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Published in:
Journal of Business Research

DOI:
[10.1016/j.jbusres.2019.12.032](https://doi.org/10.1016/j.jbusres.2019.12.032)

Publication date:
2020

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Document Version
Peer reviewed version

[Link to publication in Discovery Research Portal](#)

Citation for published version (APA):

Bozic, B., Siebert, S., & Martin, G. (2020). A grounded theory study of factors and conditions associated with customer trust recovery in a retailer. *Journal of Business Research*, 109, 440-448.
<https://doi.org/10.1016/j.jbusres.2019.12.032>

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A grounded theory study of factors and conditions associated with customer trust recovery in a retailer

ABSTRACT

Although in recent years academic interest in trust repair following a breach has grown significantly, we still know very little about *how* trust repair happens and in what contexts. This study focuses on customer trust repair following a major food adulteration scandal. Through a grounded theory study of customer experiences of real-life trust breakdown and recovery, we identify four factors (absence of further transgressions, positive personal experience with the retailer, the retailer's normal functioning, and the normal behavior of other customers) and three contextual conditions (passage of time, institutional context, and immediate trust repair strategies) associated with customers' trust recovery in food retailers. In addition, we show that trust recovery is not necessarily a direct result of the trustee's trust repair activities, as theorized previously, before discussing the implications of our findings for theory and practice.

Keywords

Trust; Customer trust; Trust recovery; Trust repair; Grounded theory

1. Introduction

Research across different disciplines and spanning several decades has shown that trust is usually positive and desirable for organizations and stakeholders (e.g., Axelrod, 1984; Barber, 1983; Coleman, 1990; Dasgupta, 1988; Deutsch, 1958; Dwyer, Schurr, & Oh, 1987; Fox, 1966; Gambetta, 1988; Giddens, 1990; Goffman, 1963; Hardin, 2002; Moorman, Zaltman, & Deshpandé, 1992; Moorman, Deshpandé, & Zaltman, 1993; Morgan & Hunt, 1994; Rotter, 1967). We use a standard definition of trust in the organizational context as “a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another” (Rousseau, Sitkin, Burt, & Camerer, 1998, p. 395) (see Mayer, Schoorman, & Davis, 1995; Moorman et al., 1992, 1993; Morgan & Hunt, 1994, for other prominent definitions of trust). Trust in organizations is associated with customer loyalty, commitment, cooperation, competitive advantage, and high turnover (Barney & Hansen, 1994; Kramer & Pittinsky, 2012; Morgan & Hunt, 1994; Sirdeshmukh, Singh, & Sabol, 2002). Among other things, trust helps customers reduce the perceived complexity associated with buying activities (Luhmann, 1979).

The benefits of trust are lost when organizations are implicated in misconduct or scandals (Gillespie & Dietz, 2009; Kim, Ferrin, Cooper, & Dirks, 2004; Kramer & Pittinsky, 2012). However, it is not only the organizations that “misbehave” that suffer, as reputational scandals tend to lower societal trust in business in general (Kramer & Pittinsky, 2012), especially in an era of social media, in which social disapproval spreads rapidly and often indiscriminately (Wang, Reger, & Pfarrer, forthcoming). Thus, the question of how to repair trust has become of important theoretical and practical concern for management researchers (Bachmann, Gillespie, & Priem, 2012; Bunkley, 2011; Kramer & Pittinsky, 2012; Lewicki & Bunker, 1996).

Trust repair is one of the research areas identified by Lyon, Möllering and Saunders (2015), along with antecedents to trust, trust-building processes, contextual influences on trust development, decision-making processes and trust, and consequences of trust. Lyon et al. (2015) noted that trust repair is the least theorized of these research fields. We have only identified twenty-nine research articles on consumer trust repair published to date (see Table 1 for more details). By way of comparison, Fulmer and Gelfand (2012) identified 375 articles on trust antecedents alone published between 2000 and 2011.

Trust scholars have been calling for more research on trust repair (e.g., Bachmann, Gillespie, & Priem, 2015; Mayer, 2014; Schoorman, Mayer, & Davis, 2007). Much of the existing trust repair literature focuses on testing trust repair models, without proper consideration of factors and conditions that operate in specific contexts. This is unfortunate, because we know from other areas of trust research (e.g., Möllering, 2006) that trust is a multifaceted phenomenon, associated with numerous factors and contextual conditions. Understanding these factors and conditions and moving beyond testing stage models of trust repair can improve the ways in which organizations recover from reputational scandals. This echoes Mayer's (2014) observation that we still know very little about *how* trust repair happens.

This study throws light on how trust repair happens, specifically customer trust repair. In our investigation we draw on grounded theory methodology (Charmaz, 2006, 2014; Glaser, 1978; Glaser & Strauss, 1967), which is an appropriate method for inductive theory-building about under-theorized phenomena (Eisenhardt, 1989; Glaser & Strauss, 1967). It enabled us to make two contributions to the literature on trust repair. The first is to shed light on theoretical aspects of trust recovery that have not previously been considered. Our study of customer trust repair following a trust breach by a retailer reveals four novel factors (absence of further transgressions, positive personal experience with the retailer, the retailer's normal

functioning, and the normal behavior of other customers) and three conditions, or inner and outer contexts, of change (Pettigrew, 2012) (passage of time, institutional context, and immediate trust repair strategies) associated with trust recovery. The second contribution is to show that trust recovery is not necessarily a direct result of a trustee's trust repair activities, as previously theorized.

2. Customer trust recovery: Prior theory and research

We identified twenty-nine studies focusing on customer trust repair (summarized in Table 1). Broadly speaking, these studies can be divided into two categories: trustee-centric and trustor-centric explanations of trust repair. Trustee-centric explanations involve factors that represent various trust repair strategies that trust violators can pursue actively to facilitate trust repair. Trustor-centric explanations focus on the role of the trustor in trust repair.

---Insert Table 1 about here---

Trustee-centric explanations appear to dominate trust repair research. The trust repair strategies identified in this research stream can be further divided into verbal and substantive strategies. Verbal strategies include apology, denial, explanation, communication, and promises (e.g. Bansal & Zahedi, 2015; Cui, Zhang, Peng, & Chu, 2018; Fuoli, van de Weijer, & Paradis, 2017; Gillespie, Dietz, & Lockey, 2014; Mattila, 2009; Utz, Matzat, & Snijders, 2009; van Laer & de Ruyter, 2010; Xie & Peng, 2009). Substantive strategies involve penance, hostage posting (e.g. Meyer, Coveney, Henderson, Ward, & Taylor, 2012; Nakayachi & Watabe, 2005; Richards, Lawrence, & Burch, 2011), and various reforming

interventions associated with modifications of organizational system components. These include organizational reforms, restructuring, and regulation (e.g. Eberl, Geiger, & Aßländer, 2015; Gillespie et al., 2014), such as changing policies and operational procedures, governance reforms, cultural changes, redesigning incentives (Gillespie et al., 2012; Gillespie et al., 2014), changing manufacturing processes (Meyer et al., 2012), corporate social responsibility (Roberts, 2011), and tightening organizational rules (Eberl, Geiger, & Aßländer, 2015). From a processual perspective, these reforming interventions normally occur after immediate trust repair activities and analysis of the causes of the trust breach. For example, in Gillespie and Dietz's (2009) integrative model of trust repair, reforms represent a third stage in the trust repair process. Research shows that several trust repair strategies in combination are more likely to be effective.

When considering the role of the trustor in the trust repair process, some studies identified forgiveness and emotions (Aquino, Grover, Goldman, & Folger, 2003; Dunn & Schweitzer, 2005; Xie & Peng, 2009) as important factors associated with trust repair. For example, Xie and Peng (2009) demonstrated that forgiveness is positively associated with trust repair after an organization receives negative publicity. Aquino et al. (2003) argued that addressing negative emotions is crucial for trust repair. We now outline the methodology underpinning our study.

3. Methods

3.1. Context

Our research is situated in the context of a major food adulteration scandal – the so-called “horsemeat scandal” that occurred in 2013 in various European countries, including the

UK. The scandal represented a massive trust violation, involving many food industry players, including abattoirs, food manufacturers, food retailers and customers, the public and other stakeholders (Harris Interactive, 2013a, 2013b).

We focused our investigation on one aspect of the scandal: trust violation and recovery between implicated food retailers and customers. We included the food retailers Tesco, Asda, Lidl and Aldi, as they represent a major part of the UK food retail market in terms of size and sales, were involved in trust violation, and subsequently engaged in extensive trust repair activities (see *The Telegraph*, 2013a, b). Meanwhile customers are important stakeholders, vital for organizational success (Freeman, 1984).

In the eyes of customers, retailers violated their trust by selling contaminated products presenting a risk to health and wellbeing, because of a lack of oversight and poor control systems. Hence, the locus of ownership of the problem was on the retailers, and the trust breach can be classed as a competency-based trust violation (Mayer et al., 1995). Competency refers to “that group of skills, competencies, and characteristics that enable a party to have influence within some specific domain” (Mayer et al., 1995, p. 717).

The surveys commissioned by the UK food-safety authorities (see Harris Interactive, 2013a, 2013b), newspaper reports (see BBC, 2013) and our own data suggest that customers whose trust in the retailer was damaged, subsequently regained this trust.

3.2. Data and sample

Adopting grounded theory methodology (Charmaz, 2006, 2014; Glaser, 1978; Glaser & Strauss, 1967; Locke, 2001), we began our data collection by searching for participants who experienced trust breakdown and recovery. Such purposeful sampling (Charmaz, 2006;

Locke, 2001; Patton, 1990) focused on searching for data providing the greatest opportunity to learn about the phenomenon under study (in this research, trust recovery) (Patton, 1990).

As the study progressed, we turned to theoretical sampling (Charmaz, 2006; Glaser & Strauss, 1967; Locke, 2001) to shed light on the in-process theorizing. In total, we interviewed 51 participants; the sample size was determined by theoretical/practical saturation (Charmaz, 2006, 2014; Locke, 2001). Most participants were in their late twenties or early thirties and lived in Scotland, and 59% of participating customers were female. The participants' nationalities included American, Belgian, Bulgarian, Canadian, Chinese, Dutch, French, Indian, Italian, Polish, Portuguese, Scottish, Singaporean, Slovenian and Ukrainian. They had different socio-economic and educational backgrounds: high school qualifications (including bartenders, a taxi driver, a bus driver, active and retired sales consultants/representatives, entrepreneurs, and a warden); higher education degrees (including financiers, a lecturer, school administrators, key accounts managers, and a consultant); and customers studying for higher education degrees (including undergraduate and postgraduate social sciences and sciences students). Before the horsemeat scandal, all participating customers were meat-eaters.

We collected data approximately eighteen months after the scandal first came to light which enabled us to capture the complete process of trust breakdown, repair and rebuilding that evolved over time. In semi-structured interviews we asked our interviewees to "tell their stories" about their trust recovery (Morse, 2001). Interviews lasted 40-70 minutes each and we used the principles of cognitive interviewing (Fisher & Geiselman, 2010; Memon & Bull, 1991). We chose this approach because of its effectiveness in retrieving people's memories (Fisher & Geiselman, 2010; Memon & Bull, 1991). We digitally recorded the interviews and transcribed them verbatim.

By the time we reached 37 interviews we noted that conceptualization of the data had solidified to such a degree that the in-progress theoretical framework captured most of the incoming data. Nevertheless, we continued the interviewing process to remain open to any new insights, and concluded data collection after interviewing 51 participants. We did so because the interviews beyond participant 37 did not provide any novel theoretical insights, and because our conceptual framework captured the trust recovery experiences of these additional customers. In line with the grounded theory method, we had reached theoretical saturation and stabilization of our theoretical framework (Charmaz, 2006; Glaser & Strauss, 1967; Locke, 2001).

We also gathered documents (e.g. news articles, published surveys) and information referring to the horsemeat scandal from various websites to gain a deeper understanding of the context. These sources included the Food Standards Agency, BBC News, Tesco, Asda, Waitrose, the Co-operative, Aldi, Lidl, the British Retail Consortium (BRC), Harris Interactive, TNS BMRB, Ipsos MORI, Kantar Worldpanel, Which?, the *Financial Times*, *The Guardian* and *The Telegraph*.

3.3. Data analysis

Commencing with the first interview, we examined each line of the transcribed interviews for underlying meaning (i.e. initial coding) using line-by-line coding as a heuristic device (Charmaz, 2006). General questions helped the conceptualization process; for instance, *What is happening in the data fragment?* or, *What does the data fragment express?* (Charmaz, 2006, 2014). We coded each fragment with a label that captured its meaning. As our analysis proceeded, we constantly compared each coded line of text with other lines of already coded

text (from different interviews) and their corresponding initial codes (i.e. constant comparison). We gave data indicating the same concept the same conceptual label.

During analysis of the first three interviews, initial codes proliferated. Charmaz's (2014) guiding question, *What larger story does this group of concepts suggest?*, enabled us to reduce the codes substantially as we coded them into more abstract versions. These in-progress codes guided our further data collection and analysis. However, line-by-line coding continued throughout the study to prevent omission of any new theoretical insights. With new incoming data, our aim was to develop further in-progress codes and their tentative relationships. We ended our analysis, which made heavy use of analytical memoing (Charmaz, 2006) and later diagramming (Charmaz, 2006; Glaser, 1978), when our data conceptualization solidified and captured most of the data, and when incoming data told us nothing new about the concepts developed and their relationships.

3.4. Ensuring rigor

To ensure rigor we followed Lincoln and Guba's (1985) well-known criteria for conducting inductive research (i.e. credibility, transferability, dependability, confirmability). We followed all steps and guidelines prescribed by the grounded theory method (Charmaz, 2006; Glaser, 1978; Glaser & Strauss, 1967; Locke, 2001) including line-by-line coding, constant comparison, non-leading questions, memoing and diagramming. This ensured that the theoretical framework we developed is grounded in many empirical indicators covering a wide range of empirical observations, and thus reflects participants' experiences of trust recovery. In addition, to ensure rigor, we audio-recorded all interviews, read interview transcripts multiple times, asked participants for clarifications (where necessary), presented our findings to several participants, kept analytical diaries, ensured participant confidentiality,

and managed data systematically using NVivo 10.

4. Findings

The data structure (Fig. 1) shows how we progressed from first-order analysis (i.e. informant-centric terms and codes) to the more abstract second-order concepts that form our grounded theory. Each first-order code represents numerous data instances from different interviews. In addition, the data structure is not a theory but a device that shows the progressive development of the concepts (which are the building blocks of grounded theory). Fig. 2 integrates our developed concepts into a model that represents our theory of customers' trust recovery, grounded in the data. In the following section, we discuss identified concepts, "zooming in" on factors and conditions, which we found instrumental in trust recovery.

----- Fig. 1 about here -----

----- Fig. 2 about here -----

4.1. Factors and conditions instrumental in trust recovery

Our data analysis shows that customers assigned great significance to particular observations and their personal experiences. These included an absence of further transgressions, positive personal experience with the retailer, the retailer's normal functioning and the observed normal behavior of other customers. The following quotes presented here exemplify customers' references to these observations and events. For example, customer 26 stressed the importance of the fact that "*there were no new scandals involving Tesco and Asda*". Customer 13 said, "*I have experienced, and I have survived all the beef products I*

bought from them [...] I saw that this looks like beef and that this is fine [...] and I have gone there, and I have seen that everything is fine". Similarly, customer 4 noted that *"all was good with all the products bought from Tesco"*. Customer 24 said that he was using their minced meat and *"it has a good taste"*. Customers also highlighted that *"the company is still in business"* (customer 24), the retailers *"still operate"* (customer 3), *"they are still open"* (customer 9) and *"these retailers have just as many customers as before the crisis"* (customer 24). Finally, customers talked about the behavior of other customers: *"I don't think I saw any people no longer going to Tesco or that their sales had hugely declined (sic)"* (customer 2). Other customers remarked, *"You see that people are buying the products like before the scandal"* (customer 27) and that *"people are buying beef products"* (customer 45).

In addition to the specific observations and personal experiences, we also identified numerous data instances that we labeled as 'passage of time', 'immediate trust repair strategies' and 'institutional context'. The passage of time refers to data instances where customers made reference to the length of time that had lapsed since the scandal first came to light. For example, customer 2 noted that *"the scandal happened eighteen months ago"*. Customer 41 also noted that *"the horsemeat scandal happened one and a half years ago"*. Some customers said that *"the scandal took place some time ago"* (customer 44) or that *"time has passed"* since the scandal (customer 31).

Immediate trust repair strategies represent retailers' actions and responses immediately after the scandal first came to light, aimed at repairing customers' trust. We identified the following strategies: acknowledgement of the failure, explanations of what is happening, apologies, announcement of an investigation, and retailers' cooperation with public inquiries. For example, customer 13 said, *"When the scandal happened, they were sharing information about what is happening (sic)*. They were on the TV and across the news." Customer 5 said that the retailers *"apologized in newspapers and on the TV"*. Customer 11 similarly observed

that the retailers “*said that they have a problem and that they will do whatever it takes to solve it [...] Tesco apologized*”. Retailers were “*investigating the root of the problem*” (customer 41), “*announced the investigation*” (customer 34) and “*were trying to find out what went wrong*” (customer 17).

We also identified data instances where customers referred to the broader context within which the trust violation took place. We labeled this ‘the institutional context’. Specifically, customers assigned importance to the fact that the scandal occurred in the UK, as it has a well-established legal framework and institutions such as the food authorities and NGOs that monitor what organizations are doing, low corruption rates and independent media. For example, customer 48 stressed the importance of the fact that “*the horsemeat scandal took place here in the UK*”, because he believed that “*the UK media is independent and there are governmental agencies which regulate and control the retailers*”. Similarly, customer 32 contrasted the UK’s institutional context with that of other countries and noted that in some there “*is high corruption and well-connected businesses do not necessarily comply with the rules*”. In the UK the regulator has the “*ability to withdraw the licenses if the retailers do not comply with the rules*” (customer 12).

Our grounded theory model (Fig. 2) demonstrates that the identified observations and personal experiences relate to the passage of time, immediate trust repair strategies, and institutional context. Customers interpret their experiences and observations as a sign of improved organizational system components if/when enough time has passed, if/when immediate trust repair strategies are observed, and if the incident happens within a specific institutional context.

The experiences and observations that emerge from our data refer to organizational system components, including organizational policies, control and monitoring procedures, and oversight of suppliers. The following quotes are indicative of data we labeled as

organizational system components. For example, customer 2 noted that *“they now have a very high level of internal control, quality control”*. Similarly, customer 26 said that the retailers *“are now controlling the meat more than before”*. Customer 42 highlighted the fact that *“Tesco’s supply chain has changed. I’m not sure how much but I am sure they have much more oversight [of] it than before the whole mislabeling issue.”*

The passage of time acted as a condition that helped customers become more certain that their observations and personal experiences were evidence of improvement of the retailers’ organizational system components. For example, customer 7 noted, *“with time you can become more certain”*, and, as customer 11 highlighted, *“only time can tell”*. Similarly, customer 11 explained, *“as time goes by”* and the scandal does not reoccur, *“you can be more certain that things are fine. But if there are no new scandals two or three weeks after the scandal, you still can’t be sure.”* Customer 17 noted that there were *“no new scandals and time has passed”*. Immediate trust repair strategies acted as a reassurance mechanism that the identified observations and personal experiences really were indicative of actual improvement in organizational system components, because they demonstrated to customers that the retailers did intend to change. For example, customer 14 remarked: *“You know that they have changed because they said they will and there was no other scandal since then (sic).”* The institutional context influenced customers’ interpretation of their observations and personal experiences, because it provided transparency and the possibility of organizational sanctioning. For example, customer 23 noted, *“you know that the UK media is independent, competent [...]”* whereas in some other countries *“[...] they are not independent and can be corrupt,”* and customer 45 believed that if the media or the food regulator identified any new problem, *“they will inform the public”*.

We selected the following quotes that exemplify interpretation of the identified observations and personal experiences (i.e. absence of further transgressions, positive

personal experience with the retailer, the retailer's normal functioning and the observed normal behavior of other customers), under the three conditions discussed above, as indicating the retailers' improved system components. For example, customer 5 said, *"I am sure that they improved how they monitor the products and their suppliers because I remember that they said they will, and time has passed since then and there was no new scandal (sic)."* Later, the same customer remarked, *"Well, you can be sure that they changed because in the UK things are regulated and monitored."* Customer 27 said that *"since the scandal everything seemed OK. I bought meat products, and all was fine. So, I guess they improved how they do business."* Customer 25 explained that these *"retailers were still operating"* and that this means that *"they must have changed their ways of doing business"* as *"time has passed, and I remember that they said they will (sic) solve the problem."* Finally, observing other customers shopping at the retailers indicated to customers that the *"organizations' business practices had improved"* (customer 44); customer 2 said, *"I don't think I saw any people no longer going to Tesco or that their sales had hugely declined since the scandal. I don't recall it, so that is reasonable news to me that they had improved their business practice."*

4.2. Organizational competency

In addition to the customers' observations and experiences that under identified conditions were interpreted as a sign of improved organizational components, for trust recovery to occur, customers' perceptions of the retailers' competency or ability were also important for trust recovery. Organizational competency includes various skills, abilities and characteristics that enable the organization to perform a specific activity correctly. In this

study, competence refers to the retailers' ability to be able to sell uncontaminated, safe products.

Fig. 2 shows how organizational competency is associated with improved organizational system components. Specifically, customers' perceptions of organizational competency resulted from their understanding that organizational system components had improved. To illustrate, customer 26 explained that now the retailers are able to sell uncontaminated meat "*because they have more controls*". Customer 13 believed that "*retailers are now in control*" because he felt that "*the problem with retailers' supply chains has been solved.*" Customer 21 noted that they are selling "*beef now; they control suppliers much more now*".

Competency is an immediate antecedent of customers' trust. For example, customer 19 noted that the retailers are now selling uncontaminated meat and this is the reason "*why I can trust them again*", and customer 11 noted, "*I trust them*" for the same reason. The link between competency and trust is well established in trust literature (see Mayer et al., 1995).

5. Discussion

This study makes the following contributions. First, we have identified four factors (absence of further transgressions, positive personal experience with the retailer, the retailer's normal functioning, and the normal behavior of other customers) and three contextual conditions (passage of time, institutional context, and immediate trust repair strategies) associated with trust recovery. This classification adds to the factors codified in the literature on the topic, summarized in Table 1, which included various verbal and substantive actions, such as apologies, explanations, promises, policy changes, penance, etc. To our knowledge, no prior study has discussed the factors identified in this study.

Second, our findings show that trust recovery is not necessarily a direct result of a trustee's trust repair activities, as theorized in the literature. Our findings show that the four factors we identified were not directly associated with the trustee's deliberate trust repair activities. Prior studies showed that trust recovery depends on two types of trust repair strategies: immediate trust repair strategies, involving various verbal actions (e.g. apology, promise, explanations) and, importantly, a trustee's trust repair strategies that are associated with interventions to faulty organizational system components. Instead, we found that customers' trust recovery depends on their various observations and personal experiences not directly associated with organizational trust repair activities. Thus, we found that, under specific contextual conditions, involving the passage of time, evidence of some immediate trust repair strategies, and the institutional context within which the scandal took place, customers' observations and personal experiences were interpreted as signs or evidence of improved organizational system components. Also, in contrast to prior research that conceptualized or found immediate trust repair responses as antecedents of trust recovery (e.g. Bachmann et al., 2015; Kramer & Lewicki, 2010; Xie & Peng, 2009), we found that these activities played a more supportive role. They represented only one out of three identified conditions for trust recovery.

These findings have important theoretical implications. They highlight the significance of looking beyond narrow explanations of trust recovery. In the past, few researchers (e.g. Siebert, Martin, Božič, & Docherty, 2015) suggested the value of 'looking beyond the factory gates' in the context of intra-organizational trust relationships. They argued that while agentic explanations of trust (i.e. trust recovery via trustee's activities) are valuable for understanding trust dynamics, researchers also need to consider the organizational, political, and social environment to fully understand trust recovery. This thesis is consistent with related research into how social disapproval of firms occurs in the social media era, which shows that firms

are more open to emotional responses from varied constituents (Wang et al., forthcoming). We add empirical evidence to reinforce this point on how context influences process – what is going on in the external environment matters hugely for trust relations between organizations and customers. Relatedly, we accentuate the point that trust *recovery*, instead of trust *repair* (as the literature often designates it), might be a more appropriate term, as it captures non-agentive explanations beyond the transgressor's immediate trust repair interventions, including the role of context conditions at play following trust breaches.

5.1. Managerial implications

Our findings show that after trust violation, managers need to implement trust repair strategies. However, they also suggest that beyond early stage actions, customers draw on their experiences not directly associated with trust repair interventions to infer changes in internal organizational system components. This means that managers do not necessarily need to communicate actual improvements to the organizational system, as customers will eventually infer such changes from their observations and experience outside the organization. This point is important, as it can help companies direct scarce resources and time to more fruitful pursuits. However, our findings also point out that rebuilding trust can take time, and that it is not necessarily fully dependent on managerial actions, as previously assumed.

5.2. Limitations and future research

This research should be interpreted with consideration of its limitations. It is a retrospective study, which may be the only viable way to study trust recovery, due to the difficulty of

predicting trust failures and obtaining access to ‘live’ trust repair (Gillespie et al., 2014; Weick, 1990). We used interviews to collect data about participants’ recent experiences involving their trust in selected food retailers. The problem with this approach is that memory is fallible, and collected data may include “historical reconstruction” under the influence of subsequent experiences (Blaikie, 2009). To address this concern, we collected data eighteen months after the scandal first came to light, and participants remembered the scandal well (corroborated by newspaper articles and other published information about the scandal). Also, we used the principles of cognitive interviewing (Geiselman, Fisher, Firstenberg, Hutton, Sullivan, Avetissian, & Prosk, 1984), a technique developed to ensure more accurate recollections of past experiences. In our view, although this study does not have statistical generalizability, as is characteristic of inductive qualitative research, it can be used for “naturalistic generalization” (Stake, 1978). We should also point out that because trust is a context-specific phenomenon (Lewicki & Bunker, 1996; Mayer et al., 1995; Rousseau et al., 1998; Sheppard & Sherman, 1998), the findings of this study are context-dependent, and the identified factors and associated conditions might vary in different contexts (e.g. different types of trust violations, different types of trust relationships, different trustors’ backgrounds (in terms of education and/or socio-economic status), and direct/indirect locus of trustees’ responsibility for the violation).

Our findings have several interesting implications that deserve further investigation. First, participants in this study made decisions about trust with regard to a violation that occurred eighteen months previously. Our analysis points out that this time period was an important condition for customers to interpret their observations and experiences as indicating improved organizational components. A pertinent question is whether customers draw on different types of observations and experiences, or if they draw on them at all, when little time has passed since the scandal first came to light. Future research could shed more light on the

role of time in trust recovery, which has only recently gained importance in trust repair research (see Bachmann et al., 2015). Second, our study investigates trust repair after a competency-based trust violation between customers and food retailers, involving contaminated food. More research is needed to investigate the applicability of the customers' observations and experiences identified in this study to different contexts (for example, those indicated above).

Finally, we agree with Lewicki (see Gillespie, 2017, for details) and highlight the importance of adopting more field approaches and different perspectives (see Burrell & Morgan, 1979; Willmott, 1993) when studying trust repair. We consider this an especially promising way of advancing research, as different ways of seeing, approaching, and researching a phenomenon (e.g. from different research paradigms) can produce interesting research (Davis, 1971) and new discoveries (Gioia & Pitre, 1990; Locke, 2011). We hope that this study will provide some encouragement to do so.

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Table 1

Literature on the recovery of customer trust.

| Source | Focus | Methodology | Key findings | Trustee |
|---|---|---|---|--------------------------------|
| Bansal & Zahedi (2015) | Apology, denial, and no response | Experiment with 364 students | Apology was universally effective; denial worked for hacking; inaction was not effective. | Organization |
| Brown, Buchholtz, & Dunn (2016) | Role of goodwill and firm culture for trust repair | Conceptual | The greater the moral salience, the greater the need for an investment in goodwill to re-establish trust. | Organization |
| Brühl, Basel, & Kury (2018) | Apology, excuse, and refusal for trust recovery | Experiment with 368 participants | Apology does not necessarily lead to trust recovery. | Organization |
| Chen, Wu, & Chang (2013) | Coping strategies involved in customer trust repair | Survey of 513 e-shoppers | Informational repair directly rebuilt customer trust. Positive moods serve as a mediator in trust recovery. | Organization |
| Cui, Zhang, Peng, & Chu (2018) | Types of apologies and compensations | Experiment involving 440 participants | Apology with internal attribution is more effective than apology with external attribution for integrity-trust violations. The opposite is the case for competency-trust violations. Overcompensating is not necessarily optimal. | Organization |
| Debab & Yateem (2012) | Various trust repair factors | Survey of 200 retail bank customers | Trust recovery involves banks, the central bank, and the government. | Organization |
| Dietz & Gillespie (2012) | Six cases of organization-level trust repair through the lens of the OLTR framework (Gillespie and Dietz, 2009) | Case study | The authors found support for the OLTR framework (Gillespie and Dietz, 2009). | Organization |
| Eberl, Geiger, & Abländer (2015) | Trust repair after integrity violations | Case study | Tightening organizational rules is required for trust recovery. | Organization |
| Friend, Costley, & Brown (2010) | 'Nasty' retail shopping experiences | Storytelling as memory work involving nine participants | Acceptance of responsibility and apology are required for trust repair. | Organization |
| Fuoli, van de Weijer, & Paradis (2017) | Effect of apology and denial on individuals' trust in a company | Experiment | Denials were found to be superior to apologies. | Organization |
| Gillespie, Hurley, Dietz, & Bachmann (2012) | Study of global financial crisis (GFC) from a trust perspective to identify insights and principles for | Case study | The authors found support for the OLTR framework (Gillespie and Dietz, 2009). | Organization /Financial market |

| | | | | |
|--|---|--|---|---------------|
| | the practical repair of institutional trust | | | |
| Gillespie, Dietz, & Lockey (2014) | Organization-level trust repair framework (OLTR) and reintegration theory with regard to various stakeholders | Case study | The case study supported the OLTR framework (Gillespie and Dietz, 2009). Reestablishing a positive organizational identity among the workforce, changing the guard at the top, and reforming targeting procedures and culture were also required. | Organization |
| Guo, Zhang, Wang, Li, & Tao (2018) | Green brand trust repair after greenwashing | Experiment with 240 participants | Firms should adopt a “timely-considered-timely” or “timely-considered-considered” brand strategy with three separate stages of brand trust repair for optimal results. | Organization |
| Huff (2005) | Development of customer trust in service providers | Conceptual and qualitative | Customer forgiveness led to regained trust after a trust violation. | Organization |
| Knight, Mather, & Mathieson (2015) | Role of firm’s apology in trust recovery | Experiment with 284 students | Apology led to customer trust recovery when perceived as sincere. | Organization |
| La & Choi (2012) | Repair of customer-firm relationships (loyalty) after service failure | Survey of 199 participants | Customer affection was important for trust recovery. | Organization |
| Liao, Luo, & Gurung (2009) | Trust repair for an online retailer | Survey of 108 online students | Perceptions of trustworthiness were important for trust recovery. | Organization |
| Mattila (2009) | Trust repair by service firms | Experiment with 143 students | Causal explanation pointing to an external cause of the failure, together with a sincere apology, recovered customers’ trust in a service firm more effectively than denial. | Organization |
| Meyer, Coveney, Henderson, Ward, & Taylor (2012) | Nature and dimensions of customer trust in food | Qualitative study | Increase in local food production and consumption led to greater trust of metropolitan customers. | Food system |
| Nakayachi & Watabe (2005) | Effects of voluntary hostage posting for repairing the organization’s trustworthiness | Three experiments with 198, 313, and 44 students, respectively | Voluntary hostage posting by the organization improved customers’ perceptions of the organization’s trustworthiness. | Organization |
| Richards, Lawrence, & Burch (2011) | Supermarkets’ manufacturing of customer trust | Conceptual and qualitative | Supermarkets used three strategies to generate customer trust: reputational enhancement, direct quality claims, and discursive claims. | Organization |
| Roberts (2011) | Low trust of Chinese customers | Conceptual and qualitative | Corporate social responsibility should be associated with the recovery of customer trust in the food industry. | Food industry |

| | | | | |
|--------------------------------|---|---|---|---------------------|
| Spicer & Okhmatovski (2015) | Repair in the Russian bank deposit market | Survey of 2,400 Russians | Identifies trust recovery due to increased regulation by the state and trust recovery due to state ownership in a specific bank. | Banking system |
| Utz, Matzat, & Snijders (2009) | An e-vendor's trust repair effort | Experiments with 1,141 and 448 participants, respectively | A trustee's apology was more effective than denial of responsibility for customer perceptions of the trustee's trustworthiness, independent of the trust violation type. | Organization |
| van Laer & de Ruyter (2010) | Trust recovery after integrity-based trust violation | Experiments involving 153, 145, and 95 students, respectively | A narrative apology was superior for restoration of integrity (trust) than any other response tested (narrative denial, analytical denial, and analytical apology). | Individuals |
| Wu, Chien, Chen, & Wu (2013) | Trust repair process | Survey of 471 participants | Affective, functional, and information repair actions improved trust via positive emotions. | Organization |
| Xie & Peng (2009) | Organizational trust repair with customers after negative publicity | Experiment with 220 students | Recovered perceptions of the firm's integrity, competence, and customer forgiveness led to trust recovery. | Organization |
| Yu, Wu, & Lin (2017) | Trust repair strategies creating positive emotions for customers and consequently repairing trust | Survey | Brand users that develop initial trust in telecom operators tend to transfer their trust to channel distributors. | Organization |
| Zhang (2012) | Customer trust repair | Conceptual paper | Trust recovery is a function of a trustor's propensity to forgive, a trustee's apology or promise and apology, and customer trust in the government. | Organization |
| <i>This study</i> | <i>Trust recovery process in naturalistic settings</i> | <i>Grounded theory</i> | <i>Identifies four novel factors (absence of further transgressions, positive personal experience with the retailer, the retailer's normal functioning, and the normal behavior of other customers) and three contextual conditions (passage of time, institutional context, and immediate trust repair strategies) required for trust recovery. Also shows that trust recovery is not necessarily a direct result of a trustee's trust repair activities, as theorized previously.</i> | <i>Organization</i> |

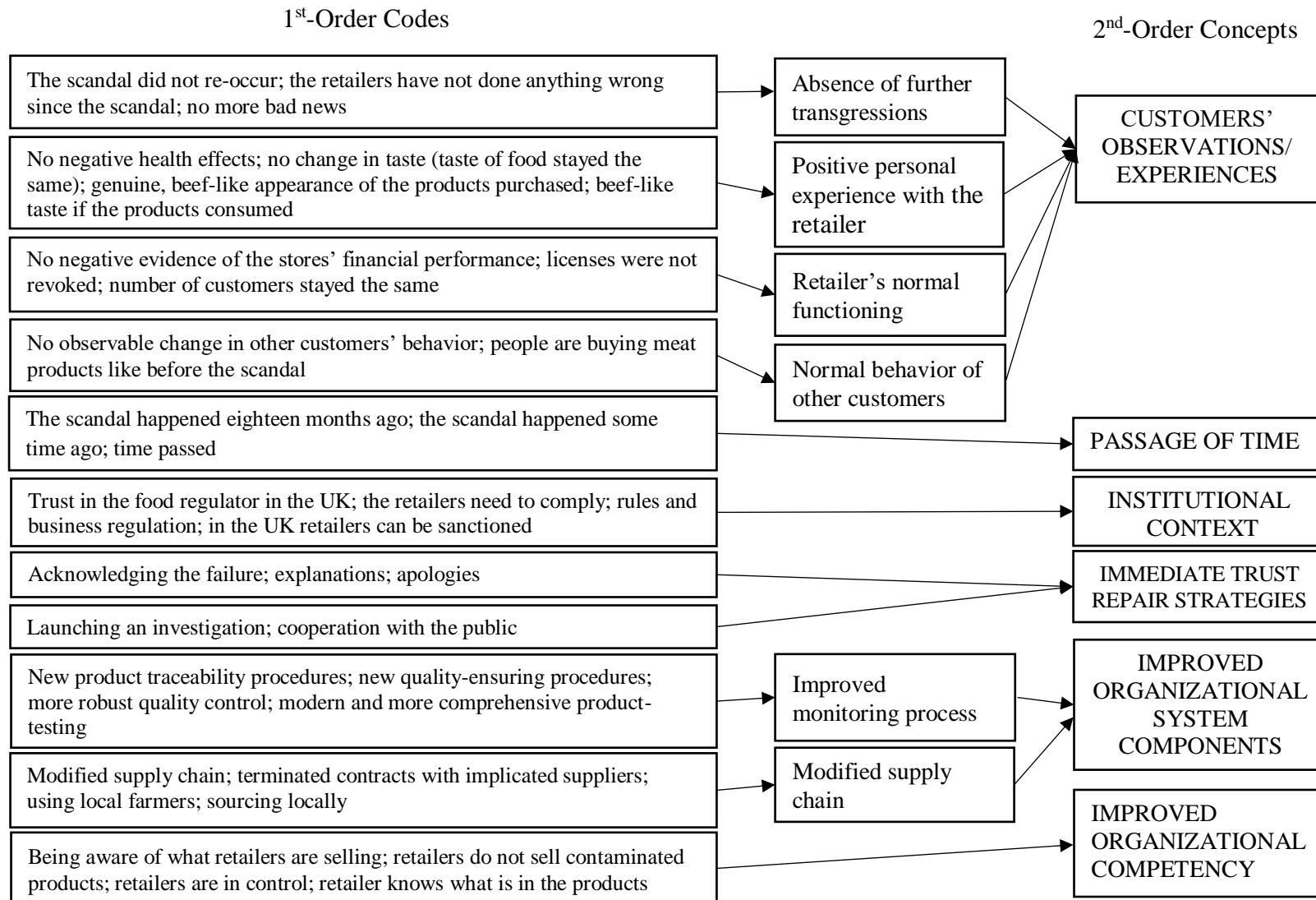


Fig. 1. The data structure.

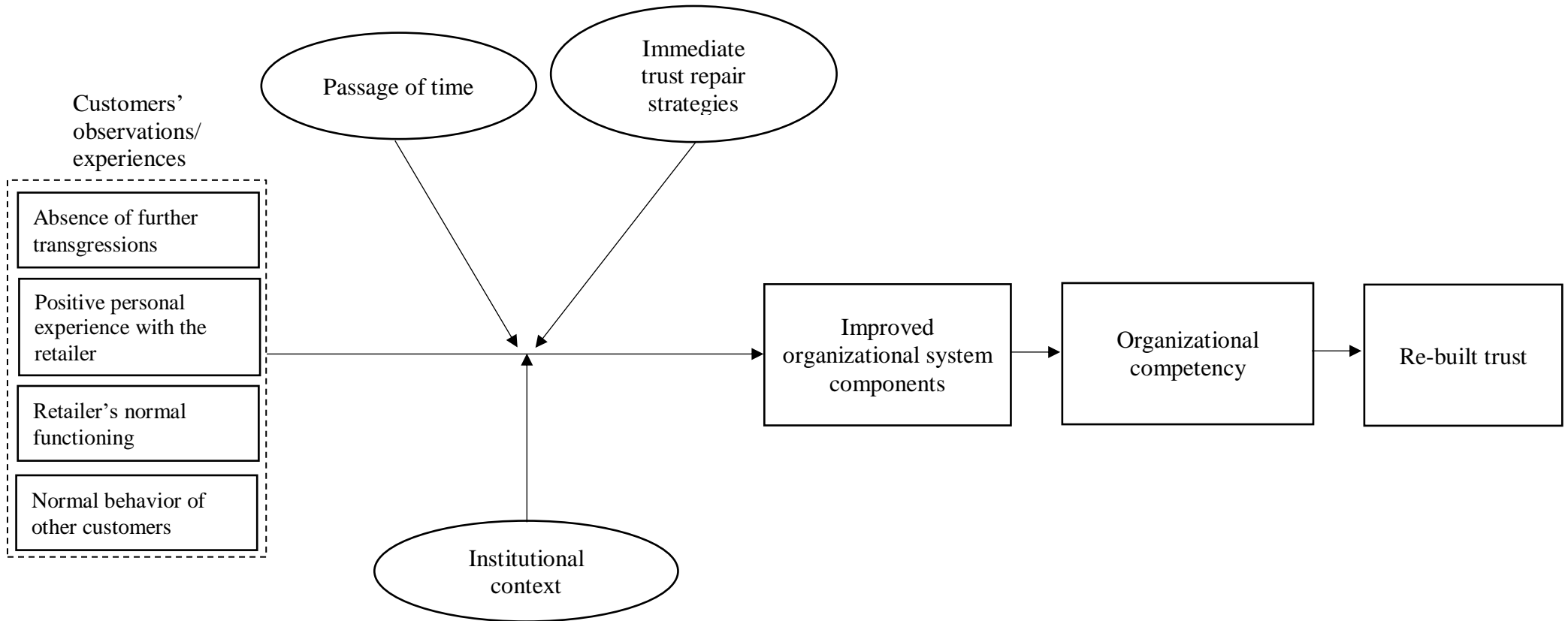


Fig. 2. The grounded theory model of customer trust recovery in an organization.