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Developments and Challenges

**Corporate brand rehab: Diagnosing trust repair mechanisms in the service  
sectors**

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**Purpose and objectives**

In recent times, a number of spectacular organizational transgressions have damaged consumers trust towards corporate brands. To survive, these damaged brands must '*spend some time in the trust rehabilitation clinic*' to repair and regain trust. Trust repair is a complex brand-specific rehabilitation process. According to Bachmann, Gillespie and Priem (2015), a combination of multiple approaches is required for trust rehabilitation across levels.

In 2017 Bozic has called for new studies to adopt an interpretivist perspective to empirically explore consumer trust repair process. In this paper, we respond to Bozic's call and our research purpose is to evaluate consumer responses to trust repair mechanisms adopted by corporate brands. We address the research purpose by exploring the following research objectives: (1) to evaluate consumer understanding of trust; (2) to evaluate trust damage; (3) to identify the mechanisms which contribute to consumer trust repair.

**Originality**

The present study examines an important gap in the literature. On the one hand, there is an established body of theoretical work around trust repair mechanisms within the organizational context (Bachmann et al., 2015). On the other hand there is a paucity of empirical research addressing how consumers respond to trust repair strategies adopted by corporate brands. Our research addressed the latter gap by

integrating theoretical ideas of Bachmann et al. (2015) to evaluate consumer responses to trust repair mechanisms adopted by corporate brands.

### **Research methodology**

This study opts for an interpretivist approach to address three research objectives. We employed the focus group discussion method. This decision was driven by two rationales: the cases under investigation are high profile (misspelling of Payment Protection Insurance (PPI) policies, HR issues in Sports Direct and safety issues in Alton Towers) and have had wide coverage across varied mass and social media.

This study comprised a total of six focus groups, with two focus groups per case. In total, 48 participants, with roughly equal gender distribution with ages ranging from 18 years to over 75 years agreed to participate in this study. Analysis of the focus group data employed the template analysis approach and procedure. Focus group transcriptions were imported into the NVivo interface.

### **Findings and discussion**

Discussion of the findings is organised around the three objectives of the research. Firstly, in line with existing research (Schoorman, Mayer & Davis, 2007; Dietz & Gillespie 2012) when defining consumer trust, participants in this study have mostly discussed the trustworthiness of corporate brands and what shapes the trustworthiness. Participants across all groups primarily defined consumer trust in terms of competence and integrity. We also know that trust is context specific (Bozic, 2017). Our results, however, suggest that the trust dimensions may change as a result of trust damage, whereby those dimensions that most closely match the cause of the trust damage shape consumers' trusting behaviour.

Secondly, the transgressions appear to have caused the greatest impact on cognitive trust. Consumers tend to continue relationships with corporate brands where trust erosion impacted others (i.e. employees) or where consumer choice is limited due to an unconditional trust in competences of financial brands (i.e. PPI case) or due to market-based manipulations of service elements (i.e. low price in the Sports Direct case). So far, it has been theoretically discussed in the context of healthcare services only (Fotaki, 2014).

Thirdly, we found that despite severity of trust damage, our research illustrates that corporate brands can recover. However, in line with existing research (Bozic 2017;

Bachmann et al. 2015), our findings suggest that not all trust repair mechanisms are equally applicable to all service contexts. Hence, context specific nature of trust affects choice of trust repair mechanisms. We also found that corporate brands in the service sectors should focus on sense-making, relational approaches and transparency.

## **Conclusion**

Evaluation of consumer responses to trust repair mechanisms adopted by corporate brands in the service sectors confirms previous theoretical work in that consumer trust varies by context. Transgressions may however change consumers' perception of trust as they reflect on the incident. To our knowledge, no studies suggest that corporate brand rehabilitation of consumer trust requires careful examination of what trustworthiness components consumers expressed before and after the trust erosion incident. In doing so, effective diagnosis of trust repair mechanisms against trust damage is most likely to guarantee a successful rehabilitation. Our results also suggest that trust erosion mainly impacts cognitive consumer trust.

## **Theoretical and practical implications**

We have illustrated that it is important to reconsider conceptual models of trust repair process and integrate post-transgression consumer research that investigates general trustworthiness components in a particular corporate brand situation. With our empirical research we also evidenced that there is a complex relationship between consumer choice and consumer trust: it also raises quite important theoretical question on whether consumer choice can replace consumer trust.

## **Research limitations**

Although this study provides a better understanding of consumer responses to trust repair mechanisms adopted by corporate brands, findings need to be interpreted with caution. Our findings are limited and applicable to specific service sector cases we examined. Brand crisis and trust damage, as a result of it, is not restricted to the service sector as the Samsung phone incident and labor violation of Apple's suppliers in developing countries have demonstrated. There is therefore scope to extend our work into other industry sectors.

## **References**

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