

The role of customer and service provider mindfulness on trust recovery after a service failure

Marta Bicho

IPAM Lisboa & Instituto Universitário de Lisboa (ISCTE-IUL), Business Research Unit (BRU-IUL)

Natália Pacheco

IPAM Lisboa

Luisa Martinez

IPAM Lisboa

Cite as:

Bicho Marta, Pacheco Natália, Martinez Luisa (2021), The role of customer and service provider mindfulness on trust recovery after a service failure. *Proceedings of the European Marketing Academy*, 50th, (94291)

Paper from the 50th Annual EMAC Conference, Madrid, May 25-28, 2021



The role of customer and service provider mindfulness on trust recovery after a service failure

Abstract

Consumers' perception towards trust recovery tactics in the presence of a service failure might be dependent upon a variety of factors (e.g., customer's cognitive, emotional and behavioral reactions). Additionally, consumers' mindfulness levels (high vs. low) could play a role on the trust recovery tactics of a service failure. Moreover, mindfulness in services may be addressed also to the level of mindfulness of the service provider. Although some research has given attention to the emotional role of consumers to service failure responses, investigation regarding the influence of mindfulness is still very limited. This paper aims to fill this gap by examining whether trust recovery tactics of a mindful service provider will be more effective in recovering trust of mindful customers (vs. low mindful customers). The theoretical foundations for this examination are drawn and some propositions are made for future empirical investigation.

Keywords: service failure; trust; mindfulness.

Track: Services Marketing

1. Introduction

Service failures are common due to the unique difficulty to standardize services and its dependence on the actions of both providers and customers (Balaji, Roy and Quazi, 2017; Ndubisi, 2012). Service failures may violate consumer trust and generate some undesirable consumer reactions, such as negative word of mouth and acts of revenge (Pacheco, Geuens, and Pizzutti, 2018; Pulga et al., 2019). Therefore, trust recovery is of extreme importance for maintaining current customers and preventing their potential negative reactions. Service providers may adopt different trust recovery tactics, such as apology, promise, explanation, information sharing, financial compensations, etc. (Bozic, 2017; Pacheco, Pizzutti, Basso, and Van Vaerenbergh, 2019). But trust recovery is not just a question about what the service providers do — i.e., the tactic they adopt — but also how they do it — e.g., with courtesy, effort, empathy, and willingness to listen (Van Vaerenbergh, Varga, De Keyser, and Orsingher, 2019). Regarding the way of doing things in general rather than in trust recovery specifically, some attention has been devoted to mindfulness and how it may impact different life areas (e.g., promoting relationship and consumer loyalty, enhancing healthy food choices, providing the sense of psychological safety in organizational culture) (Kidwell, Hasford, and Hardesty, 2015; Ndubisi, 2014). Mindfulness in services may be addressed in two levels, namely the level of mindfulness of the service provider and the customer's level of mindfulness. Therefore, mindful service providers may increase service reliability and customer satisfaction (Ndubisi, 2012), and mindful consumers tend to evaluate the situations more carefully, which impacts their perceptions and behaviors (Ndubisi, 2014). Despite the increased trust that mindful customers (*vs.* low mindful customers) have in superior value service providers (Ndubisi, 2014), services failures may happen and violate consumers trust. Thus, this paper addresses the following research question: *What is the role of mindfulness on trust recovery after a service failure?* Therefore, the main purpose of this research is to understand the role of mindfulness on trust recovery after a service failure. Specifically, we want to investigate whether trust violation is higher for high mindful customers (*vs.* low mindful customers) and whether trust recovery tactics are more efficient for mindful customers (*vs.* low mindful customers). Moreover, we propose that mindful service providers may decrease perceived consumer trust violation and increase satisfaction. Due to their increased attention to details (Brown & Ryan, 2003; Ndubisi, 2014), mindful customers (*vs.* low mindful customers) are more likely to identify clues about lack of competence and integrity of the service provider, thus impacting customer trust. Thus, we propose that mindful

customers (*vs.* low mindful customers) are more likely to exhibit lower levels of trust when a service failure is due to either lack of competence or integrity of the service provider. Although the increased attention to details of mindful customers (Brown & Ryan, 2003; Ndubisi, 2014) may lead to lower levels of trust compared to low mindful customers, it may also lead to greater trust recovery when the service provider has a high level of mindfulness. In other words, because of their increased attention to details, mindful customers (*vs.* low mindful customers) are more likely to identify the effort of a mindful service provider that is being courteous and empathetic while trying to recover customer trust. So, we propose that trust recovery tactics of a mindful service provider will be more effective in recovering trust of mindful customers (*vs.* low mindful customers). Studying consumers' mindfulness and service providers' perceived mindfulness on trust recovery turns out to be critical as improving service reliability, for instance when trust violation happens, is critical on service delivery. Service consumers search for quality cues and signs, and how companies respond to trust violation and trust recovery is determinant for customers satisfaction. This paper aims to advance knowledge by integrating pioneering research on mindfulness into service marketing research. The contributions of this paper involve the comprehension of the role of mindfulness in service failure, and consumer trust. The way customers manage their emotions is crucial for the way they interpret and respond to service failure recovery strategies.

2. Theoretical Framework and Literature Review

2.1. Customer trust violation and trust recovery

In a marketing context, trust refers to the customer's expectation that a company is credible and capable of fulfilling its promises (Sirdeshmukh, Singh, and Sabol, 2002). This definition involves beliefs on a company's operational competence, benevolence and problem-solving orientation. Operational competence consists on competent execution of actions by the service providers, operational benevolence refers to service providers' behaviors that favor the consumer's interest rather than self-interest, and problem-solving orientation refers to the service provider anticipating and solving problems that may arise during the service execution (Sirdeshmukh et al., 2002). Although trust plays a crucial role in customer-company relationships (Pulga et al., 2019), companies are not always able to fulfill their promises and trust violations are common (Bozic, 2017; Schweitzer, Hershey, and Bradlow, 2006). Trust violation can lead to negative consequences such as customer rage and lack of commitment (Bozic, 2017). These consequences depend on how intense are the

customer's cognitive, emotional and behavioral reactions to the trust violation (Wang & Huff, 2007). In turn, the intensity of customer's reactions depend on factors like the severity and the perceived cause of the violation (Wang & Huff, 2007). Wang and Huff (2007) explain that a company's failure and a trust violation are two different yet interconnected concepts. Trust violation occurs when the customer perceives that the company violated a pre-existing psychological contract. Thus, a failure only violates trust if the customer perceives it as a violation of the psychological contract they had with the company. In other words, not every failure by the company leads to trust violation but trust violation begins with a failure by the company (Wang & Huff, 2007). As trust violation begins with a failure by the company (Wang & Huff, 2007), some of the options that companies have to deal with the service recovery may be used as well for trust recovery. Van Vaerenbergh et al. (2019) divided the options that companies have during service recovery into three groups according to the types of organizational response: (1) Compensation (e.g., monetary compensation, new/exchanged goods, new/reperformed services, and apology); (2) Favorable employee behavior (e.g., excuse, justification, referential account, credibility feedback, courtesy, effort, empathy, and willingness to listen); and (3) Organizational procedures (e.g., customer participation, employee empowerment, flexibility, and recovery time. While some of these options refer to a service recovery technique per se (i.e., the compensation options), other options focus more on how to perform the options (e.g., empathetically and quick response). Some of the service recovery options mentioned by Van Vaerenbergh et al. (2019) are also mentioned by Bozic (2017) as trust recovery techniques. According to a systematic literature review conducted by Bozic (2017), the trust recovery techniques that companies may use are divided into five categories: (1) Verbal responses, which refers to companies' responses that do not have a tangible element (e.g., apology, denial, promise, explanation, information sharing, etc.); (2) Organisational restructuring, which refers to modifications in an organisation's structure and functioning such as the adoption of corporate social responsibility or the introduction of new customer recognition programs; (3) Penance refers to a self-inflicted punishment made by a company to express regret for the wrongdoing (e.g., financial compensations); (4) Hostage Posting refers to voluntary monitoring and a self-sanctioning system; and (5) Involvement of/Use of Third Parties, refers to the use of people or institutions outside the company to repair trust (e.g., celebrity endorsement, expert endorsement, use of trusted online intermediaries, etc.).

Apology and financial/monetary compensation were mentioned both as service and trust recovery techniques (Bozic, 2017, Van Vaerenbergh et al., 2019). Apology is the most

studied trust recovery technique (Boznic, 2017). Promise is mentioned by Boznic (2017) and although is not mentioned as an option for the service recovery phase by Van Vaerenbergh et al., (2019), it is mentioned as an option in the post recovery phase. The authors use the name process recovery communication, which consists of informing customers about the actions performed by the company to prevent a recurring failure (Van Vaerenbergh et al., 2019) and it is very similar to the idea of promising consumers that the failure won't happen again. Explanations have limited value for trust repair (Bozic, 2017). Studies involving organizational restructuring techniques are conceptual in nature, without theory testing (Bozic, 2017). Therefore, these types of techniques will not be addressed by the present research. The systematic review conducted by Bozic (2017) shows that the effectiveness of trust recovery techniques may depend on the cause of trust violations. For instance, apology was more effective to recover consumer trust after competency- rather than benevolence-based trust violations. Financial compensation was ineffective after integrity - and benevolence-based trust violations. When comparing denial and apology effectiveness after morality - or integrity-based trust violations, Bozic (2017) mentions conflicting results of previous studies in which denial was more effective than an apology in one study, but less effective than apology or ineffective in other studies.

2.2 Mindfulness

Mindfulness research started consistently in the 1970s (Goleman & Davidson, 2018). Since the 2000s a great evolution occurred in this topic, specifically, due to the application of innovative research methods (Qiu & Rooney, 2019). Moreover, there was an exponential increase in the number of scientific articles on the topic. In 2016 it was possible to count about 1100 publications in this area, in English (keywords: meditation; mindfulness; compassion meditation; benevolence meditation) (Goleman & Davidson, 2018). There are several definitions of mindfulness. For instance, mindfulness can be understood as a state of consciousness in the present moment, a state of awareness, being attentive, an accepting attitude (Brown & Ryan, 2003; Brown, Ryan, and Creswell, 2007). To the purpose of this paper, mindfulness is considered as “a state of being attentive to and aware of what is taking place in the present” (Brown & Ryan, 2003, p. 822). Thus, mindfulness is inherently a state of consciousness. Mindfulness is often experienced through meditation practices. However, meditation is not a single activity, but a wide range of practices, all of which act in particular ways on the mind and brain (Lumma, Kok, and Singer, 2015). Considering mindfulness effects, the neurological and biological benefits are the best documented by science. In an

initial phase, a few minutes of practice have surprising benefits. The greater the number of hours practiced, the greater the benefits, resulting in altered traits. Thus, changes occur in the brain that science had never seen before (Davidson & Kaszniak, 2015). However, assessing individuals' mindfulness levels might be challenging, as there are diverse issues that were found to be problematic for methodological concerns: the influence of meditation guides, lack of practice time measurement, physiological measurements instead of brain measurements, small samples, sample representativeness, confusion about what meditation really is (Davidson & Kaszniak, 2015; Goleman & Davidson, 2018). One of the most applied mindfulness scales is The Mindful Attention Awareness Scale (MAAS), which assesses individual differences in the frequency of mindful states over time (Brown & Ryan, 2003). The MAAS is focused on the presence or absence of attention to and awareness of what is occurring in the present rather than on attributes such as acceptance, trust, empathy, gratitude, or the various others that have been associated with mindfulness (e.g., Shapiro & Schwartz, 1999).

2.3. Mindfulness & service failure

There are few studies linking mindfulness and service failure. Previous studies show that mindful consumers are actively more involved in the decision-making process, by identifying, gathering, and analyzing relevant information, such as product cues (Ndubisi, 2014). Mindful consumers tend to evaluate the context, situations and environment more carefully through the analysis of relevant and valuable information they assess. This thoughtful evaluation impacts their perceptions and behaviors, leading to increased levels of commitment, trust, and customer satisfaction, for instance, in relation to service providers (Ndubisi, 2014). Another study conducted by Ndubisi (2012) assessed the consequences of service reliability, pre-emptive conflict handling on customer satisfaction and loyalty in the context of healthcare services. The study addressed mindfulness in the sense that service reliability can be enhanced, when both individuals and institutions increase mindfulness or decrease mindfulness. The results showed that the more attention the service provider (e.g. mindfully deliver quality services) gives to the individual needs of customers (for instance reliable health information and care and anticipating sources of conflict), the more customers will feel satisfaction, which will consequently increase loyalty. The study concludes that when service providers adopt mindfulness-based strategies by focusing on managing service failures more effectively, customers derive more satisfaction. Similarly, Ndubisi (2012b) concludes that mindful ways to improve service delivery (e.g. personal, flexible) should be

implemented as the path should not be to react to service failures through service recovery strategies, but instead to proactively seek through mindfulness to anticipate future issues. The author showed that organizations should focus on effectively increasing customer orientation, communication and on delivering a competent service. The role of mindfulness is to be aware, alert and sensitive to customer needs. Therefore, organizations can increase trust and customer satisfaction, when they avoid service failure and conflict. Our literature review shows that the relationship between service failure, trust and mindfulness exists on two levels, namely (1) the level of mindfulness of the consumer (2) and of the service provider. Regarding the consumer level of mindfulness, mindful customers (*vs.* low mindful customers) are more likely to identify clues about lack of competence and integrity of the service provider due to their higher attention to details (Brown & Ryan, 2003; Ndubisi, 2014). Thus, we propose that mindful customers (*vs.* low mindful customers) are more likely to exhibit lower levels of trust (or have an increased level of trust violation) after a service failure. Therefore, the following propositions are made:

P1: High mindful customers (*vs.* low mindful customers) have lower levels of trust when a service failure is due to lack of competence.

P2: High mindful customers (*vs.* low mindful customers) have lower levels of trust when a service failure is due to lack of integrity.

The same increased attention to details of mindful customers (Brown & Ryan, 2003; Ndubisi, 2014) that would lead them to have lower levels of trust compared to low mindful customers may as well impact their reactions to the service provider attempt to recover their trust. For instance, when the service provider has a high level of mindfulness, mindful customers (*vs.* low mindful customers) will more easily perceive the effort of a mindful service provider on being courteous and empathetic. So, we propose that trust recovery tactics of a mindful service provider will be more effective in recovering trust of mindful customers (*vs.* low mindful customers):

P3: Trust recovery tactics of a perceived mindful service provider will be more effective in recovering trust of mindful customers (*vs.* low mindful customers).

3. Conclusions

The literature review showed that research integrating customers' mindfulness, service providers' mindfulness and trust recovery is rare. The current paper integrates some of this research in order to formulate theoretical propositions that should be empirically investigated. Such investigation may be conducted with experimental studies that manipulate participants' mindfulness level and monitor their reactions to trust violation and trust recovery tactics. Previous studies have manipulated mindfulness with audio guided meditation (Hafenbrack, Kinias, and Barsade, 2014; Ridderinkhof, Bruin, Brummelman, and Bögels, 2017). Another possibility is to conduct experimental studies in which only trust violation or trust recovery tactics are manipulated, while measuring mindfulness with a scale such as the MAAS (Brown & Ryan, 2003).

From a managerial point of view, understanding whether and how consumers' mindfulness level influences trust violation and trust recovery is relevant so that the service providers may adapt their recovery effort accordingly. Although asking questions about a consumer's mindfulness level may seem inappropriate after a service failure, when customers may be experiencing anger and desire for revenge (Grégoire, Laufer, and Tripp, 2010), service providers may identify their customers' mindfulness level prior to the service failure, before the occurrence of trust violation. Understanding whether and how the service provider's mindfulness level influences the effectiveness of trust recovery tactics is perhaps even more important because such level may be controlled by the service provider (or at least partially controlled or stimulated). Some companies provide mindfulness meditation and other related wellbeing practices to their employees for the organizational benefits it may bring (e.g., stress reduction) and evidence of the benefits of a high mindfulness level among employees may foster companies actions to stimulate such practices (Chin, Slutsky, Raye, and Creswell, 2019; Qiu & Rooney, 2019; Yu & Zellmer-Bruhn, 2018). Similarly, we propose that service providers could implement mindfulness techniques in order to obtain organizational benefits and, consequently, to improve consumers' trust.

The results of the proposed investigation aim to contribute to the services marketing literature particularly focusing on the relation between mindfulness and trust recovery. Therefore, we underscore the need for future studies in this topic, as we suggest that mindfulness might be a key variable to consider on trust recovery tactics of service providers.

4. References

- Balaji, M.S., Roy, S.K., & Quazi, A. (2017). Customers' emotion regulation strategies in service failure encounters. *European Journal of Marketing*, 51,(5–6), 960-82.
- Bozic, B. (2017). Consumer trust repair: A critical literature review. *European Management Journal*, 35(4), 538-547.
- Brown, K.W., & Ryan, R.M. (2003). The benefits of being present: Mindfulness and its role in psychological well-being. *Journal of personality and social psychology*, 84(4), 822.
- Brown, K.W., Ryan, R.M., & Creswell, J.D. (2007). Mindfulness: Theoretical foundations and evidence for its salutary effects. *Psychological Inquiry*, 18(4), 211-237.
- Chin, B., Slutsky, J., Raye, J., & Creswell, J. D. (2019). Mindfulness training reduces stress at work: *A randomized controlled trial. Mindfulness*, 10, 627-638.
- Davidson, R.J., & Kazniak, W. (2015). Conceptual and methodological issues in research on mindfulness and meditation. *American Psychologist*, 70(7), 581-592.
- Goleman, D., & Davidson, R. J. (2018). *Altered traits: Science reveals how meditation changes your mind, brain, and body*. NY: Avery.
- Grégoire, Y., Laufer, D., & Tripp, T. M. (2010). A comprehensive model of customer direct and indirect revenge: Understanding the effects of perceived greed and customer power. *Journal of the Academy of Marketing Science*, 38(6), 738-758.
- Gross, J. J., & John, O. P. (2003). Individual differences in two emotion regulation processes: Implications for affect, relationships, and well-being. *Journal of Personality and Social Psychology*, 85(2), 348–362.
- Hafenbrack, A. C., Kinias, Z., & Barsade, S. G. (2014). Debiasing the mind through meditation: Mindfulness and the sunk-cost bias. *Psychological science*, 25(2), 369-376.
- Kidwell, B., Hasford, J., & Hardesty, D.M. (2015). Emotional ability training and mindful eating. *Journal of Marketing Research*, 52, 105-119.
- Lumma, A.-L., Kok, B.E., & Singer, T. (2015). Is meditation always relaxing? Investigating heart rate, heart rate variability, experienced effort and likeability during training of three types of meditation. *International Journal of Psychophysiology*, 97, 38-45.
- Ndubisi, N.O. (2012a). Mindfulness, reliability, pre-emptive conflict handling, customer orientation and outcomes in Malaysia's healthcare sector. *Journal of Business Research*, 65(4), 537-546.
- Ndubisi, N.O. (2012b). Relationship quality: Upshot of mindfulness-based marketing strategy in small organisations. *International Journal of Quality and Reliability Management*, 29(6), 626-641.

- Ndubisi, N.O. (2014). Consumer mindfulness and marketing implications. *Psychology & Marketing, 31*(4), 237-250.
- Ndubisi, N.O., & Natarajan, R. (2016). Understanding the acceptance of mobile SMS advertising among young Chinese consumers. *Psychology & Marketing, 30*(6), 461-469.
- Pacheco, N.A., Geuens, M., & Pizzutti, C. (2018). Whom do customers blame for a service failure? Effects of thought speed on causal locus attribution. *Journal of Retailing and Consumer Services, 40*, 60-65.
- Pacheco, N.A., Pizzutti, C., Basso, K., & Van Vaerenbergh, Y. (2019). Trust recovery tactics after double deviation: Better sooner than later? *Journal of Service Management, 30*(1), 2-22.
- Pulga, A. A. R., Basso, K., Viacava, K. R., Pacheco, N. A., Ladeira, W. J., & Dalla Corte, V. F. (2019). The link between social interactions and trust recovery in customer–business relationships. *Journal of Consumer Behaviour, 18*(6), 496-504.
- Qiu, J.X.J., & Rooney, D. (2019). Addressing unintended ethical challenges of workplace mindfulness: A four-stage mindfulness development model. *Journal of Business Ethics, 157*, 715-730.
- Ridderinkhof, A., de Bruin, E. I., Brummelman, E., & Bögels, S. M. (2017). Does mindfulness meditation increase empathy? An experiment. *Self and Identity, 16*(3), 251-269.
- Schweitzer, M.E., Hershey, J.C., & Bradlow, E.T. (2006). Promises and lies: Restoring violated trust. *Organizational Behavior and Human Decision Processes, 101*(1), 1–19.
- Shapiro, S.L., & Schwartz, G.E.R. (1999). Intentional systemic mindfulness: An integrative model for self-regulation and health. *Advances in Mind-Body Medicine, 15*, 128-134.
- Sirdeshmukh, D., Singh, J. & Sabol, B. (2002). Consumer trust, value, and loyalty in relational exchanges. *Journal of Marketing, 66*(1), 15-37.
- Van Vaerenbergh, Y., Varga, D., De Keyser, A., & Orsingher, C. (2019). The service recovery journey: Conceptualization, integration, and directions for future research. *Journal of Service Research, 22*(2), 103-119.
- Wang, S., & Huff, L.C. (2007). Explaining buyers' responses to sellers' violation of trust. *European Journal of Marketing, 41*(9-10), 1033-1052.
- Yu, L., & Zellmer-Bruhn, M. (2018). Introducing team mindfulness and considering its safeguard role against conflict transformation and social undermining. *Academy of Management Journal, 61*(1), 324-347.