points were picked out to present the informal coding process of this research.

As there is no one way to conduct thematic analysis, there is no set of guidelines to follow when producing a transcript. However, at a minimum it requires a rigorous and thorough ‘orthographic’ transcript, a ‘verbatim’ account of all verbal and sometimes nonverbal (for example coughs) utterances (Braun and Clarke, 2006). As this research is looking into the impact of service failure on customer trust, it was crucial to investigate customer emotions after a trust violation. Therefore, it was important to take note of participant reactions during the interview process for example sarcastic laughs or the use of foul language towards the service organisation.

It was also important for the transcripts to retain the information needed from the verbal account in a way that is ‘true’ to its original nature (Poland, 2002). The audio recordings were typed word for word to ensure that no one crucial information was lost.

Further, the close attention needed to transcribe data may facilitate the close reading and interpretative skills needed to analyse the data (Lapadat and Lindsay, 1999). Once all the transcriptions had been written, cross checking of the original recordings with all the transcribed data was done to ensure the accuracy of the data and that the transcriptions and audio recordings were exactly the same.

The second phase began with reading and familiarisation with the data and the generated initial list of ideas about what was in the data and what was interesting about it. Other than manual coding, the codes were also organised using the help of NVivo software. The software was used because

it is useful in analysing qualitative data by gathering all the evidence and subsequently organising and grouping codes into similar themes or ideas (Bazeley, 2007; McDonagh, 2012). The queries tool in NVivo was initially used to identify similar words which were organised to develop nodes under specific topics, which assisted in developing codes that were relevant to the thesis. As this research is theory driven, the data was approached with specific questions in mind that the researcher wished to code around. The data in this phase was coded against several meaning categories derived from theoretical assumptions as follows: (1) knowledge of value co-creation (2) perception of role of frontline employees in service recovery (3) existence of customer trust in the organization (4) perception of trust repair after service failure.

During this phase, the codes developed as the data was being transcribed were compared against those developed by NVivo. This was in order to identify whether there were any codes that were missed, that would have proved useful to this research. Miles and Huberman (1994) state that the process of coding is part of the analysis as the researcher is organising the data into meaningful groups (Tuckett, 2005).

The entire data set was systematically worked through, giving full and equal attention to each data item and identifying interesting aspects in the data items that formed the basis of repeated patterns (themes) across the data set. The initial codes that emerged during this phase were 101 in number with several sub codes emerging each reflecting a particular aspect of a main category (for example codes such as I don't have confidence in the organisation, a recurring problem, Kenyan culture).

Table 5.4 represents an example of an interview transcript analysed using thematic analysis.

It was important in this phase to retain accounts which departed from the dominant story in the analysis, therefore it was crucial not to ignore them while coding (Braun and Clarke, 2006) as this helped in identifying emerging findings that were new to the researcher and unique to the

population being sampled. While doing the coding process in this phase, several accounts were identified that were not part of the research question repeatedly appearing in the transcripts for example the participants feeling like there was a lack of transparency from the organization, the feeling that the frontline employees appeared not have enough training or lack of knowledge in their products and services as well as the Kenyan culture playing a role in explaining why the participants behaved the way they did.

Table 5.4 An example of a transcript analysis using thematic analysis

| Interview Transcript | Code | Themes |
|---|--|---|
| <p><i>If one problem is the issue and it is what is causing like three other problems, then you know it's a major issue.</i></p> <p><i>I would say that this organisation offers me zero involvement. I am not involved at all. I am involved only when something has happened, when they are calling me to find out whether I am happy with the product or service I have bought from them or not. But, as an actual customer trying to figure out what I want, I have never had any involvement.</i></p> <p><i>I have lost trust in this organisation completely, it's a given. If I had another option, I would have left this organisation a long time ago. They are the better option, but it can't be forever.</i></p> <p><i>I have lost data bundles, I have lost money on airtime, I have tried to stop</i></p> | <p>An issue resulting to many other problems.</p> <p>Engagement</p> <p>Loss of trust</p> | <p>Service failure severity</p> <p>Value co-creation</p> <p>Trust failure</p> |

| | | |
|---|--|-----------------------------|
| <p><i>the premium services on my mum's phone, but the reaction you get from this organisation is that they don't care.</i></p> | <p>Lack of clear evidence on how customers use up their services</p> | <p>Lack of transparency</p> |
| <p><i>I think that an online platform like Facebook chat, even on their website. If they have a little chat link, where you go and find an agent online and they are like Hello sir, can I help you? And I say please help me with this, this and this. I need the problem solved and they can sort it out. In SA they do it and their response is very fast.</i></p> | <p>Interactive platforms</p> | <p>Interaction</p> |
| <p><i>I called that number for a whole week everyday nobody answered. That's what made me get a local sim card and I was livid and I just said let me get rid of the anger, because I was not going to get any work done.</i></p> | <p>Getting angry</p> | <p>Emotion</p> |

The third phase was focused on searching for themes from the data set. This was after all data had been initially coded and collated, and there was a long list of the different codes that had been identified across the data set.

This phase refocuses the analysis at the broader level of themes. Braun and Clarke (2006) state that in this phase the researcher begins to analyse the codes and to consider how different codes may combine to form an overarching theme. The software also assisted in reducing the number of themes, because several codes related to a particular theme, thus allowing the number of themes to be narrowed down to nine in number which include: service failure severity, trust, trust failure, transparency, interaction, interactive platforms, emotion and culture. Roller and Lavrakas (2015) have cautioned against letting the software drive the research design. Noting that just because a tool can execute a particular function, does not mean the function will be analytically meaningful. This is why, once the process of developing the initial themes had been completed, the researcher found the use of the software was no longer necessary, with the main reason being that NVivo is just a software. The researcher found that it was possible to develop a higher level of themes and fully understand the research objective as compared to leaving that responsibility to NVivo which does not have the ability to do the thinking. That is why it was important for the researcher to also manually analyse the data in order to have full control of the research design. Secondly, the researcher did not want NVivo to have full control of the analytical process, as overlying on a software to carry out the whole analytical process can distance the researcher from the data (Mclafferty and Farley, 2006).

Miles and Huberman (1994) stated that validating themes in the early and late stages of data analysis is essential. It has been suggested that the researcher should involve an outside viewer

during the early stage of the analysis to evaluate the identified themes. The researcher in this study involved their supervisory team and shared the themes that had developed from the initial phase which was during the transcription and the team was able to share their views on the themes identified. The main purpose of this procedure is to build reliability of the theme development through analysing the codes developed (Hosmer, 2008). Table 5.5 below demonstrates the ways in which the researcher ensured research rigour was applied in order to achieve research reliability or trustworthiness according to Lincoln and Guba (1985).

Table 5.5 Interpretivism research rigour used in this research

| Criteria | Definition | What was done | How it was done |
|------------------------|--|--|---|
| Credibility | To establish confidence that the result from the participants are true, credible and believable. | <ul style="list-style-type: none"> • Prolonged and varied engagement with each setting • Interview process, technique and analytic procedure • Collection of referential adequacy materials | <ul style="list-style-type: none"> • The interviewer spent 6-7 weeks engaging with the participants • The interviews were accurately translated and transcribed verbatim • All recorded interviews and field notes were personally done by the interviewer, with accurate records of contacts and interviews. |
| Dependability | It establishes the study's findings as consistent and repeatable. Ensuring that if the inquiry occurred within the same cohort of participants the context would be the same | <ul style="list-style-type: none"> • Establishing an external audit • Stepwise replication of the data | <ul style="list-style-type: none"> • The interviewers' supervisory team examined the process of data collection, data analysis and the results of the study to confirm accuracy of the findings are supported by the data. • Coding and inter-codes reliability was measured by the interviewer to ensure accuracy and consistency. |
| Confirmability | It verifies that the findings originated from the participants information, rather than the researcher's personal opinion or assumptions. | <ul style="list-style-type: none"> • Audit trail | <ul style="list-style-type: none"> • The interviewer provided details for the process for data collection. Including interesting topics that lead to the development of codes. • The rationale for why the codes were merged to form sub-themes and themes. |
| Transferability | Refers to the extent to which the findings can be generalised to other settings. | <ul style="list-style-type: none"> • Purposeful sampling was used to form a nominated sample | <ul style="list-style-type: none"> • Maximum variation type of purposeful sampling was used |

Source: Adopted from Lincoln and Guba (1985)

By the end of this phase there had developed a collection of candidate themes, sub-themes and extracts of data that had been coded in relation to the themes. At this stage, it was possible to have a sense of significance of the individual themes based on the research propositions and the emerging themes that were not part of the research story. Braun and Clarke (2006) emphasize that a researcher should not abandon anything at this stage without looking at all the extracts in detail which is done in the next phase. At this point in the analysis, more extensive analysis was carried out, as there was still uncertainty on whether or not the themes would hold as they were or whether there was some need to refine, combine, separate or discard some of them.

A set of candidate themes had been devised and refined at this point of the analytic process. It became evident in this phase that some of the candidate themes were not necessarily themes (for example there was not enough data to support them or the data was too diverse) while others may have been combined to form one, while others might have needed to be broken down into separate themes.

This phase took place in two steps which include reviewing and refining the themes. Level 1 involved reviewing at the level of the coded data extracts. This involved reading all the collated extracts for each theme and determining whether they formed a coherent pattern.

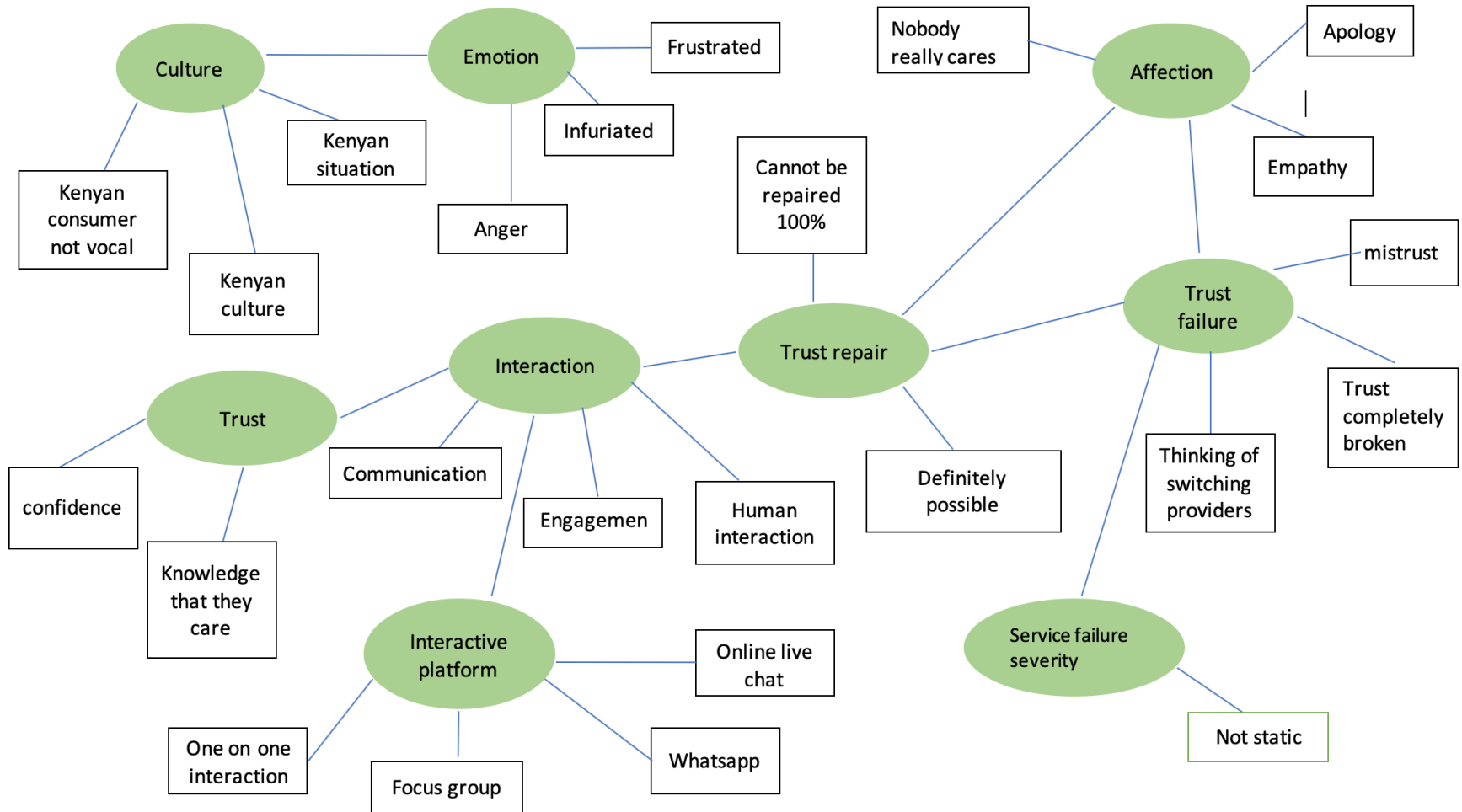
If the candidate themes formed a coherent unified pattern, then it progressed to the second step and for the ones that did not, there was a need to identify a new theme from which the data extracts fitted in or other cases, the themes had to be removed from the analysis process. The candidate themes in this research were satisfactory at this point and once the candidate themes had adequately captured the profile of the coded data, a candidate thematic map was created. This can be seen in figure 5.3 on the next page.

This step involved the consideration of the validity of the theme in the data and whether the thematic map accurately reflected the meanings evident in the whole data set.

During this stage, the entire set was revised to ensure that no codes were missed, and additional data was coded into the candidate themes. This was because coding is an ongoing process (Braun and Clarke, 2006). The thematic map at this point did not work and therefore there was a need to return to further reviewing and defining the codes until the point at which they produced a thematic map that was satisfactory.

At the end of this phase, a good idea of what the different themes are has been identified and how they fit together so as to be able to tell a story about the data.

Figure 5.2 Initial thematic map showing nine themes



Source: (author)

In the final phase of the data analysis process, definition and further refinement of the themes that are to be presented for analysis were highlighted. The nature of what each theme was about was identified and the position in the data that each theme represented. The data extracts relating to the themes were explained and justification has been provided for the reason behind what is interesting about the themes and why.

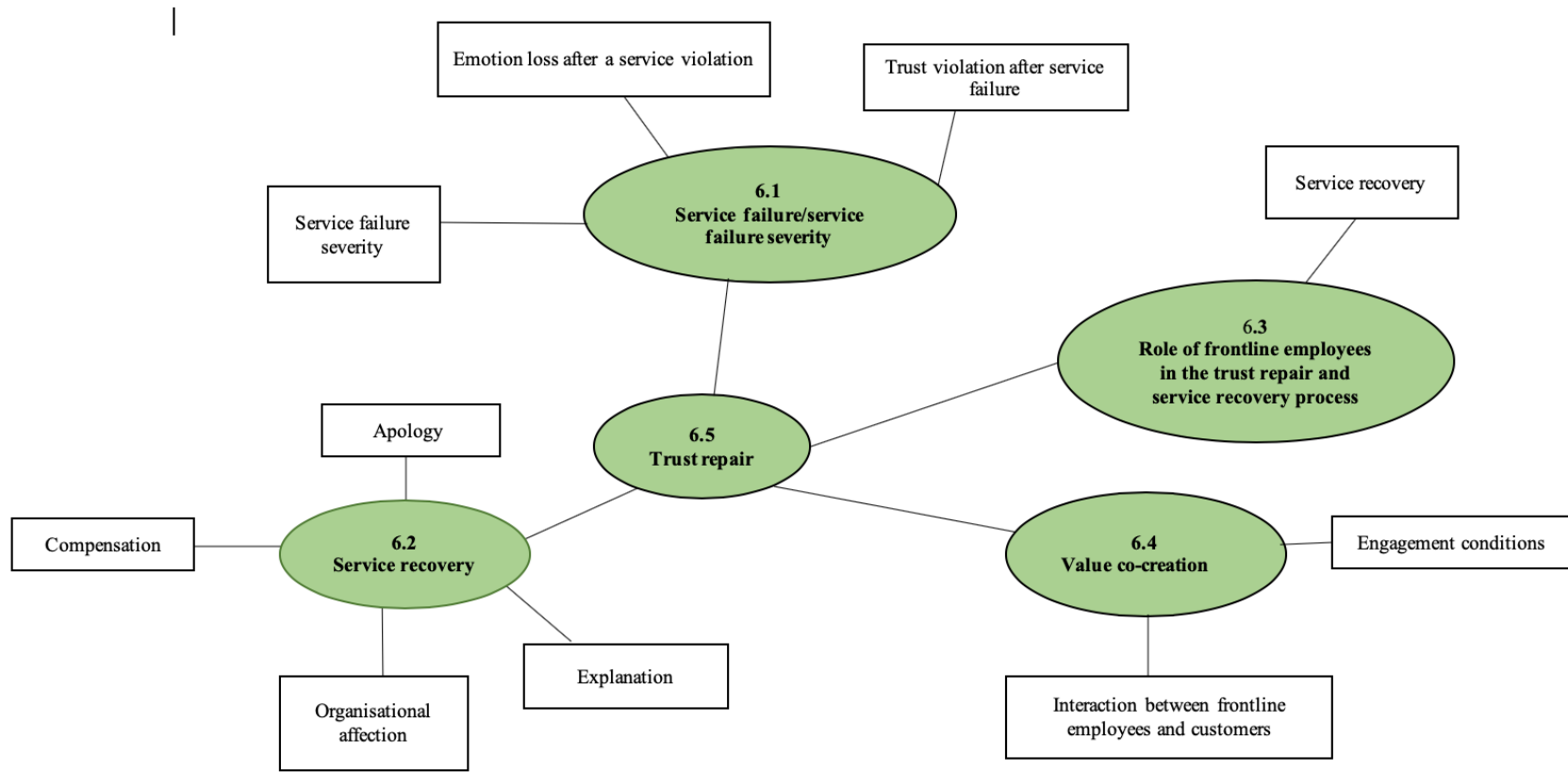
An initial analysis for each of the individual themes identified at this point was conducted. This was so as to be able to establish the story being told by each of the themes. There was also a need during this phase to identify and show how the initial themes identified related to each other.

Figure 5.3 below represents a modified representation of Figure 5.2 and it represents the themes that have been identified as the working themes for this research. The themes identified in Figure 5.3 will be expanded on further to provide the meaning of these themes to this research. Including the relevance of the themes, both from the data analysed and from the literature discussed in chapter 2 of this thesis. This is will be discussed further in chapter six and chapter seven of this thesis.

In Figure 5.2 above the initial themes were nine in number, but as the analysis process progressed with the further development of the themes, the themes were reduced to five which can be seen in Figure 5.3 below. This was because some of the themes such as culture in figure 5.2 became less relevant as the analysis process progressed as most of the participants did not mention it. Emotion as a theme, was put under service failure and this is because it made the story of the research clearer as most of the participants expressed that they experienced a certain kind of emotion when a service failure occurred and also because of the severity of the failure. Interaction and Affection which are two separate themes in figure 5.2 have been put together under the value co- creation and service recovery themes respectively in Figure 5.3 and this is because interaction

and affection which most of the participants also associated with empathy were mentioned by a large number of the participants and putting them in under the respective themes helps to tell the story of these research more effectively. Trust failure in Figure 5.2 has been put under a new theme, service failure or service failure severity in Figure 5.3 and presented as trust violation. This is because the majority of the participants associated trust violation with service failure and service failure severity and therefore there was a need to put trust violation under this theme to show the connection between the two principles which are both very important in this research.

Figure 5.3 Theme development



Source: (author)

5.6 Conclusion

This chapter provides an overview of the data collection process for this research which includes pre and post field work. The chapter provides justifications for the choice of country used for collecting the data, the sample size as well as the reason why the service organization was selected. The procedure followed while collecting the data has also been provided and thereafter the data analysis process is extensively explained. This is so as to explain process that was followed to the point where themes were identified to explain the findings of this research. The next chapter will focus on the findings from the data collected relating them to the themes identified and comparing them with already existing literature.

CHAPTER SIX: EMPIRICAL FINDINGS

6.0 Chapter overview

The aim of this chapter is to present the findings of the data collected in this thesis based on the themes developed in Figure 5.3 in the previous chapter. This chapter highlights an assessment of the interview transcripts and provides evidence to suggest that customer trust is indeed broken when service failure takes place and it also highlights the different factors that lead to trust restoration. This chapter also provides evidence for the importance of Value co- creation in the process of trust restoration.

The findings presented in this chapter, present the views from the customers, frontline employees and managers interviewed. Table 6.1 below represents the profile of the participants who took part in the in-depth interview from both the telecommunication organization and the bank.

Table 6.1 Participant's profile

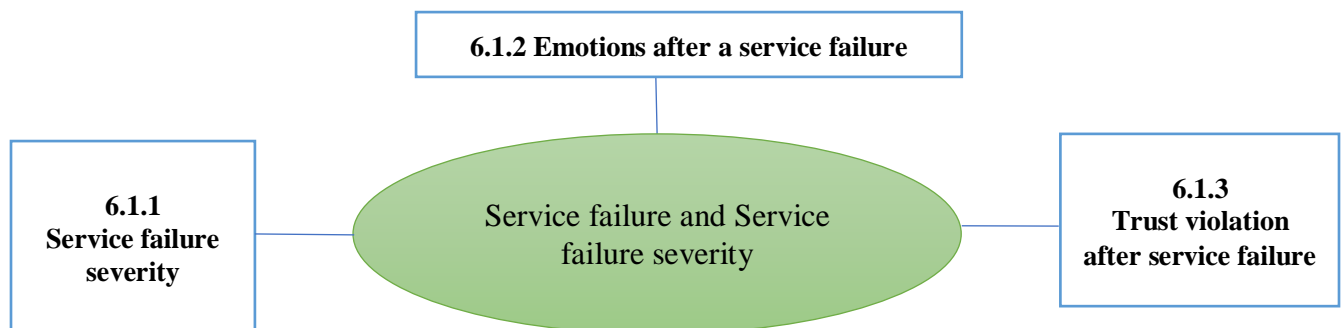
| | Customers | Frontline employees | Managers |
|---------|------------------|----------------------------|-----------------|
| Males | 23 | 3 | 1 |
| Females | 13 | 13 | 3 |
| Nairobi | 23 | 10 | 3 |
| Mombasa | 13 | 6 | 1 |

Table 6.2 below represents the themes identified from the data collected and the following section will explain each theme and will also provide a definition of each one of them based on definitions from different scholars which relate to this research.

Table 6.2 Developed themes

| Developed themes | Developed sub themes |
|---|--|
| 6.1 Service failure/ service failure severity | 6.1.1 Service failure severity 6.1.2 Emotions after a service violation 6.1.3 Trust violation |
| 6.2 Service recovery | 6.2.1 Apology 6.2.2 Organizational affection 6.2.3 Compensation 6.2.4 Explanation |
| 6.3 Role of frontline employees in trust repair and service recovery process | 6.3.1 Service recovery |
| 6.4 Value co- creation | 6.4.1 Interaction between frontline employees and customers 6.4.2 Engagement conditions |
| 6.5 Trust repair | |

6.1 Service failure



This research uses the definition by Palmer et al., (2000) which refers to service failure as any situation that has not gone as planned and as a result, leads to negative feelings and behaviour.

This section presents empirical evidence that highlights that service failure and service failure

severity result in customers trust violation. As well as presenting the different emotional responses that are normally displayed by customers after experiencing a service failure. Notably, the empirical findings of this research show that service failure is not static. As a result of service failure not being static, it was evident that this resulted in some differences in how the customers, frontline employees and managers categorise service failure severity. Contrary to earlier research by Smith et al., (1999) and Keiningham et al., (2014), the empirical findings of this research have provided evidence from real life service failure experiences to support the interviewees categorization of service failure severity. The next section, section 6.1.1 will provide empirical evidence on service failure severity from the customers, frontline employees and managers.

6.1.1 Service failure severity

Service failure severity is an important driver of customer evaluation of a service provider after a negative service experience (Smith and Bolton, 2002; Susskind and Viccari, 2015). The findings from the customers, frontline employees and managers showed that all the three groups of interviewees had both similar and contrasting ways in which they evaluated the severity of the service failure that they either experienced or managed. Table 6.3 presents the factors that are considered when evaluating the severity of service failure. Some factors such as the time taken to resolve the issue and customer segments appeared to be similar across the three sets of interviewees. However, factors such as employee response or employee attitude while handling a complaint, were factors only considered by customers while categorising the severity of service failure. These factors will be expounded on further in the next section, as well as in the discussion chapter.

Table 6.3 Factors that influence the participant’s classification of service failure severity

| Customers | Frontline employees | Managers |
|--|--------------------------------------|--|
| Extent of inconvenience | Customer emotion | Segments |
| Not static | Number of people affected | Existence of a structure or service failure categorization |
| Time | Time | Superiority of the complaint handler |
| Negative financial impact | Reoccurrence of the failure | |
| Frontline employee complaint response and attitude | Equal failure | |
| Number of affected customers | Superiority of the complaint handler | |
| Segment | Segment | |

6.1.1.1 Customers’ views:

- **Time**

Customers categorized the severity of the service failure based on the amount of time that was taken to resolve the issue. As well as the level at which the service failure inconvenienced them. This was based on the extent to which the service failure affected the day to day running of their businesses. This is because some of the consumers used the organization’s services such as mobile banking and internet services at their workplace. While some of customers only used the organization’s services for day to day interaction with family and friends. One of the customers when asked whether she was able to categorize the severity of the service failure and her reasons for placing the service failure under that category she stated:

“I would categories the issue with mobile banking as a medium severity issue. This is because I could not access the mobile banking services at all. The organisation did not tell me anything and they did not do anything about it for almost 24 hours. I categorised it under that level

because I was inconvenienced as I couldn't access my money and I also because of how long I had to wait before the issue was resolved" (Catherine).

- **Not static**

Customers also revealed that they categorize the severity of the service failure based on whether the service failure experienced resulted in the customer experiencing additional problems. Some of the problems revealed by the customers include: a fine for a late payment as a result of mobile banking not working or slow progress at work because of internet services being down. This in turn, results to the customer experiencing more than one loss as a result of the initial service failure.

One of the customers for instance stated:

"I feel that the delays in processing payments through online banking are of a high severity. This is because the delays run for more than a day or two and go past the day when I am supposed to have made the payment and I end up incurring fees for late payment. That is why I would say it is a high severity issue, because it results to other issues" (Dolce).

The customers stated that as a result of expressing additional loss associated with the initial service failure experienced, the severity of the service failure sometimes moved from one level of severity to another. These findings therefore propose that service failure severity is not static. For example, one of the customers stated:

"My issues are really bad. They are of very high severity. I was once stranded somewhere and my only way of getting out was by paying using mobile banking. Now imagine if you do not even have access to mobile banking. I was busy talking nicely people, to convince them to help me out. I had to hitch hike and the worst thing is that, I didn't even have an idea of whose car I was getting in to. I put my life at risk, all because my service provider didn't care about answering my call. If the only issue I faced was not accessing mobile banking, I would have considered it a medium severity failure. But the fact that I felt the whole situation put my life in danger, that is the reason why I feel it is of high severity" (Francis).

Similarly, another customer stated:

"I could say it was a high severity failure. This is because the service failure affected so many other things. For example, there was a time when I wanted to travel and I couldn't access mobile

money. To make the matter worse, the network was down and I had already deposited the money into my mobile money account. I was therefore left stranded because I couldn't access my money, and I couldn't travel. To me that was a very serious issue” (Galgaio).

- **Combination of time and not static**

Customers also categorized the severity of the service failure based on both the time taken to resolve the issue and the fact that service failure severity is not static and therefore, resulted in the customer experiencing additional problems. This is because when it takes a long time for the service failure to be resolved, customer's day to day activities are sometimes also affected. For example, those customers that rely on the services from the service organization to run their businesses or even for their own personal banking.

In the Kenyan service sector, when customers talk about the amount of time taken to resolve an issue, most of the time, it is not the typical 24 to 48hours that customers in developed countries are used to waiting for their issue to be resolved. In the Kenyan service sector, a service failure can take from a few hours to a few days, weeks or even months before it is resolved. Therefore, when the participants stated that the time taken to resolve the issue as well as the additional inconveniences it causes on the customers as result of the service failure not being resolved fast enough. It is due to the fact that service failure could even take a year before it has been resolved and maybe a school or a business is dependent on that specific service for the institution to operate effectively. For example, one of the customers who runs a business stated:

“The issue of not having a booster and calling for almost a year was a high severity issue. If one problem is the issue and it is what is causing like three other problems, then you know it's a major issue and for me that is a high severity problem. I couldn't get somebody to respond to my issues, to give me an actual time, or how they can actually solve it then from there on am just running on faith and hope, hoping that it will be fixed soon and I mean (laughs) there is no way you can run a business like that” (Kinyanjui).

- **Negative financial impact**

One other key factor that was demonstrated is that when the customers are categorizing the severity of the service failure, they consider whether or not the service failure affected them financially. This refers to when customers lose money as a result of the service failure or when the customers do not receive clear explanations as to why they were subscribed to certain services in addition to the primary service that they were receiving and therefore they were incurring additional charges. The data suggests that the customers consider service failures that result in monetary loss as being of high severity. This is because the customer will have already parted with money in order to receive the service. Therefore, when the customer loses their money in the process of receiving a service that they have already paid for and the service delivery also fails, then the customers tends to feel as if they have experienced a double loss. Therefore, the customers stated that they consider the service failure as a high severity failure. For example, in relations to this, one of the customers stated:

“For me for some reason, money is a major issue. I consider service failure to be of high severity, whenever I have experienced monetary loss as a result of the failure. Especially when the service organization is responsible for the service failure” (Mark).

Similarly, another customer stated:

“My biggest issue with this organization is that they register you to their Premium services without your consent. I consider this to be a high severity issue. Because they charge you for these Premium services without your knowledge. They are stealing from the customer. That is a high severity issue” (Patrick).

- **Frontline employee complaint response**

Customers also categorize the severity of the service failure based on the lengths at which the frontline employees go in order to ensure that the service failure has been resolved. This is based on the frontline employee’s efforts to ensure that the customers are satisfied with the recovery outcome. A few of the customers emphasized that they categorized the severity of the service

failure based on the attitude of the frontline employee when they contacted the organization to make a complaint about a service failure. Some of the factors that influence customers perception of the severity of the service failure include, the manner in which the frontline employees treat and address customers issues once a complaint has been made. As well as the frontline employees' attitude while handling customer's complaints. For instance, immediately after a service failure occurred, a customer may have perceived the service failure experienced as a low severity failure. However, as a result of the frontline employee disregarding the customer or the complaint made, the severity of the service failure changed from a low severity failure to either a medium or high severity failure. Therefore, the findings show that that customers perception on the severity of service failure is affected by employee complaint response. For example, one of the customers stated:

“The service failure I experienced was a low severity failure. However, when I went to make a complaint regarding the issue, the frontline employee that attended to my issue appeared irritable and made me feel like I was being a bother. I know this is as a result of the amount of pressure they have and therefore it reflected on how I was handled as a customer. Therefore, because I experienced a service failure and the frontline employee's behaviour was unacceptable, I now consider the issue a medium severity failure” (Patrick).

The customers also emphasized that the service failure severity can quickly change from a low failure severity to a high failure severity when the customer observed inappropriate behaviour being practiced by more than one frontline employee. This is more specific in a situation whereby a customer has approached the service organisation to make a complaint about a service failure.

For example, one customer stated:

“I would consider it a high severity issue because it was not just one frontline employee that was the problem. I complained the first time and did not get any response. I went on ahead and complained several other times to different frontline employees and the problem was still not being addressed. For me, that is incompetence. I think in the past I have had other issues which were resolved, and I categorized them as low severity issues and this is because the organization listened to my issue and made an effort to resolve them” (Ziwe).

The findings also showed that the customers also categorize the severity of the service failure based on how the organisation handles and responds to customer complaints. This is particularly when a huge number of customers are affected by the same service failure and lodge complaints to the service organisation. The customers expressed that when more than one customer is affected by a service failure and the organization does not make any effort to resolve the issue, it conveys to the customers that the organization does not care or value them as customers. Consequently, this results to customers perceiving the service failure severity as a high failure severity, because the failure tends to go unresolved or the recovery process tends to be delayed. For example, one of the customers stated:

“I am not the only person that is complaining about the premium services. I am sure you have heard many people complaining about the same issue while conducting your interviews. But even if thousands of us or even millions of us are complaining about the same thing, the organisation has done nothing to resolve it. They just don’t care about their customers. That makes it a high severity issue and therefore it should be addressed” (Swaleh).

6.1.1.2 Employees’ views:

The frontline employees also expressed different ways in which they categorized service failure severity. One of the major factors that was highlighted is that employees consider customer emotion very important when categorizing the severity of service failure. For instance, this can be the customer demonstrating emotions such as being irritable, angry and frustrated or unhappy with the outcome of the service failure and from this observation the frontline employees are able to tell whether or not the service failure is of a high, medium or low severity. For example, one of the frontline employees stated:

“I can tell the severity of the service failure based on the customers expressions when they come to the branch to make a complaint. Some of the customers are normally extremely angry and shout at us the frontline employees, while some are normally very calm. Therefore, there is no way you can treat the customers the same. We also have customer segments and we use that as

well, to help us know how to handle the customer issue. For example, if a platinum customer makes a complaint, I will handle it differently from the way I would handle a complaint from a youth customer” (Jennifer).

Similarly, another frontline employee stated:

“When it comes to categorizing service failure severity, we categorize it based on customers emotions. If the customers emotions run high while making a complaint, then we consider the failure as a high severity failure and in turn we go to great lengths to resolve the issue. So, it is simply based on emotions” (Martin).

It is also evident from the findings that the service organizations do not have a set structure on how to categorize service failure severity. The employees expressed that because they do not have a set structure on how to categorize the severity of the service failure, they determine the seriousness of the service failure based on the emotions that are expressed by the customer after they have experienced a service failure. For example, one of the frontline employees stated:

“From my years of experience, I think everything is considered serious, so long as the customer is upset. When it comes to the level of seriousness, no! there is no structure per se on how to categorise the severity of the service failure, or rather not that I know of” (Habiba).

The frontline employees also categorize service failure severity based on how many people have been affected by the service failure. The service failure is perceived as being of a high severity when many customers have been affected by the same service failure at the same time. Once several complaints are directed to the organization on the same issue, then it is regarded as being a high severity service failure. However, if the service failure is experienced by only one customer regardless of the magnitude of the severity, five of the frontline employees stated that they regard it as a low severity issue. One of the frontline employees stated:

“If it is only one customer coming in with a complaint, then I just consider the problem as a normal or low severity issue. But if 8 out of a possible 10 customers that are complaining about the same thing, then definitely we as the organisation consider this to be a big problem.

Therefore, the organisation categorizes it as a major issue or high severity issue and as a result of this, we normally look into the problem, in order to control the situation” (Edgar).

In addition to the frontline employees categorizing the severity of service failure based on the number of customers who have experienced the service failure. The frontline employees also categorize the severity of the service failure based on the time taken to recover the service failure or resolve the issue. If the failure takes a long time to be resolved because the issue is too advanced for the frontline employee to offer a timely response, then the severity of the failure is regarded as high. While if service failure only affects one customer and it is resolved at the first point of contact with the frontline employee, then the severity of the service failure is regarded as low. For example, one of the frontline employees stated:

“I categorize the severity of the failure based on the time taken to resolve the issue. For instance, if the complaints are many, then definitely it means this is a problem affecting many people, therefore it has to be treated as a high severity issue or a major outage” (Edgar).

It has also been identified that the frontline employees categorize the severity of the service failure based on how many times the service failure experience has occurred in the past. This is because, the frontline employees are able to resolve the service failure with ease if the same service failure has been experienced before. For example, if the service failure has occurred several times before and the frontline employees are able to resolve it with much ease, then the severity is categorized as a low service failure. On the other hand, if it is the first time the frontline employee has to resolve a service failure issue because of the fact that it is new to them and therefore it proves to be a challenge for them to resolve, then it is categorized as a high service failure. For example, one of the frontline employees stated:

“I am able to categorize the severity of a service failure based the kind of experience we as an organisation have had before while handling the same service failure. For example, I have worked for this organisation for three years now and during that time, I have handled so many

types of service failure. Therefore, some of the issues I deal with are now low severity issues to me. However, if someone new came to work here, they might categorize an issue as being severe, because they would struggle or maybe take a longer time in resolving it (Edgar)”.

A few of the frontline employees stated that they were not aware of the existence of a structure that is used to categorize service failure severity. They emphasized that they consider each and every issue that a customer complains about as being the same, more specifically all of the issues are regarded as high severity issues. This is because the frontline employees’ intention is to ensure that the customers receive quality service and therefore when a customer reports a service failure, the frontline employees consider it to be of high severity because all forms of service failure to them are a major issue and a sign of their failure as an organization. For example, one of the frontline employees stated:

“Every service failure is just the same. Whether it’s a sim card problem, mobile banking problem, every service failure is of the same severity” (Eunice).

Similarly, one other frontline employee stated:

“No, in this organization there is no guideline for categorising the magnitude of the service failure. Any complaint that a customer comes with it is a high severity issue to the organisation. This is because by the time a customer makes a complaint, it means that there is something that they are not happy with. Therefore, that makes it a high severity issue” (Heyi).

In the banking sector, there was a difference of opinion when it came to how the frontline employees categorized service failure severity. On the one hand, one of the frontline employees made it clear that there was a structure that was explained to them on how to categorize service failure severity. On the other hand, one of the frontline employees’ states that, they were advised that all the severities of service failure are of equal magnitude. For example, the frontline employee that stated that they had been provided with a structure for categorizing the severity of a service failure when it occurred stated:

“There is a structure to know the seriousness of a customer’s issue and it clearly highlights the issues that we as frontline employees are allowed to deal with and those issues that we (frontline employees) need to escalate to a supervisor. I can’t just go into the system and solve the customer issue immediately” (Jackie).

The second frontline employee from the bank, stated that in their branch, they have been advised to categorize all the service failure severities as being of high severity. This shows that there is no standardization amongst the different branches. This is because some of the branches work under the advisement that there is a structure for categorizing a service failure, while with other branches they work under the advisement that all the service failures should be categorized as high severity failure. This clearly shows, that some of the branches consider their customers as being of more value than others and this is highlighted in the way they will be received and treated once they bring forward a complaint of a service failure. The lack of standardization can result in customers losing trust in the organization because it reflects a lack of trustworthiness on the part of the organization.

The other way in which the frontline employees categorize the severity is based on whether it is the first time the customer is making a complaint after a service failure. This is because some customers could have been members of a specific bank for over five years and during that time, they never complained about a service. Therefore, if and when such a customer complains about a service failure, the organization considers it to be a high severity failure because something serious must have gone wrong for the customer to make a complaint. On the other hand, if a customer is known to always make complaints about the service that they have received, the organization tends to consider the service failure experienced by that customer as being a low severity failure. For example, one of the frontline employees stated:

“What happens, every complaint we receive from the customer, for us as a branch, we consider it to be a major issue or a high severity issue. Especially at our branch, you know am speaking at a

branch level. This is because if a customer makes a complaint, then it means that there is something that we are doing wrong. There are customers that will never complain, so when you hear such a customer is raising an issue, then you will know that it is a big deal to them and therefore we categorize the issue as a major issue or a high severity issue” (Jay).

The difference in views in the categorization of service failure clearly states there is no proper communication amongst the different branches in the organization and therefore that is why some frontline employees stated that there was a structure for categorizing the severity of the service failure while other frontline employees were not aware that there was a structure for categorizing the severity of the service failure and that is the reason why they used different indicators to enable them to categorize the severity of the service failure.

6.1.1.3 Managers’ views

As a result of the telecommunication organisation segmenting their customers based on the customer’s income (see Table 5.1 in Section 5.1), the manager from the telecommunication organization stated that they categorized the severity of service failure based on the segment in which the customer belonged. Issues that affected the platinum and discerning professional customers, were considered as high severity failures. However, issues affecting mass customers are considered as low service failure severity issues. In most occasions, low severity issues were either not resolved with any urgency or were not resolved at all. This is because the consumers in this segment are low income customers who lack the confidence to express their issues or complain. The customers are believed to feel like they are not significant to the organization because of their low expenditure in the organization. One of the managers for example stated:

“Mostly it is the high spending customers (the platinum segment) who experience high severity failures. Most of the time, you will find the low spending customers, that is the mass customers, will make a complaint about a service failure, but most of the time they do not follow up. We therefore treat their (customers) issue as a low severity problem, because we (managers) then

use our own judgement to decide how to handle the situation and whether to help to with resolving it” (Lucy).

Similarly, another manager stated:

“The severity is categorized based on the segments. The way I would handle an issue that a Youth has had, will be different from the I will handle an issue faced by a discerning professional” (Edwin).

Another noteworthy point is that one of the managers clarified that the organization does have a structure which categorizes the severity of service failure. This finding contradicts the findings from the frontline employees and the other managers. This is because they had indicated that there is no structure or were not aware of a structure for categorizing service failure severity. For example, high severity failure is categorized based on the customer’s accessibility to the service being provided. For example, one of the managers stated:

“We have something called incident management escalation. An incident is just a low severity issue or a small issue. For example, total outage is mobile banking, when you totally cannot access mobile banking, that is a total outage. A partial outage is maybe like Skiza. There is buying the tunes, maybe an aspect of Skiza is not working, because it is not the whole of skiza that is not working, that is considered a partial outage. An incident is for example when one or two people are having an issue where they cannot make calls, that is an incident. But an outage is when you totally cannot access a service” (Grace).

The organizations also categorize the severity of the service failure based on the level of superiority of the individual that handles the service failure. If the frontline employee resolved a service failure, then it was termed as a low severity issue. If a team leader or manager resolves the issue, then it is regarded as a medium severity failure, while if an issue is escalated to the retention team then it is regarded as a high severity failure. One of the managers for example stated:

“If the frontline employees handle the issue, then it is referred to as a minor issue which is a low severity issue. When it is escalated to the team managers it is major issue which is a medium severity issue. If the issue is escalated us (the retention team) then the service failure is a very severe issue which is then referred to as a high severity issue. It means we (the retention team)

need to get involved, otherwise we are going to lose this customer, which will result in losing revenue” (Mercy).

It is important to have an understanding of the different severities of service failure and whether or not they influence the customers losing trust in the organization. As this thesis considers emotional loss after a service failure, results to trust violation. It is pivotal to firstly, understand that there are different categories to service failure. Secondly, it is important to note that trust violation can occur at any service failure severity level, based on how the customer is emotionally affected by the service failure. This finding will be presented in service failure section of the proposed framework that will in Chapter 7.

6.1.2 Emotions after service failure

The expression of emotions in the part of the customer is highly reflected when the service failure has taken place. Previous research suggests that customers tend to experience a range of emotions after encountering service failure (Namlung and Jang, 2010; Tombs et al., 2014). The majority of the participants stated that anger was the most expressed emotion by customers when service failure had taken place. Disappointment and frustration were the other two emotions that were expressed as being highly represented after a service failure.

6.1.2.1 Customers’ views

The customers’ emotions were recognizable during the interview even long after the customers had experienced the service failure. This was based on their facial expressions, as well as their choice of words which expressed what they thought of the service failure experienced For examples, one of the customers stated: *“It was so inconveniencing and so frustrating”* (Ziwe) highlighting that the service failure caused them some level of distress. One of the examples from

the customer transcripts expressing that they experienced a feeling of anger after the service failure had taken place includes:

“I was livid and I just said let me get rid of the anger, because I was not going to get any work done. These people (the service organisation) say that they will respond without giving you a time frame and you can wait for more than 24hours and get even more angry” (Mark).

One of the customers on the other hand exacted their use of social media to express their anger after a service failure. They indicated their intention was to make the organization aware of their distresses and also to make other customers aware of the organization’s negative actions. For example, the customer stated:

“I will still go on twitter and tweet. I will give them a bashing and tell them, that is not acceptable. Because it is not” (Francis).

6.1.2.2 Frontline employees’ views:

One of the frontline employees also voiced their observation of customers using social media to express their emotion after a service failure had taken place. The frontline employee stated:

“Most of the customers will come and complain and even tag the competitor on social media, informing them that this organization is frustrating them and they even go ahead and ask the competitors whether they have a package that can suit them” (Edgar).

Similarly, other frontline employees stated that they are also able to observe customer’s emotions after a service failure by the way customers communicate with them. For example, one frontline employee stated:

“The customer was so disappointed. We even tried to explain to him what the issue was but he was not having it. He was a foreigner and with the way he left having insulted us, I do not think he will be coming back for any of our services or products” (Georgina).

Similarly, one other frontline employee stated:

“When customers have a bad experience, some sometimes leave the shop telling us that they will inform everyone about their bad service experience and that they will make sure that the people they know are aware of how we treat our customers and to be wary because we steal from our customer” (Jennifer).

Similarly, another frontline employee stated:

“The customer was very, very angry. There was no talking him down” (Jackie).

6.1.2.3 Managers’ views:

One of the managers also expressed that indeed customers display one or more types of emotions when a service failure has taken place. The manager stated:

“The customer was really upset and started quoting big names. Stating that they would use their connections to report the issue” (Lucy).

This research finds that it is important to understand that trust violation in this case, occurs as a result of emotional loss. This research proposes, as a result of negative emotions experienced after a service failure. Customers tend to experience emotional loss which as a result leads to trust violation taking place. This is because customers sometimes associate service failure with betrayal, which negatively impacts customer trust in an organisation, resulting to trust violation. This will be further discussed in Chapter 7 of this thesis with comparisons being doing done with existing literature. Emotional loss will also be presented in the proposed framework as Figure 7.2 in Chapter 7, to highlight, the findings of this research that show that for trust violation to take place, emotional loss needs to be experienced by the customer after a service failure.

6.1.1 Trust violation after service failure

According to Bies and Tripp (1996) trust failure is defined as unmet expectations concerning another's behaviour of when the trustee does not act consistent with one's value. The data analysed in this thesis, indicates that trust failure does indeed occur after a service failure has taken place and in some instances the trust is broken as a result of the service failure severity. For instances, higher levels of service failure severity are considered to influence trust violation. The following section will present the findings from the customers, frontline employees and managers.

6.1.1.1 Customer views:

The findings from the shows that customer trust is broken as a result of factors such as reoccurrence of service failure, high levels of service failure severity, as well as the service organization's displaying a lack of concern to resolve the issue once the service failure has occurred and a customer has made a complaint. The customers expressed that trust violation mostly took place when the customer experienced economic loss as a result of the service failure. The customers also highlighted that they continued to do business with the service organization after their trust was broken as a result of a service failure. This was not because they still trusted the service provider, but only because the Kenyan service sector is limited on the number of reliable telecommunication organizations to which they can migrate to. Moreover, a few of these organizations offer a successful mobile banking service, which is a highly sort after service in Kenya. For example, one of the telecommunication customers stated:

“My trust was definitely negatively affected. Right now, I can't just trust this organization, I can't. I always make sure that I have a backup. So, the service failure definitely affected my trust. It is like I am always waiting for the other shoe to drop, for the organisation to mess up so that I can use the backup” (Kinyanjui).

Similarly, another customer stated:

“Once the service failure occurred, I was just circumspect about it. I have to be very cautious every time I obtain a product or service from this organisation because I do not know what they are capable of. I just don’t trust them” (Christina).

In contrast to the telecommunication organization customers, whereby once the customer trust was broken because of a service failure, the customers could not boycott the organization and migrate to another telecommunication service organization. The findings showed that the bank customers on the other hand, have several options (that is, banks) that offer the services that they require. Therefore, when the customer trust was broken because of a service failure, the customers were able to boycott and migrate to a competing bank and open bank accounts with them. An example of this is whereby one of the bank customers stated:

“After this negative service experience, I have no relationship whatsoever with this bank. I moved all my money to another bank, but because the account is still dormant, I plan on using it as a savings account. That way I do not have to interact with anyone” (Ziwe).

6.1.1.2 Frontline employees’ view:

The frontline employees both from the telecommunication and banking sectors expressed that customer trust is broken after a service failure has taken place. The frontline employees stated that they were able to detect that customer trust had been violated after a service failure, by observing customer behaviour after a service failure taken place. The data analysed indicated that some of the customers expressed their loss of trust to the frontline employees. This was done verbally, by the customers stating that they have lost trust in the organization. It was also highlighted by their negative responses. For example, the customers closing their bank accounts, or it could be by having an inactive phone account. One of the frontline employees for example stated:

“The service failure did affect the customer’s trust in the organization. The customers feel that we the frontline employees, do not tell them the truth. That we missell to them or withhold

information from them (customers) and this causes them to completely lose trust in us as an organization” (Caroline).

Similarly, one other frontline employee stated:

“Of course, customer trust is broken. The customer in this case left having insulted us. I do not think he will be coming back for any of our services or products” (Georgina).

Similarly, another frontline employee stated that the customers tend to show that their trust in the organization is broken based on how they communicate with the frontline employees or from their choice of words. For example, one of the frontline employees stated:

“The service failure does affect customer trust in the organization. When the customer starts complaining that we are thieves. It means they do not have trust in our product and us as a brand, as well” (Heyi).

6.1.1.3 Managers’ view:

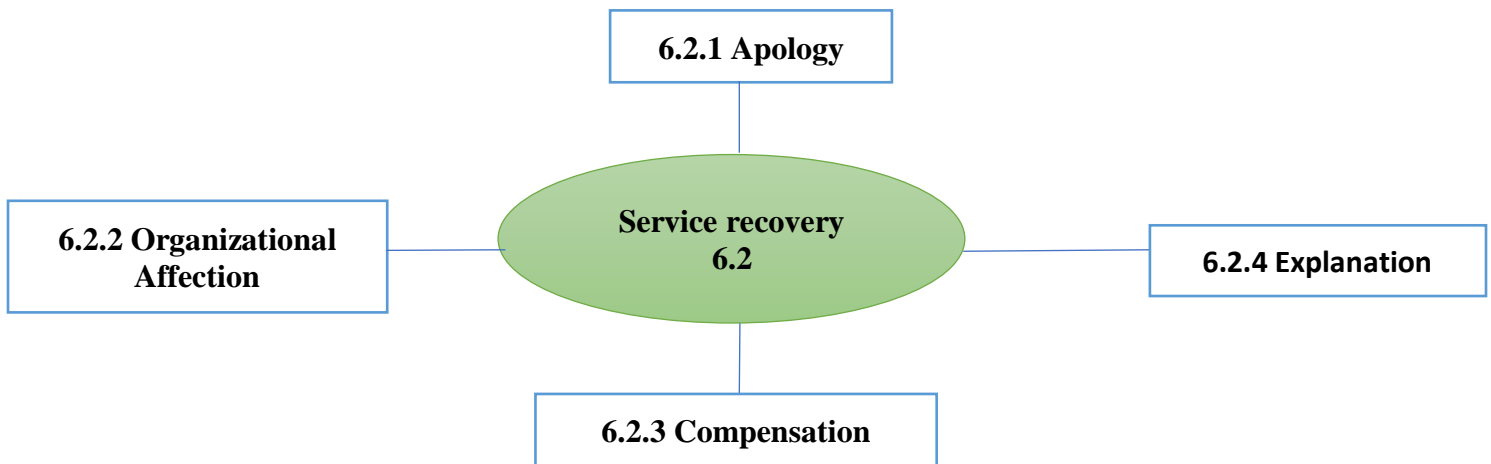
The managers shared the same sentiments as frontline employees on customer trust being broken as a result of service failure. One of the managers supported this view and stated:

“Of course, majority of the times customer trust is broken if the customers have not received the service that they expected to receive” (Lucy).

It was important for this research to identify whether trust violation does take place as a result of service failure and the factors that lead to customer trust violation taking place. Indeed, the findings show that trust is normally broken after a service failure. These findings show that emotions play a key role after a service failure has taken place, resulting to trust violation. This is especially evident in situations whereby customers have developed a relationship with the organisation. This is because, once the customers feel betrayed after a service failure, they tend to display negative responses and behaviour, which are considered to negatively influence their emotions, resulting to trust violation. The findings also showed that in the Kenyan service sector, especially in the telecommunication sector, customers do not have an option of exiting to another service provider

after a service failure and this is because of there not being that many readily available options for the customers to migrate to. Therefore, customers sometimes tend to remain doing business with an organisation even when they have lost all trust in the organisation. This is a finding unique to the Kenyan service sector and will be discussed further in the discussion chapter and the notion of trust violation after service failure will be presented in the proposed framework in Figure 7.2 and will highlight the point at which trust is violated after a service failure.

6.2 Service recovery



The response from the three categories of participants, that is the customers, front line employees and managers indicated that the all the three groups of participants agree that an effective service recovery, together with the implementation of appropriate service recovery strategies would lead to customer satisfaction, which in turn would positively influence the process of trust repair. The next section will present the findings on service recovery strategies, including customer, frontline employee and managers views on the importance of service recovery in the process of trust repair.

6.2.1 Apology

6.2.1.1 Customers views:

According to the findings of this research, it is evident that the customers feel that service organizations tend to provide insincere apologies after a service failure. The customers highlighted that the apology given by the service organizations tend to be scripted and the customers do not consider scripted apologies to carry any sincerity. Therefore, the apology did not have any effect on the customers in terms of recovering from the service failure experience. This is because of the content and structure of the apology. One of the customers for example stated:

“This organization has never apologized to me. I remember really well when I was making complaints for almost two months. I was getting the scripted line, “we are working on it, I am sorry for the delay”. This made me so angry because they didn’t tell me what was going on or didn’t even seem to want to resolve the issue” (Kinyanjui).

One of the customers felt that with the type of apology that the organization offers, the organization has to follow up the apology with an additional service recovery strategy. One of the customers for example stated:

“At the end of the day, if something happens and the organization is not able to fulfil their promise, then if they apologize it is fine, but the apology by itself according to how they frame it. Standing by itself is not enough. This is because all they say is “I am sorry” and think that is enough. They do not put any thought to the apology, which makes the situation even more infuriating” (Jack).

A customer from the bank on the other hand expressed that the frontline employees of the bank sincerely apologize for the inconvenience that they cause the customers when a service failure occurs. One of the customers stated that:

“The frontline employees apologize. For me it has not happened many times. The fact that they apologize, for one that is excellent. Because of course the service failure has occurred and it has inconvenienced me. So, by apologizing it means that they have noted that there is something wrong, therefore they apologize” (Dolce).

Notably, an apology from the organization to the customers after a service failure is considered very important. This is because, apart from reflecting that the organization accepts its mistakes, in the eyes of the consumer, it means that the organization will work effortlessly to ensure that the service failure does not take place again. This reassures the customers whereby their trust was broken after the service failure. For example, one of the customers stated:

“If someone wrongs you for example and they apologize, you will feel better and will overlook the mistake and move past it. This is because you as the customer will feel like an apology is a way of the organization realizing they have wronged you, acknowledge the organization’s mistake and will ensure that the same mistake does not happen again” (Nima).

Most importantly, the customers highlight that receiving an apology after a service failure changes the perception of the severity of the service failure and reduces customer's expectations during the service recovery process. For example, one of the customers stated:

“An apology heals one's heart. When you are angry and someone doesn't apologize, you take the situation more seriously than you should. But if someone wrongs you and they apologize, then wrong is lightened. If someone apologizes, even if you had planned to migrate, you end up having a second thought and that is what everybody expects from this organization” (Damaris).

6.2.1.2 Frontline employees' views:

It has been expressed that the frontline employees did not apologize to the customers after they had experienced a service failure. This was based on the frontline employees' own preference for giving an apology even if they had been trained to provide the customers with an apology as a method of service recovery by the organization. The findings in this research indicate that frontline employees disregard the importance of an apology during a recovery process. One of the frontline employees for example stated:

“I rarely apologize, actually the truth is I do not apologize to any of the customers” (Edgar).

It was also noted that as a result of the customers expressing a high level of negative emotions such as irritation, anger and frustration after they had experienced a service failure and they expressed the need for the service failure to be repaired without any delay, the frontline employees felt the need to skip the apology process of service recovery and immediately attend to the service recovery. One of the frontline employees stated:

“I apologize to the customers when they are not happy with the service experience and our recovery process. Sometimes I do apologize. It depends. Sometimes I just feel like the customer wants the issue to be sorted and I don't bother apologising” (Eunice).

Similarly, another frontline employee stated:

“You cannot start apologizing before you really know what the problem is. I only apologize to the customer when I know we as the organization are on the wrong” (Edgar).

The findings of this research have highlighted that customers do not associate an apology with fault or blame, but instead culturally associate an apology with common courtesy. This demonstrates that culture and apology do play a key role in trust repair and they should be considered as an important strategy in the process of trust repair.

6.2.2 Organizational affection

According to the Kenyan culture, the participants have a different understanding of affection as a concept. A few of the participants perceive affection as showing empathy towards another person, while several participants referring to affection as showing the other person that you care or value them. Therefore, the participants while discussing affection, its importance in service recovery and trust repair have used terms such as empathy, value, concern and care. As discussed in chapter two of this research, earlier research has considered the importance of customer affection and its effects on customer loyalty. However, there is not a lot of research looking into the importance of organizational affection and its effect on customer affection towards a service organization. The findings of this research show that, organizational affection towards a customer after a service failure is important in positively affecting customer affection towards a service organization. This is because in the Kenyan service context, customers associate organisational affection with empathy, feeling valued and cared for as customers. Therefore, the next section will investigate findings from the participants on the importance of organizational affection in the process of customer trust repair after a trust violation.

6.2.2.1 Customers' views:

The application of affection during service recovery is indeed important and this is because the customers feel that the organization empathizes with them and understands the impact of the

service failure. Affection therefore develops a feeling of confidence in the consumer. The consumer feels that because the organization understands the loss they have experienced as a result of the service failure, they will ensure that the recovery process will leave the customer satisfied.

For example, one of the customers stated:

“In terms of empathy, of course it would go a long way because I will be like, yes. This is a serious bank because they care about their client. I believe it would go a very, very long way in terms of customer retention and repairing my trust in them as their customer” (Dolce).

Notably, the customers felt that the organization does not follow up after a service recovery to find out if the customers are satisfied or not with the service recovery after the service failure experience. Or even to find out if the service failure has been resolved. This results in the customers feeling that the organization does not care about them and in turn capturing that the service organizations do not show affection to their customers after a service failure. For example, one of the customers stated:

“They do not even call to follow up on whether the issue was completely resolved or not. They just don’t care and as a result of that, I cannot trust them. They need to show me that they care about me as their customer. It is just that simple” (Elizabeth).

One other customer also shared their feelings on the lack of affection from the organization during service recovery after the customer had experienced a service failure. They expressed that it makes the customers feel that the organization does not care about its customers. In order for the customer to change their opinion about the organization and for customer trust to be repaired, the customers expect the organizations to show them affection after a service failure and during the service recovery process. For instance, the customer stated:

“This organization make a lot of money, but it is not nice how they don’t care about their customers. I feel like because this organization is so profitable at the moment, they do not give a damn about their customers. That is the way I feel at the moment, because even if you complain to them (the organization), they do nothing about it. In order for me to change my opinion about

the organization, they have to first change and show that they care about their customers”
(Francis).

Similarly, one other customer who related affection with a sense of caring from the organization provided her experience of how a frontline employee showed interest in her complaint when she went to report a service failure. The customer emphasized that this made her feel that the frontline employee cared about her as customer and understood how much the service failure had inconvenienced the customer. This was after the frontline employee who appeared busy went out of his way to try and resolve the issue for the customer. The customer goes ahead to stated that even if the frontline employee was unable to resolve the issue at the first point of interaction, the customer was positively affected by the level of concern showed by the employee. This is an important factor according to the customer in service recovery and in ensuring that customer trust is repaired. The customer stated:

“Even though he looked like he (the frontline employee) had something else to do. The frontline employee listened to me and I think that is what I expect. I mean that was excellent. He informed me that there was nothing much that he could really do at the time, but I think people need to show concern. Even if you cannot resolve the issue you need to show that you are concerned instead of lying to the customer” (Isabella).

6.2.2.2 Frontline employees’ views:

The frontline employees agreed that the customers relate the lack of affection during service recovery as the organization not caring for its customers. This is based on what the customers directly say to the frontline employees during interaction. For example, one of the frontline employees stated:

“The customers say that we do not care about them as customers and that it is all about business for this organization (Edgar)”.

Importantly, the frontline employees highlight that they do not use affection while trying to resolve a service failure. Interestingly, the customers tend to be surprised when frontline employees show them any form of concern after a service failure and when they go out of their way to ensure that an appropriate service recovery strategy is applied. This is because in the Kenyan market culture, the organizations are expected not to care. That is what the locals have settled for. For instance, one of the frontline employees' states:

“Showing customers affection is not something that is used while resolving a customer issue. I know this because most of the customers I have dealt with, expect you not to care. They (customers) even express their surprise when you show them any form of concern while trying to resolve their issue” (Jackie).

Notably, the frontline employees state that affection is only applied when the service failure has affected a huge number of customers. This is because the organization is aware that they are liable for the service failure, therefore it goes out of its way to ensure that the issue has been resolved effectively and that the customer is satisfied with the recovery strategy used. When a single customer complains about an issue, the frontline employees tend not to place much attention or even understand the loss the customer has experienced as a result of the service failure. This is because the fault cannot be directly linked to the organization. Therefore, the organization knows that the customer cannot raise a huge audience with their complaint. For example, one of the frontline employees stated:

“If the issue is a huge issue affecting a large a group of subscribers, then we accept that it is our fault as it has affected a group of our subscribers and that's when we rush to resolve it and follow up on the after-service recovery. But if it is that one off issue affecting one customer, we do not take much interest in ensuring the customer is fine after the issue has been resolved” (Habiba).

Contrary to the previous opinion from the frontline employees, one of the frontline employees highlighted that they got into trouble in the workplace and this was as a result of showing a

customer affection after they had reported a service failure. The frontline employee went out of their way to ensure that the customer was happy and satisfied after a service failure and because of not being able to meet their target. This therefore leaves the frontline employee at a crossroads, whereby they are not sure if they should show customer affection and take the time to ensure that the customer is fine after a service recovery. Or to just ignore the customer and resolve the service failure without caring whether the customer is fine with the recovery process or not. The frontline employee stated:

“Most of the time I find myself empathizing, which I find is my weakness. Because it has gotten me in trouble because I feel like I need to go that extra mile which now affects my targets, so am stuck” (Eunice).

6.2.3 Compensation

6.2.3.1 Customers views:

Compensation is important in ensuring that a customer feels that the recovery method has been effective. The participants emphasized the importance of compensation as a way that represented that the organization was apologetic for the service disappointment. One of the customers for example stated that they did not require the compensation to be in the form of money. It could be in terms of a branded item, free minutes or data bundles. For example, one of the customers stated:

“The organization needs to find a way to compensate me. For example, if the issue is taking takes too long to resolve. If it is a compensation, I don’t need money back, I just need service. So, tell me that you have topped up my phone credit if it’s a really bad thing or we have allowed you to use this service for free. Even a branded pen. Give me something that tells me that you are sorry and we are working on this” (Kinyanjui).

Similarly, one other participant also expressed the importance of the organization recognizing that the customer has been inconvenienced when a service failure occurs and the need for the organization compensating the customer not only in monetary form, but as stated before, the

compensation could be for example in the form of free talk time minutes. It was evident from the participants' responses that if the organization compensated them as a form of service recovery, the customers would feel satisfied with the recovery process and as a result, this would repair their trust in the organization. For example, one of the customers stated:

“When you call back give that customer something. Call back and say sorry for the inconvenience or Ooh! am sorry this happened, you were down for this amount of time, we are giving you this amount of airtime or data. Compensation is absolutely a must for I to be satisfied with the resolution and for my trust to be repaired by the organization” (Patricia).

At the same time, it was highlighted from the discourses it is uncommon for service organizations in the emerging markets to compensate their customers after a service failure, the customers tend to avoid approaching the service organization to make a complaint after a service failure and this is because they know that the organization will not offer them any form of compensation. This is also the case where the service failure is clearly the fault of the service organization. For example, one of the customers for example states:

“The reason I choose not to follow up on my issue and expect a compensation, is because I know I would have come here and spent more than two hours as they are calling one person and calling the other. But you know at the end of the day, they will not compensate me. Therefore, I just choose to continue with my work, because they will never refund it. I know even if I make a complaint, I will just be informing them, but they will not do anything to rectify the fact that they overcharged me for their service” (Mike).

Importantly, one of the participants made it clear that as a result of their service failure occurring once, they did not expect the organization to compensate them because service failures are expected to occur. But if the same service failure occurred more than once, then the customer would definitely expect the organization to compensate them. This is because the customers expect the organization to ensure that the same service failure does not recur. This is by implementing measures that ensure that the same issue does not recur. For example, one of the customers stated:

“I did not expect compensation because it happened to me once. If it happened to me more than once, then I would expect to be compensated. Because it is like I have already suffered once. Once you can let it pass, but if it happens again twice or thrice, that for me becomes a bit hard to understand” (Dolce).

6.2.3.2 Frontline employees’ views:

Importantly, one of the participants felt that it was important for the organization to have a system set up for compensating the customers after they had experienced a service failure. Most importantly when the cause of the service failure was not the customers fault. This was so as to ensure that the customers were not left feeling like the organization was only interested making a profit and not ensuring that the customers were compensated for the loss that they had experienced as a result of the service failure. The participants felt that compensation was an important strategy of service recovery and that it would result in customer trust repair. This is because the customers would feel that the organization is not only interested in their own personal interest. For example, one of the frontline employees stated:

“I think as much as we are a money-making company, we should be able to compensate some of them. I think we should have a structure for compensating people who have lost their resources when we do not know what their reason is. For example, if they have been disconnected and it wasn’t their fault, maybe it was our network issue and it has nothing to do with the customer. I honestly feel like we should have a way to compensate the customer” (Vanessa).

One of the participants in Mombasa emphasized that they do compensate the customers when a service failure has taken place. This was in contrast to what a few of the other participants who were frontline employees from Nairobi stated. For example, one of the frontline employees stated:

“Yes, we do compensate our customers. Sometimes we give them vouchers. This is often, almost every week. We even gave one today. We do this on a case by case basis. For example, the issue is normally investigated and if it is a genuine complaint, then the customer is compensated. But there are times we do not. If it has been investigated and we find that it is not a genuine reason we just communicate with you. Compensation is an effective way of repairing customer trust, but some people take advantage. When they realize that that the organization does this, everyone will start coming to the shop or calling customer care and making complaints” (Caroline).

Importantly, the frontline employees stated that they do not offer their customers compensation the first time that the customers make a complaint about a service failure. The only instance where the frontline employee would consider giving the customer any compensation is when the customer goes back after the service failure has been resolved and explains that they experienced a monetary loss as a result of the service failure. Only then, do the frontline employees consider compensating the customer as a method of service recovery in order to ensure that the customer is satisfied with the recovery method. Most of the time they offer to compensate the customer or use compensation as a method of service recovery in order for the customer trust to be repaired after the service failure, does not come from the frontline employee. For example, one of the frontline employees stated:

“We don’t offer compensation at the first interaction. So maybe the customer will try and see yes, its working and they come back and say now what about the day I didn’t have internet, how can you help me. Actually, from my point, there is nothing that I can do all I can do is apologize, but I wish there was a way like you are saying that we could be able to compensate them. But if this customer insists that they would like some compensation. The managers will be able to weigh and profile the customer and see if this is somebody who uses our services a lot, then maybe they can compensate” (Eunice).

6.2.3.3 Managers’ views:

Interestingly, the managers felt that the only time that compensation is used as a method of service recovery was only when the customers expressed that they wanted to terminate their contract with the organization as a result of the service failure. In other situations where, the customers experienced a service failure and only complained about the failure but did not show any sign of termination, the organization did not use compensation as a method of service recovery, even if the organization was liable for the service failure. For example, one of the managers stated:

“We do not compensate if there is no complaint about risk of termination. Unless there is risk of termination that is when compensation is enforced. You see what happens, most of these customers will complain that they want to leave and that is churning. That is when we come in to make sure that they don't. That is why this refund and compensation. Mostly it is because of risk of termination” (Mercy).

Importantly, the only time service organizations compensate the customers is when the complaint about the service failure has been on for a long time, as well as when the number of the customers making the complaint is huge. It is important to note that in instances whereby, there has not been many customers who have complained about a service failure or when the complaint about a service failure only takes place for a short duration of time, a lot of the time the service organization chooses to ignore the customer complaints or even them a form of compensation for their loss. For example, one of the managers stated:

“Offering compensation depends on the circumstance. For example, in the case of the premium services, the complaints were there for a long time and for some time we did not do anything about. We (the organization) only advised the customers about unsubscribing from the service and enlighten them on how to keep on checking that they were not incurring any charges. We only looked into the issue after receiving so many complaints from the customers and anyone that was affected was compensated. So, compensation does take place but on rare occasions” (Lucy).

6.2.4 Explanation

As it was highlighted earlier in this chapter, it is evident that some of the participants felt that the frontline employees in the service organization were not knowledgeable or well trained on the services offered by the organization or how to handle issues. Therefore, the customers felt that as a result of this, the frontline employees were unable to provide them with an explanation whenever they complained about a service failure. It is evident that an explanation is important to the customers after a service failure and because the customers are aware of the challenge that the

frontline employees face in terms of having inadequate training or their lacking uniformity in the way in which frontline employees are trained in the different branches of the service organization.

6.2.4.1 Customers' views:

The findings of this research highlight that the customers felt that it was important if the frontline employees would forward the customers complaints to someone who understood the reason behind the service failure and would contact them back to provide them with an explanation. This is because, sometimes the service failure might be a system or technical issue that the frontline employee did not understand or could not explain. The customers, however, prefer to have a representative of the organization contact them and explain the reason behind the service failure.

For example, one the customers stated:

“The least the frontline employee could do is that when they get a complaint, they should provide a proper reason for the service failure. Even if it means that they have to forward my reference number to someone who specializes in the issue. This is in order for the specialist to provide me with a basic explanation and to help me understand the cause of the issue as well as to provide me with an estimated time on how long it will take for the issue to be resolved” (Kinyanjui).

Similarly, one other customer stated:

“I need the frontline employees to provide me with an explanation for the cause of the service failure. I don't need them to provide me with an explanation, so that I point any blame to anyone. I just need them to show me that they realize that something went wrong and that they have identified or are working hard to identify the cause of the service failure and that they intend to resolve it. I just need to know that they are doing something to resolve the service failure and an explanation will provide me with confidence in the organization (Damaris)”.

The customers also highlighted that they will not be satisfied with the explanation, if they feel that the explanation does not provide them with the information that they require. For instance, the customers stated that they do not consider excuses or referential as a form of explanation, but instead prefer clear and honest information regarding the service failure and what is being done to resolve it. For example, one of the customers stated:

“If you tell me, “someone is working on it, give us an hour just give us an hour, keep on waiting”. You know that is not an explanation, it’s just an excuse and that gives me no confidence in what’s happening. I tend to feel like they are hiding something” (Dolce).

Similarly:

“I once went to one of their branches to try and get an issue resolved. As I was in the process of making a complaint about subscription payments that that I hadn’t authorised and were reflecting on my bank statement, the frontline employee told me that I should be glad that I had noticed the unauthorised subscriptions early enough. This is because other customers who had made the same complaints regarding unauthorised subscriptions, had lost a lot of money as compared to me. I informed the frontline employee I was not interested in hearing other customers issues, I just wanted to understand how unauthorised subscriptions were linked to my account and how they were planning on resolving the situation” (Jack).

An explanation by frontline employees creates a feeling of trustworthiness on the part of the customer towards the organization. Notably, the service organizations in emerging markets, do not consider an explanation as important for them and even consider it to be a bother to them when customers demand for an explanation. This is demonstrated by how the frontline employees respond to customers. The customers have expressed that the frontline employees tend to be short with them when they request an explanation and gave the customers the impression that they are being a bother. This is reflected by one of the customers stated:

“I rang the organization twice to make a complaint and the second time I contacted them to find out why the issue hadn’t been resolved, they told me that I had already been provided with an explanation, the first time that I called. I then contacted them on Facebook and the frontline employee told me that they could see from their system that someone (another frontline employee) had already spoken to me about my issue. I felt like they were indirectly telling me that I damn or that I wasn’t getting it. They didn’t use those words, but that is how I was left feeling” (Isabella).

Similarly, one other customer stated:

“I mean, I am paying for the service, the least they could do after a service failure is to provide me with an explanation that is clear and honest, explaining what went wrong and what they are planning to do about it. I would prefer if they offered to call me back after conducting some investigation, in order to provide me with a clear explanation as compared to just brushing me off when I ask them questions” (Mark).

6.2.4.2 Frontline employees' views:

Importantly, the frontline employees highlighted that the only time that customers are provided with an explanation after a service failure is only when the organization circulates an internal communication instructing them to do so. For example, to state that the systems will be down due to maintenance or when the software is being updated. Only then, do frontline employees provide the customers with an explanation. However, when a service failure occurs, and the organization had not expected it, the frontline employees tend not to provide the customers with any explanation as to why the service failure has occurred. This is because the organization would not want to take any blame or be at fault of the service failure. For example, one of the frontline employees stated:

“We, the frontline employees only provide an explanation to the customer if there is some communication that is provided to us beforehand to share with the customers. This is so that the information that the customers receive is uniform” (Eunice).

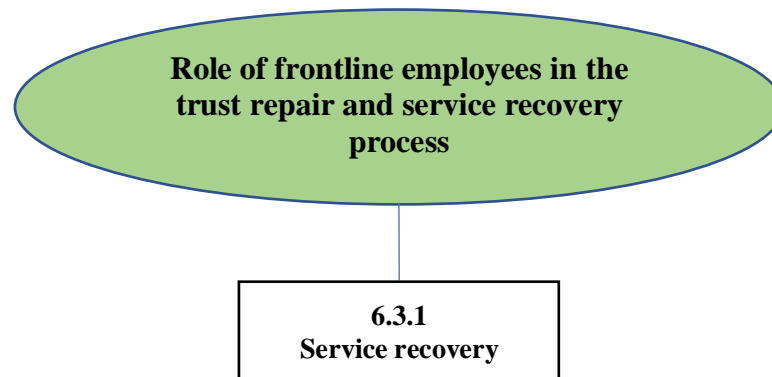
One other frontline employee stated:

“I don't provide customers with an explanation when they make a complaint. I only inform them that we are working to resolve the issue. I don't have time to provide lengthy explanations (Vanessa)”.

This thesis will present in the proposed framework in Chapter 7, the crucial role that service recovery strategies play in the process of trust repair. The findings show that strategies such as apology, compensation, explanation and organisational affection are important in the repair of trust. This is because, in the Kenyan context and more specifically the Kenyan service context, an apology is a considered a sign of respect, while compensation is considered important to the customer, because it shows that the organisation acknowledges the loss experienced by the customer. Providing an explanation is also assumed to positively influence the repair of trust and this is because, it associated with transparency, while organisational affection is associated with

showing care and concern towards the customer. These factors are expected to arouse positive emotions on the customer, which in turn positively influence the repair of trust.

6.3 Role of frontline employees in the service recovery and trust repair process



The role of frontline employees in the process of customer trust repair is considered very important. This is because they are the image of the organization and the first point of contact for the customers when they contact the service organization to report a complaint of a service failure. The role of frontline employees is very important in customer interaction as well as during the service recovery process. Over the years, the role of frontline employees in service recovery and customer interaction has been overlooked in service organizations, while customers on the other hand feel that employees showing affection, being sincere in their apology and their attention in ensuring that the service recovery process is undertaken effectively.

6.3.1 Service recovery

As discussed in chapter two of this research, earlier study on the role of frontline employees in service recovery is very limited. This section will present findings from the data collected to highlight the importance of the role of frontline employees in the process of trust repair.

6.3.1.1 Customers' views:

The participants who took part in the interview expressed the importance of frontline employees in the service recovery process resulting in trust repair and this was through the level of interaction that they were involved in. All the customers interviewed expressed the importance of frontline employees in the service recovery process as they are the face of the organization and the first point of contact. Some of the examples provided from the customer interviews include:

“The staff are very nice in all the shops that I have visited. I have never come here with an issue and left with the issue not being resolved. The frontline employees have always been happy to sort out my issues” (Francis, customer).

Similarly, one other customer stated:

“The frontline employees here are really good and very helpful. They seem to know what they are doing” (Jack).

One other customer also stated:

“This shop has qualified attendants. I frequent this shop as this is my local shop and the frontline employees are all good and very supportive. In fact, I know one frontline employee at this organisation who really helped me once. I once came to the shop when they were about to close and I requested the frontline employee to help me, as I had an emergency and she assisted me. I was very happy with how helpful she was” (Swaleh).

Another stated:

“I think it's the staff that make me want to come back. The fact that they treat my matters with urgency. They are always willing to assist me with resolving my issues. They always put on a smile, even when I am feeling down” (Vandros).

One of the customers observed that it seems like the employees either do not have the power to make major decisions when it comes to service recovery. Also, that employee attitude tends to be negative most of the time and therefore does not make the customers feel like they are interested in assisting with the service recovery process. One of the customers states:

I feel like the frontline employees' role is almost non-existent. It seems like, they do not know their job. I do not feel like they have ever been able to help me, whenever I have visited one of their branches with a problem. I always leave the branch with my issue unresolved. The difference is the same (Ziwe).

It is important for the frontline employees to be made aware of how important their role is in service recovery. This is in order to ensure that once they have finished resolving a customer's issue, the customer is left satisfied with the outcome and that the organization is still able to retain them as customers and repair the customers trust. For example, one of the customers stated:

"The role of the frontline employee in service recovery and repairing my trust, is the main role for me in the bank if I am to be asked. Before you meet the branch manager, before you meet the teller, the customer service person is the face of the bank. Depending on how they (the frontline employees) treat me and the information that they provide me with, as well as how they handle my situation, will go a long way in rebuilding my trust in the bank" (Dolce).

On the other hand, a few of the customers felt that even if the role of the frontline employees is the most important role in service recovery. A few of the customers expressed that they felt that the frontline employees tend to ignore their responsibilities. This is by making the customers feel unwelcomed and unwanted when they contact the organization to make a complaint about the service failure. For example, one of the customers stated:

"All the frontline employees that I have interacted with, are not friendly. I have never met one who is friendly. I don't know if that is the training that they receive, but I have never met one who is friendly. Even their own agents are terrible" (Damaris).

One other customer felt that the role of the frontline employees is important in trust restoration. The customer stated:

"My trust in the organization would be repaired only if they paid remedies for their mistakes. Remedies are very simple, number one, the staff have to be very user friendly, not just trying to get rid of you. The organization should also make sure that they have more staff so that service is faster. My trust can be repaired" (Renold).

A number of the customers felt that even though the role of the frontline employees is important in the service recovery leading to trust repair, the frontline employees lack training in exactly what

is expected of them by the customers and therefore the service that they offer is usually substandard. A few of the examples from the customers include:

“I feel like the frontline employees are not knowledgeable. Apart from being friendly, that’s where it stops. I don’t normally feel like they understand my issues. It is like they do not know what their job entails. I feel like they require more training in their job and not just in smiling at customers. I always find myself trying to bypass them, whenever I call to make a complaint. I always ask to speak to a technician, or an engineer or somebody else. At that point it feels like they have been given a set of lines to tell me and I should be happy with that.” (Kinyanjui).

Similarly, another customer also stated:

“The male frontline employees are very nice, but they do not do anything. They answer the phone, but they don’t really resolve the issue. But when I get a lady frontline employee, I find that they are more focused in helping to resolve the problem and where they can’t resolve the issue, they forward it to someone who can. The lady frontline employees are more to the point. They don’t have a lot of niceties, but they do a good job. The men are nicer, but they don’t help in any way with resolving my issues. So sometimes I ask, whether I can have a lady to assist me” (Catherine).

Similarly, another customer said:

“Personally, my greatest problem with this bank is that I think they need to have frequent training sessions for their frontline employees on how to deal with the customers. For example, training on how to provide customers with the best customer service experience and on how to ask customers the right questions and to also provide the customers with the right answers” (Mark).

6.3.1.2 Frontline employees’ views:

The frontline employees also emphasize the importance of their role during service recovery in the sense that, the customers engage with the frontline employees when they have experienced a service failure. It is only in rare occasions where the customers directly engage with managers. Therefore, the frontline employees consider their role in customer service recovery in the process of repairing customer trust, but feel that their not involved enough in service recovery. They also feel restricted in sharing their ideas on what is best for the customers or the limits at which they

can go to so as to ensure that the customer trust is repaired. One of the frontline employees for example stated:

“The customer doesn’t see or interact with the top management, they see me. I believe if we had been provided with leeway to be able to make decisions on our feet regarding how to resolve customer issues, we would be able to resolve the issue faster and this would definitely help to repair customer trust” (Habiba).

Similarly, another frontline employee stated:

“I think if we, the frontline employees were involved more it would make a huge change and it would also repair customer trust. Not even trust, some products that they come up with are just ridiculous, they do not even make sense to the customer I feel like trust would be repaired if us frontline employees were involved more because we provide the customers with that feeling of human connection” (Eunice).

The frontline employees do feel that their role is very important when it comes to repairing customer trust although their involvement in service recovery is limited. The frontline employees therefore feel that if they more involved, they would be able to connect with the customers and be able to repair customer trust. For example, one of the frontline employees’ states:

“I think if we, the frontline employee are more involved as the people who are dealing with the customers, if we are more involved I think it will positively affect the repair of customer trust” (Caroline).

The frontline employees feel that if they were involved more in the service recovery process, they would provide the customers with the feeling of a human touch. This is because whether, the frontline employees will be interacting with the customers on the phone, face to face or online, the customers will be able to interact with the frontline employees and have a human touch. This is because they are the first point of interaction and also, if customers contact them, the frontline employees will be able to provide them with an instant response.

“I feel like trust would be repaired if us frontline employees were involved more because we provide the customers with that feeling of human connection”(Eunice).

6.3.1.3 Managers' views:

The management team expressed the importance of frontline employees in the process of service recovery and stated that their role is quite important because they are the customers first point of contact when they get in touch with the organization. Also, because they are the last point of contact once service recovery has taken place. Therefore, the role of the frontline employees is indeed important and this is because how they treat the customers when they approach them with a service failure and how they leave them feeling will be what will ensure that that customers are satisfied with the service recovery process and that their trust is repaired. One of the frontline employees stated:

“In this organization, if an issue comes to your desk you are required to sort it out. So, you are 100% involved. Even if you escalate the issue, the burden still remains with you. Any communication of feedback with the customer is still with you. So, the frontline employees are the ones who finalize everything. The frontline employees carry the heaviest weight when it comes to resolving customers issues. Because even if the management team agree on a recovery strategy, the frontline employee is the one expected to communicate this to the customer, because they are ones who relate with them” (Edwin).

One other manager concurred with this and stated that the role of the frontline employees is very crucial in service recovery and ensuring that customer trust is repaired and stated:

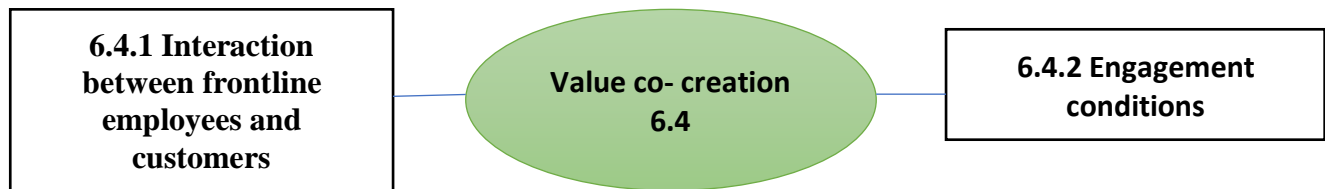
“The role of the of the frontline employees in service recovery after a service failure is very crucial. Because they are the ones who will calm the customers. The frontline have a lot of information. Anything that you involve them in turns out to be very positive not just in recovery. They have a lot of information on our customers” (Grace).

Importantly, apart from the managers feeling that their role in service recovery is important in order to ensure customer trust repair is successful. They also felt that the frontline employees require all the support available from the managers, because their role is very demanding, for instance, while dealing with angry customers. One of the managers stated:

“The role of the frontline employees is very important because they are the very first point of customer interaction and they are the face of the organization. As in when the customer comes here, it is them that they see and that is the organization that they know. 95% of the frontline employees follow what they are trained to do and what we expect from them. Sometimes it can get overwhelming but us as managers it is our work to keep reassuring, to keep retraining. If they get the support they need everything will be done as it is supposed to be” (Lucy).

The findings show that the role of frontline employees in this research has been deemed as very crucial in the process of trust repair. However, the findings show that as much as the role of frontline employees is considered important in the process of trust repair, there exists tension between the frontline employees and manager, which impacts or hinders frontline employees in their efforts to achieve a satisfactory service recovery outcome.

6.4 Value co-creation



According to Prahalad and Ramaswamy (2004) co-creation of value represents joint creation of value by a customer and an organization. One of the main objectives of this research is to investigate the role of value co- creation in the process of trust repair. The findings of this research have highlighted that in the Kenyan service context, value co- creation and especially interaction during service recovery is a concept that is not implemented by organisations. However, the customers highlighted that they welcomed interaction during the process of service recovery as the customers would be involved in decision making during the recovery process. The findings showed that the customers would associate the integration of value co- creation during service recovery with being valued as customers and that the organisation cared about them. The factors

that led the customers to come to this conclusion are things such as, the organisation taking the time to listen to customers views, as well as the fact that the customers would be allowed to have a voice in the process of service recovery. The research assumes that the positive emotions that develop during and after the service recovery process play a key role in the repair of trust. The next section will present the findings from the interviewees regarding their views on the integration of value co- creation in the service recovery process with the hopes repairing trust.

6.4.1 Interaction between frontline employees and customers

According to Saffer (2010) interaction is a transaction that involves the exchange of information between two actors. In service organizations, interaction between frontline employees and customers involves the customers and the frontline employees being able to exchange information with each other during the service recovery process. This normally takes place once a service failure has taken place with the aim of repairing broken trust.

Interaction is a very important factor to the customers who believe that if the organization engages with them during the service recovery process, it represents that the organization is customer centric. This is because the organization will attempt to recover the service failure with the best interest of both the organization and the customer equally being considered. This will help to restore the customer's trust as their confidence in the service organization will be restored.

6.4.1.1 Customers' views:

Value co-creation and most importantly interaction during service recovery, has been highlighted by the participants as an important driver in trust repair. The customers emphasized that if the organization gave them a chance to inform them of their expectations after a service failure and the organization went out of their way to try and meet them halfway, then their trust would definitely be repaired. Co-creation creates a feeling of belonging to the customers and this is

because by the service organization creating a platform for the customers to interact with the organization, it makes the customers feel that the organization cares for them and values them. For example, one of the customers stated:

“My trust would have been repaired or influenced if I could tell them what I needed and how I can get it and they do that for me, or they tell me that they can’t do this for me today, we won’t be able to do this, but we can do this instead” (Kinyanjui).

As a result of the organization ignoring their customers for a long time, some of the customers did not even think any form of trust was present between them and the organization as it has been destroyed a very long time ago. Importantly, the customers felt that if the organization listened to them for a change, those who didn’t trust the organization in the first place, trust in the organization would be developed and those who’s trust had been broken, their trust would be repaired, and this is because they would feel that the organization values them as their customers. For example, one of the customers when asked what their thoughts were in the application of value co-creation by service organization as a process of trust restoration they stated:

“That form of interaction would be one way of the organization creating or restoring my trust in the organization, because at the moment I do not have any trust in them. Because of interaction. If you feel like somebody listens to you, of course your trust in them will develop or will be better placed” (Jack).

The lack of trust in the service organizations in the emerging market was repeatedly highlighted by majority of the participants. The customers emphasized that the presence of a human face and not necessarily having a representative of the organization physically present, but it means a representative of the organization interacting with the customers and taking the time to listen to the customers when they have experienced a service failure, would result to the customers mistrust in the organization being reduced or even trust being fully repaired. For example, one of the customers stated:

“If they put a human face behind their services to the Kenyan consumer the mistrust will lessen, but right now, how do you complain to this organization? Through a call centre number that is never picked up, through their shops that are always full, through social media where if it a really big problem they don’t even bother answering, they don’t even bother answering their social media. Now you tell me, I call it doesn’t get picked up, I SMS I don’t get answers, I go on social media, I don’t get answers” (Patrick).

It is evident that the customers avoided visiting or contacting the organization when they had experienced a service failure and this is because of the negative reception that they would receive. It was noted that if the organization decided to include interaction as a strategy of service recovery, customer trust would be repaired. This would not only repair customer trust, but it would also motivate the customers to want to engage with the organization and frequent the organization with much pleasure. For example, one of the customers stated:

“They would absolutely regain my trust if they went out of their way to interact with me. I wouldn’t have a problem walking into any of their shop and doing my thing. I would be happy to come and laugh with these guys. If they interacted with me more that would definitely improve my trust in the brand” (Mark).

One other customer also highlighted the same and stated:

“You see if I come to one of their shops or if I call customer care and they appear like they have time for me and that they want to listen to my issues, it will motivate me to also engage with them and this will definitely improve my trust in them” (Galgio).

Importantly, the customers also stated that they would be left feeling satisfied with the outcome of the recovery process if they were involved in the recovery process after a service failure. The organization would also be able to find out from the customers what they are happy or not happy with and this would help the organisation in their own development. Once the customers see positive changes, their confidence in the organization would be increased. For example, one of the customers stated:

“This would be nice, them asking if something is wrong with us or whether we are unhappy about something. Interaction helps, because maybe you are to seek out a solution to your problem and you are left satisfied with the recovery process and that is how your trust is regained” (Catherine).

Most importantly the customers emphasized that if interaction is applied during the service recovery process it would lead to customer trust repair. As well as leaving the customers with a feeling of satisfaction with the service recovery and a feeling that the organization cares and values them as customers. The customers will be filled with a sense of confidence in the organization which will promote trust restoration. For example, one of the customers stated:

“I think interacting with me when I have an issue is the best thing this organization would do to retain me as a customer and also if they did the same with other customers. This is because they would welcome me for a discussion and I will be able to express to them what my issues are and what my expectations are of them, as an organisation. Once they do this I will know that they hold me highly as a customer because they are listening to me and will try to meet my demands and this will make me know or feel like they care and when I leave their shop or end their call I will be happy and satisfied with the recovery process and my trust will be repaired and this will even give me confidence in the future to know that if I go back to them with an issue they will be willing to assist me” (Elizabeth).

Importantly, the customers felt that any form of interaction between the customers and the service organizations did not exist. The lack of interaction between the customers and the organization does not only apply to the service recovery process, but also when it comes to interaction with customers while introducing and familiarizing the customers with the organizations’ products. The customers feel that the organizations do not take the time to find out if the customers understand how to use their products or services. The organization also does not take the time to ensure that the customers are happy with their products or the service experience. This lack of interest in interacting with the customers is also demonstrated based on how the frontline employees are short with the customers when they visit their shops for a service or to make a complaint. The customers have strongly expressed that the frontline employees are very dismissive with them and not helpful at all. For example, one of the customers stated:

“This organization has never had interaction with their customers. They just say they have it. They assume that because they know how to do it, we should also know. We do not know. So we are not using their products as much as they would want us to use them and as much as we want

to use them because they are too commercialized. That attitude goes all the way to the counter, where they are very dismissive” (Renold).

6.4.1.2 Frontline employee views:

Interaction during service recovery as a function of trust repair is not only important to customers, but also important to the organization as it communicates to the customers that the organization values them and also that the organization is able to find out what the customer’s expectations are.

For example, one of the frontline employees stated:

“Definitely, if you commit more time to interact with the customer while resolving their issue, definitely it will make a difference because the customer will feel like we care about them, which is affection in this case and it will help in regaining their trust. We interact with them and we get to know them better, we get to know what their expectations were when they decided to contact us and this will definitely positively repair customer trust” (Nicholas).

Interaction in the organization does not only involve interaction between the customer and the service organization, but the interaction between the organization and its staff and in this case frontline employees. This is because the frontline employees are the ones who have the most contact with the customers. Therefore, they know first-hand what the customers need and expect. It is therefore important for the organization to interact with their frontline employees so that the culture of interaction can spread out through the frontline employees to the customers. The frontline employees cannot be able to interact with their customers if it is not the culture of the organization. For example, one of the frontline employees stated:

“In my opinion there is no form of interaction between this organization and its frontline employees. I have not experienced it. Since I started working for this organization, I have never been asked as a staff what I think works for us or what works for the customer or doesn’t work for the customer” (Caroline).

It is evident that the views or feedback from frontline employees in emerging markets is not regarded highly. Instead of the organization being transparent with employee views, they tend to

not recognize the employee's contribution which in turn is demotivating. This therefore affects the way in which frontline employees interact with their customers. For example, one of the frontline employees' states:

"I don't think the organization interacts with us as staff, enough. There is a platform where we give out ideas, but there are times I feel like they steal our ideas and you do not get any credit for it" (Eunice).

One of the frontline employees makes it clear how interacting with customers is a strategy that is hardly ever applied during the service recovery process and the customers simply have to accept the service resolution provided to them, whether they are satisfied with it or not. For example, one of the frontline employees stated:

"I have never interacted with the customer and listened to their opinions and tried to meet them halfway so that they can be happy with the resolution strategy that I have used" (Vanessa).

The frontline employees also expressed that according to their experience as customer service employees, they do believe that the engagement of customers during the service recovery process will play a huge role in the restoration of customer trust. One of the frontline employees stated:

"For me I do not interact with the customers in my current position. Us on the ground, try to solve customer queries as fast as I can so that I don't have customers waiting for a long time. It might be very different because you see if I am the leader at that time and I am looking on my time line and I am doing 80 queries, and we are doing 20- 25minutes, then we get asked why are we spending 25minutes with a customer when we should be spending 4minutes at most so that these customers are sorted out very fast" (Edgar).

Similarly, another frontline employee stated:

"Because you see at the end of the day, we have time limit in which we can interact with the customer. So we have a certain number of transactions that we have to deal with in a day and you have to deal with them on a one on one basis, so you cannot spend too much with the customer and you have to be precise and clear and straight to the point. You see even now as we talk I am looking at my watch because I have been given only 1hour for this and I have to go back to my desk" (Nicholas).

Similarly, another frontline employee stated:

“What time do you have to interact with the customer? at what point really? We are working on a target based on the number of calls we attend to for the number of hours on our shift. I think we are just too rigid. Maybe they should look at customer satisfaction and not focus on some other things that are minor, such as the amount of time we spent on the phone with a customer. As long as you have sorted out this customer and the customer is happy, I believe that is all that they should look at. At the end of the day, was this customer happy? Did you resolve this customer issue? Don’t say, yes you resolved the issue, but this was not the procedure. Why didn’t you follow the guidelines?” (Eunice).

Similarly, one other employee stated:

“Yes, it affects the service we offer the customer. This is because you are thinking, I wish I could give the customer more, but this timeline is also going to my score card. So, it really affects us in a way. They call it adherence. For example, if my tea break was to start at noon and a customer calls me three minutes to noon and it happens to be a lengthy issue. Do you know if I choose to talk to that customer and it takes up the ten minutes for my tea break, then I have to forfeit my tea break. I miss my tea break and I cannot recover it. To add on that, I miss my tea break and at the end of the month my score card will read that I didn’t adhere to my schedule. So, we are normally left between a rock and a hard place. Because you cannot dismiss a customer and tell them that you have to end the call because of your tea break and again you don’t want to ruin your score card. But most of the time we adhere and choose not to answer the customer calls, because as much as I want to make sure that I do my job well, I still want to earn a descent pay, therefore I adhere to the terms of our job” (Patricia).

One of the frontline employees who states that he doesn’t not practice interaction during service recovery, while providing his opinion on the importance of interaction as a function of customer trust repair states:

“Interaction to me and from my experience as a customer service executive is the most important. Because if we fail to engage the customer, they will come asking what is wrong with our services and they will complain that maybe they have tweeted us twice and we have not even responded to their tweets and they ask us how do we think they feel. They say that we do not care about them as customers and that it’s all about business when it comes to our organization. So, engagement to me is the most important in repairing customer trust” (Edgar).

6.4.1.3 Managers' views:

The managers also strongly agree that the application of interaction during the service recovery in order to lead to the customer trust repair. The managers emphasize that interaction is not practiced or applied during trust restoration. They emphasized that a lot of improvement needs to be made so as to ensure that interaction as a function of trust repair is effectively practiced by the frontline employees as well as management during service recovery. One of the most important ways that was highlighted as a way of ensuring that interaction is effective is simply by collecting feedback from the customers. This will show the customers that their opinion is important to the organization and yet. This will be important in regaining customer confidence in the organization and customer trust being restored. For example, one of the managers stated:

“The interactive process between the customers and the frontline employees is present but there is great room for improvement. There is room for improvement of course and also there is also that bit of understanding where you see the customer will feel am right, but probably we will not be able to meet that demand, but I feel as though there is room for improvement to the way we react on customer feedback as that is what will help to restore their trust in us” (Lucy).

It is evident from the participant discourse that some of the managers go out of their way to contact customers after a service failure and interact with them to ensure that the service recovery strategy works out to the best interest of the customer and the organization. The strategy of using interaction during the process of service recovery is indeed important and this is because, it enables the customers to know that the organization values them as customers and considers their relationship to be important.

“When an issue is escalated to me from the frontline employees, I call the customer and I listen to them. I explain to them if I cannot do that, what I can do, how far I can go and what I cannot. I find the customers appreciating this because I go out of my way to get to find out what it is that I can do to keep them satisfied and this helps to repair their trust because they come back and call and thank me for helping them” (Grace).

As highlighted in the previous chapter, the telecommunication organization has categorized its customers in segments based on the customer's income and expenditure. Customer segmentation is important for organizations so as to ensure that the organizations are able to create products or services that cater to the different segment groups. However, in this case the customer segments are resulting in unfair treatment of customers, especially after a service failure. This is because the organization tends to focus on the complaints of the high earning and spending customers. This is because they know that these customers know the value of their money and will demand high value of service and expect it when they purchase a product or a service from the service organization. On the other hand, the organization tends to ignore the complaints of the mass customers. These are the least earning customers and those that spend the least when purchasing products and services. This is because the organization knows that most of the mass customers do not have the knowledge on what value of service or quality of product they should be receiving. Therefore, they choose to exploit this and choose not to interact with customers from this segment when they make a complaint about a service failure. For example, one of the managers stated:

“Most of the time you will find the low spending customers, the mass, many times they will complain but you find that they probably do not take it further and again” (Lucy).

The findings show that value co-creation is considered an important tool in the repair of trust in the Kenyan service context. However, the findings show that interaction between customers and frontline employees is not normally practiced and this because the frontline employees have tight rules and policies that they need to abide too in order to meet the organisation's guidelines. This therefore hinders the frontline employees from being able to interact with customers, during the process or service recovery because of fear of disciplinary action or being underpaid because of not meeting their allocated targets. In turn, this negatively impacts customers satisfaction levels with the service recovery.

6.4.2 Engagement conditions

Engagement conditions in this research, refer to the different ways in which organizations set up in order for their customers to be able to engage with them when a service failure has occurred in order to be able to interact together and agree on appropriate service recovery together. Interactive platforms in the developed market are a very popular channel of interaction between organizations and customers. In the emerging markets however, interactive platforms as channels for engaging with customers have not advanced as much and this is because of the slow advancement of technology or simply the fact that the organizations are not advanced enough to be able to introduce interactive platforms for their customers.

The data collected emphasized that the customers feel that there does not exist proper channels for customers to be able to make a report or to complain about a service failure experienced. The views of the participants were however different in the two towns, which are Nairobi and Mombasa, with each participant group providing their own opinion on the most favourable channel for them.

However, it is important to note that the customers from the two towns, Nairobi and Mombasa, had different opinions on the different platforms in which they would have preferred for the organization to interact with them. Table 6.4 below shows the different channels the participants would have preferred to interact with the organization.

Table 6.4 Engagement conditions

| Participants | Nairobi | Mombasa |
|---------------------|--|---|
| Customers | One to one | Focus group and one to one |
| | <p><i>“They can either come to me or ask me to go to one of their branches at my own free time. That will be fine. On top of the online platform, of course the online platform for us young people, it always works wonders” (Dolce).</i></p> <p><i>“Face to face or one on one would be the best way for me. This is because I can clearly explain and share with them my opinion. When you talk to them face to face or over the telephone, you can be able to gauge their attitude. Messages I feel restrict how much you can share with them. Because with a message someone can easily brush it off but with a one on one message, you will get a response most of the time there and then” (Damaris).</i></p> | <p><i>“Focus groups or face to face. This is because some people are not literate to even know how to use online platforms or even have understanding that they can be able to make a complaint about a failed service” (Nima).</i></p> <p><i>“In Mombasa, the best ways in which they can be able to reach the customers and be able to interact with them would be face to face or one to one” (Christina).</i></p> <p><i>“Focus groups and one to one would be very effective, especially in the rural areas. Like here in Mombasa where people are very uneducated. Majority of them would not have any idea of how to use a computer, leave alone internet on their own phones. They would not have any them in the busy town, because it will not work” (Robert).</i></p> |
| | Online platform | Illiteracy |
| | <p><i>“An online platform would also work. This is because everyone has their preferred mode of communication. For example, some people, some would rush to whatsapp and others to twitter, while others would still feel the need to go to the physical shop but if it is distributed that way, it would work” (Jack).</i></p> <p><i>“An online platform would definitely help. Focus groups would be such a good idea as it would incorporate people of all backgrounds (Mark)”.</i></p> <p><i>“Online platforms, speed of communication is the most important thing. An online platform that should be a one stop portal. Whereby the issue is resolved there and then” (Lawrence).</i></p> | <p><i>“The problem with Mombasa is if they introduce an online platform, what percentage of the population here will they be able to reach here to inform them that we are going to be online. Education is a big challenge here. It is not a huge percentage that will be able to know or understand how to go online to raise a complaint or provide feedback. There are those people who have phones and all that they can do with them is make calls. They do not even know that their phones have other features for example something as simple as sending a text message” (Christina).</i></p> <p><i>“I wonder what about the customers who do not have a telly how do they get to know this information, or the ones who have</i></p> |

| | | |
|-----------------------------------|---|--|
| | <p><i>“Online platforms that would allow customers to air their views. That would really help because it is not all the time you are able to like to communicate with the organization and tell them that I am frustrated with one, two, three. Can you do one, two, three to try and change. So when you have a platform where you can air that and they are able to like get that information and act on it that would help” (Monica).</i></p> | <p><i>phones but are not literate and they communicate with us via messages, how do they expect these people to receive this information? They have never interacted with me even once to find out what I like or I do not like. They need to find a way to get to me and find out how they can resolve my issue effectively” (Elizabeth).</i></p> |
| | <p>Focus group</p> | <p>Online platform</p> |
| | <p><i>“I think a focus group would be very effective because I would not hold back. I would tell them everything that is wrong with organization. I think then somebody will be listening and then I will tell them exactly that. Exactly what I have told you” (Francis).</i></p> <p><i>“I think they should have several focus groups. For the corporates, sme’s, have one with the casual laborers, have the white collar groups, have with people earning brackets of this and this, call those guys in and hear from them. Those are the people who hold the largest percent of the population” (Kinyanjui).</i></p> | <p><i>“They should create an online platform. Not twitter and the likes. An actual account or link on their website, whereby people can be able to write down their problem and they should be able to handle my issue as an individual and ensure that I am happy with how they have resolved it” (Robert).</i></p> |
| <p>Frontline Employees</p> | <p>Online platform</p> | |
| | <p><i>“An online platform is very important. This is because a large percentage of our customers would be able to access the online platform and make their complaints when a service failure has taken place and interact online with an agent until they are able to come up with an agreeable outcome that satisfies both the customer and the organization” (Jackie).</i></p> | <p><i>“There needs to be an online platform where the customers can be able to express their views directly whenever they have experienced a service failure. I am aware that this might now work in Mombasa but we can still have a platform and the customers can contact us about the issues and we will input the information for them in the platform including their suggestion for resolving the issues. These platforms would be effective if they put people to be in charge of ensuring that those issues with the customers are handled” (Peris).</i></p> |
| | <p>One on one</p> | <p>Illiteracy</p> |

| | | |
|-----------------|--|--|
| | <p><i>“We need to a mechanism to reach out to the customer before they come to us, especially on matters pertaining to complaints on our services. This could be either over the phone or one to one visits” (Patricia).</i></p> | <p><i>“In Mombasa it is quite challenging, you can get someone is a youth, but they have never stepped into school, therefore interacting with them in the first place would be difficult. I am not sure what interactive platform would work for the customers here” (Caroline).</i></p> <p><i>“For customers, they request you to provide online feedback. A Facebook post or twitter. But remember now our customers here do not even know how to write. Therefore, I would suggest having them come here so that we can explain to them in a language that they understand” (Habiba, Mombasa).</i></p> |
| Managers | Focus groups | Illiteracy |
| | <p><i>“Customer focus groups, whereby customers can speak to a representative of the organization to share their grievances in terms of whether they are unhappy with a service they received or the way the service was resolved” (Mercy).</i></p> | <p><i>“The elites of the society do share a lot. If you check the social media platforms, these group of customers share a lot when they have experienced a service failure. The elites do it online, but the locals in Mombasa a good number of them do not even know how to read or write, therefore having representatives going out to the market to find out if they are having issues with our services would be the best way to ensure that their trust in us is retained” (Edwin).</i></p> |
| | Online platform | |
| | <p><i>“If we provide them with a platform whereby they can interact with us and we engage them, after some time, they will realize that we value them as customers and they will regain trust in us (Mercy).</i></p> <p><i>“An online platform in this day and time would be very effective and this is because many people use smartphones and therefore they can be able to reach us though different channels on social media” (Mercy).</i></p> | |

6.4.2.1 Customer view's:

As stated in section 6.4, the customers stated that they did consider it important for organisations to interact with customers during the process of service recovery, as this will increase the chances of the customers being satisfied with the service recovery outcome. This is because the customers would be inclined to accept the outcome of the service failure, because they would have contributed to the overall outcome of the recovery process. Therefore, this research finds that the interactive element of value co- creation is positively associated with trust, which are considered to positively influence the repair of customer trust.

However, it is important to note that the customers from the two towns, that is, Nairobi and Mombasa had different opinions concerning the interactive conditions in which they considered important in ensuring effective interaction takes place during the service recovery process. Table 6.4 above shows the different conditions in which the interviewees highlighted as important in ensuring effective interaction between the customers and organization during the interactive process. These differences will be expounded on further in the following section.

- **Nairobi**

The findings showed that five of the customers from Nairobi indicated that a focus group would be the most effective engagement condition for the older generation to interact with the organisation during the process of service recovery. This is because some of the customers, especially those who belong to the older generation group, made it clear that they were not very conversant with technology. Therefore, the customers stated that they would prefer to interact with the frontline employees in a setting where the system or avenue of interaction would be face-to-face. This is due to the fact that customers felt that the use of technology to interact and engage with the organisation during the service recovery process would be too complicated and frustrating, considering that the customer has already experienced an inconvenience as a result of the service failure. For example, one of the customers stated:

“A focus group would be very important in the sense that the organization will be able to find out what their customers are happy and not happy with and to also educate us. Some of us have not grown up with technology. For example, myself and other customers like me in their 60’s. We are used to writing using pen and paper or speaking to someone directly or over the phone. That is the best way they can involve me the recovery process” (Renold).

Similarly, another customer stated:

“Face to face or one on one would be the best way for me. This is because I can clearly explain and share with the organisation my thoughts and opinion. When you talk to the frontline employee for example, face to face or over the telephone, you can be able to gauge their attitude. I feel like online or direct messages restrict how much you can share with the organization. This is because someone can easily brush off or forget about a message. However, with face to face interaction, you will most likely get an immediate response during the interactive process” (Damaris).

As a result of there being a large population of older generation in the Kenyan market who are not conversant with using the internet. It is important that service organizations not only use social media platforms in order to be able to interact with the customers after a service failure. Mobile phones became popular in the Kenyan market roughly twenty years ago and as a result of this, the older generation have only been able to get around using a simple phone and how to make phone calls, send text messages and to use mobile banking. But a good percentage of this population do not know how to use smartphones. Therefore, for the older generation a one to one interaction between the customers and the frontline employees would be the most ideal and this is because the customers will be able to interact with the representative of the organization on the best way to recover from the service failure. This form of interaction also provides the frontline employees with an opportunity to also exchange knowledge with the customers on for example things they can do themselves while at home when they experience a service failure. Therefore, the participants felt that it was important that the service organization develops methods through the phone for example via text message, that those customers who are old and cannot use the internet will be able to interact with the organization after a service failure. For example, one of the customers stated:

“There is this other thing called USSD. Most banks have it and it provides you with the option of getting a statement, you can check your balances and many other services. If they also include the option of customer feedback on the menu on that USSD platform, because you know especially for the older generation, they may not have access to the internet or they will not know how to get to the internet and all that (Dolce, Nairobi)”.

Personal interaction, in this case is considered the same as one to one interaction between the organization and its customers. This refers to a situation whereby the organization are able to interact with their customers on one to one basis after a service failure in order to find out how they have been affected by the service failure. Also, to find out, the strategies which the customers feel are best for the organizations to use during the service recovery process. This is because some customers might want a simple apology, others would want compensation for their loss, while others would simply want an explanation. The organization would know what the expectations of their customers are after a service failure, only if they interact with them on a one to one basis. Concurrent with this, one of the customers stated:

“One on one interaction works best for me. This is because you finally get a platform to share your one on one experiences. With one on one it is more personal, they are dealing with my issue. I am not just a sample or a specimen. I am speaking as me, so I will actually feel like whoever I am chatting with is concerned with resolving my issue and that way I will able to regain trust in the bank” (Ziwe).

One of the findings highlighted that the interactive process should take place quickly as customers tend to get angrier and more frustrated whenever the organization does not respond to the service failure quickly. For example, one of the customers stated:

“I believe an online platform would be the most effective. Because I believe they have resources to have a good online platform that even if it’s giving me a list of questionnaires even if its short answers. Have something where I can write, log on, complain or thank them they can know from me how I feel. And somebody to send me a message and tell me that they have received my complaint. Not an automated message, because right now even if they had one, I would not believe that anyone is listening, with what I have experienced from them so far. I would like an online forum which I feel is getting looked at the issues sorted” (Kinyanjui).

The biggest issue that the service organizations have in Kenya is a shortage of staff compared to the large volume of customers that the organization has. This is noticeable when the participants complain that whenever they tried to get in touch with customer service to explain their service failure, they could never get through. Therefore, apart from the organization looking into ways of increasing their staff numbers, so as to be able to cater to their large volume of customers, they should also create an online platform in order to be able to manage the customer traffic. One of the customers stated:

“The first time I tried calling customer service when I was abroad, the phone went through and then it got cut off and I said this is weird. I tried calling and calling no answer. If the organization had an online platform and made it clear to their customers that the platform worked perfectly well, at least I would get an answer or response straight away and basically their response is not timely” (Mark).

- **Mombasa**

In Mombasa however, because a large number of the citizens in that location do not having any level of formal education, the customers felt that an online platform would not be realistic for customers in sharing their views or for reporting a service failure. This is because a great percentage of the population cannot even speak English and do not understand how to use a smart phone. Majority of the locals use their phones only to make or receive calls. The native language spoken by majority of the population in Kenya is Swahili and even though it is a language formally taught in the schools, people can still learn it without having to go to school. As a result of a huge percentage of the population in Mombasa not having a formal education, channels of interaction between the organization and the customers are limited. This is because, majority of the customers would require assistance in even explaining the service failure that they have experienced, let alone engaging the frontline employee on the most appropriate recovery method or ways in which the organization can improve their trust. For example, one of the customers stated:

“The problem with Mombasa is if they introduce an online platform, what percentage of the population here will they be able to reach here to inform them that we are going to be online. Education is a big challenge here. It is not a huge percentage that will be able to know or understand how to go online to raise a complaint or provide feedback. There are those people who have phones and all that they can do with them is make calls. They do not even know that their phones have other features for example something as simple as sending a text message” (Christina).

One other customer also expressed the reason why an interactive platform would not be adequate for them to use during value co-creation. One of the customers stated that, yes they are aware of things such as the internet and a website based on hearing other people talking about them but they have no idea of what they are or how they work. For example, one of the customers stated:

“I don’t think an online platform would work for us. For example, you have mentioned a website, I know what a website is, but I do not even know how to manoeuvre around it. They need to keep it analogue” (Pastor).

6.4.2.2 Frontline Employees’ views:

As stated earlier in this chapter, the telecommunication organization has categorized their customers in segments based on their income, occupation, social class and age. As a result of this, it is observed that the organization has made available systems that can be used by the high spending customers such as twitter and Facebook. But there is no system available for the low spending customers. There is only one customer service number that serves this group of customers and because of the huge number of subscribers, customers are hardly ever able to reach the customer service. The organizations in the emerging markets have not been able to find a way to cater to their customers and identify ways in which they can be able to interact with their customers in order to be able to meet their needs. For example, in this case, in Mombasa, there is a high level of illiteracy amongst the customers. The organization has not found ways in which they can be able to reach to these customers. For example, one of the frontline employees stated:

“They have provided ways in which the posh segments or the technology savvy, can be able to interact with the organization but for this illiterate and semi- illiterate customers or maybe the elderly or people who are not so technologically advanced, who still believe in suggestion boxes or now they see me as a front line employee as the go between them and management”
(Habiba).

6.4.2.3 Managers’ views:

A participant discourse from the managers group emphasized that the elites, those in a higher social class were more interactive on social media when they had experienced a service failure and also stressed just like the customers and the frontline employees that there is a huge percentage of the population in Mombasa that is illiterate and this restricts them from being able to interact through channels such as social media or even over the telephone. One of the managers for example stated:

“The elites of the society do share a lot. If you check the social media platforms, these group of customers share a lot when they have experienced a service failure. The elites do it online, but the locals in Mombasa a good number of them do not even know how to read or write, therefore having representatives going out to the market to find out if they are having issues with our services would be the best way to ensure that their trust in us is retained” (Edwin).

A fair number of people who own mobile phones in Kenya have smart phones and many restaurants, salons and coffee shops in Nairobi offer free Wifi services while a small percentage of the population have internet access in their homes. Because this group of people have access to the internet, a functional online platform would be effective for the customers to be able to interact with the organization about the most effect way in which the organization would be able to recover from the service recover in order to ensure that customer trust if broken after the service failure, is able to be repaired.

“An online platform in this day and time would be very effective and this is because many people use smartphones and therefore, they can be able to reach us though different channels on social media” (Mercy).

Notably, because of the percentage of employees and customers not being balanced, one of the managers stated that they require more channels in which the customers can be able to interact

with the organization after a service failure. This is because currently they are unable to manage the large volume of customers who approach them with complaints. As a result of this, they are forced to have a system that limits the number of phone calls that they receive from customers in a day and preference is given to the post-paid customers, who are the high spending customers. This information is perplexing and clearly highlights why there is a huge lack of trust between the customers and the service organizations in Kenya. This is because by the customers not being able to have access to a representative of the organization, they tend to get angry and frustrated and feel that the organization does not care about them. This therefore, restricts trust repair after the service recovery process. For example, one of the managers stated:

“Alternative channels, because we cannot satisfy the number of customers with the number of employees we have. We have call reduction strategies, which we use to manage or reduce the number of calls that come through to the call centre. The number of staff that we have are not enough to be able to accommodate all our subscribers” (Grace).

The role of value co- creation (interaction) in the process of trust repair has been deemed very important in this thesis based on the findings presented. The findings show that in the Kenyan service context, factors such as age, illiteracy and technological advancement influence the choice of engagement platforms or conditions that can be considered as foundations for effective value co-creation during the process of trust repair. This research argues that it is important for appropriate engagement conditions to be considered as successful value co-creation cannot take place, if the environment of interaction is not appropriate for actors involved. In the proposed framework in Chapter 7, Figure 7.2 the role of value co- creation is presented. This includes the key actors involved during the value co-creation as well as the point at which Value co- creation is applied during the process of trust restoration. This also includes the engagement conditions, referring to the different channels that can be used to promote effective interaction. Also presented in the framework, is the strain from the managers

on the employees and how much they limit the extent to which employees can interact during the process of trust repair.

6.5 Trust repair

According to Kim et al., (2009) the positive expectations that a customer has for a service encounter has can be violated and this in turn, results in reduced trust creating a need for the repair of the broken trust. Therefore, there is a need to find out if this customer trust can be repaired after a trust violation has taken place and the factors that would lead to customer trust being repaired. The next three sections will present the findings from the customers, frontline employees and managers respectively.

6.5.1 Customer views:

According to the data collected, only one of the customers interviewed stated that their trust in the organisation was permanently broken after the service failure. This was as a result of the harsh treatment received from the frontline employee who dealt with her issue when she reported her dissatisfaction with the service received. Customers normally expect frontline employees to be readily available and willing to assisting them to resolve the issue once a complaint has been made. Therefore, when the frontline employees are mean and unwilling to assist the customers, the relationship between the customer and the organization is normally tarnished and this results in the customers no longer wanting to have any form of relationship with the organization. For example, when the customer was asked if her trust would be repaired if appropriate recovery strategies were included in the recovery process, including the integration of value co-creation in the trust repair process, the customer stated:

“I am going to permanently migrate because I have been bruised. However, the organization would go a long way in mending their relationship with their customers if they had more frontline employees like Martin” (Isabella).

One of the customers strongly expressed that the application of value co-creation as a strategy for trust repair, in this case interaction between the organization and the customers would

positively influence the repair of customer trust after a service failure. This is because once the organization interacts with their customers after a complaint has been placed following a service failure, it will result in the frontline employees being able to acquire more information about their customers and their expectations and therefore will be able to personalize the service recovery process based on the interactive process had with the customer. The findings of this research show that customers associate the integration of values co-creation in the service recovery process, as a sign that the organisation values them and their input. Therefore, the customers tend to be satisfied with the recovery process, which in turn positively influences the customer's confidence in the organisation. For example, one of the customers stated:

“Having the service organization interact with me would help in resolving some of these issues we are having with the organization. This is because the organisation will have created a platform to listen to my grievances and to find out what would make me happy after the service failure experienced and will also know how to handle me as a customer. I am sure I would leave feeling valued by the organisation if they listened to me and applied what we had discussed and this will assist in restoring my trust in the organisation” (John).

The customers also strongly emphasized their trust would be positively influenced if they were involved in the service recovery process. They also made it known that they are aware that not all of their views would be implemented once they had interacted with a representative of the organization. This is because at the end of the day, the organization's intention is not only to ensure that customers are happy and satisfied, but also to ensure that the organisation makes a profit in order to thrive. Therefore, the organization would have to evaluate the information shared by the customers during the service recovery process and decide on the service recovery strategies that would be most applicable and would effectively benefit both the customer and the organization. The findings showed that factors associated with value co-creation such as allowing the customers to have a voice and taking the time to listen to customers concerns, as well as evaluating and implementing the ideas shared during the interactive process, would

assist in repairing customers trust. This is because it would show that the organisation is not just concerned with making profits. For example, one of the customers stated:

“My trust in this organization would definitely be positively affected if this organization involved me in the service recovery process. My trust would be repaired or influenced if I could share my expectations with the organization. Even if the organization was to tell me that they can't offer me what I was requesting for at the moment. But instead they take the time to offer me an alternative solution and also to find out if I am happy with it. So, by giving me that voice and allowing me to contribute and then later seeing what we have discussed being implemented, then obviously I will feel that the organisation is looking after my interests. So that would go a long way to repair the trust” (Kinyanjui).

The customers also stated that they considered the presence of a frontline employee important during the service recovery process, as this would positively influence the process of trust repair. The customers emphasized that they consider the presence of human touch during the service recovery process as important and that it would positively influence the repair of customer trust. This is because the customers consider that the frontline employee will interact with them and will be able to respond to all of the customer's concerns, as well as to identify the most effective strategy to resolve the customer's issues. The findings therefore show that the presence of human touch would increase the customer's confidence in the organization, which would in turn positively influence the process of trust repair. For example, one of the customers stated:

“If they put a human face behind their services and especially customer service, then the lack of trust would be reduced. But right now, how do you complain to this organization? They do not even have a properly functional customer service system. However, if I was able to make a complaint to one of their frontline employees and I was able to observe their efforts in resolving the issue, then my trust would be improved. I would feel like they care about me. However, these big organisations don't care about their customers. That is why they do not make any effort in improving the level of interaction with their customers.” (Patrick).

The integration of interaction during the process of service recovery has been deemed very important by all the customers especially when the focus of the service recovery process is to repair customer trust. However, the customers emphasized that the recovery process should not immediately come to a halt when the interacting parties have parted ways or when the

interactive process comes to an end. But instead, the recovery process should be concluded when the organisation has implemented the ideas shared during the interactive process and the customers can be able to see or experience the positive results. This is because most of the time organizations tend to request for feedback from their customers on how to improve their services. However, the organisations do not usually implement or make any changes based on the information shared by their customers. This results in customers feeling like organisations only requests for information from their customers only to paint a picture that the organisation cares about their interests and want to ensure that their customers enjoy the best service experience possible. However, this is not normally the case when the feedback or input is not implemented. Therefore, in order for the customers to feel that they can trust the organization again, the organization needs to ensure that they apply the suitable recommendations made by the customers in order to improve their services and also so to ensure that the service failure doesn't reoccur. This in turn will positively influence the customer's confidence in the organisation. For example, one of the customers:

“Other than the frontline employees just listening to me and showing me empathy and affection. I would also like to see them resolving my issues and implementing my ideas and ensuring that the problem does not happen again. That is precisely my point. That way, they will be able to win back my trust. They say actions speak louder than words” (Swaleh).

It is evident that service organizations in Kenya do not make follow up calls to their customers once a service failure has taken place to explain the cause of the service failure or even after the service recovery process to find out if the customer is happy with the recovery process. 33 of the 36 customers interviewed have been customers of the service organizations for more than ten years and during that time, the organization had never contacted them to find out if they were happy with the services that they had received from service organisation or satisfied with the service recovery process. As a result of this, the customers felt like the organization only considered the customers as a means for making profit and was not concerned about their

interests. Therefore, the findings showed that customers consider it important for organisations to follow up and find out whether or not customers are satisfied with the service recovery process received. Such positive acts by the organisation will leave the customer feeling valued and this will influence the customer into developing positive feelings towards the organisation, which will assist in the process of repairing trust. For example, one of the customers stated:

“I would have liked for them to call me in order to find out whether or not I was happy with the service recovery process. All they need to do, is to take a few minutes to show me that they care about me as a customer and consider me to be valuable to the organisation. If this is done, this would definitely repair my trust in the organisation. This is because I will feel nice and valued and therefore it will make it easier for me to forgive them” (Pastor).

6.5.2 Frontline employees’ views:

The frontline employees’ involvement during the process of service recovery and the repair of customer trust is very important. But as discussed before in this chapter section 6.3.1.2, the views of the frontline employees especially in the Kenyan context are not considered by the organisations in which they work. The frontline employees indicated that the case was the same for the customers, as the organisation did not create a platform or a functional system in which the customers could interact with the frontline employees whenever they needed to make a complaint. The frontline employees argue the integration of interaction between the frontline employees and customers during the service recovery process, will display to the customers that the organisation is being transparent. Therefore, positively influencing the chances of trust being repaired after the service recovery process. For example, one of the frontline employees stated:

“It is very important to include interaction in the process of repairing trust. This is because it will allow me as the frontline employee to have a candid discussion with the customer during the process of trust repair. As compared to when I am just lying to the customer to impress them in order to ensure that they remain doing business with us. The process of trust repair will be positively influenced when you provide the customer with detailed information of what is going on and you also allow them to also share with you their views regarding their service experience as well as their expectations. The customers will consider the organisation as being transparent and this will assist in repairing customer trust” (Caroline).

Similarly, one other frontline employee stated:

“I feel like customer trust would be repaired if us frontline employees were involved more because we provide the customers with the feeling of human connection. I feel like this organisation has lost that human touch, which I consider very important in assisting in the repair of customer trust” (Eunice).

The frontline employees also emphasized that they felt that they would be better placed to know what information to share with customers and how to manage customers during the recovery process if there were opened channels for interaction between them and senior management. The frontline employees expressed that the managers do not normally share with them enough information to share with the customers and this normally hinders their effort of repairing trust. This is because the frontline employees are normally the first point of contact when customers make a complaint, however when customers demand for an explanation for the service failure, the frontline employees do not normally have any information to provide them with. For example, one frontline employee stated:

“It would be really good if we were also provided with information regarding the service failure by the senior management. It is important to always be in the know, especially considering we are trying to retain the customer. It normally helps a lot to regain customer trust by informing them and educating them that this is how a certain service works as well as trying to find out what recovery process would leave them feeling satisfied” (Habiba).

It is evident that a majority of the frontline employees believe that customer trust repair is possible after a service failure. On the other hand, one of the frontline employees felt that customer trust cannot be fully regained just because of a successful service recovery strategy being implemented. This is unless the organization does a complete turn around and apart from the organization only implementing a successful service recovery strategy, they should change the way in which they treat their customers and show them that they value them. The frontline employee when asked if trust repair was possible after a service failure, the frontline employee stated:

“According to me, trust in this organisation can never be 100% repaired. The reason for saying this is because the image of this organization out there is that we (the organization) are a bit arrogant. Even if you check our social media pages, when a customer makes a complaint about our services, you will see that other customers have also chimed in and commented on the online post and all that they say is that we are thieves” (Vanessa).

According to the findings presented, it is possible to repair trust using the appropriate service recovery and through the integration of value co-creation in the process of trust repair. However, the findings show that in order for the trust repair process to be successful, the information shared and ideas generated during the interactive process need to be implemented. This will demonstrate to the customers that the organisation is not using value co-creation as a strategy to pull the customers back in, but instead it will be able to demonstrate the organisation's trusting intentions, which assist in the repair of trust. The proposed framework presented in chapter 7 will provide a visual step by step process as to how organizations can be able to reach the point of trust restoration. This has been presented in the framework as the final step in the process of trust repair and it is considered the outcome of a successful trust repair process.

6.6 Conclusion

The obtained results presented in this chapter, highlight the factors that lead to trust violation. They also emphasize the importance of value co-creation in the process of trust repair which both are in line with the objectives of this research. The next chapter will discuss the key findings from the proposed themes as well as, demonstrate how the proposed findings support the revised framework for trust repair that will also be presented.

CHAPTER SEVEN: DISCUSSION OF EMPIRICAL EVIDENCE

7.0 Chapter overview

The previous chapter presented the findings of this thesis which included evidence of participants rationalising the process of trust repair. In this chapter, the findings presented in Chapter 6 of this thesis will be discussed and evaluated against the literature in chapter 2 and the research objectives presented in section 1.2, in order to address the research aim of this thesis, which is aimed at critically evaluating trust repair strategies in the Kenyan service sector. The findings provide evidence on how service recovery strategies together with value co- creation can lead to a successful trust repair process. The key findings in this research can be summarised in five themes:

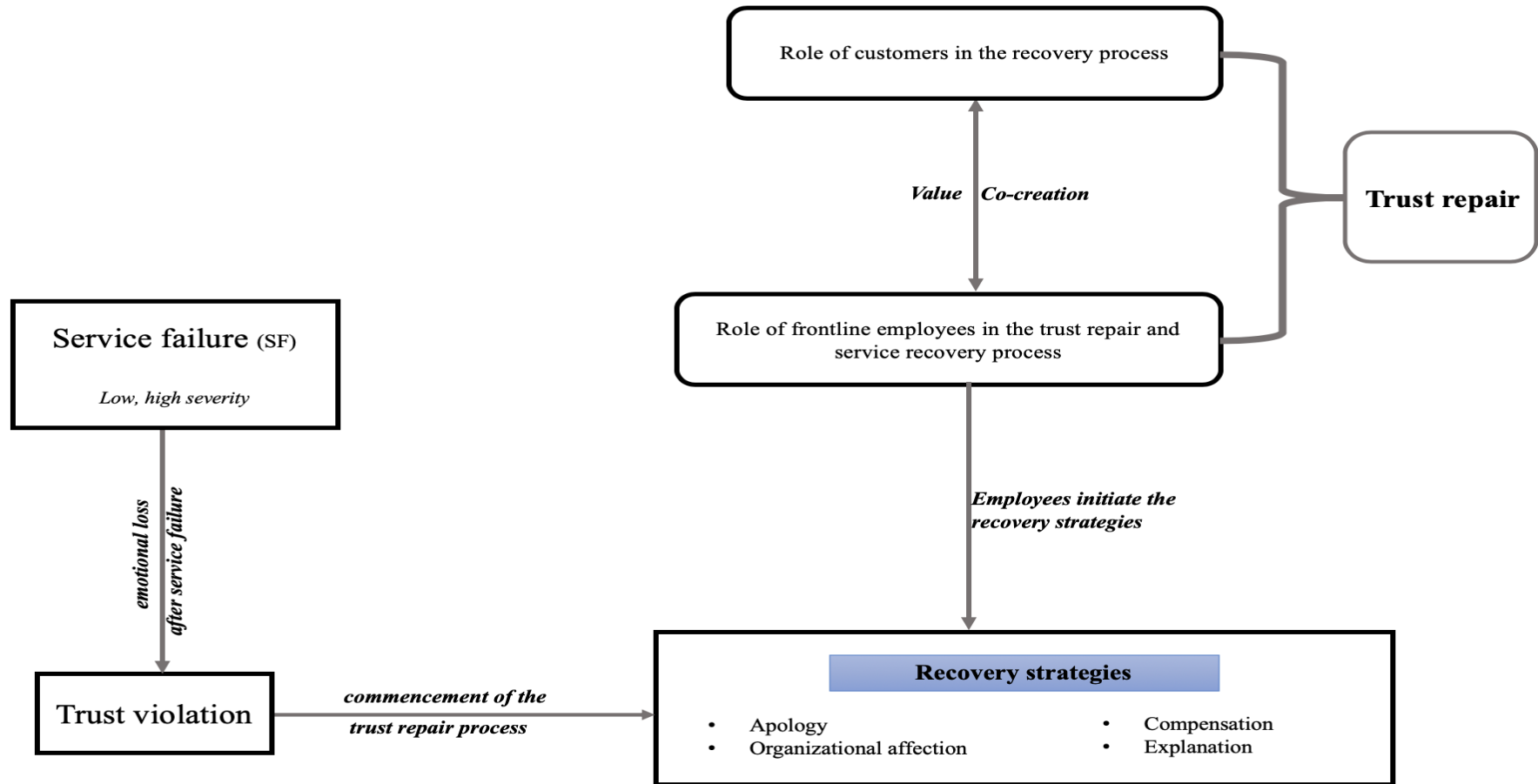
1. Service failure could act as the main cause of trust violation, with higher severity lead to higher likelihood of trust violation.
2. Service recovery, with evidence showing that there is an overlap between service recovery strategies and trust repair strategies. That is, service recovery strategies could be used to repair trust.
3. The role of frontline employees in the service recovery and trust repair. This research asserts that the role of frontline employees is very crucial in both service recovery and trust repair, however the findings evidence that there exists tension between managers and frontline employees during the process of trust repair. This in turn hinders the effectiveness of the role of the frontline employees for effective trust repair.
4. Value co- creation is a key tool in the process of trust repair. This research has found the interaction aspect of value co- creation influences trust repair efforts.

5. The findings of this research show that trust repair is possible through the application of service recovery strategies and value co-creation as a tool for trust repair.

7.1 The revised conceptual framework

The conceptual framework presented below as Figure 7.1, represents the initial conceptual framework presented in Chapter 3, section 3.4 of this thesis. The initial conceptual framework has been modified based on the findings of this research, this is because some of the elements were not present in the literature review explored in Chapter 2 such as the influence or impact of managers on employee's recovery efforts. The conceptual framework in Figure 7.2 represents the revised conceptual framework for trust repair process proposed by this research, the framework will be discussed in depth throughout the discussion chapter. This process will help in highlighting the relevance of each element in the conceptual framework and their crucial role in the process of trust repair.

Figure 7.1 The proposed conceptual framework



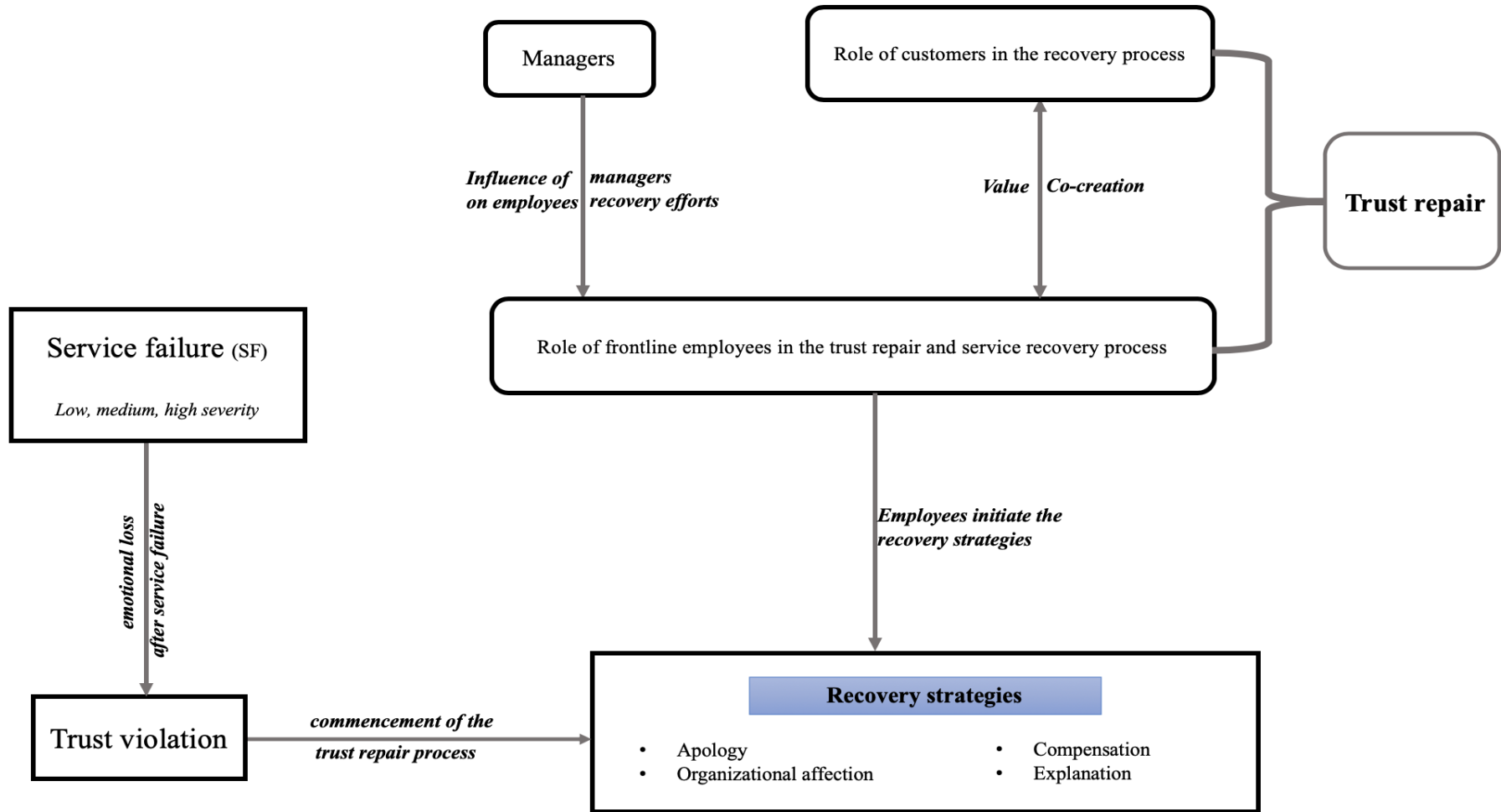
Source: author

7.1.1 Differences between the initial conceptual framework the revised conceptual framework

Figure 7.1 above and figure 7.2 below highlight identifiable similarities developed from existing literature. However, this section will discuss the differences presented between the two conceptual frameworks, that is the initial and the revised conceptual framework. The differences between the two frameworks have come about as a result of the developed findings in chapter 6, that either extend existing literature or are unique to the Kenyan service sector. For instance, this research found that the interviewees use three levels to measure the magnitude of service failure, which include: low, medium and high service failure severity, even though Smith et al., (1999) and Keiningham et al., (2014) identified only two levels of service failure severity. The findings in section 6.1.1 also show that service failure severity is not static and can move from one level to another and this is dependent on how the service failure is handled or managed when a customer makes a complaint expressing their lack of satisfaction with the service encounter. These findings will be expounded on further in section 7.2 of this thesis.

The findings in this research show that in the Kenyan service sector, managers influence the effectiveness of frontline employees' efforts in the process of trust repair. This is because the evidence found that the managers influence the level of autonomy that frontline employees have, especially in relations to their role in the service recovery. For example, the data in section 6.4.1.2 shows that the frontline employees are restricted on the amount of time that they spend with a specific customer or they risk being penalised for lack of adherence. This therefore impacts how the frontline employees perform their duties during the recovery process, as they not only have to consider the customer's interests, but also their own interests at the same time. These findings will be discussed further in section 7.4 of this chapter.

Figure 7.2 The revised conceptual framework



Source: author

7.2 Service failure

7.2.1 Service failure severity

According to Smith et al., (1999) service failure severity is limited only to high and low severity and based on the service recovery effort the customers receive after a service failure and on whether the customers are satisfied with the service recovery. The research by Smith et al., (1999) as discussed in section 3.2, manipulated only two levels of failure magnitude which was high and low service failure severity and the part of a customer's value function where a moderating effect of failure magnitude could be detected was not captured. For example, a medium level was not included so as to analyse how customers would have wanted a service failure in this category to be addressed.

The findings of this research build on the previous study Maxham and Netemeyer (2003) that categorises the severity of service failure based on a customer experiencing two service failures. That is, a customer regards a service failure being of high severity if it the second service failure that the customer has experienced but considers the first service failure as being of low severity. This is contrary to the findings of this research whereby the customers have categorised the severity of the service failure based on factors such as lack of accessibility, the service failure resulting in more problems to the customer and monetary issues to just list a few.

Opposing to the categorisation of service failure based on major incidents being categorised as accidents resulting in injury or death while minor injuries as noncatastrophic service failures such as delays or lost baggage (Keiningham et al., 2014), as stated before, this research categorises the severity of the service failure based on the customers experience and their perception of the service failure. The categorisation of service failure severity by (Keiningham et al., 2014) cannot be generalised or applied in all service sectors and because some of the services that customers consume can never directly result in injury or death even when the

service failure is at its highest level, for example in the banking sector or telecommunication section.

The findings of this research propose that there are more than two levels of service failure severity, with this research identifying that there is a medium level of service failure severity.

The second finding is that service failure is not static. This means that the severity of service failure can move from one level of severity to the other, based on factors such as employee behaviour or inconvenience caused by the service failure. Examples of these findings can be found in section 6.1.1.1. Therefore, it is important to take into consideration how customers perceive the magnitude of a service failure, as it will help the organisation in identifying the most effective recovery strategy to use in order to resolve the service failure experienced.

The findings also showed that in the Kenyan service context, there exists a level of inequality amongst the customers when service failure is involved. The findings highlighted that service failure is handled differently based on the segment that the customer belongs to. This was mostly highlighted from the interviewees from the telecommunication organization. It was evident the complaints made by the platinum or discerning customers, presented in Table 5.1 in section 5.1 are taken more seriously, while those of the mass customers or youth for example are considered as low severity issues. Demonstrating class, or customer profile dictates how service failure severity is categorised in the Kenyan context.

As compared to the research by Smith et al., (1999) and Keiningham et al., (2014), this research has showed that customers have the ability to evaluate and classify the level of service failure severity, based on their own personal experience. For this reason, it is important for organisations to turn their attention on how customers categorise service failure severity, in order to identify the best way to resolve service failure and to repair trust. This research also extends existing research on service failure severity by analysing how customers perceive the severity of service failure and how it is linked to trust repair. This is because the research by

Smith et al., (1999) and Keiningham et al., (2014) only focused on customer satisfaction and market share after service failure and service recovery encounter and not did not focus their research on trust repair.

7.2.2 Trust violation after service failure

The research by Dirks et al., (2009) state that customer trust is broken when a transgression causes trust failure, which results to the positive state in which the relationship between the customer and organisation was in, to deteriorate. The findings of this research concur with this and this is due to the fact that, the customers highlighted that they did have trust in the organization before the service failure took place. But once the service failure occurred, the customer trust was broken. This is because before the service failure occurred, the customer had developed a sense of confidence in the organization. That is why they choose to carry out transactional exchange with the organization. But once the service failure took place, the customers confidence was lost and as a result the customer trust was broken.

Consistent with the argument in the psychological contract violation that also supports the assertion that perceived seriousness of violation leads to a reduction in trust (Pavlou and Gefen, 2005; Goles et al., 2009), the participants both from Nairobi and Mombasa emphasized that their trust is definitely broken as a result of service failure and more so when the service failure is of a high severity. This is because the customers in most cases tend to blame the service organizations when a service failure occurs. Especially in the case of the telecommunication organization, whereby the customers feel that the organization is more concerned about their own self-interest and more profit driven and overlook the interests of their customers.

Consistent with an earlier study (Mattila and Ro, 2008), customers are likely to exit after they have experienced a service failure. This is because they lose confidence in the organization after the service failure and choose to migrate to another organization. However, the difference between the findings of this research and those of earlier research, is that this research has

found that customer exiting after a service failure cannot be generalised to all contexts and to all industries. The findings showed that in some industries in Kenya, the customers are limited to the number of service organisations that offer specific services, such as mobile banking. For instance, in Kenya there is only one major telecommunication organisation that has monopolised the telecommunication sector. As a result of this, the findings show that in the Kenyan context, customers can be forced to remain doing with an organisation, even when their trust in the organisation is broken. This is because as previously stated, in sectors such as the telecommunication sector, the customers do not have the option of exiting and this is because there are not that many available organisations providing the services that the customers require.

According to Berry and Leighton (2004), a single provision is not likely to destroy consumer trust in the organization. But recovery that is perceived as unfair by the customer means a double failure and may have significant reducing impact on trust. Lewicki and Bruner (1996) also argue that sometimes a single violation may be severe enough to effectively eliminate all trust in other cases that decline may be more gradual. Rotte et al., (2006) also emphasize that there is no evidence of a reduction in trust as a result of a one-off failure. Contrary to these earlier researches, the findings from the interviewees in section 6.1.3 shows that majority of the participants feel that customer trust is completely broken by a single failure whether it is perceived as very severe or less severe by the organisation. This is because each customer perceives the severity of the failure differently. Therefore, this research asserts that trust violation can take place after a one-off service failure and service organisations should be fully informed of this, as it is possible for organisation to not associate service failure with trust violation, especially when it is not an integrity based violation (Bruhl, Basel and Kury, 2018) or even when it is the first time that a customer is experiencing a service failure.

7.3 Service recovery strategies

This research proposed in section 2.2.1 of the literature review chapter that it will draw on the recovery strategies found by Kharouf and Lund (2019) to be effective in the repair of trust repair and in trust recovery. These strategies include; apology, compensation, explanation and denial. The findings in chapter 6 of this thesis, show that apology, compensation and explanation are effective in the repair of trust in the Kenyan service context. However, contrary to literature that positions denial as a key trust repair strategy (Kim et al., 2004; Lewicki and Brinsfield, 2017; Kharouf and Lund, 2019), evidence from this research finds that denial is not an important strategy. This could be because customers in Kenya respond negatively to organisational denial or denial as a trust repair strategy has not been fully tested in the Kenyan service sector. As a result of these findings, the strategies considered important in the repair of trust in the Kenyan service sector will be discussed further in the next section.

7.3.1 Apology

As discussed in chapter 2 section 2.2.1.1, literature discusses apologies having double effect (Roschk and Kaiser, 2013; ten Brinke and Adams, 2015). The positive effect representing the organization's concern and sign of remorse for the customer, while the negative effect of the delivering an apology represents an organisation's admission of guilt for the service failure (Davidow, 2000; Rasouljan et al., 2017).

The findings of this study contradict those by Schlenker and Darby (1981) who identified five components of an apology: a statement of intent, an expression of remorse, sorrow or embarrassment, an offer to help the injured party; some statement of self-punishment for the violation and some effort to obtain forgiveness from the victim. Schlenker and Darby (1981) propose that the number of components required for an apology varies based on the severity of the offense; an offense with minimal consequences might only require a simple form of

apology such as “I am sorry” while a more severe service failure would require an apology with more components.

Lee and Chung (2012) emphasize that the contents on apology matters and affects the apology’s ability to produce the intended result. This is in line with the findings of this research. The interviewees and most specifically all of the customers emphasised that an apology should not comprise of just words such as “I am sorry” or an automated message. The apology should be personalised and be meaningful. For example, the apology should indicate that the service organisation is aware of the inconvenience caused by the service failure or for an employee’s inappropriate behaviour. This demonstrates that the customer is respected by the organisation and they are even taking the time to understand and acknowledge that the service failure has negatively impacted the customer.

The frontline employees’ perspective of an apology is in line with Kim et al., (2004) who describe an apology as a statement provided by an organization when expressing regret and responsibility for a violation. However, these findings contradict those of the customers as the findings in section 6.2.1.1 show that the customers do not associate an apology with fault or blame, but instead culturally associate an apology with respect. Therefore, organisations need to understand the importance and perspectives of specific recovery strategies to customers and put them into consideration, because organisations cannot exist without their customers (Davidow, 2018). This demonstrates that culture and apology do play a key role in trust repair and the cultural context should be considered while selecting the strategies to be used in the process of trust repair. In an individualist country, to apologize is to establish who is at fault, while to apologize in a collectivist country is to act in a socially normative way. In a collectivist country, an apology is used to maintain social order and acknowledge something socially inappropriate has occurred (Kim et al., 2009).

Contrary to studies on apology, for example, (Boshoff,1997; Hoffman and Chung, 1999; Davidow, 2000; Kim et al., 2004) that state that offering an apology has little or no influence on customer satisfaction, the empirical findings from this research shows that the participants consider apology as an important strategy of service recovery. This is in line with Smith, Bolton and Wagner (1999) whereby an apology given by the violator conveys signals of courtesy, humility, effort and concern as well as remorse toward sufferers. This research extends the research on trust repair and more specifically trust repair strategies, by extending the meaning of an apology as a trust repair strategy by highlighting that an apology given by a violator in conveys a sign of respect towards the customer, which can be used to maintain order and mend relationships.

7.3.2 Compensation

Wilt and Mattila, (2004) stated that compensation might be perceived as an admission of guilt, and hence enhance the perception that the service provider had control over the service failure. Contrary to this, the findings of this research assert that in the Kenyan context, when a service organization compensates its customers after a service failure, it normally reflects that the service organization is empathizing with the customers for the loss that they have incurred as a result of the service failure and also shows that the organisation is not only concerned with making profits and this positively influences the process of trust repair.

According to Gelbrich et al., (2016) managers should offer compensation according to their customers' relationship status. For strong relationship customers, overcompensation (or combining compensation with another strategy is important, because these customers give high return satisfaction, while for weak relationship customers, given they provide limited satisfaction returns (service providers shouldn't invest too much on them as they won't value the gesture). Contrary to this, the findings of this research indicate that organizations should compensate their customers equally based on the service failure that the customer has experienced. This is because, all the customers of an organization regardless of their level of relationship with the organization, should be treated equally and should feel a sense of fairness when it comes to service recovery after a service failure.

If an organization was to choose to only compensate the customers who have a strong relationship with the organization and ignored the complaints of those with a weaker one, a strain in the relationship between the low spending customers and the organization would be present if they became aware of this. This would in turn result in the customer trust not being repaired after the repair process and it would also result in customers exiting and this is as a result feeling that they are not valued by the organization and that the organization does not care about their interests or their needs. Therefore, it is important for the organization to treat

their customers equally in order to ensure that the weaker relationships are strengthened and that customer trust is repaired after service failure.

Desmet et al., (2011) and Haesevoets et al., (2015) discuss overcompensation and monetises it and propose that overcompensation results in satisfaction after a service recovery. However, in the Kenyan context the findings in section 6.2.3.1 show that the customers did not value compensation in monetary form or even overcompensation, but rather the acknowledgement and show of empathy from the organization that the customer has experienced some form of loss as a result of the service failure. The findings of this research therefore associate the use of compensation in the process of trust repair as a positive attribute, as it demonstrates that the organization cares about its customers.

7.3.3 Explanation

Tax et al., (1998) found that customers are expected to convey positive feelings when an organization takes responsibility of the violation and takes the initiative to provide customers with an explanation or information to help in better understanding the cause of the violation.

Contrary to Bies (1987) and Folger and Cropanzano (1998) the findings of this research assert that excuses, referential and apologies are not types of explanations. Instead, the findings of this research support the research by Bozic and Kuppelwieser (2019) on the meaning of explanation.

This research has evidenced that an explanation is important in the process of service recovery leading to trust repair. However, as most of the earlier research has focused on the different types of explanation (Bies, 1987; Cropanzano, 1998; Daniel et al., 2012). The findings in section 6.2.4.1 have evidenced that explanation as a process of service recovery should contain specific components. This research for example has identified 5 main components that can be applied while providing an explanation which have been presented in Table 7.1 below.

Explanation quality facets should include:

Table 7.1 Explanation facets

| Facet | Detail |
|----------------------------------|---|
| The cause of the service failure | This information should be clear, precise, accurate on time and honest account and should not be vague. |
| Highly informed employee | The explanation should be provided by an employee who has full understanding of the issue or a referral should be provided to an employee who specialises in the affected area of service. |
| Recovery efforts | Detailed information on what the organisation is doing in order to ensure that the issue is resolved. |
| Patience | The frontline employees should exude patience while delivering an explanation. This is because some customers only want to understand what went wrong in their service encounter journey. Organisations should understand that customers comprehend things at a different pace. The findings show that when frontline employees appear to be brushing off customers when requested for an explanation, it normally demonstrates that the organisation is has something to hide. |
| Time frame | Provide a time frame or an estimated time frame for how long the issue will take to be resolved, in order for the customer to also seek alternative options. |

Source: author

Evidence from this research extends the research on explanation as suggested by Bradley and Sparks (2012) and Wilson et al., (2012) and states that a high quality of should not only hold sincerity and adequacy as the key elements. A high-quality explanation should also include an estimated timeframe and should also demonstrate the element of patience. This help in producing high levels of satisfaction with the explanation and in turn, with the service recovery process, which is crucial in the process of trust repair in this research.

The findings of this research are in line with Shapiro et al., (1994) which found that explanations that were more specific and detailed about the circumstances of the violation were judged as more effective than those that were less specific but delivered in a sincere manner. This is because the customer will not be satisfied with the explanation, if they feel that the explanation does not provide them with the information that they require. This research

therefore asserts that the provision of an explanation during the process of trust repair demonstrates transparency on the part of the organization. Bachmann, Gillespie and Priem, (2015) state that organisations that are considered transparent are more likely to restore broken trust. Therefore, the findings of this research suggest that organisations should consider integrating the provision of an explanation in their recovery process after a service failure. The explanation should include the cause of the failure, information detailing what is being done to resolve the issue, an estimated time frame for the recovery process and finally the explanation should not be rushed. The frontline employees should demonstrate levels of patience and should be willing to respond to customers queries until the point customer are happy and satisfied with the explanation received. This research in section 6.4.2 highlighted that in the Kenyan context, customers suffer from high levels of illiteracy as well as old age. Therefore, exhibiting patience will providing customers with an explanation to the progress of the service recovery, will be effective in ensuring that customers are satisfied with the recovery strategy applied.

7.4 The role of frontline employees in the trust repair service recovery process

Van haer and De Ruyter (2010) states that customers sometimes trust the messages conveyed by frontline employees more than any other source of communication. Consistent with the viewpoint of this research, which identifies the importance of frontline employees in the process of service recovery as a factor leading to customer trust repair.

Mohr and Bitner (1995) state that customers are likely to perceive employees who work hard in resolving a customer's issue, as caring about them. The findings from the customers in section 6.3.1.1 coincides with this and asserts that customers feel that the frontline employees are making an effort to ensure that their issues are resolved and that the customer is satisfied with the recovery process. This impresses on the customer that the frontline employees and the

organization as a whole care about them as customers and this assists in repairing customers trust. This is in line with studies on satisfaction in service recovery that states that when employees show a high degree of effort in failure situations, evaluations of trust among customers are reinforced McQuilken (2010).

The findings of this research asserts that the role of frontline employees is very important in the process of trust repair, as the frontline employees are the first point of contact after a service failure. However, this study reports differences that are very specific to the Kenyan context. As compared to many developed markets, whereby the frontline employees are granted the responsibility to resolve most of the service failure complaints at the first point of contact with the customers. The frontline employees in the Kenya context on the other hand are only granted the responsibility of offering customers an apology as a form of service recovery. The findings also showed that the managers also monitor how long frontline employees attend to a complaint. This is considered to negatively affect the service recovery process with the frontline employees strongly expressing that they feel that because of the restrictions placed on them, with regards to customer interaction, the process of service recovery is normally negatively affected. This is because the frontline employees are not normally able to interact with the customers during the service recovery process to find out whether or not the customers are happy and satisfied with the outcome. Therefore, the role of managers in trust repair in the Kenyan market is very impactful. This is due to the fact that they have all of the control over how far the organization can go in order to resolve a service failure while influences the outcome of the trust repair process.

This research therefore concludes that there exists tension between frontline employees and managers. This has mostly been evident while exploring the role of frontline employees in the process of service recovery. The frontline employees in section 6.3.1.2 expressed that they have tight targets placed on them, which are linked to a score card that impacts on their salary.

They also stated that they are only allowed to spend 4 minutes on each call with a customer and they risk facing repercussions if they are found to go over the time, as it is considered that they did not adhere to the organization's requirements. On the other hand, if the employee chooses to dismiss the customer, they risk the customer leaving without being satisfied with the service recovery process and their trust in the organization not being repaired. The findings show that the frontline employees are normally challenged with making the decision of whether to spend more time on a call with a customer and risk getting into trouble or being under paid because of not meeting the target set by the managers. This confirms that there is tension between frontline employees and managers and that it negatively impacts the process of trust repair. This is because, the employees result to abiding to the stipulations set out by the managers and therefore, hold back on providing customers with the most effective or satisfactory experience during the process of service recovery.

7.5 Value Co- creation

Frow and Payne (2013) identify 12 specific forms of co-creation: co-conception of ideas, co-design, co-production, co-promotion, co-pricing, co-distribution, co-consumption, co-maintenance, co-outsourcing, co-disposal, co-experience and co-meaning creation. Frow and Payne (2013) identify a gap and state new forms of co-creation may emerge. This research identifies the gap as that being of the use of value co-creation as a function of trust repair during the service recovery process after a customer has experienced a service failure.

7.5.1 Interaction

In line with previous studies by Gronroos (2011; 2012), the findings of this research find that the understanding of value co-creation should commence with an understanding of the actions customers and employees engage in during direct interaction, with the goal of generating value for at least one of the participants or both. The evidence of this research shows that value is realized by the customer when the customers are satisfied and happy with the recovery process,

which in turn positively influences customer's post recovery behaviour, which this research suggests includes a positive effect on customer trust. On the part of the organization, value is experienced when the customer's trust is repaired as a result of the inclusion of interaction during the service recovery process and this positively influences the chances of the future relationship between the organization and the customer being improved which increases future sales.

Consistent with earlier study by Frow et al., (2015) most of the service organizations have not thought about specific forms of co-creation beyond co- design and co-production. However, the findings of this research show that in the Kenyan service context, service organizations have not considered value co- creation as a function of trust repair. The findings from the frontline employees in section 6.3.1.2, highlights that even the thought of interacting with the customers during a service recovery process is non-existent in the telecommunication organisation. This is as a result of intra organisational tension between managers and frontline employees, that limits the frontline employees from being able to interact with the customers during the service recovery process. Secondly, because in the Kenyan service context value co- creation has not gained ground in the service sector, as most of the literature on value co- creation has focused on developed market. This creates a need for research on how to integrate value co- creation in the service recovery process with the intention to repair trust, in an emerging market. This is because most of the literature on value co-creation focuses on the development of new goods and services (Nambisan, 2009; Hoyer et al., 2010) and instead there is scarcity in research on value co-creation and trust repair.

A large body of work on value co-creation has focused on delivering positive outcomes such as consumer satisfaction, consumer learning and consumer brand loyalty (see for example, Payne et al., 2008; Bowden, 2009, Jaakkola and Alexander, 2014, Luo et al., 2015).This

research however provides support for the relevance or importance of value co-creation in the process of trust repair.

Extending previous studies (Lovelock and Wirtz, 2010; Gummesson and Mele, 2010) that have emphasised that the role of interaction is to lay a foundation in exchange during a service encounter and have argued that interaction is important in dialogue, resource transfer and learning. The findings of this research however have shown that interaction is not only important in laying the foundation for service encounter, but it is also a pivotal tool in the process of trust repair. The findings of this research highlight that interaction is a key factor in the recovery process and this is due to the fact that, the interactive process allows for customers and frontline employees to share and exchange knowledge and resources in order to ensure that a beneficial outcome is achieved after the service recovery process. This is because it allows customers to be able to share with the organization the extent of loss that they have experienced as a result of the service failure. As well as engaging in a discussion with the organization about the best way in which the failure can be recovered in order to ensure that value is created for both the customer and organization.

Compared to previous research that focuses on the impact of value co-creation in service recovery states value co-creation influences satisfaction (Dong et al., 2008; Roggeveen et al., 2012), loyalty and repurchase intentions (Bendapundi and Leone, 2003; Roggeveen et al., 2012) and perceived justice (Xu et al., 2014). This research stresses the relationship between value co-creation and its influences on the process of trust repair. This research shows that customers trust will be positively influenced when value co-creation is used in the process of trust repair as the customers will be able to experience hedonic value after the service repair process. Hedonic value refers to the social and emotional rewards that customers experience after a service recovery experience (Park and Ha, 2016). The emotional rewards associated with the use of value co-creation during the process of trust repair include, the customer feeling

that the organisation cares about them and as a result the customer will end up feeling valued. The customers also experience social rewards as a result of the interactive process during service recovery and this is because customers appreciate the fact that the organisation would dedicate time to share knowledge and information with the customers during the recovery process. This will demonstrate great levels of transparency by the organisation, which will assist in developing confidence in the organisation, as well as trusting intentions which will assist in repairing trust.

The findings of this research show that customers associate value co-creation and more specifically the interactive aspect, with the organization showing care and value for them as customers. This is by the organisation going out of their way to know what makes customers happy, as well as being willing to listen to their needs and wants. This in turn assures customers that someone is listening to them, which results in customers exhibiting positive responses towards the organisation. Value co-creation is associated with benevolence beliefs which assist in improving customers confidence in the organization and in turn will lead to trust that may have been broken as a result of the service failure being resolved. Customer involvement in service recovery leads to customers being satisfied with the recovery process, which in turn leads to customer feeling that the organisation has their best interest at heart. When customers are involved in the service recovery process, it means that they are not profit focused. Providing a channel to make a complaint, shows that the organization is interested in resolving customer issues, by providing them with customer service options for making complaint. This provides customers with an opportunity to have a voice.

7.5.2 Engagement conditions

The findings of this research highlight that the most common ways in which the interviewees found to be most effective for value co-creation to be applied was either through one to one discussion, focus groups and through the use of social media. Consistent with previous studies (Hoyer et al., 2010; Kaplan and Haenlein, 2010; Kim et al., 2010), social media such as Twitter and Facebook have been of considerable commercial interest in recent years and are fundamentally changing interactions between the organisation and customers. They provide an unparalleled platform for users, intentionally or unintentionally, to establish different types of content and exchange ideas (Steyn et al., 2010). However, the findings of this research have however found that in the Kenyan context, factors such as customer's age, illiteracy and reduced or limited workforce play a crucial role in the effectiveness of value co-creation. For example, with illiteracy factors such as the language used have to be considered.

However, previous research on value co-creation has mainly focused on western or developed countries. These studies, however, have not looked into the application of value co-creation in emerging countries with Kenya being an example of an emerging market. This study has identified that there is still a large percentage of illiteracy in Kenya and previous studies in value co-creation has not touched on illiteracy and ways in which this could hinder the successful application of interaction in a market where some people are illiterate. There is a lack of research in emerging economies like Kenya and how to apply value co-creation in a region with a high level of illiteracy. Finding ways through which appropriate value co-creation can be understood and applied successfully in these regions. Such as having frontline employees who can speak the language as the customers in order to steer the value co-creation process during service recovery.

Importantly as highlighted by the interviewees in the Kenyan context, the customers are not aware whether or not the organizations have created channels through which the customers can

be able to interact with the organization after a service failure. This is in line with (Kao et al., 2016) who emphasize that if service organizations want their customers to participate in co-creation on a social media community, they need to make customers aware that these interactive environments exist. This will increase the level of participation by the customers. In the Kenyan context, the idea of introducing value co-creation in service recovery, would be a new concept and therefore, the organisation need to make it known to the customers and frontline employees that those channels or platforms of interaction are available.

7.6 Trust repair

Lewicki and Brinsfield (2017) emphasize that trust repair is not an isolated activity initiated and carried out by a sole individual. Consistent with this, the findings of this research in section 6.5 shows that trust repair does not just involve one individual. Through the integration of value co-creation as a tool for trust repair, the findings of this research as well as the conceptual framework in figure 7.2, have been able to show how different actors are key in the process of repairing trust. For instance, in this research, the role of frontline employees, customers and managers is considered very important in the process of repairing customer trust.

Contrary to earlier and a growing body of research on customer trust repair (Xie and Peng, 2009; Cao et al., 2014; Banasal and Zahedi, 2015) did not consider including the perspective of the customer in the process of trust repair. This research found it important to include customers perspective in the process of trust repair and this is because customers experience service failure differently and therefore the extent of the violated trust could be experienced differently one customer to the other.

The findings of this research show that in order for the process of trust repair to be successful, the shared ideas discussed during the interactive process need to be implemented in order for value to be experienced by either one or all parties involved in the value co-creation process.

In other words, the findings in section 6.5 shows that the importance of value co- creation in the process of trust repair, does not stop just stop once the interactive process lapses. But instead, the success of integrating value co- creation in the process of trust repair is highlighted once the value is created and this is only when the shared ideas are implemented and all of the parties involved in the interactive process are satisfied with the outcome.

7.7 Conclusion

This chapter has discussed the findings of this research that were presented in chapter six of this thesis, in relation to the established literature. The obtained results have been able to address the research objectives of this thesis, by providing evidence that support the application of value co-creation as a crucial tool in the process of trust repair. In particular, the findings of this research have extended the research on trust repair by proposing value co- creation and especially interaction between frontline employees and customers during the process of service recovery as important factor in the process of trust repair.

The findings also show that there is an overlap between the notion of service recovery and trust repair, especially as both processes are recovering violations that have been as a result of service failure. As a result, the findings show that there is an overlap in service recovery and trust repair strategies.

The findings also highlight that tension exists between frontline employees and managers and this has been found to affect frontline employees' efforts in the recovery process

The next chapter will outline the theoretical contributions, managerial implications and limitations of this research and will also highlight opportunities for future research.

CHAPTER EIGHT: CONCLUSION CHAPTER

8.0 Chapter overview

This chapter established the extent to which the proposed aim of this of this research was achieved and briefly summarises the key findings to provide the context within which the study's main inference can be considered. Following on from this discussion, the main contributions of the study are presented. Finally, this chapter presents the study's limitations and also highlights potential areas for further research.

8.1 Summary of the Research and key findings

As a result of the rise of transgressions by organisations over the last ten years or so (Bozic, 2017), established relationships have come under pressure and often damaged as a result of some actions by organisations. This has resulted to a lack of trust towards these organisations (Richards, Lawrence and Burch, 2011; Bozic, 2017). Trust violation has become a serious concern and it has resulted in a rise in research related to trust repair (Gillespie, Dietz and Lockey, (2014), Bachmann, Gillespie and Priem, 2015; Grover et al., 2019). Samsudin (2011) suggests that forging long- term relationships between customers and service providers is the key stability in an increasingly dynamic market. Recognising the importance of long- term and trustworthy relationships in service exchange, this research therefore, aims to investigate trust repair strategies within the Kenyan service sector. In this regard, approaching customer trust repair with a selective focus on service failure proves to be the most effective for this research because sometimes trust violation that is as a result of service failure is ignored or overlooked. This is because not all service failures lead to customer trust violation. It is therefore important to emphasize the difference between service failure and trust violation and this research asserts that trust violation begins with service failure but is not complete until the customer has examined the failure and deemed it a violation of trust (Wang and Huff, 2007).

The aim of this thesis is to evaluate trust repair strategies in the Kenyan service sector. In achievement of this aim, this research was structured around five main objectives which include:

1. To examine trust failure and trust repair in the Kenyan service sector.
2. To critically analyse the concept of value co-creation as a tool for trust repair in the Kenyan service sector.
3. To critically analyse the role of frontline employees and managers in the process of repairing customer trust.
4. To develop a theoretically and empirically grounded framework for repairing trust.
5. To provide recommendations to managers on how to restore trust in the Kenyan service sector.

Informed by these objectives, the empirical investigation was designed using qualitative methods approach, specifically structured interviews. The study includes a focus on the Kenyan market, with two types of service sectors: the telecommunication and the banking sector. The study focused on two towns in Kenya, Nairobi and Mombasa which have distinct differences (Nairobi representing an urban town and Mombasa an urban town but with a large population leaving in the rural part of the town).

This thesis approached the process of trust repair from three angles. This included a selective focus on three sets of representatives who are key in the process of rebuilding trust. This included, customers who had experienced a service failure that resulted in trust violation. Frontline employees who deal with customer complaints and are responsible for the service recovery process and managers who monitor the role of the frontline employees during the service recovery process. The inclusion of these three representatives was deemed important in this research as it provides a cross-sectional perspective of the trust repair process, painting a clear picture of the importance of each representative in the process of repairing trust.

The key findings have been outlined below, including the respective research objective that they addressed.

Research objective one: To examine trust violation and trust repair

This research aimed to evaluate trust repair strategies in the Kenyan service sector, more importantly after a service failure. A qualitative exploration of service failure that leads to trust violation was conducted as well as an exploration into trust repair strategies the customer emotions highlighted leading to customer trust violation were analysed.

1. While support was obtained on the categorisation of service failure severity, three levels of service failure severity were identified which have been explored in Chapter 7, section 7.2.1. A qualitative exploration of the categories of service failure based on the three sets of participants interviewed, that is the customers, frontline employees and managers highlighted that in the Kenyan context, the magnitude of service failure is classified under three levels of service failure severity. This includes; high, medium and low service failure severity.

The findings indicate that the participants categorized the severity of service failure based on specific factors. Some of the factors that are surprising from the findings is that the participants consider the severity to be high, if the service failure results to monetary issues, this is mostly the case where the customers could not access their funds, for example when mobile banking services are disrupted. The other factor is that the customers considered the severity of the failure to be high, if as a result of the service failure, the customer incurred another loss, highlighting that service failure is not static. An example is, a situation whereby the customer could not access their money because mobile banking services were disrupted and the customer ended up incurring fines due to a late payment of a direct debit. Both the customers and the frontline employees expressed that they considered a service failure severity to be either

of a high, medium or low severity depending on the number of people affected by the service failure. For example, if only one customer reported a problem with internet access, that problem would be considered a low severity failure. However, in a situation where there was a system breakdown and all the customers were affected by the systems failure, the service failure is considered a high severity failure. One other way in which the severity of the failure was categorised was based on the time it took to resolve the issue. If the service recovery process took a long time, then the issue was regarded as a high severity failure, but in the case where the service failure only took a few minutes to resolve, then then this was considered a low severity failure. If it took a day to resolve, then this to the customers is a medium severity failure. Two findings emerged, specifically:

- The managers in the telecommunication organization expressed that they did have a structure for categorizing service failure severity and that all the frontline employees had received training on this. However, all the frontline employees from the telecommunication organization stated that they were not aware of any structure of categorizing service failure severity, but instead either considered all the service failures as equal or used previous experiences of resolving a service failure to categorise the severity of the service failure. Highlighting a disconnect in communication between the frontline employees and managers in the service organisations.
- The severity of the service failure was also categorised based on the segment group that the complainant belonged to. This means that if the customer making the complaint belonged to the platinum segment or discerning professional, then their issue would be categorised a high severity issue. However, if the customer making the complaint belonged to the mass segment, their complaint would be

considered a low severity issue. This is because they are the lowest spending customers and are not expected to follow up on the complaint. The findings show that the managers believe that the mass customers lack confidence in expressing themselves because majority of them are uneducated. Therefore, the organizations do not take their complaints seriously. These finding highlights inequality amongst customers in some sectors in the Kenyan service sector.

2. Earlier studies have identified different forms of emotions as discussed in Chapter 2, (section 4). The findings of this research identified anger, frustration and disappointment as the three forms of emotions that are mostly associated with a loss of trust for the organization by the customers after a service failure. According to Dietz and Gillespie (2012) trust is expressed as confidence in an organization and once this confidence has been lost, customers demonstrate the different types of emotions based on their perception of the severity of the service failure. The findings have been reported and discussed in detail in Chapter 7 (Section 6.1.2).
3. As previously stated in section 7.2.2 of this chapter, service failure does not always lead to trust failure, however as service failure is inevitable, trust failure does occur in some occasions and the findings of this research highlight that a customer's trust can be broken when they experience their first service failure. This research has been able to identify important signs that highlight when a customer's trust has been violated as a result of a service failure. This has been reported in Chapter 6, section 6.1.1 and can be summed up as follows:
 - The findings highlight that for one to be able to identify that customer trust has been violated as a result of a service failure, the customers expressed that they tend to seek an alternative provider for the service that they are already expecting to receive from their primary service provider. This is because at this

point, the customers will have already lost confidence in the organisation and therefore feel that they need to have a backup plan, because they do not expect the organization to meet their expectations. For example, in the case of the banking sector, it will be observed that the customer ends up turning their current account to a savings account after the service failure and opens another current account with a different bank, as a backup. In the case of the telecommunication organization, the customers tend to acquire an additional internet provider after a service failure, just because they believe their primary internet provider will disappoint them again. Unlike in developed countries whereby customers have many options to which they can migrate to, in the Kenyan telecommunication sector, there is only one other organization that provides reliable services. Therefore, even if the customer opens a secondary account with another organization, they still maintain their old account even if they have lost trust in the primary organization.

- The findings also highlighted that trust violation on the part of the customers is demonstrated when the customers express that the organization is not transparent with their operations, especially after a service failure that results in monetary loss on the part of the customer. The managers and the customers reported that the customers tend to refer to the organization as an organization ran by thieves and fraudsters and such a perception from the customers, reflects that they do not trust the organization.

Research objective two: To analyse value co-creation as a tool for trust repair.

The second research objective aimed to examine the ways in which value co-creation (interaction) can be applied in the process of trust repair. The research aimed to; 1) find out if interaction is present amongst customers and the organizations after a service failure and its

importance in trust repair; and 2) investigate interactive platforms that would be most suitable for the different customers that the service organizations cater to. These findings were discussed in Chapter 7 (Sections 7.5.1 and 7.5.2) and in summary are as follows:

1. The customers and frontline employees expressed that interaction between the customers and the organization is minimal after a service failure. The frontline employees emphasized that they choose not to interact with customers when they make a complaint about a service failure because they are regulated to spending a maximum of four minutes on each customer and if they do not adhere to this, they risk being penalized. Therefore, they tend to '*cover their own backs*' and follow the regulations of the organizations instead of interacting with the customers after a service failure to ensure that they are left satisfied with the service recovery process.

The managers however expressed that there is minimal interaction with customers and highlighted that there is a need to improve on this. In essence, the findings demonstrate that value co-creation or interaction between the customer and the organisation is very minimal in both organisations. Highlighting that value co-creation or interaction is very minimal in the Kenyan service sector during the recovery process, regardless of the positive influence on long term relationships that is associated with the application of value co- creation in the recovery process.

The three set of participants, that is customers, frontline employees and managers feel that the inclusion of value co-creation in the service recovery process is an important tool in service recovery. The customers also expressed that they would leave feeling like someone is listening to them and cares about them and this demonstrates organizational affection. Finally, it creates a sense of confidence in the organization which is identified as a form of trust in an organization after they have been involved in the service recovery process. This reflects organizational benevolence and

demonstrates that the organization cares about their customers, which in turn positively influences the process of trust repair.

2. To enable a successful interactive process; the customers, frontline employees and the managers suggested several engagement conditions that would be most suitable for the different customer groups that the organizations hold. The engagement conditions include face to face interaction, focus groups and online platforms such as Twitter, Facebook and Instagram. These engagement conditions were listed as the most effective, based on the age of the customers, the location of the customers, the age of the customers and the level of literacy of the customers (Chapter 6, Section 6.4.2). One of the findings was surprisingly interesting:

- Interaction and especially the usual use of online engagement conditions is hampered in one of the major towns in Kenya, where the data was collected, that is Mombasa. This is because there is a high level of illiteracy in the town and as a result, a face to face form of interaction and focus group would be the most effective method of interaction. The older generation also expressed their hesitation towards using online platforms, for interaction. These findings have been reported in Chapter 6 (Section 6.4.2.3).

Research objective three: To critically analyse the role of frontline employees and managers in the process of repairing customer trust.

The research aimed to examine the importance of the role of frontline employees in the service recovery process of customer trust repair. The customers, frontline employees and managers all expressed the importance of the role of frontline employees when customers make a complaint about a service failure and how the way in which they handle the service recovery process. The findings reported that the role of the frontline employees is important in customer trust repair because frontline employees are the first point of contact between the organization

and the customers. Therefore, the way in which the frontline employees welcome the customers and give them attention, demonstrates organizational affection towards the customers and will go a long way in starting the process of trust repair. The findings also highlighted that the frontline employees provide the customers with human interaction and this positively affects customer's emotions. However, the findings highlighted two interesting findings:

- 1) The customers emphasized that the vast majority of frontline employees in the Kenyan service industry are nice and friendly. However, this is not transferred to the service recovery process. The customers expressed that the frontline employees appear to lack training and knowledge relating to certain services or how to resolve issues. They went further and indicated that it appeared like the frontline employees had only received training on how to be nice and friendly but lacked training in the services they were selling and even on how to resolve simple issues.
- 2) The frontline employees felt that the managers restricted them from being able to effectively fulfil their role in the service recovery process. The findings in section 6.3 and section 6.4.1.2 show that frontline employees are not granted access to most of the basic things. Therefore, they have to turn to the manager each and every time a customer makes a complaint about a service failure. This did not only make the frontline employees appear incompetent but also demonstrated their lack of knowledge in what they were doing, and it also delayed the service recovery process. This frustrated both the customers and the frontline employees because the customers felt like the frontline employees are incompetent while the frontline employees received a backlash from the customers. This is because the managers expect them to run everything through them during the service recovery process.

Research objective four: To develop a theoretically and empirically grounded framework for repairing trust.

Next, the research aimed to develop a conceptual framework using qualitative methods that captures the process to be followed when trust failure has taken place and a step by step process leading to customer trust repair. Using structured interviews as a data collection guide and allowing the participants to expound on their points, therefore providing in depth information on the topic, was useful in understanding the different customer backgrounds, the customer expectations of the service recovery as well as the extent to which the customer trust was damaged. By using thematic analysis, five themes were refined that lead to the development of the conceptual framework. The findings were reported and discussed in Chapter 7 and the conceptual framework presented as figure 7.2 can be summed up as follows:

The first step of the framework is to identify that a trust violation has occurred as a result of a service failure experienced. The occurrence of trust violation demands the need for trust repair in order for the service organization to recover customer trust and to reconcile its relationship with its customers. This is the point in the framework where the initial value co-creation takes place. The frontline employees as representatives of the service organization, interact with the customers during the service recovery process, once the customer make a complaint about a service failure. During this time, the frontline employees are expected to introduce service recovery strategies to the customers. The findings from this research, identified giving an apology, organizational affection, compensation and explanation as being the most effective service recovery strategies in the Kenyan service sector. The introduction of value co-creation between the frontline employees and the customers during the service recovery process acts as a condition for trust repair. This is because, the findings of this research have found that the use of value co-creation (interaction) during the service recovery process, will leave the customers feeling like the organisation values and cares about their interests. This is because

the customers perspective will be put in consideration during the service recovery process and therefore displaying satisfaction with the overall outcome. Research also shows that customers tend to demonstrate satisfaction with a service recovery process in which they have been involved in, as they associate the involvement in the service recovery process as a sign of fairness by the organisation (Roggeveen et al., 2012). By apologising to the customers, the organisation will be to demonstrate that they have respect for their, as providing an apology after a transgression is considered a sign of respect in the Kenyan context. Compensation on the other hand demonstrates to the customers that the organisation acknowledges that they have incurred a loss as a result of the service failure, while providing an explanation promotes a sense of trustworthiness towards the organisation as it demonstrates that the organisation is being transparent with its customers. Organizational affection additionally indicates that the organisation cares for its customers. It acts as a mediating factor between the emotional response from the customer after a service recovery and trust repair. This research asserts that the interactive process will allow the organisation to consider their customers perspective on the most applicable service recovery strategy to use in the recovery process. By doing this, the frontline employee will be able to take the customer through the recovery process, up to the point where the customer experiences value from the process. The whole service recovery process with the integration of value co- creation is expected to lead to a positive outcome in the trust repair process and this is because of the meaning associated with the service recovery strategies and value co- creation in the Kenyan context as presented in the findings in chapter 7.

Research objective five: To provide recommendations to managers on how to restore trust in the Kenyan service sector.

This research began with an intense literature review on marketing applications, (see Chapter 2 of this thesis). It was revealed that majority of the studies, especially in trust repair, have been

done in markets that are greatly develop: the US (Bansal and Zahedi, 2015); Daniel (2008); Mattila (2009), Taiwan (Chen et al., 2013); Italy (Dameri and Bonfante, 2007); the UK (Dietz and Gillespie, 2012); Germany (Dietz and Gillespie, 2012); Russia (Spicer and Okhmatovskiy, 2015); Japan (Nakayachi and Watebe, 2005); China (Xie and Peng, 2009); and New Zealand (Friend et al., 2010). However, there a lack of research in the developing or emerging markets on how organizations can be able to repair customer trust. This research has been able to identify certain factors that are important in customer trust repair, while focusing on the Kenyan culture, marketing applications and interactive platforms. This approach of trust repair should be appropriate in emerging markets with similar cultures and similar marketing cultures and developments. The findings have been reported in Chapter 6 and the recommendations for the managers will follow below in the section on managerial implications (Section 8.4).

8.2 Theoretical and Managerial Implications

A number of theoretical and managerial implications can be identified from the research's findings (the detailed discussion Chapter 6, Section 6.1, 6.2,6.3, 6.4, 6.5) as well as in the discussion chapter, Chapter 7. The findings highlight the importance of value co-creation in customer trust repair after a trust violation.

8.3 Contributions

The study makes three contributions to knowledge including: three main primary contributions advancing theoretically underpinnings of customer relationship management; 2) one contributions uncovering limitations to concepts of value co-creation in developing markets, empirical evidence for trust repair and the role of managers in trust repair. These contributions are detailed below.

The contributions for this research are listed down as follows:

1. Value co- creation as a tool for trust repair
 - Illiteracy and value co-creation

2. Tension between managers and frontline employees.
3. The overlap between service recovery strategies with trust recovery strategies.

8.3.1 Value co- creation as a tool for trust repair

This research has contributed to the advancement of knowledge in the area of customer trust repair. This is because the study of customer trust repair has not received much attention relative to research focusing on organizational trust repair and intra- organizational trust repair, (see Dirks et al., 2009; Kramer and Lewicki, 2010 and Bachmann et al., 2015). There has been a need for more research on customer trust repair because of the difference between customers and employees (Bozic, 2017). Employees and consumers can have conflicting interests, different expectations and different proximities to the organizations (Poppo and Schepker, 2010). Therefore, consumer trust repair as a body of literature warrants separate treatment. This research contributes to knowledge by providing empirical evidence from customers, frontline employees and managers identifying the crucial role that value co-creation plays in the repair of customer trust. The interviewees identified that value co-creation if effectively applied during the service recovery process after a service failure would lead to customer trust. This is because it will lead to customers being satisfied with the service recovery process as they would be involved in the value creation process, leading to trust repair. Research on trust repair has overlooked customers perspective in trust repair and has instead focused on the organization as being responsible for the trust repair process (Kim et al., 2009; Bachman et al., 2015). This research therefore adds to knowledge a different strategy of repairing broken trust, which in this case is identified as the use of value co- creation as a tool for trust repair and also the inclusion of customers perspectives in the process of trust repair during the value co- creation process. Existing literature on trust repair to the best of my knowledge has not investigated the impact of value co- creation on trust repair.

8.3.1.1 Illiteracy and value co-creation

This research also contributes to knowledge by identifying that there is a lack of research focusing on value co-creation and the inclusion of illiteracy while focusing on ways in which customers who are uneducated can be involved in the value co-creation process during service recovery. Co-creation according to Gronross (2011) and Gronross and Ravald (2011), requires direct interaction between the co-creating parties, which is a consequence of joint activities. However, with this research having been conducted in the Kenyan market, the findings identified that a large percentage of the customers in Mombasa are not educated and that there is a high percentage of illiteracy in the region. The findings from the frontline employees, as reported in Chapter 6, section 6.4.2.2 emphasize that the level of illiteracy in the region is so high to the extent that some customers have to take a few minutes to think, when asked to provide their home address. This is only because they know how to get themselves to their homes but have no knowledge of the name or address of where they live. This literature therefore contributes to knowledge by bringing to light that there are customers in some parts of the world who use services but lack basic education. Therefore, as co-creation requires direct interaction, the findings of this research highlight that as emerging research (Kao et al., 2016) has assumed value co-creation is about the use of online platforms and technology and focuses on co-production, co-design and other forms of value co-creation Frow et al., (2015), it is important for research to acknowledge that there is a group of customers who consume services and encounter value co-creation on a day to day basis, but would not be able to effectively use the platforms for value co- creation proposed in earlier literature during service recovery. This is because they lack the basic knowledge of how to use for example the internet or even smart phones. Therefore, this research has identified that value co- creation should not only be restricted to the use of technology in order for it to be effect in the process of repairing trust. This factor not only affects customers who are uneducated, it also affects the older generation

who face challenges in using technology. Therefore, this thesis suggests the use of face to face interaction and focus groups while applying value co-creation in the process of trust repair.

8.3.2 The notion of service recovery strategies and trust repair strategies as distinct concepts

This research suggests that there is an overlap in the notion of service recovery and trust repair strategies. This is due to the fact that the findings of this research assert that the process of trust repair begins in the service recovery stage and proposes the same strategies applied in the service recovery process set off the trust repair process, as presented in figure 7.2 of chapter 7. This research asserts that both service recovery and trust repair focus on amending and resolving issues after a service failure or an organisational violation. However, this research extends the literature on trust repair by showing that the service recovery strategies do not only assist in repairing service failure, but also play a crucial role in the repair of trust. Especially because this research is focusing on trust violation that has been as a result of service failure. It shows that even if the concepts stand alone, when it comes to resolving issues that are as a result of service failure, the notion of service recovery and trust repair overlap, especially in the case where trust is violated. This is because in most instances, as suggested by this research, the trust repair process will begin at the service recovery stage and the service recovery strategies will act as the drivers to effective trust repair.

8.3.3 Tension between managers and frontline employees

This research has highlighted the role of managers in the process of customer trust repair after a service failure. It reports findings that are very specific to the Kenyan market. This research found that during the service recovery process, frontline employees are only allowed to offer customers an apology or a pre-planned explanation after a service failure. However, they are not allowed to offer customers compensation. If the service failure is of a high severity and a customer threatens to churn, only then do managers step in and attempt to offer a form of compensation in order to resolve the issue. The managers also monitor how long frontline

employees attend to customer complaints. The frontline employees feel that the restrictions and tight policies placed on them by managers, such as target score cards and adherence, negatively impact the level in which they interact with customers and this negatively affects their role in the service recovery process or trust repair process. Therefore, the role of managers in trust repair in the Kenyan market is very crucial in trust repair. This is because they control how effectively frontline employees manage customer complaints, with regards to the extent in which the organization can go in order to repair customer trust. This finding is applicable in most high-power distance societies, as authority is granted to those in high positions; while subordinates, in this case frontline employees are only allowed to make decisions pertaining to customers only after receiving instructions from their superiors (managers).

8.4 Managerial implications

In order for value co-creation to be applied effectively in the service recovery process, managers should loosen the targets they have for frontline employees while dealing with a customer complaint. By doing this, the frontline employees will be able to effectively interact with the customers and come to an agreement of the best recovery process without having to think that they may be penalised for their lack of adherence. The focus for the frontline employee will be to effectively resolve the service failure and ensure that customer trust is repaired after the service failure. This instead of focusing on whether they are being monitored on their performance and whether they are adhering to the time that they are meant to spend on each customer call. Each customer is different and should be handled as such. Some issues may take a longer time to resolve and some a shorter time and managers should understand this and allow the frontline employees the opportunity to follow through until an issue is resolved and the customer is satisfied. This will assist in enhancing the organisations' competitive advantage, as the organisation will be able to retain its customers and also to keep their employees motivated.

Managers should offer training to their frontline employees on how to approach their customers by being empathetic, showing concern, and demonstrating that they value and care for them as customers. This should be in a manner that demonstrates that the organization understands the loss that the customer has incurred as a result of the service failure, as well as the psychological effect the loss has resulted in. This way, customers will be able to show affection towards the organization and also positively influence their trustworthiness, which will in turn positively influence customer trust repair.

Managers should introduce recovery strategies that ensure service failure is properly handled and managed in order to ensure that the level of service failure severity does not escalate and move from for example, a low level of service failure service failure severity to a high service failure severity. In addition, managers should ensure that frontline employees are well trained on how to handle service failure or service recovery in order to ensure the service failure does not extend or move to the next level, that is trust violation.

Managers should also ensure clear guidelines and standards are put in place. The findings in chapter 6.1.1, showed that there was confusion on categorising service failure severity. It is important for organisations to have clear guidelines, in order for service failure to be effectively recovered, using the appropriate strategies. These guidelines should be shared with top management and frontline employees, so as to ensure that the same strategies are being applied across the board.

In the future, in order to reduce the tension between the managers and the frontline employees. A system should be put in place in order to facilitate value co-creation between employees and customers. This does not only positively impact employee performance but also improves on employee motivation.

Managers should also ensure training is conducted at all levels, with guidance on how frontline employees should perform. This message should be clear to all parties. For instance,

understanding the meaning behind specific concepts to the customers or the specific context. For example, this research found that customers associate apology as a recovery strategy as a form of respect. Managers should ensure that frontline employees have a clear understanding of the meaning of the recovery strategies to customers and to understand when it is applicable to use them.

8.5 Limitations and Directions for Future Research

8.5.1 Limitations

In any research, there is essentially the probability of limitations and with the focus of this research as well as the methodological approach, the study was not any different. These have been further discussed below.

1. The research was only applied to one country.

As highlighted in the aim of the thesis, this research focused on the repair of trust in only the Kenyan service sector. It would have been interesting to identify whether the same findings would have emerged in another country. As well as the similarity or differences that would have emerged from studying two or more countries.

2. The violated relationship was only examined from one side, for a complete research, it would have been better to get the same customer and the same employee who handled the complaint.
3. Trust is recovered overtime, but this research only has a cross-sectional view. As the data was only collected for a specified amount of time, it would have been interesting to identify whether the trust remained intact after the trust repair and the status of the relationship after the trust repair process.

8.5.2 Direction for future research

This research has identified interesting and important avenues future research can follow based on the findings outlined in Chapter 6. Future research could consider the use of quantitative

research to investigate whether the three levels of service failure severity are appropriate. Quantitative data could be important in providing insights into whether the three levels of categorizing service failure severity are appropriate in other markets and service industries. An earlier study by Keiningham et al., (2014) has categorised service failure severity based on two levels, minor and major, basing this on service failure that does not cause any physical harm on the customer, such as delays and those that cause harm on the customer such as injury and death, respectively. However, this thesis identifies three level, that is low, medium and high service failure severities, that have been highlighted by three sets of participants: customers, frontline employees and managers and from two towns that have very distinct differences. Future research could use quantitative methods to further investigate the three levels proposed. Future research could also different ways in which organisations can apply organizational affection towards customers after a service failure, without appearing like they are at fault at all times. This would seek to explore ways in which organizations are able to empathise with customers, show concern and that they understand the customer's loss, without tarnishing their image.

8.6 Concluding remarks

The study overall, revealed that value co- creation can be used together with other service recovery strategies to lead to customer trust repair. It therefore puts a spotlight on value co-creation as previously presented in earlier research as mostly important for co-production and other forms of co-creation (Frow et al., 2015). This research identifies the interactive process as a tool for customer trust repair.

The conceptual framework also offers researchers and managers a framework that presents or explains a step by step process for customer trust repair after a service failure. This framework represents the role played by the actors in the value co-creation process leading to customer trust repair. The significance of customer trust repair is that it plays a big part in customer

relationship management and, it is important because it repairs all the damage that results from the psychological effects of the trust violation. On the part of the organization, trust repair is important because it is more cost effective to retain existing customers than it is to acquire new customers. Overall, there cannot be a successful business relationship without the presence of trust. As such, the repair of trust after a violation is necessary for any business in order to be successful. In fact, the relevance of trust in any relationship could not have been summarised better by anyone but by Lewis and Weigert (1985, p.976):

“Individuals would have no occasion or need to trust apart from their relationships with others.”

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APPENDICES

Appendix 1: Employee interview guide

Title: Trust recovery: The case of the Kenyan service sector

Introduction

Thank you for making time today to take part in this research project.

The purpose of this research is to explore the factors that lead to trust repair after a service failure has taken as a result of service failure.

1. Could you provide some background information about yourself for example your age, job position and how long you have been working for this organization?
2. Have you ever had to deal with a customer who has experienced a service failure while working for this organization?
 - If yes, please explain more about the experience
 - If no, what do you think this organization is doing to maintain a successful relationship with its customers
- Did the service disappointment or failure the customer experienced seem to affect the customers trust in this organization? How?
- Based on being an employee of this organization, have you been trained to categorize the severity of the failure or is it spelt out in different categories and is there a structure?

I would like to introduce a new topic

3. Kindly provide me with the recovery strategies that this organization uses to resolve and recover the service failure?
 - How do you think that the recovery strategies that you have suggested would be effective in repairing trust repair between this organization and its customers?
4. To what extent can this organization repair the broken trust following the service disappointment the customer experienced? How?
5. Could you please tell me if you are aware of the concept of value co-creation? Value co- creation in this case refers to the interactive processes between this organization, and its customers. This also represents interactions with its employees

For example, when UNICEF Kenya Country Office teamed up with the Eastern and South African Regional Office Innovation team to co- create and co- facilitate a groundbreaking innovative child centred design workshop, “**What can children do to**

make their schools child-friendly?” In this workshop 25 county wide elected children’s government officials were selected. The workshop introduced the global concept of child- friendly schools. During this time, the children were finally put in the driver’s seat in defining and identifying children friendly school indicators that can be implemented in the Kenyan schools.

6. How would you describe the level of involvement this organisation offers its employees when it comes to resolving, settling or fixing a service disappointment?
7. Would employee involvement in the recovery of service failure/disappointment affect their trust in this organization and would it influence the repair of the broken trust?
8. How would you describe your role as a frontline employee (customer service employee) after a service disappointment has taken place?
9. How have you as a frontline employee of this organization involved customers in the service recovery process in the recent past? If you have, how do you improve or assist customers in resolving the service disappointment?
10. In your own opinion how can this organization better involve its employees in sharing their views on the services that they are already offering and also in providing their input on the new projects that they are planning to take on?

Thank you again for taking part in this research project and for the valuable information that you have provided.

Appendix 2: Customer interview guide

Title: Trust recovery: The case of the Kenyan service sector

Introduction

Thank you for making time today to take part in this research project.

The purpose of this research is to explore the factors that lead to trust repair after a service disappointment has taken place using value co-creation as the function of trust repair.

1. Could you provide some background information about yourself for example your age, occupation and how long you have been doing business with this organization?
2. Could you please describe in as much detail as possible how you would describe your relationship with this organization and your perception of the service quality offered by them?
 - Personal relationship with emotional attachment
 - Personal relationship without emotional attachment
 - Self-service or automated relationship
3. Have you ever experienced a service disappointment with this organization?
 - If yes, please explain more about the experience
 - If no, what do you think this organization is doing to maintain a successful relationship with you as a customer
 - Does the service disappointment or failure you experienced affect your trust in this organisation? How?
 - Why have you described the service disappointment as being of that seriousness (severity)?
 - How has the seriousness of the service disappointment affected your trust in this organization?

I would like to introduce a new topic

4. Kindly provide me with your own suggestions of how the service organization would be able to resolve and recover the service disappointment?
5. Can this organization repair the broken trust following the service disappointment you experienced? How?
6. Why do you think that the trust repair (solutions) strategies that you have suggested would be effective in repairing trust repair between this organization and you as a customer?

7. Could you please tell me if you are aware of the concept of value co-creation? Value co-creation in this case refers to the interactive processes between you as the customer and this organization.

For example, when UNICEF Kenya Country Office teamed up with the Eastern and South African Regional Office Innovation team to co- create and co- facilitate a groundbreaking innovative child centred design workshop, “**What can children do to make their schools child-friendly?**” In this workshop 25 county wide elected children’s government officials were selected. The workshop introduced the global concept of child- friendly schools. During this time, the children were finally put in the driver’s seat in defining and identifying children friendly school indicators that can be implemented in the Kenyan schools.

8. How would you describe the level of involvement this organization offers you as a customer when it comes to resolving, settling or fixing a service disappointment?
9. Would your involvement in the recovery of service failure/disappointment affect your trust in this organization and would it influence the repair of the broken trust?
10. How would you describe the role of the frontline employees (customer service employees) after a service disappointment has taken place?
11. How have the frontline employees of this organization involved you in the service recovery process? If they have, how can this organization improve this?
12. In your own opinion how can this organization better involve you as a customer in sharing your views on the services that they are already offering and also in providing your input on the new projects that they are planning to take on?
- Creating an online platform where customers can share their views and also provide reviews.
 - Conducting focus groups to get information on what customers think about the new services they plan to offer and new projects that the plan to take on?

Thank you again for taking part in this research project and for the valuable information that you have provided.

Appendix 3: Informed consent form

Informed Consent Form

Title: Trust recovery: The case of the Kenyan service sector

The purpose of this research is to investigate how value co- creation (the interactive process between the customer and organizations) can be used to repair customer trust that has been broken as a result of service failure. This research will be using customers, frontline employees and managers of this organization as its participants in its data collection process.

Please tick

- 1. I confirm that I have read and understood the participant information sheet for the above study and have had the opportunity to ask questions.
- 2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.
- 3. I understand that all the information I provide will be treated in confidence
- 4. I understand that I also have the right to change my mind about participating in the study for a short period after the study has concluded (*insert deadline here*).
- 5. I agree to be filmed/recorded (*delete as appropriate*) as part of the research project
- 6. I agree to take part in the research project

Name of participant:

Signature of participant:

Date:

Witnessed by (if appropriate):

Name of witness:.....

Signature of witness:

Name of Researcher: Dianna Nderitu

Signature of researcher: D.N

Date:

Appendix 4: Participation form

Title: Trust recovery: The case of the Kenyan service sector

About this study

This interview is part of a study about how value co-creation (the interactive process between the customer and organizations) can be used to repair customer trust that has been broken as a result of service failure. This research will be using this organizations customers, frontline employees and managers as its participants in its data collection process. This is because when service failure occurs, the organization tends to focus on service recovery and not in repairing the customer trust that has been broken in the process.

This sheet is for you to keep and tells you more about the study and what it involves.

- I am going to interview around 30 customers individually from Nairobi and Mombasa.
- The researcher who will conduct this study is based at Coventry University, but will be physically present in the 2 towns in Kenya for the data collection process.
- All the interviews will be face to face discussions, of approximately one hour and the interviews will be online.
- With your permission, I shall digitally record your interview, and then it will be written out so that we have a record of what was said in the interview.
- The written interview will be held on a password protected computer file.
- When I write up the interviews, I shall change organisations and people's names to protect the identities of everyone who has taken part.
- The study is self-funded with the support of Coventry university.
- If you agree to take part in this interview, but feel at any stage that you would like to stop, you are free to do so at any time, and your data will be destroyed.
- If after the interview has taken place you decide you do not want your comments used in the study, you are free to do so and your data will be destroyed.
- If you have any questions about this study, feel free to contact me:

Dianna Nderitu,

Research student Coventry University,

CV2 1TB,

nderitud@uni.coventry.ac.uk

I agree to take part in this interview under the conditions explained to me above:

Participant Signature..... Date.....

Researcher Signature..... Date.....

Are you interested in receiving a report based on this research when the study is complete?

YES.....

NO.....

Contact details:

Phone number.....

Email.....