When brand trust is tested

Bournemouth University

Centre for Events, Leisure, Society & Culture

Centre for Influences on Consumer Behaviour

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Dreamworld
HAPPINESS

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TOP 10 THEME PARK GROUPS WORLDWIDE

TEA THEMED ENTERTAINMENT ASSOCIATION   AECOM

RANK	GROUP NAME	% CHANGE	ATTENDANCE 2016	ATTENDANCE 2015
1	WALT DISNEY ATTRACTIONS	1.8%	140,403,000	137,902,000
2	MERLIN ENTERTAINMENTS GROUP	1.2%	61,200,000	60,500,000*
3	UNIVERSAL PARKS AND RESORTS	5.5%	47,356,000	44,884,000
4	OCT PARKS CHINA	11.9%	32,270,000	28,830,000*
5	FANTAWILD	37.0%	31,639,000	23,093,000
6	SIX FLAGS INC.	5.4%	30,108,000	28,557,000
7	CHIMELONG GROUP	16.0%	27,362,000	23,587,000
8	CEDAR FAIR ENTERTAINMENT COMPANY	2.7%	25,104,000	24,648,000
9	SEAWORLD PARKS & ENTERTAINMENT	−2.1%	22,000,000	22,471,000
10	PARQUES REUNIDOS	−6.0%	20,825,000	22,154,000
	TOP 10 TOTAL ATTENDANCE 2016		438,267,000	416,426,000
	TOP 10 ATTENDANCE GROWTH 2015–16	4.3%	438,267,000	420,360,000

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WORLD OF ATTRACTIONS

● UK ATTRACTIONS

SEA LIFE
Birmingham
Blackpool
Brighton
Great Yarmouth
Hunstanton
Loch Lomond
London
Manchester
Scarborough
Weymouth
and Tower

SANCTUARIES
Gweek
Oban

Madame Tussauds
Blackpool
Edinburgh
London
Warwick
York

the Dungeons
Blackpool
London

Alton Towers
Alton

Chessington WORLD OF ADVENTURES
Chessington

WARWICK CASTLE
Warwick

THORPE PARK
Chertsey

SHREK'S ADVENTURE!
London

LEGOLAND
Windsor

LEGOLAND DISCOVERY CENTRE
Manchester

Merlin Entertainments The Eye Brand
London
Blackpool

★ NORTH AMERICA ATTRACTIONS

SEA LIFE
Arizona
California
Charlotte
Dallas
Kansas City
Michigan
Minnesota
Orlando

Madame Tussauds
Hollywood
Las Vegas
New York
Orlando
San Francisco
Washington DC

the Dungeons
San Francisco

Merlin Entertainments The Eye Brand
Orlando

LEGOLAND
California
Florida

LEGOLAND DISCOVERY CENTER
Atlanta
Boston
Chicago
Dallas
Kansas City
Toronto
Westchester

■ ASIA ATTRACTIONS

SEA LIFE
Bangkok
Busan
Shanghai

Madame Tussauds
Bangkok
Beijing
Hong Kong
Singapore
Shanghai
Tokyo
Wuhan

LEGOLAND
Malaysia

LEGOLAND DISCOVERY CENTRE
Osaka
Tokyo

▲ EUROPE ATTRACTIONS

SEA LIFE
Benalmadena
Berlin
Blankenberge
Bray
Gardaland
Hannover
Helsinki
Istanbul
Jesolo
Königswinter
Konstanz
München
Oberhausen
Paris
Porto
Scheveningen
Speyer
Timmendorfer
Strand

Madame Tussauds
Amsterdam
Berlin
Vienna

the Dungeons
Amsterdam
Berlin
Hamburg

Gardaland RESORT
Lake Garda

HEIDE PARK
Soltau

LEGOLAND
Billund
Günzburg

LEGOLAND DISCOVERY CENTRE
Berlin
Istanbul
Oberhausen

◆ AUSTRALIA / NEW ZEALAND ATTRACTIONS

SEA LIFE
Auckland
Melbourne
Mooloolaba
Sydney

SANCTUARIES
Manly

WILD LIFE
Sydney
Hamilton Island

Merlin Entertainments The Eye Brand
Sydney

Madame Tussauds
Sydney

Australian
Otway
Illawarra

HOTHAM
Mount Hotham

FallsCreek
Falls Creek

MERLIN ENTERTAINMENTS

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Aim and objectives

- Aim: to evaluate consumer responses to trust repair mechanisms adopted by corporate brands

- Objectives:
    - To understand consumer perceptions of 'trust'
    - To evaluate trust damage
    - To identify the mechanisms which contribute to consumer trust repair

Theoretical background

Consumer trust is essential:

increased revenue: reduced monitoring/transaction costs; cross/up-selling (Stevens et al. 2015)

loyalty and flexibility (Gower 2006)

positive word of mouth; open/honest communication (Zahra et al. 2005)

stakeholder relationships (Bachmann et al. 2015)

meaningful relationships between the consumer and brands (Bozic 2017)

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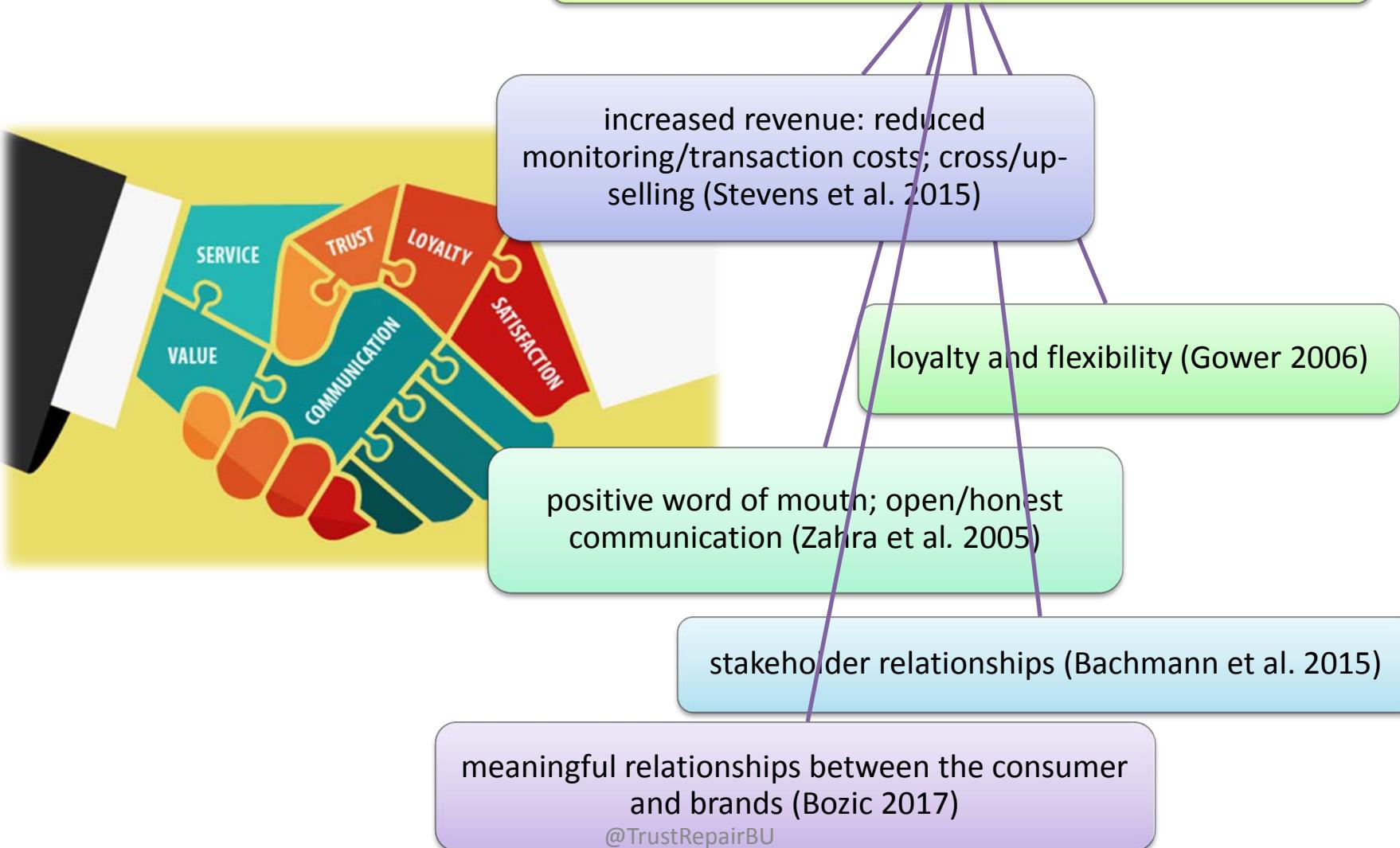
Study context: 3 cases

Trust erosion

- The decline of one party's willingness to be vulnerable to another party due to a transgression.

- Trust decline, trust damage, loss of trust, trust violation, trust reduction

Causes of trust erosion

Too little trust

Too much trust

Scepticism; impartiality; exigency; opportunism (Stevens et al. 2015)

Blind faith; favouritism; contentment; complacency; loyalty (Stevens et al. 2015)

High degree of monitoring; lack of dependability (Six 2007)

Reduced monitoring' unrealistic expectations; continuity; little innovation (Lewicki and Bunker 1996)

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Trust repair

"a partial or complete restoration of the willingness to be vulnerable to the other party following a decline in that willingness"
(Tomlinson and Mayer 2009, p.87)

Trust/trustworthiness:

inferences, expectations and willingness to expose oneself to further vulnerability

Interrelated dimensions for trust repair

(Dirks et al. 2009)

Exchange:

active response

Affect:

emotional response
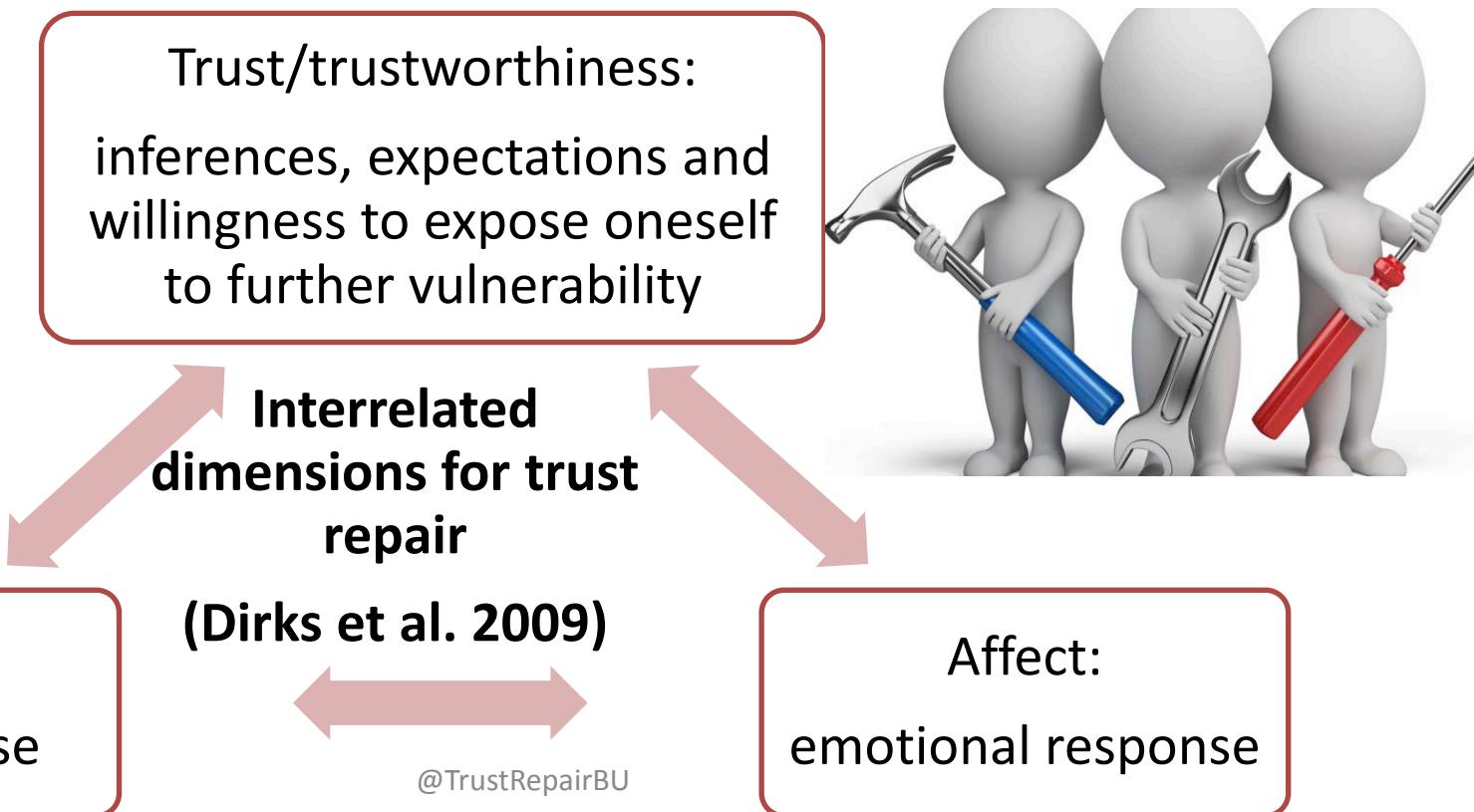
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Integrative trust-repair framework
(Bachmann et al. 2015)

Mechanism	Definition/focus
Sense-making	Shared understanding/accept account of the trust violation
Relational	Social rituals/symbolic acts to resolve negative emotions and re-establish social order/equilibrium
Regulation and control	Formal rules and controls to constrain untrustworthy behaviour in order to prevent future violation
Ethical culture	Informal cultural controls to constrain untrustworthy behaviour and promote trustworthy behaviour in order to prevent future violation
Transparency	Sharing relevant information about organizational decision processes and functioning with stakeholders
Trust transference	Transferring trust from a credible (third) party to the discredited party

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Methodology

Consumer focus groups

Stakeholder interviews

Consumer survey

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Findings - Trust

	Focus groups			Total
	Sports Direct	*Alton Towers*	*PPI*	
Important trustworthiness dimensions in brands and organizations (in general) (number of participants)				
Benevolence	11	8	7	**26**
Competence	9	13	10	**32**
Integrity	11	9	12	**32**
Identification	10	6	12	**28**
Transparency and communication	5	5	6	**16**
Important trustworthiness dimensions when referring to the specific case studies (number of participants)				
Benevolence	9	5	7	**21**
Competence	4	9	9	**22**
Integrity	10	3	11	**24**
Identification	8	5	12	**25**
Transparency and communication	4	11	8	**23**

Trust Erosion

	Focus groups			Total
	Sports Direct	*Alton Towers*	*PPI*	
Severity of trust erosion (number of participants)				
Affect	3	2	0	5
Behavior and intended behavior	2	6	1	9
Cognition	13	8	11	32

- Trust erosion mainly impacts cognitive consumer 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).
- Where the impact of the issue is personal i.e. involves potential harm to the individual, then the impact is also behavioural even when the incident is considered unlikely.

Trust Repair Mechanisms

	Focus groups						Total	
	Sports Direct		Alton Towers		PPI			
Success of trust repair mechanisms (that the consumers are aware of) (number of mentions)	No	Yes	No	Yes	No	Yes	No	Yes
Sense-making	6	0	2	5	1	0	9	5
Relational approaches	12	0	8	15	9	2	29	17
Regulation and formal control	5	0	5	4	5	1	15	5
Ethical culture and informal control	11	2	0	2	4	1	15	5
Transparency	4	0	2	4	2	1	8	5
Trust transference	1	0	0	5	2	0	3	5
Overall success	30	2	18	34	20	5	68	41

Initial implications and conclusions

Confirmed relevance of Bachmann *et al.* framework

Mechanisms not equally applicable

Core versus context-dependent approaches

Core:

sense-making

relational

Difficulty of repairing trust

Controllability /stability of cause

Unethical culture

Widespread business application/interest

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