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CUSTOMER TRUST RECOVERY: AN ALTERNATIVE EXPLANATION

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Abstract

The importance of trust and the prevalence of organizational trust transgressions have led to a growing number of studies investigating trust recovery. The extant literature is characterized as being almost entirely trust violator-centric, involving trust violator-centric explanations of trust recovery. Given the importance of both the trustee and trustor in the trust relationship, we ask: How does trust recovery work when the process is considered from the trustors' perspective? Using grounded theory methodology involving customers who experienced trust recovery in an organization, we find that customers' trust recovery starts with their observation of initial trust repair activities, which helps them in their sensemaking about the organizational transgression. After this, trust recovery becomes a more trustor-driven process, involving perceived personal harm and forgetting the trust violation. This study contributes to extant theory and practice. First, it extends the extant literature by identifying forgetting as an important explanatory concept in the customer trust recovery process. Second, it shows that trust recovery is a complex process involving tensions and requiring a balancing act. Third, the study shows that approaching the trust recovery phenomenon from a non-trustee perspective holds potential for significant theory development about trust recovery.

Keywords: Trust; Trust repair; Trust recovery; Forgetting; Grounded theory

Introduction

Organizational scandals have negative implications both for the organizations involved and for stakeholders (Gillespie and Dietz, 2009; Kramer and Lewicki, 2010). One of the implications is damaged customer trust. This is troublesome because there is strong evidence that trust can be crucial for successful and mutually beneficial relationships (Arnott, 2007; Moorman et al., 1992; Morgan and Hunt, 1994; Sirdeshmukh et al., 2002). For example, trust is associated with customer loyalty and commitment (e.g., Gutiérrez, Cillán, and Izquierdo, 2004; Morgan and Hunt, 1994; Sirdeshmukh et al., 2002); consumer dependency, in a services firm-consumer context (Fatima and Di Mascio, 2018); product acceptance (García-Marzá, 2005); business viability (Audi, 2008); cooperation and agreement (Schurr and Ozanne, 1985); strong long-term relationships with customers (e.g., Moorman et al., 1992; Morgan and Hunt, 1994; Tax et al., 1998); effective product branding (Keller and Lehmann, 2006); and high revenue and profit (e.g., Davis et al., 2000; Simons and McLean, 2002), and can be a source of sustainable competitive advantage (e.g., Barney and Hansen, 1994).

Trust is an elusive and complex concept (Rousseau et al., 1998; Seppänen et al., 2007b). After considering and comparing multiple trust definitions (Mayer et al., 1995; Moorman et al., 1993; Moorman et al., 1992; Morgan and Hunt, 1994; Rousseau et al., 1998; Seppänen et al., 2007a), two central themes emerge: first, confident, positive expectations about the intentions, motives, or behavior of others (Lewis and Weigert, 1985; Moorman et al., 1993; Morgan and Hunt, 1994; Rousseau et al., 1998); and second, a willingness to be vulnerable (Fryxell et al., 2002; Mayer et al., 1995). In this paper, trust refers to “a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another” (Rousseau et al., 1998).

In acknowledgement of the importance of trust, together with the growing prevalence of trust violations (Bachmann et al., 2015; Gillespie et al., 2014), a growing body of literature, spanning several academic disciplines, has started to examine the potential of trust repair and recovery (see Bachmann et al., 2015; Bozic, 2017; Kramer and Lewicki, 2010, for review). We define our focal phenomenon, *trust recovery*, as an improvement in trust after a violation of trust. Broadly, *trust repair* represents a dominant theoretical approach to trust recovery, where trust recovery is explained with reference to the trust violator's activities (trust repair actions). Table 1 provides a summary of studies focusing on customer trust recovery.

Our analysis of extant trust repair literature leads us to conclude that literature examining trust recovery has one important characteristic: it over-emphasizes the role of the trust violator (i.e., trustee) and overlooks the trustor in the trust recovery process. *Trustor* refers to individuals whose trust has been damaged (in this study, individual customers). *Trustee* refers to the target of a trustor's trust, or the trust violator (in this study, an individual organization). Specifically, all identified and reviewed studies focus on the trust violator's activities and emphasize their role in the trust recovery process. For example, researchers explore a number of trust violator-dependent strategies, including apology, explanation, denial, organizational restructuring, penance, and hostage postage, to name a few (Bansal and Zahedi, 2015; Brown, Buchholtz and Dunn, 2016; Eberl, Geiger and Aßländer, 2015; Gillespie et al., 2014; Kaufmann, Esslinger and Carter, 2018; Utz et al., 2009; van Laer and de Ruyter, 2010; Xie and Peng, 2009; Yu, Yang and Jing, 2017). Emphasis on *trust repair* and not on more encompassing *recovery* is also indicative of the dominant role assigned to trust violators in the trust recovery process.

It is, however, largely accepted in the literature on trust (e.g., initial trust building, antecedents of trust) that trust is an inherently relational phenomenon, where both parties in

the relationship play an important role (Lewicki and Bunker, 1996; Mayer et al., 1995; Rousseau et al., 1998). For example, Lewicki and Bunker (1996), in an interpersonal employment context, theorize several roles the trustee has in trust-building, maintenance, and repair processes, ranging from recognizing the violation and ascribing motives for it, to a willingness to engage in trust repair activities.

Consequently, we argue that the almost exclusive trust violator centrism in the extant literature represents an important weakness and gap in the literature. Given that we know so much about trust recovery from a trust violator's perspective, more research is needed from the neglected perspective of the victim of the trust violation. Approaching the trust recovery phenomenon from this overlooked perspective thus holds potential for significant theoretical discovery (Gioia and Pitre, 1991; Locke, 2001). Such discoveries can significantly extend and enrich our current understanding of the trust recovery phenomenon and provide novel and more nuanced and complete suggestions for managers facing a trust recovery challenge.

In addition, our analysis of extant literature on the topic (see Table 1 for more details) also shows that a large part of the literature is either conceptual and/or often involves participants who did not experience real trust violation and recovery. This is problematic because what participants experience in hypothetical scenarios, for example, might not reflect what they would experience in real trust violation situations (Harun, Rokonuzzaman, Prybutok, and Prybutok, 2018).

Building on this, we address the following research question: How does trust recovery work when the process is considered from the trustors' perspective? To this end, we have adopted a grounded theory methodology (Charmaz, 2006, 2014; Glaser, 1978; Glaser and Strauss, 1967; Locke, 2001), which is especially suitable for building and extending theory concerning people's actual experiences about particular phenomena (Charmaz, 2006; Locke, 2001). Our investigation involves 51 customers and four UK-based food retailers.

Based on our analysis, we make several contributions to the literature and practice. First, the study extends the extant literature. Studies on trust and trust repair identify a number of psychological constructs as being closely associated with trust or trust recovery (for a comprehensive review see Bachmann et al., 2015; Bozic, 2017; Kramer and Lewicki, 2010; Mayer et al., 1995; Fulmer and Gelfand, 2012), including integrity, benevolence, and ability (Mayer et al., 1995); emotions (Chen et al., 2013; Dunn and Schweitzer, 2005; Huff, 2005; Xie and Peng, 2009); forgiveness (Aquino, Grover, Goldman, and Folger, 2003; Xie and Peng, 2009); propensity to trust (Mayer et al., 1995); and habitualization (Inkpen and Currall, 1998). However, to our knowledge, this is the first study to identify forgetting as an important explanatory concept in the customer trust recovery process.

Second, it shows that trust recovery is a complex process involving tension and requiring a balancing act. For example, it is widely accepted that trust repair activities involve several steps and evolve over time (Bachmann et al., 2015; Gillespie and Dietz, 2009). However, our findings suggest that this could be detrimental to trust recovery, because such actions might interfere with customers' forgetting by reminding them of the scandal and potentially destabilizing their trust. Or, trust repair activities that evolve over longer periods could actually prolong and complicate customer trust recovery by continually reminding them of the scandal.

Third, this study shows that approaching the trust recovery phenomenon from a non-trustee perspective holds potential for significant theory development about trust recovery. Researchers should place more emphasis on the role of the trustor in trust recovery and should further examine other possible mechanisms associated with trust recovery. Relatedly, this study is unique as it involves qualitative methodology and analysis of actual customers' experiences of trust recovery, from their perspective, as opposed to much of the extant

literature, which is conceptual, uses hypothetical scenarios, or examines trust repair from a trust violator's perspective.

We begin by reviewing literature that focuses on explaining and understanding the trust recovery phenomenon. After identifying a relevant gap in the literature which informs our research question, we explain the methodology used to address it. Afterwards, we present our findings. Finally, we discuss our research contributions and lay out some fruitful avenues for future research.

Customer trust recovery: prior theory and research

The importance of customer trust for successful business (Barney and Hansen, 1994; Morgan and Hunt, 1994; Sirdeshmukh et al., 2002), together with the widespread occurrence of business scandals and trust failures (Gillespie and Dietz, 2009; Gillespie et al., 2012), has led to increasing research interest in customer trust repair (Bansal and Zahedi, 2015; Brown, Buchholtz and Dunn, 2016; Eberl, Geiger and Aßländer, 2015; Gillespie et al., 2014; Kaufmann, Esslinger and Carter, 2018 ; Utz et al., 2009; van Laer and de Ruyter, 2010; Xie and Peng, 2009; Yu, Yang and Jing, 2017). Table 1 summarizes studies on trust recovery.

---Insert Table 1 about here---

A review of existing literature on the topic shows that most researchers approach trust recovery from the perspective of the trust violator. Such trustee-centrism is evident in explanations of trust recovery that emphasize the trustee's role in the recovery process. That is, trust recovery is largely theorized as a trustee- or trust violator-induced and -led process. In line with this logic, researchers have theorized and identified a plethora of trustee-centric factors or strategies that individually or in combination, and to various degrees, are associated with trust recovery. These include apology, denial, explanation, communication, and

promises (Bansal and Zahedi, 2015; Brattström, 2015; Brühl, Basel and Kury, 2018; Cui, Zhang, Peng and Chu, 2018; Fuoli, van de Weijer and Paradis, 2017; Gillespie et al., 2014; Mattila, 2009; Utz et al., 2009; van Laer and de Ruyter, 2010; Xie and Peng, 2009); penance and hostage posting (Datta and Chatterjee, 2011; Kaufmann, Esslinger and Carter, 2018; Meyer et al., 2012; Nakayachi and Watabe, 2005; Richards et al., 2011; Xie and Peng, 2009); and involvement of third parties (Datta and Chatterjee, 2011; Richards et al., 2011).

Researchers have also identified various organizational reforms, restructuring, and regulation as successfully contributing to trust recovery, especially on an organizational level (Eberl, Geiger and Aßländer, 2015; Gillespie et al., 2014; Gillespie et al., 2012; Giraud-Héraud et al., 2006; Kaufmann, Esslinger and Carter, 2018; Meyer et al., 2012). Examples of these include changing policies and operational procedures, reforms in governance, cultural changes, redesigning incentives (Gillespie et al., 2014; Gillespie et al., 2012), changing manufacturing processes (Meyer et al., 2012), introducing private labels and corporate social responsibility (Roberts, 2011), and tightening organizational rules (Eberl, Geiger and Aßländer, 2015).

Few studies consider factors that emphasize the role of the trustor in trust recovery, including forgiveness and emotions (Aquino, Grover, Goldman, and Folger, 2003; Dunn and Schweitzer, 2005; Gillespie and Dietz, 2009; Xie and Peng, 2009). For example, Xie and Peng (2009) empirically show that forgiveness is positively associated with trust. Aquino et al. (2003) argue that addressing negative emotions is crucial for trust recovery. These studies are important because they look beyond trust violator-related explanations of trust and thus add an additional explanatory layer to theorizing about trust recovery. However, with the exception of Xie and Peng (2009), studies investigate forgiveness and emotions in the context of intra-organizational and interpersonal relationships involving employees. Given the qualitative differences in trust among different stakeholders (Sheppard and Sherman, 1998), it remains to be seen how these findings apply to trust recovery involving customers.

To sum up, extant literature on trust recovery almost exclusively explains established trust recovery using trustee-dependent factors or strategies. Few studies propose that trust recovery is also dependent on the trustor.

Methodology

The context

The empirical context of this study is a major food adulteration scandal that took place in 2013 in the UK, during which many prominent food retailers in the UK sold horsemeat labeled as beef. The scandal involved various actors in the food industry, including food producers, abattoirs, specific brands, and food retailers. Customers, the public, investors, and regulators saw specific dimensions of the scandal, either individually or collectively, as problematic: dishonest food production, incompetency on the side of food retailers, and eating horse, which is considered taboo by most British customers. The crisis had numerous consequences, one of which was a loss of customer trust. There were also financial consequences for food retailers, food manufacturers, caterers, and other stakeholders, like customers, the general public, and investors (BBC, 2013b, c; Food Standards Agency, 2014; Harris Interactive, 2013a, b). This study focuses on only one aspect of the horsemeat scandal: the violation of customers' trust by the major UK food retailers involved in the scandal (Tesco, Asda, Lidl, Aldi). These retailers represent the majority of the UK food retailing market.

There is substantive evidence of systematic decline in customers' trust toward retailers implicated in the scandal (BBC, 2013a, b, c; Harris Interactive, 2013a, b; Which?, 2013a, b, c). The root causes of this trust breakdown were that the food retailers lacked appropriate product control systems, had poor oversight over their meat supply chains, and could not adequately trace their food products. In this study, we therefore investigate the trust violation and consequent trust recovery in the context of a massive ability- or competence-

based trust violation (Gillespie and Dietz, 2009; Mayer et al., 1995). Ability “is that group of skills, competencies, and characteristics that enable a party to have influence within some specific domain” (Mayer et al., 1995).

Sample and Data Collection

The data collection and analysis were informed by grounded theory methodology (Charmaz, 2006, 2014; Glaser, 1978; Glaser and Strauss, 1967). In contrast to a deductive, theory-testing approach, where a sample needs to represent distribution of a larger population, in grounded theory, initial data collection needs to be purposeful (Charmaz, 2006; Locke, 2001; Patton, 1990). Purposeful sampling refers to sampling where the researcher is searching for data that provide the greatest opportunity to learn about the phenomenon under study (in this research, trust recovery) (Patton, 1990). Thus, in order to start our research, we needed relevant data that would enable us to build theory about trust recovery inductively.

We established our sampling criteria before we entered the field. Central to our sampling criteria was that participants to be included in this study had experienced trust recovery. To establish if invited participants had experienced trust recovery, they needed to have trusted the organization before the scandal, have experienced trust breakdown, and subsequently experienced an improvement in trust.

In our initial search for participants that had experienced trust recovery, we searched for potentially relevant participants by first sending out an online invitation to take part in the study to people we knew. These people were then encouraged to ask their friends if they would be interested in participating in the research if they found it relevant (i.e., if they had experienced trust recovery). We also invited shoppers at relevant supermarkets by standing outside the supermarkets and asking them about their willingness to participate in our study.

An initial group of 30 participants were all found to fit the criteria. Specifically, before the scandal, they regularly bought and consumed products (including meat) from the implicated food retailers. Once they learned about the scandal, they started to avoid buying meat products from the implicated food retailers. One year after the scandal, they trusted the retailers again. They explicitly stated that they trusted them, and they were once more buying and eating their meat products. Buying and eating food could be considered a proxy for trust, given that such behavior involves risk-taking, which is central to trust (Mayer et al., 1995)

We then interviewed them about their experiences of trust recovery. As the study progressed, we started to sample theoretically (Charmaz, 2006; Glaser and Strauss, 1967; Locke, 2001). Theoretical sampling differs from other types of qualitative sampling procedures in that the main aim of theoretical sampling is to find data that help develop in-progress theoretical categories and theory (Charmaz, 2006; Glaser 1978; Locke, 2001). So, we searched for customers that were able to tell us more about our in-progress theorizing. During this phase we turned to some of the already interviewed participants and identified additional participants from our initial pool of potentially relevant customers. In this phase we also added additional questions to our original interview guide in order to learn more about our in-progress theoretical concepts and theory.

In total, fifty-one participants were interviewed. The final sample size was determined by theoretical saturation (Charmaz, 2006, 2014; Locke, 2001). That is, our data collection stopped after incoming data did not provide new information about our developed theoretical concepts and theory. While we felt that theoretical saturation occurred around participant number forty, we adopted a conservative approach and included eleven additional participants.

Thirty-nine participants were in their late twenties or early thirties, and twelve participants were between forty and fifty years old. The participants' nationalities included

American, Belgian, Bulgarian, Canadian, Chinese, Dutch, French, Italian, Polish, Indian, Portuguese, Scottish, Singaporean, Slovenian, and Ukrainian. Forty-five percent of the participating customers were female. All interviewed customers considered themselves to be “regular” customers of the retailers; they felt that their relationship with the retailers was commercial in nature. Before the scandal, all participating customers ate meat.

We collected data approximately one year after the scandal occurred, using semi-structured interviews. This enabled customers to “tell their stories” about their trust recovery (Morse, 2001). Interviews lasted 40-70 minutes each; took place at the primary researcher’s office at the University of Glasgow, in public libraries, or via Skype; and were underpinned by the principles of cognitive interviewing (Fisher and Geiselman, 2010; Memon and Bull, 1991). This approach was chosen because of its relative superiority in retrieving historical data (Fisher and Geiselman, 2010; Memon and Bull, 1991). Interviews were digitally sound recorded and transcribed verbatim.

During interviewing, we used several steps to prevent imposing our theoretical ideas on participants and to develop grounded theory that represented participants’ views. First, we used generative questions and avoided leading participants in a specific direction (Charmaz, 2006). Second, we used detailed line-by-line coding, which helped us develop theoretical concepts and theory that was grounded and true to collected data (Charmaz, 2006; Glaser, 1978). Third, during interviews, we asked participants for clarification where relevant. Finally, we made clear to participants that we were interested in their lived experiences of their trust recovery, and not their opinions.

We also gathered documents (e.g. news articles, published surveys) and information pertaining to the horsemeat scandal from various websites. Specifically, data sources included The FSA, The BBC News Horse Meat Scandal, Tesco, ASDA, Waitrose, The Co-operative, Aldi, Lidl, The British Retail Consortium (BRC), Harris Interactive, TNS BMRB,

Ipsos MORI, Kantar Worldpanel, Which?, the BBC, the *Financial Times*, the *Guardian*, and the *Telegraph*. The data from these sources allowed for understanding of the research context.

Data analysis

Data analysis started after the first interview. We examined each line of text for its underlying meaning using line-by-line coding as a heuristic device (Charmaz, 2006). This conceptualization process was aided by asking general questions, e.g. “What is happening in the data fragment?” or “What does the data fragment express?” (Charmaz, 2006, 2014). Each line of text was coded with a label that captured our interpretation of its underlying meaning. As the analysis proceeded, we continued with line-by-line coding, continually comparing each data fragment with every already coded data fragment (both within each interview transcript and across different transcripts). We assigned the same conceptual label to data fragments with similar meanings. However, this also involved slight modifications/extensions of the labels to make it more abstract and thus able to capture increasing amounts of new incoming data. This strategy also enabled us to reduce the number of initial codes into fewer more manageable and abstract codes. Equipped with these focused codes, we started to examine all incoming data and investigated whether a specific code could capture the underlying meaning of the data. We also used focused coding to explore potential relationships between the focused codes themselves. We used NVivo 10 to perform systematic analysis and as a data management tool.

Findings

This section develops a grounded theory by first discussing the concepts that were identified to be central to customers’ trust recovery. Figure 1 shows the data structure. This illustrates progressive development of more abstract, second-order concepts (used for

developing grounded theory) from initial, first-order, open-codes (these codes represented an intermediate step between data and second-order concepts). Each ‘open code’ was developed from several data instances that were present across the collected interviews (exemplary data are presented throughout the findings section). We need to note that the number of open-codes reported in the data structure (Figure 1) does not correspond with the actual number of data instances they represent. For example, an ‘open-code’ called ‘admitting the problem’ (see Figure 1) represents over one hundred data instances, spread across all interviews, where customers pointed out that they heard that the retailers, in various ways, had said that they had a problem. Finally, we develop theoretical propositions that link the concepts. The section ends with a grounded theory model (Figure 2) that summarizes the findings.

----- Figure 1 about here -----

Trust repair actions and the perception of personal harm

We identified two associated concepts central to trust recovery: trust repair actions and perception of personal harm. Trust repair actions refer to trustees’ various actions used to foster trust recovery: acknowledging the failure, explanations, launching an investigation, cooperation with public inquiries, and apologies.

Acknowledging the failure is about the retailers stating that they know that they have a problem. Explanations included various statements about what might have gone wrong, what products are implicated, and what the retailers are doing to solve the root cause of the problem. Cooperation with public inquiries was about the retailers committing to work together with the food regulator to investigate the problem, to open up their supply chain, to commit themselves to public product tastings, and to prevent similar issues from occurring. Apologies signaled retailers’ regret and willingness to correct the issue(s) related to the

scandal. For example, customers noted that the retailers were “sorry” (Customer 1) and that they apologized (Customer 4). Customers also noted that retailers “will investigate the problem so that it will not happen again” (Customer 16).

In the initial stage of the trust scandal, customers questioned what had happened, wanted to understand how the scandal would affect them, were hyper-vigilant and suspicious, and consequently experienced trust breakdown. As Customer 45 noted, “I want to know what I am eating and if what I am eating can harm me [...].” Customer 3 described his experience when he first heard about the scandal: “This is food we are talking about, and that is important. I need to be sure of what I am eating, these are the basics.” Similarly, Customer 23 said that he was “really worried about the scandal” because he had “eaten these products.” He immediately “threw away [...] several packs of beef” that were in his freezer. Customer 10 noted that when the scandal happened, he “was not sure how eating these products [would] affect me.” Customer 42 noted that “when it happened I was thinking and talking about the scandal. I was concerned.” Similarly, Customer 10 stated, “I [am] concerned, I mean, I heard about this scandal and [...] don’t know if I will become sick now that I ate these products.”

Acknowledging the failure, explaining, launching an investigation, and cooperating with public inquiries by the companies helped customers to make sense of the event (e.g., what happened, what kind of risk the scandal posed to them, and who was to blame). This sense-making process took place over several weeks and was complicated by new discoveries of mislabeled products, newly implicated retailers, and updated news about why the scandal happened. Throughout the sense-making process, customers, among others, formed perceptions about what kind of risk or consequences the scandal had for them personally (i.e., perceived harm). For example, customers realized that “the products were not poisonous” (Customer 1) and that “there was no immediate risk to my health” (Customer 30).

Apologies were also positive and seen by customers as an important first step. However, many customers questioned their sincerity. For example, Customer 8 commented, “[t]hey apologized, they need to. I am not sure they were sorry. They want to make money and they will do whatever it takes to achieve that.” Nevertheless, apologies were an important part of trust repair actions, not because they would lead to trust recovery *per se*, but because they showed customers that retailers knew that their behavior was not socially acceptable. Had this been missing, this might have complicated trust recovery.

Perceived harm refers to customers’ perceptions of the consequences of the scandal for them. We identified two groups of customers based on how they perceived the consequences of the scandal: customers who perceived the scandal as having low personal consequences and customers for whom the consequences of the scandal were more salient.

Typical of the first group was a belief that the mislabeling and eating of horsemeat did not pose a great risk to their health, and that the retailers would address the problem. However, for some (four) customers, the issue was much more salient, and the scandal lingered for some time. The second group of customers placed a lot of importance on ethical food production and consumption, had various religious considerations, or were mothers who were interested in food shopping for small children. In formal terms,

Proposition 1: Trust repair actions enable customers to form perceptions about personal harm from the scandal.

The role of forgetting

The concept of forgetting refers to customers not remembering the scandal, its causes, and their damaged trust. Statements such as “I simply forgot about the whole thing” (Customer 33), “hm, the scandal just went to the back of my mind. I did not think about it since” (Customer 28), “I did not think about the scandal anymore” (Customer 24), “I forgot

about the scandal really” (Customer 25), “The scandal just dropped off my radar” (Customer 5), and “I thought about the scandal when I saw your email” (Customer 3) were typical and illustrate the principle.

However, forgetting as identified in this study does not mean that customers’ memories were lost or inaccessible. Once reminded of the scandal, they were able to recollect in detail what had happened, who was implicated and why, and the ensuing breakdown in trust. As Customer 13 said, “I still remember, of course I will remember, when you asked me about the horsemeat scandal, the first thing I thought was Tesco”. Similarly, Customer 10 said, “I forgot about the scandal and my damaged trust. If it had not been for the interview I would not be thinking about this.” Customer 17 noted, “actually, during the interview, I started to think that I forgot about the scandal and the trust issue.”

Some customers forgot about the scandal more easily and quickly than others. Customers who perceived the scandal as having low personal consequences forgot it quickly (within three to four weeks). However, for customers for whom the consequences of the scandal were more salient, the scandal lingered for some time (more than a month). However, eventually they too forgot about it.

Customers found their experience of forgetting the scandal natural and unconscious. For example, one customer said that he “simply forgot [...]” the scandal (Customer 12). Another said, “In retrospect, I realize that I didn’t actually know that I actually forgot the episode [...]” (Customer 40). Customer 32 noted, “It is not like I decided to forget about the scandal. I simply forgot [...] I guess, at some point, I just stopped thinking about the horse meat scandal.”

Our data suggest that customers’ memories of the scandal and their damaged trust remained in the back of their minds for as long they were not reminded about it. So, not being reminded of the scandal played a crucial role in customers’ trust recovery, because not being

reminded helped maintain customers' forgetting. Customers who did not think about the scandal for most of the time since its occurrence. As one customer noted, "there wasn't anything to remind me about it, so I never thought about the scandal and my damaged trust basically" (Customer 9). When customers heard about the horsemeat scandal again (through our invitation to take part in this study), they remembered that many food retailers had been selling mislabeled meat products.

We found evidence that forgetting was determined by customers' perception of personal harm. For example, Customer 40 said, "I remember well that I was concerned but when I learned that the meat is not dangerous for my health [I] simply forgot about the whole thing."

Drawing on the collected data, we established that distractions underpinned this relationship. That is, customers turned their attention from the scandal to various other things. Specifically, the perception of relatively low perceived harm meant that the scandal itself was deemed by customers to be not very salient, and therefore not very interesting. For example, Customer 23 noted, "once we were assured that it is horse meat and not like rat meat I was less concerned and less interested in the whole thing." This led customers to turn their attention to other things they deemed more important and interesting; for example, news, personal problems, and tasks at work. To illustrate, customers remarked on other more important things happening at that time, such as, "we got a baby and my life was all about waking up, feeding her, and finding some time to work and relax" (Customer 22), there was "a war in Syria" and "people getting killed" (Customers 5, 9, and 12), "I became very busy at work" (Customer 44); Customer 3 said they were "going through some tough time[s] personally [...] that were much more important than the horse meat scandal."

Initially, customers kept engaging with the scandal (for example, when they heard updated news that further mislabeled products were found or that another food retailer was

implicated). However, they again turned their attention elsewhere. After some time, they no longer reverted to thinking about the scandal. We also found that distraction played a role in forgetting amongst people who initially perceived the scandal to be more salient. In formal terms:

Proposition 2: The perception of personal harm is associated with forgetting.

Forgetting played an instrumental role in trust recovery. It was associated with trust recovery because when customers forgot about the scandal, they also forgot about the retailers' inability to manage the meat supply chain, and to precisely know the contents of the products they sold. This was a root cause of the retailers' implication in the scandal. Ability is a well-known antecedent of trust (Mayer et al., 1995). After the scandal, the retailers were not involved in a similar scandal. So, when making trust decisions, customers did not find the retailers' ability problematic, and consequently had no reason not to trust them. The following exemplary statements illustrate that one year after the scandal, customers did not think the retailers had an ability problem. For example, Customer 5 said, "I am not sure why are you asking me if I trust Tesco [...] Is there any reason why I should not trust them?" Similarly, Customer 16, after being asked about his trust in Tesco and Asda, immediately answered, "of course I trust them," and later explained that he trusts them "to sell good products." Customer 15 asked us, "why wouldn't [I] trust Asda?" In formal terms,

Proposition 3: Forgetting about the scandal is associated with trust recovery.

Discussion

The aim of this study was to answer the research question specified in the introduction: How does trust recovery work when the process is considered from the trustors' perspective? We established, through analysis of extant literature focusing on customer trust recovery, that the literature is trust violator-centric, which is a major weakness, given that

trustors, not only trustees, play a crucial role in trust and trust recovery processes (Lewicki and Bunker, 1996; Mayer et al., 1995).

Our qualitative analysis involving interview data collected from fifty-one customers who experienced actual trust violation and recovery led us to the following findings. Trust recovery starts with an initial set of observed trust repair activities, which help customers to make sense of the scandal (what happened, who is responsible, and what are the personal consequences of the event). If a customer thinks that personal harm is minimal, he will start forgetting about the scandal as his interest and attention shift to other events and thoughts. Forgetting is associated with trust recovery, because customers who have forgotten about the scandal do not have any reason not to trust.

Theoretical implications

The identification of forgetting as a central explanatory concept of trust recovery contributes to the literature and practice. First, it extends the extant literature. Studies on trust and trust repair have identified a number of psychological constructs as being closely associated with trust or trust recovery, including integrity, benevolence, and ability (Mayer et al., 1995); emotions (Chen et al., 2013; Dunn and Schweitzer, 2005; Huff, 2005; Xie & Peng, 2009); forgiveness (Aquino, Grover, Goldman, and Folger 2003; Xie and Peng, 2009); propensity to trust (Mayer et al., 1995); habituation (Inkpen and Currall, 1998); and apology, explanation, denial, organizational restructuring, penance, and hostage postage (Bansal and Zahedi, 2015; Brown, Buchholtz, Dunn, 2016; Eberl, Geiger, and Aßländer, 2015; Gillespie et al., 2014; Kaufmann, Esslinger, Carter, 2018; Utz et al., 2009; van Laer and de Ruyter, 2010; Xie and Peng, 2009; Yu, Yang, and Jing, 2017). To our knowledge, this is the first study to identify forgetting as an important explanatory concept in the customer trust recovery process.

Second, it shows that trust recovery is a complex process involving tension and requiring a balancing act. For example, it is widely accepted that trust recovery involves various steps and requires that trust repair activities evolve over a period of time (Bachmann et al., 2015; Gillespie and Dietz, 2009; Gillespie et al., 2014). Our findings, however, suggest that following such prescriptions could be detrimental to trust recovery. When customers forget about the scandal, latter stages of trust repair could remind them of it, which could destabilize any trust that is based on forgetting. Relatedly, trust repair activities that evolve over a longer period could actually prolong and complicate customer trust recovery, by repeatedly reminding customers of the scandal. However, stopping them could be detrimental to trustors. Other stakeholders (e.g., media), could take note, public discourse about the scandal could continue, and the organization could face serious legitimacy issues (Suchman, 1995). Research by Pfarrer, De Celles, Smith, and Taylor (2008) offers some suggestions about how to manage the competing interests of various stakeholders after organizational failures.

Third, this study shows that approaching the trust recovery phenomenon from a non-trustee perspective holds potential for significant theory development about trust recovery. Researchers should place more emphasis on the role of the trustor in trust recovery and should further examine other possible mechanisms associated with trust recovery. Relatedly, this study is methodologically unique, as it involves qualitative methodology and analysis of actual customers' experiences of trust recovery, from their perspective, as opposed to much extant literature which is conceptual, uses hypothetical scenarios, or examines trust repair from a trust violator's perspective.

Our findings pertaining to other parts of our grounded theory model find some support in literature on crisis management (e.g., Vassilikopoulou, Siomkos, Chatzipanagiotou, and Pantouvakis, 2009), neuroscience, memory studies and psychology

(e.g., Barnett, 2014; Kansteiner, 2015; McGaugh, 2013), and trust repair (Bachmann et al., 2015; Bozic, 2017; Kramer and Lewicki, 2010). Specifically, our finding that customers forgot the trust transgression and its consequences, which we captured with the concept of forgetting, finds support in Vassilikopoulou et al.'s (2009) study investigating responses and the influence of time after product-harm crisis. The researchers found that after a few months customers tend to “forget” the crisis and its effects. Similarly, Kansteiner (2015) points out that people often forget various organizational scandals and scandals involving celebrities. Identification of initial trust repair activities performed by the trust violator (e.g. acknowledging the failure, explanations, launching an investigation, cooperation with public inquiries, apologies) is also supported by trust repair studies that adopt a more processual approach to trust (Gillespie and Dietz, 2009). Like these studies, we also found that initial trust repair activities are important, as they help trustees’ sense-making, but are not enough for trust recovery. Finally, identification of perceived personal harm being associated with forgetting is close to McGaugh's (2013) study. McGaugh argues that there is an association between forgetting an event and the perceived significance of the event, which is explained by emotional arousal at the time of the event. If an event is emotionally significant for people, it is likely that it will be remembered. For participants in this study, the scandal was not a highly emotional event. Similarly, Barnett (2014) highlights how self-interest is associated with people’s desire to look for specific things. People pay attention to things that they find interesting. Consequently, this requires a change in one’s field of vision (Barnett, 2014).

Managerial implications

Lewicki and Bunker (1996) argue that because of the importance of trust for business, together with the high prevalence of organizational transgressions that have a negative impact on trust (Gillespie and Dietz, 2009; Gillespie et al., 2014; Lewicki and Bunker, 1996), understanding how to repair trust has become a key managerial competency. Our findings

help build this competency. The findings suggest that managers should adopt an active role. When transgression occurs, managers need to engage in appropriate early trust repair actions. This is important because after the scandal, customers are hyper vigilant, unsure about both the root cause of the problem and any personal consequences of the scandal. Repair activities provide necessary initial information for customers' sense-making about the trust breakdown and judgements about the seriousness of the transgression for them personally. On this basis, customers can establish how great a risk the scandal poses to them. However, through this process and immediately after initial trust repair actions, managers should also try to influence customers' forgetting, as this is positively associated with trust recovery. To this end, they should, where relevant, stress the relatively low personal risk and consequences for customers stemming from the transgression. We do not, however, encourage downplaying the scandal if the consequences are significant (e.g., serious health implications).

However, when required by the media or regulators, for example, managers need to engage in prolonged trust repair activities (e.g., updating these stakeholders about the progress made in addressing the root cause of the transgression). If not, managers might undermine organizational legitimacy. Such information thus needs to be carefully targeted at the media and/or regulator, for example, to minimize interference of this communication with customers' trust recovery based on forgetting, as such communication could remind customers of the scandal and thus potentially destabilize their trust.

Limitations and directions for future research

As with all studies relying on interviews to collect data about participants' experiences, we run a risk of historical reconstruction (Blaikie, 2009). We mitigated this problem by conducting interviews in line with the principles of cognitive interviewing (Geiselman et al., 1984). In addition, retrospective studies might be the only viable option for studying trust recovery from customers' perspective, because of the difficulty of accessing

“live” trust recovery (Weick, 1990). In inductive theory-building, generalizing the findings to other situations must be done with care. Nevertheless, we think that this study’s findings can be used for “naturalistic generalization” (Stake, 1978) and are transferable to other, similar contexts (Lincoln and Guba, 1985). We believe that our findings apply especially in trust breakdown and repair situations where there is relatively low personal harm stemming from the scandal. Organizational-level trust literature (Bachmann et al., 2015) and practical examples of trust breakdown and repair show that many organizational-level trust failures have such a character.

However, we know that the consequences of a trust scandal can have enormous emotional, physical, and financial consequences for trustors. Further research could investigate how and to what degree, if at all, the findings of this study apply to such situations. So, alternative contexts, different levels of severity, or another form of trust breach would be interesting contexts to test the findings presented here. Finally, researchers should adopt a broader perspective when studying trust recovery by looking beyond narrow trustee-centric explanations of trust recovery. For example, further research could also adopt the trustor’s perspective when studying trust repair. Similarly, researchers could investigate the phenomenon using different paradigmatic lenses (Burrell and Morgan, 2017; Gioia and Pitre, 1991). Finally, more studies could adopt qualitative methodologies, including ethnography, case studies, grounded theory, and phenomenology. Such approaches are lacking in the extant literature but can enable researchers to come closer to subjective real-life experiences of trust recovery. As this study evidences, approaching trust recovery from a non-dominant perspective holds the potential to extend and enrich theory and research on this increasingly important topic and managerial competency.

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FIGURE 1: DATA STRUCTURE

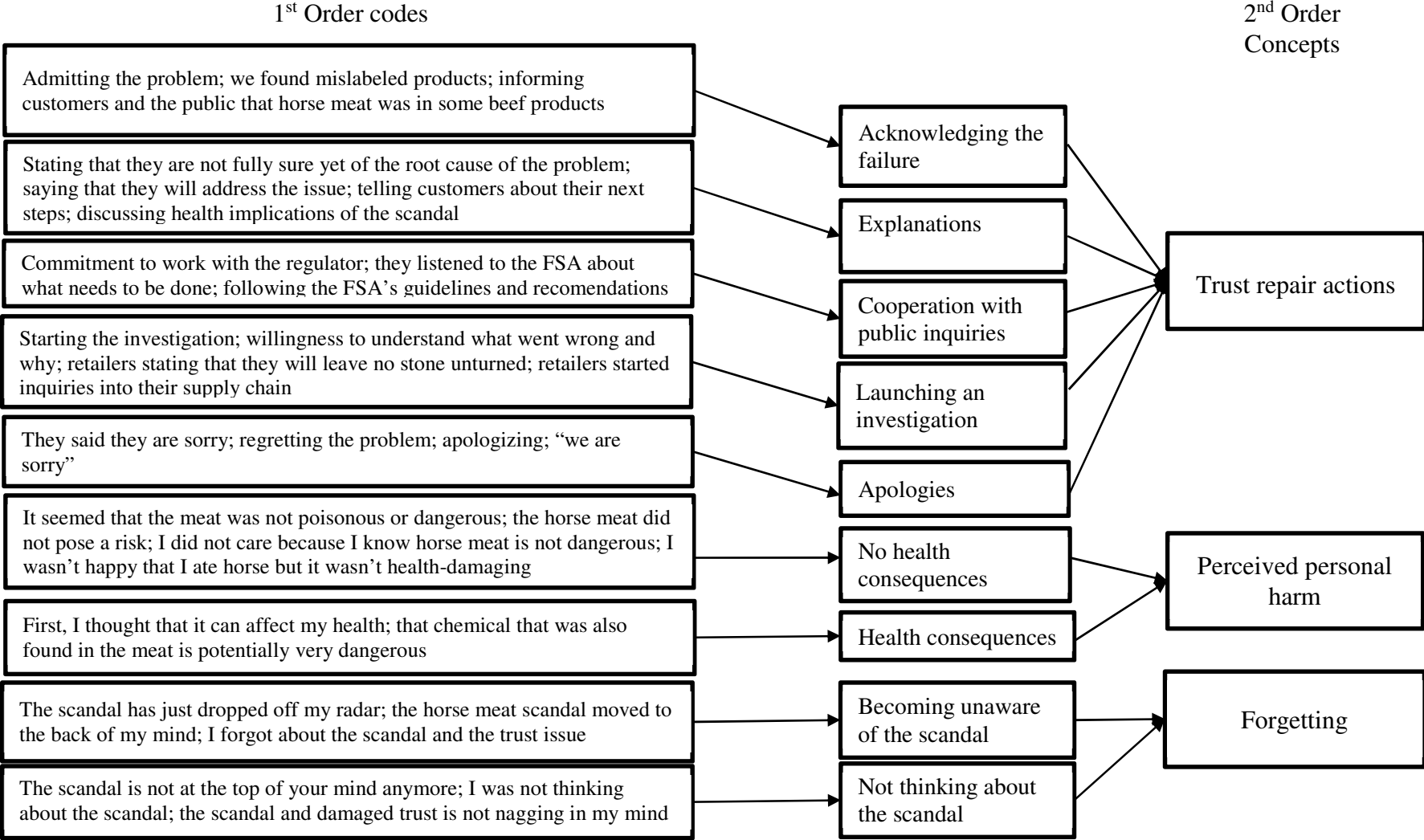


FIGURE 2: THEORETICAL MODEL OF CUSTOMERS' TRUST RECOVERY

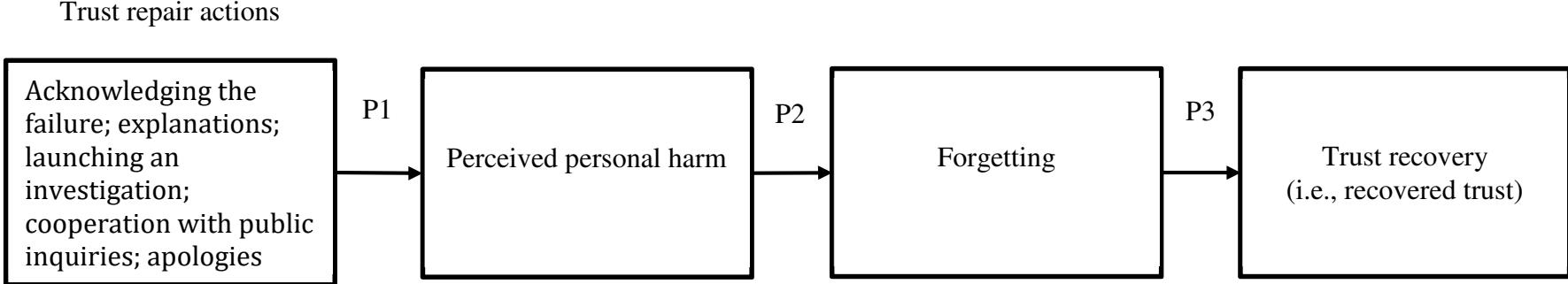


TABLE 1: LITERATURE OVERVIEW ON TRUST RECOVERY

Source	Focus	Methodology	Key findings	Trust violation	Trustee
Bansal and Zahedi (2015)	Process of customer trust violation and repair via apology, denial, and no response	Laboratory experiment, 364 students	Apology was a universally effective trust repair strategy. Denial was effective for trust repair only in the context of hacking. The trustee's inaction did not repair customer trust.	Hacking of private customer data held by a firm and unauthorized information-sharing	U.S.-based e-commerce business
Benoit, Forkmann, Hartmann, Henneberg and Ivens (2018)	Explored refuting strategies, which inform about the cause of the incident being a (sub)-supplier, and rectifying strategies, namely collaboration, monitoring, and relationship termination for trust repair	Vignette-based experiment with accompanying survey items collected from 1,103 respondents	Rectifying strategies are more effective than refuting strategies: while refuting strategies aggravate trust damage, all three rectifying strategies help to repair trust equally well.	Incident caused by a contractor in the upstream value chain	Organization
Brattström (2015)	The different choices managers make after trust has been violated	Conceptual	Shows how control and apologies work jointly to repair trust after it has been violated.	Inter-organizational trust violation	Organization
Brown, Buchholtz and Dunn (2016)	Theorized trust repair that is based on goodwill and moderated by the firm's stakeholder culture	Conceptual	Moral salience is theorized as being central to trust repair. The greater the moral salience, the greater the need for an investment in goodwill to re-establish trust.	Organizational misconduct	Organization
Brühl, Basel and Kury (2018)	Trust repair with communication involving apology, excuse, and refusal	Experiment with 368 participants	Apology is a double-edged sword; it repairs trust more successfully than refusal and excuse. It is, however, less successful than refusal and excuse because when organizations apologize people see them as being more responsible/accepting more responsibility.	Integrity-based trust violation	Organization
Chen et al. (2013)	Impacts of causal attributions on trust violations, and the coping strategies involved in customer trust repair	Survey, 513 active e-shoppers	Positive moods served as an important mediating variable for rebuilding customer trust. Informational repair directly rebuilt customer trust.	Reception of low-quality or defective products, or poor-service	Clothing and customer electronics e-commerce

					business in Taiwan
Cui, Zhang, Peng and Chu (2018)	Examined the trust repair implications of using different apology types and compensation types simultaneously after different trust violations in e-commerce	2 × 2 × 2 experimental design involving 440 participants	An apology with internal attribution is more effective in repairing trust than apologies with external attribution for integrity-based trust violations. An apology with external attribution is more effective in repairing trust than apologies with internal attribution for competence-based trust violations. Overcompensation repairs trust more effectively than equal compensation only when the mistrusted party apologized with an internal attribution for a competence-based trust violation, or the mistrusted party apologized with an external attribution for an integrity-based trust violation.	Competence- and integrity-based trust violations	e-commerce
Dameri and Bonfante (2007)	How IT systems can help banks to enhance customers' trust	Case study based on publicly available data	Operational quality and effectiveness were antecedents of customers' satisfaction with financial products and services, and customers' satisfaction was an antecedent of customer trust.	Various financial scandals in the 2000s	Retail banks in Italy
Datta and Chatterjee (2011)	Customer trust reduction and customer trust recovery	Survey of 139 active online shoppers	Customers' trust in online intermediaries restored their trust in online markets.	Online market inefficiencies in the context of electronics purchases	Online retail
Debab and Yateem (2012)	Key factors that influenced trust in the period after the global financial crisis	A survey that included 200 retail bank customers	Customer trust recovery involved actions by the banks, by the central bank, and by the government.	2008 global financial crisis	Banks
Dietz and Gillespie (2012)	Six real-life cases of organization-level trust repair through the lens of the G-D model	Theory-testing using retrospective case studies	The authors found support for the G-D model.	Various predominantly integrity-based and competence-based trust violations	Organizations (Siemens, Mattel, Toyota, MAE Systems, BBC, and Severn Trent)
Eberl, Geiger and Abländer (2015)	How an organization attempts to repair trust after integrity violations	Case study, qualitative approach	Tightening organizational rules signals trustworthiness for external stakeholders and demonstrates that the organization intends to prevent violations in the future.	Integrity-based trust violation (corruption case of Siemens AG)	Organization

Eckerd and Handley (2015)	Interorganizational violations and repair	Multiple-stage vignette; survey involving 218 procurement professionals across a range of industries	Relational repair processes are more effective than regulatory repair processes in trust repair.	Integrity- and competence-based violations	Organization
Friend, Costley, and Brown (2010)	Examined 'nasty' retail shopping experiences, with a focus on distrust and trust	Storytelling as memory work involving nine participants	Customer trust was repaired after the store accepted responsibility and apologized.	Violation of shoppers' expectations related to store employees' job competence	Retail clothing store in New Zealand
Fuoli, van de Weijer and Paradis (2017)	Investigated the effect of apology and denial on individuals' trust in a company accused of corruption	Experiment	If evidence against the company is weak, trust is repaired more successfully with denial than apology. Denial was found to outperform apology in repairing perceptions of the company's integrity and benevolence even in the face of strong evidence, and it was as effective as apology in restoring perceived ability and trusting intentions.	Corruption scandal	Organization
Gillespie et al. (2012)	Explored the global financial crisis (GFC) from a trust perspective to identify insights and principles for the practical repair of institutional trust	Theory-testing using a single, longitudinal (retrospective) contextualized case study	The authors found support for the G-D model. Key for trust repair were distrust regulation, control mechanisms, and structural approaches.	Global financial crisis	Financial institutions and financial market
Gillespie et al. (2014)	Organization-level trust repair framework and reintegration theory in the context of various stakeholders	Theory-testing using a single, longitudinal (retrospective) contextualized case study	The case study supported the G-D model. Three additional trust repair factors were identified: re-establishing a positive organizational identity among the workforce, changing of the guard at the top, and reforming targeting procedures and culture.	Integrity-based violations (i.e. fraud and a data manipulation scandal)	Severn Trent
Giraud-Héraud et al. (2006)	New private labels used by retailers	Conceptual paper	New private labeling of food reassured customers that retailers more fully considered quality, food safety, and environmental safety factors.	Food safety issue (e.g. mad cow disease)	Food products (e.g. meat)

Guo, Zhang, Wang, Li and Tao (2018)	Green brand trust repair after greenwashing	Experimental study involving 240 participants	Firms should adopt a “timely-considered-timely” or “timely-considered-considered” brand strategy with three separate stages of brand trust repair, as opposed to other timely or considered brand strategy combinations, in order to achieve an optimal green brand trust repair effect.	Greenwashing	Organization/brands
Huff (2005)	Development of customer trust in service providers	Deductive and inductive theory-building	Customer forgiveness led to regained trust after a trust violation.	Not specified	Various service providers (e.g. healthcare provider, restaurants)
Kaufmann, Esslinger and Carter (2018)	The effectiveness of different repair actions (penance and regulation) in promoting trust repair	A scenario-based role-playing experiment	Points to the effectiveness of trust repair mechanisms, such as penance and regulation, in actually improving buyer-supplier relationship resilience after a psychological contract breach.	A psychological contract breach	Organization
Knight et al. (2015)	Role of a firm’s apology in trust recovery	Experiment; 284 students	The firm’s apology was successful in regaining customer trust when customers perceived it as sincere.	Guilty plea to charges of misleading advertising	Organization (GlaxoSmithKline)
La and Choi (2012)	Repair of customer-firm relationships (loyalty) after service failure	Survey; 199 participants who had experienced service failure and recovery	Customers’ trust in the service provider after service failure was recovered through customer affection.	Various service failures	Various service providers (e.g. restaurants, hotels)
Liao et al. (2009)	Trust repair for an online retailer	Survey; 108 online students	Perceived trustworthiness had a significant effect on the continuance of trust intention, and perceived trustworthiness was a function of trustor confirming their expectations.	Negative experiences when buying products online	E-retailer
Mattila (2009)	Customer trust repair in the context of service firms	Experiment; 143 students	Causal explanation by pointing to an external cause of the failure, together with a sincere apology, recovered customers’ trust in a service firm more effectively than denial.	Price gouging in the aftermath of Hurricane Katrina	Organization (hotel)
Meyer et al. (2012)	Nature and dimensions of customer trust in food	Principles of grounded theory coding; 47 semi-structured interviews	Re-establishing the trust of metropolitan customers may be achieved via an increase in local food production and consumption.	Growing gap between customers and the food system	Food system
Nakayachi and Watabe (2005)	Voluntary hostage posting’s effects for repairing the	Three experiments involving 198, 313, and	Voluntary hostage posting by the organization improved customers’ perceptions of the organization’s trustworthiness.	Faulty products	Manufacturer of musical instruments

	organization's trustworthiness	44 students respectively			
Richards et al. (2011)	How supermarkets manufactured customer trust in the safety and quality of the food they sold after the trust was questioned	Conceptual paper with a case study analysis based on visual sociology research methodology	Supermarkets used three strategies to generate customer trust: reputational enhancement, direct quality claims, and discursive claims.	Widening gap between food production and customers, and various food scares	Food retailers
Roberts (2011)	Issues of low trust of Chinese customers in the context of various food-related scandals	Conceptual paper and illustrative case study	Adoption of corporate social responsibility should lead to the recovery of customer trust in the food industry.	Various food scandals in the food industry in China	Food industry
Ring (2005)	Governmental attempts to recover customer trust in the pension sector	Inductive qualitative study	Reforming structural constraints, policing mechanisms, insurance-like arrangements, simplification, and empowering of customers not very effective for trust repair.	Trust failures in the financial sector and increasing complexity of the public pension sector	Private and public pension sector
Yu, Wu and Lin (2017)	The impact of trust repair strategies in creating positive emotions for customers and consequently trust repair	Survey of smartphone users	Brand users that develop initial trust of telecom operators tend to transfer their trust to channel distributors.	Unfavorable events	Organization
Spicer and Okhmatovskiy (2015)	Repair in the Russian bank deposit market	Survey; 2,400 Russian individuals	A theory separating trust recovery due to increased regulation by the state and trust recovery due to state ownership in a specific bank.	2008 financial crisis	Banking system
Stevens, MacDuffie and Helper (2015)	Strategies for achieving optimal trust	Comparative case study research design involving two cases	Reorientation process is required for trust repair.	Various trust-violating issues	Organization
Utz et al. (2009)	Explored an e-vendor's trust repair efforts (i.e. apology and denial)	Pilot study that included 1,141 active eBay users in the Netherlands, and an experiment that included 448 Dutch eBay users	A trustee's apology was more effective than a denial of responsibility for customer perceptions of the trustee's trustworthiness, independent of the trust violation type.	Integrity-based and competence-based trust violations	E-retailer

van Laer and de Ruyter (2010)	Restoration of customer trust after integrity violation	Three experiments involving 153, 145, and 95 students respectively	A narrative apology was more effective for restoration of integrity (trust) than any other response tested (narrative denial, analytical denial, and analytical apology).	Integrity-based trust failures	GP, CEO, and sales representative
Wu et al. (2013)	Trust repair	Survey; 471 smartphone users	Affective, functional, and information repair actions improved trust via positive emotions.	Poor products and complaints	Mobile phone company
Xie and Peng (2009)	How an organization can repair customer trust after negative publicity	Experiment; 220 students	Customer trust recovery was based on recovered perceptions of the firm's integrity and competence, and customer forgiveness.	Negative publicity related to product harm crisis or environmental pollution crisis	Electronics retailer
Zhang (2012)	Customer trust repair	Conceptual paper	Customer trust recovery in a food retailer is a function of a trustor's propensity to forgive, a trustee's apology or promise and apology, and customer trust in the government.	Food scandals	Food retailer