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Categorisation and Assimilation-Contrast Theory Explaining Loss of Trust after an Alleged Corporate Misconduct

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Abstract
There is a limited understanding of how information about a negative event is used by customers when deciding whether to continue to trust a company (a key aspect of reputation management) and how the same information can result in different choices by individuals. To meet this gap, the aim here is to test the predictions from categorisation theory and assimilation contrast theory and to add to our theoretical understanding of trust loss. A moderation model of survey data ($n=410$), a cluster analysis and a content analysis of explanations given are used to test hypotheses. The work demonstrates that a reaction to a potential trust violation involves two stages: a decision on responsibility, followed by an evaluation of the significance of the misconduct. If a trusted supplier is not held responsible, the typical customer will not re-categorise the supplier as not trusted. If they are held responsible, the typical customer may re-categorise the supplier as not trusted depending on how significant they believe the misconduct to be.

Keywords Trust Violation · Categorisation Theory · Assimilation Contrast Theory · Brand Trust · Corporate Misconduct

Introduction

Building and retaining consumer trust in a business is central to reputation management (Van Der Merwe and Puth 2014; Chaudhary et al. 2021), but trust in an organisation can be eroded if the business is associated in the media or elsewhere with a negative event (Basso and Pizzutti 2016; Davies and Olmedo-Cifuentes 2016). How bad the effect will depend upon whether the company is blamed for the potential trust violation (Coombs 2007a, b; Vassilikopoulou et al. 2018) and on how relevant to the customer such a trust violation might appear if the reported issue concerns another customer and not themselves (Khamitov et al. 2020). Customers can also be influenced by other features of an event (Basso and Pizzutti 2016; Wang and Huff 2007), including situational factors such as the frequency and the magnitude of the behaviour, and the overall reputation of the accused (Vassilikopoulou et al. 2009). In addition, customers can react differently to the same trust violation because of differences in their relationships with the company (Chen et al. 2021) and whether the violation imputes the values of an organisation or its competence (Kapoor and Banerjee 2021).

How trust is eroded has been considered in prior work (Hurley et al. 2014; Yeager et al. 2017). Yet there is a limited understanding of how information about a negative event is used by customers when deciding whether to continue to trust a company and how the same information can result in different choices by individuals. To meet this gap, the aim here is to test the predictions from categorisation theory (Fiske and Taylor 1991; Rehder and Kim 2006; Seger and Peterson 2013) and assimilation contrast theory (Hovland et al. 1957; De Bruyn and Prokopec 2017) regarding the process of trust loss and thus add to our theoretical understanding of trust loss. Both theories, and a wider review of the literature, are used to propose a two-stage model of trust loss, where customers first assess responsibility for a violation and then decide using the severity of the violation whether to recategorise the provider as not trusted.

Our work aims to explain when and why reports of a supplier's alleged misconduct can segment a market and lead either to a loss in reputation, so that a supplier is no longer

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trusted, or result in a softer decline, so that customers continue to patronise. It is the first study to consider the effects of both attribution and perceived misconduct level simultaneously in influencing trust loss and future intentions. First, we review the literature on both to propose hypotheses linking prior trust in the provider, attribution of responsibility for an alleged trust violation, and the perceived severity of the violation to the trust outcome. We then describe the empirical work used to test these predictions. Finally, we discuss our findings in the context of existing work and draw conclusions for both theory and practice.

Theory and Hypotheses

Categorisation is a fundamental cognitive activity within decision-making (Fiske and Taylor 1991). An individual matches the attributes of something new or something that has changed with categories stored in memory (Fiske 1982; Jayanti 1998). Such judgements involve identifying an appropriate group or category for an item or incident (Rehder and Kim 2006; Seger and Peterson 2013). Consumers regularly use category information when making judgments about a potential new category member, for example a brand extension may be assumed to have the same attributes as the parent brand (Loken 2006) and trusted similarly. Fischer and Reuber (2007) explain that a new business will be categorised using initial information cues and any stereotype of the category the new business is deemed to belong to. Experience and new information would allow further categorisation (El Amri 2019). Here there are two categories: companies that are trusted and companies that are not. Trust is then treated as a psychological state (Rousseau et al. 1998, p395). To trust a supplier means to make yourself vulnerable to them (PytlikZillig and Kimbrough 2016), an important idea in the context of a supplier of specialised services where the provider has expertise the customer may lack (Carter 2009). Vulnerability is an issue due to the inherent dangers from any poor-quality work from the provider.

Products and services can be moved between categories by consumers or be seen as belonging to different categories depending upon the information provided to them (Kim et al. 2020). How any communication to the public is oriented can also lead to differences in how the same product or company is categorised (Choi 2020). At issue here is how a previously trusted supplier may or may not be recategorised as not trusted following what is presented as a potential trust violation in the media. A misconduct, a breach of a societal norm, will often be viewed as a trust violation, and as a failure to deliver what is expected in a relationship. Consequently, trust can be damaged by reports of misconduct (Davies and Olmedo-Cifuentes 2016).

Assimilation-Contrast theory (Hovland et al., 1957; De Bruyn and Prokopec, 2017; Sung and Lee 2015) can help explain why different individuals may or may not choose to recategorise a supplier as not trustworthy given the same or similar information about an alleged misconduct. A person's previous attitude towards the company acts as a reference point or anchor. The business in question here is being used by the respondents to our empirical research and they have, consequently, made themselves vulnerable to them, implying that trust exists. The relevant anchor point is then of their existing trust in the supplier. As the label implies, an anchor point is not easily shifted, and individuals will often try to make new information about a supplier fit this reference point (assimilation) partly because of the substantial mental processing required to change it. When a decision is made to change and the person 'contrasts' away from their original position, the consequences can be profound for the supplier (Davies et al. 2010; Tao 2018) and a change in supplier is likely.

From the perspective of categorisation theory, those who do use the new information to modify their anchor point substantially will have recategorised their current supplier as not trusted. A combination of the two theories would then predict that, following an alleged misconduct, i.e. a potential trust violation, there would be two main groups of customers, one group whose members continue to trust, and a second group who have recategorised their supplier as untrustworthy.

Hence from assimilation contrast and categorisation theory:

H1: Following a trust violation involving a supplier, two groups of customers will be identifiable, those who have recategorised the supplier and those who have not.

There are several factors which can be expected to influence any decision to recategorise a trusted supplier as not trusted. Whether blame is attributed to the supplier or not can be a decisive factor (Coombs 2007a). The more convinced a customer is that their supplier is responsible for a trust violation, the more likely they are to believe them guilty of a misconduct. How responsible the company is perceived to be for a potential trust violation, the greater its effect (Coombs 2007a; Tomlinson and Mayer 2009). In terms of categorisation theory, work on trust loss has identified several types of trust violation based upon specific behaviours, the trustee 'making mistakes', 'not listening to criticism', 'not telling the truth', 'acting irresponsibly', 'acting unfairly' and 'bending the law' (Davies and Olmedo-Cifuentes 2016). The more serious the perceived trust violation is, the stronger its evaluation on such criteria and the more likely trust in the supplier will be damaged.



It follows that both attribution of responsibility to the supplier, and the perceived level of misconduct, will help define whether a company will be recategorised as not trusted, but this has not been previously tested.

A trust violation begins with a seller failure but requires the buyer to identify it as a trust violation (Wang and Huff 2007). Implicit in such depictions of trust violation is the assumption that an initial level of trust is present before the occurrence of the negative event (Lewicki and Brinsfield 2017), and one which can buffer the effects of violations on subsequent trust (Bansal and Zahedi 2015). Within any group of customers, the level of trust before an incident will correlate with their trust afterwards. How much trust is lost will depend upon how they evaluate the incident and how they process that information. Both how strongly the attribution to the supplier and the perceived level of misconduct can then be expected to moderate the relationship between how trusted the supplier was before an incident and how much it is trusted afterwards.

Four hypotheses follow:

H2: The more a supplier is perceived as responsible for a trust violation, (a) the greater the loss of trust and (b) the greater the chance the supplier is recategorised as not trusted.

H3: The greater the misconduct is be perceived to be, (a) the greater the loss of trust and (b) the greater the chance the supplier is recategorised as not trusted.

Figure 1 shows the theoretical model implied.

Other factors might influence how significant these two effects are. The risk that any trust violation will be repeated in the future has been found to influence the effect of the violation (Wang and Huff 2007). Indeed, multiple violations can make trust recovery impossible (Esterwood and Robert 2023). There is some evidence that women trust more than men after an incident (Haselhuhn et al. 2015). Older people are said to be more trusting than younger people (Castle et al. 2012). Involvement in a product or service might also influence decision-making as this indicates familiarity with the context (Zaichkowsky 1994). Measures of each of the above were then included in the empirical work reported here as potential control variables.

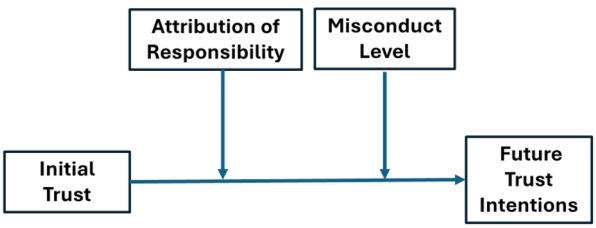


Fig. 1 Theoretical model

Methods and Materials

Design and Procedure

After being informed about the survey and giving their consent, respondents to an online survey were asked to think about the garage/repair shop they normally use for car service. Participants read a scenario (Appendix A), in which another customer of their garage had been involved in a car accident, one which he claims was caused by a part fitted by the garage. Half of the respondents were also told in the report that 'the newspaper understood the garage had a history of similar events', thus changing the context from a single event to a multiple event. The scenario was chosen as one where responsibility was unclear (for example, the other customer could have been responsible for the accident).

Measures

Before they read the scenario, respondents were asked about their (initial) trust in their garage using a four-item measure (measures are detailed in Appendix B) adapted from prior research (Herbst et al. 2012; Sirdeshmukh et al. 2002). The measure proved to have good validity ($\alpha = 0.93$, AVE= 0.83, CR=0.95). Trust after the reading the scenario was assessed by measuring the respondent's Future Trusting Intention (FTI) using three items, two adapted from prior work (Aaker et al. 2010; Brown et al. 2005) and one from the researchers ($\alpha = 0.92$, AVE= 0.86, CR=0.95). To assess participants' attributions of responsibility for the incident, a single item was adapted from Klein and Dawar (2004): 'Garage X is responsible for what has happened' using a 7-point scale, anchored by 'strongly disagree' and 'strongly agree'. How severe the misconduct was perceived to be was assessed using 6 items adapted from Davies and Olmedo-Cifuentes (2016) ($\alpha = 0.92$, AVE= 0.71, CR=0.94). Response scales and their presentation were deliberately varied to reduce potential common methods variance. In the final section, data on respondent age, gender, and consumer involvement, e.g. cars are important to me (adapted from Mittal 1995, $\alpha = 0.90$, AVE= 0.77, CR=0.93) were collected. As indicated, composite measures (tested using Cronbach alpha, Average Variance Extracted and Composite Reliability) proved satisfactory.

Data collection

The questionnaire was distributed online using a UK panel whose membership reflected the British population. Two screening questions, 'Do you own a car?' and 'Are you responsible for the servicing of your car?', were used to ensure the research context was relevant to respondents. Only those answering in the affirmative to both questions could continue. The final sample of 410 contained 201 participants who had been told the violation was a single event, and 209 that the newspaper understood a similar issue had occurred previously. The two groups did not differ significantly in terms of gender (t (408) =0.188, p=.85, 2-tailed) or age (F (1,409) = 0.224, p=.64). The age and gender of the sample were both compatible with the available statistics on car ownership (Office for National Statistics, 2019).

Results

A correlation matrix (Table 1) provides an initial test for the relevance of each factor in determining whether the garage would remain trusted. All factors assessed using continuous measures correlated significantly with both Misconduct level and Future Trusting Intentions (FTI). (The latter measure is negatively valanced, hence the sign of the correlations). The relationships between the frequency of the trust violation and Misconduct level and FTI were tested using t tests. As the direction of the relationship is known, a one tailed test is appropriate, which was significant for both (p=.045 and p=.011). A similar test showed no significant gender effects on Misconduct level (p=.40) or FTI (p=.06). The correlation between initial trust and FTI (positive in reality) implies that, generally, those who trusted their garage more/less before learning about the misconduct were likely to hold similar views later. However, the low correlation coefficient suggests that many changed their minds.

Table 1 Correlation Matrix

	FTI	Misconduct	Attribution	Initial Trust	Involvement
Misconduct Level	0.617**				
Attribution of responsibility	0.517**	0.758**			
Initial Trust	−0.128**	−0.105*	−0.055		
Involvement	0.117*	0.171**	0.191**	0.189**	
Age	−0.103*	−0.031	−0.065	0.293**	0.146**

*Significant at p<.05 2 tail ** Significant at p<.01 2 tail

The theoretical model was tested using the Process macro (Hayes 2017) model 2 which considers the two moderations simultaneously as in Fig. 1. Moderation of a relationship is demonstrated if the quotient of the moderator and the independent variable (the interaction term) is significant when predicting the dependent variable. Here both moderations proved significant, Attribution x Initial Trust (p=.0011), Misconduct level x Initial Trust (p=.0036). When the control variables (age, gender, frequency of violation, and involvement) were included, none proved significant at p<.05 and their addition did not change the significance of either moderation substantively (Attribution x Initial Trust, p=.0035 Misconduct level x Initial Trust p =.0088). H2 and H3 are supported.

Figure 2 shows the effects of the joint moderation graphically. For the full data the two measures of trust, after (FTI) and before (Initial Trust) being told of the event correlate significantly. These graphs show the relationship between them for different levels of Attribution of responsibility and Perceived level of misconduct. Each set of graphs depicts one of three levels of perceived misconduct. Within each set are three graphs, one for each of three different level of Attribution. Taking the top set of graphs first, when both the level of misconduct and attribution are low, there is no strong relationship between initial trust and FTI. However, for those with a relatively low level of initial trust, attribution of blame appears higher. At low levels of attribution of blame to the garage, FTI varies little with the level of initial trust. Turning to the bottom set of graphs, representing high levels of perceived misconduct, the picture changes. At high levels of attribution, FTI does not vary much with the level of initial trust, largely because FTI is very low, irrespective of initial trust, as both attribution and misconduct level are high. However, at lower levels of attribution, the relationship between the two Trust states is marked, with FTI falling more the higher was initial trust. The latter might be interpreted as some of those with higher initial trust being particularly disappointed by the report. This is consistent with the quite dramatic swings in behaviour among some when having to contrast away from their original views as predicted by Assimilation-Contrast theory. While H2 and H3 are supported, Fig. 2 shows that delving into the detail can reveal a greater complexity than these generalisations imply.

Next, two analyses were used to explore the role of categorisation in explaining the process of trust loss. First, cluster analysis was used to test whether there were two clearly defined clusters of customers, as proposed in H1, identifying those whose trust in their garage remained largely unchanged and those more likely to recategorise their garage as not trusted.

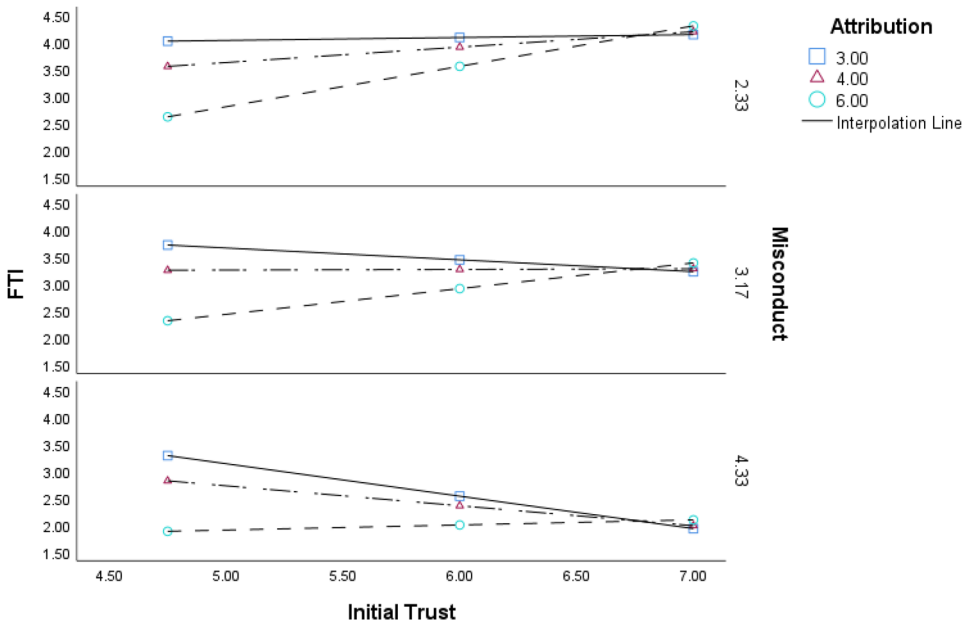


Fig. 2 Visualisation of Moderation Effects

Table 2 2 step cluster analysis: means of measures by cluster and standard deviations

	Cluster 1 (n= 258) 'Remainers'	Cluster 2 (n=152) 'Leavers'
Garage making mistakes	2.63 (1.01)	4.22 (0.91)
Garage not telling the truth	2.73 (0.88)	4.13 (0.78)
Garage acting unfairly	2.82 (0.81)	4.27 (0.71)
Garage not listening to advice	3.19 (1.00)	4.57 (0.64)
Garage bending the law	2.36 (0.91)	4.01 (1.01)
Garage acting irresponsibly	2.61 (0.93)	4.28 (0.86)
Initial trust	5.94 (0.98)	5.85 (1.07)
Attribution of responsibility to the garage	3.83 (1.30)	5.74 (1.05)
I would not trust my garage as much	4.24 (1.45)	6.12 (1.21)
I would not use the garage again	3.79 (1.57)	6.22 (1.07)
I would be less likely to recommend the garage	4.29 (1.53)	6.56 (0.74)
Violation frequency % (once, several times)	53.5%, 46.5%	41.5%,58.5%

Cluster Analysis

2-step cluster analysis was adopted within SPSS, using log-likelihood as the distance measure. This approach was adopted as it can deal with both continuous and categorical variables while identifying the optimum number of clusters (Şchiopu 2010; Tkaczynski 2016). No noise handling was used, and 130 Mb of memory was allowed. The variables input included individual questions for all those the respondents had made judgements for, plus a dummy variable for the frequency of the violation (Table 2). A solution of just two clusters resulted, as categorisation and assimilation contrast would predict, with a silhouette of 0.4 indicating a fair representation of the data. H1 is supported. There were no outliers from the analysis which then included all respondents. The larger Cluster 1 (labelled as Remainers), where the assessments of the garage were more positive contained more who had been told the incident happened only once. The smaller Cluster 2 (labelled as Leavers) contained proportionally more respondents from the group told there had been multiple violations. A Chi^2 test for the full table showed the overall differences to be significant (Chi^2= 12.94, p<.001).

Leavers were unlikely to agree they would use, trust or recommend their garage again. The means for the three questions on whether respondents still trusted their garage, Table (2), differed markedly between the two groups (p<.001). All evaluations were significantly more negative among Leavers (all at p<.001), other than Initial trust, where the figures were almost identical between the two clusters (p=.41). Initial trust did not therefore influence the analysis, contrary to expectation from prior work (Bansal and Zahedi 2015; Wang and Huff 2007) but compatible with other work showing limited impact of Initial trust on the outcomes of trust violation (Chen et al. 2021).

The average level of involvement in cars (e.g. cars are important to me) differed between clusters: M_1= 5.57 (s.d

1.25), M_2= 4.87 (s.d. 1.37) p<.001, 2-tailed and was higher among Remainers, suggesting more experienced customers were less influenced by the alleged misconduct. There were no differences between the groups by age or gender, as implied in prior work due to inherent differences based on age or gender (Haselhuhn et al. 2015).

In terms of categorisation theory, Leavers had re-categorised their garage as not trusted in terms of future intentions, while Remainers were more undecided, often despite losing trust, and overwhelmingly chose to remain as customers. Only one of their evaluations of the 6 measures of the misconduct level averaged above the scale mean of 3 on a 5-point scale (not listening to advice). Remainers were less likely to attribute blame to the garage for the reported accident, scoring on average below the scale mean of 4 on its 7-point scale. They were generally unwilling to see the allegation as a misconduct on five of the six criteria.

There was no evidence that multiple clusters existed, for example each representing recategorising the garage as not trusted based upon different misconduct types, which might have been expected from prior work (Tomlinson and Mayer 2009; Lewicki and Brinsfield 2017). Instead, the current work strongly suggests that many categorise entities as not trusted on several criteria simultaneously, taking a holistic view, where specific typing of the violation is less important.

Thought Protocols Analysis

Immediately after respondents had answered the questions used to measure their final trust in their garage, they were asked to explain their responses. They could type in as much information as they wished but most limited their comments to one or two sentences. (The average number of words provided was 28). Their replies were content analysed adopting reflexive thematic analysis (Braun and Clarke 2006) with one of the authors using his knowledge of the trust literature to help define relevant codings and consequent themes. First those who had provided usable data were identified and a set of initial codes established to identify what were judged to be salient comments. There was no reference to any theory at this stage. Similar codes were then identified and merged and evolved into a fixed set of codes. All pertinent words and phrases in the data set were then coded or recoded using this set and were grouped together into higher level themes. Both codings and themes were verified by a researcher not directly involved in the project. All but one theme was specific to one of the Clusters. This (minor) theme was labelled as 'garages are the same/untrustworthy' and only appeared once in the data from Cluster 1. The content and focus of all other themes differed markedly between Leavers and Remainers.

The largest group of codings for Leavers (23) was labelled as 'The garage cannot be trusted'. For example:

If that had happened to me, my trust in the garage would be non-existent, I put all my trust into them for making my car road safe.

And.

I would not trust a garage that uses nonstandard parts.

In contrast the most common theme for Remainers (39 examples) was labelled: 'The issue is unclear or the evidence insufficient'. It contained examples such as:

The story isn't clear cut. There are too many factors at play which can affect the outcomes. The garage, the driver, the weather.

and.

Until any fault or blame is proven I would not change my mind.

Leavers also provided, within a theme separately labelled as 'Trust related' (11) comments including:

To know that the garage did not carry out manufacturer recommendations and did not clear it with the customer suggests they are trying to save money for themselves, not the customer and.

When using any garage to service your vehicle you expect and rely on them to use only the best parts to do the job.

Leavers also gave reasons linked to 'risk and safety' in a theme labelled as such, including:

Obviously if they could do it to him, they could do it to me. The safety of my car for myself and any passenger is of paramount importance.

and.

It would seem the garage has cut corners without permission. I could not take the chance of this happening to me.

Another common theme among Remainers was labelled 'The garage are not responsible' (21) Examples included:

They have done a great job looking after my car, so perhaps the story was an anomaly.

and.

A bad driver blaming everyone else for an accident does NOT alter my opinion.

Another theme labelled: 'Giving the benefit of the doubt' (10) included:

I would give them the benefit of the doubt, as the driver is bound to try and find a way out of being prosecuted.

A few (7) Remainer comments labelled 'unconvinced' suggested some were worried but not sufficiently so to go elsewhere, for example:

My opinion would change due to this incident but would not necessarily stop me from using them in future.

Somewhat similarly, another group (10) of Remainer comments labelled 'compensatory behaviour' implied they would in future:

'want to be assured all parts fitted were recommended by the manufacturer'.

A final group of Remainers (7) appeared quite 'philosophical' about using garages, for example:

With any garage there is always a risk that they have not completed their work correctly.

The main explanations given for leaving implied that the garage was no longer trusted and the risk of remaining as a customer was too high, reflecting definitions of trust as a willingness to accept vulnerability (PytlikZillig and Kimbrough 2016). Some leavers referred to specific aspects of trust, the garage 'thinking of itself before its clients', 'not telling the truth', or 'lacking competence' reflecting definitions of trust involving competence, integrity and benevolence (Delgado-Ballester and Munuera-Alemán 2001). Some explicitly blamed the garage for what had happened. In contrast, many of those choosing to remain as customers were equally clear their garage was not to blame, the main reason given being a lack of compelling evidence. In effect they did not recognise a trust violation had occurred, even though several in the same group reported a loss of trust. There was a clear divide between the respondents in each cluster on the issue of the garage using spare parts not supplied by the manufacturer of the vehicle. Remainers tended to pass the issue off as minor, while Leavers often expressed surprise at the practice.

Discussion and Conclusions

The aim for this paper was to add to our somewhat limited theoretical and practical understanding of how information about a negative incident is used by customers when deciding whether to continue to trust an existing supplier following a reported potential trust violation. It does so by applying a combination of categorisation (Fiske and Taylor 1991; Rehder and Kim 2006; Seger and Peterson 2013) and assimilation-contrast theory (Hovland et al. 1957; De Bruyn and Prokopec 2017). As predicted, customers formed two groups after hearing about the potential misconduct, one representing mainly those who decided not to recategorise their supplier and another those who did. The work illustrates and explains how the same trust violation information can be used by customers to either recategorise their supplier as not trusted, choosing not to remain vulnerable to them, or remain and continue to be so, even though their trust levels might have fallen. It contrasts with work predicting trust outcomes using regression where the assumptions include a more homogeneous effect from relevant independent variables. Our work also uses a real-world scenario by asking respondents to consider an actual supplier.

Most respondents decided to remain, even those who had been told the violation was frequent. It would be wrong then to assume that the same violation by a supplier would promote a similar response from all or even most customers. To change their attitude significantly, customers need first to recognise the incident as a significant negative event and consequently as a breach of trust. Most Remainers did not. A second but related decision is then needed to recategorise the supplier from being trusted to being not trusted as those in Cluster 1, the Leavers, had done. This requires a deal of mental processing, which some will avoid. But *not* moving an anchor point involves a decision requiring justification. The thought protocols provided evidence of rationalisation (Jarcho et al. 2011) or confirmation bias, the interpretation of information to make it fit an established position (Nickerson 1998), motivated by the need to reduce any cognitive dissonance (Cooper 2019) following a failure to make a difficult decision, rather than perhaps make the effort to undertake an objective analysis of what is known. Most respondents (251) agreed that their trust in the garage had fallen but fewer (157) agreed they would switch suppliers.

The difference between those Remainers who trusted less and the Leavers who decided to act on this depended upon how sure they were their garage was responsible, something that can be expected from attribution theory (Coombs 2007a) but also how much they agreed the issue reflected specific types of misconduct. Attribution and perceived Misconduct level correlated strongly (Table 1), but they both contributed to Future trusting Intentions separately. Together they dominated the explanation of the change from initial trust to future intentions (FTI). Not surprisingly both contributed to the categorisation process as illustrated by the cluster analysis. Many of the thought protocols

from Remainers concerned attribution (the garage was not responsible, the evidence is not strong enough) while Leavers tended to focus more on misconduct types (not telling the truth and making mistakes) suggesting that the two groups made their decisions based upon different criteria, Remainers on whether the garage was responsible, Leavers on how important the misconduct and how sure they were of the violation being so. Furthermore, this suggests that the level of misconduct is considered only after the customer has decided its supplier is at fault.

The protocol analysis also provided clear support for the two groupings identified by the cluster analysis. Leavers were certain their garage could not be trusted, that they were incompetent, or dishonest or self-centred, and that staying with them would involve risk. They had clearly recategorised their garage/repair shop as not trusted. Remainers on the other hand believed their garage was not responsible or claimed so because of inadequate evidence, at times rationalising not taking a decision to leave. Many were reluctant to change their anchor point, that their garage was a trusted supplier, often arguing the evidence was not strong enough, illustrating how loyal many customers can be, but due partially to the challenges involved in changing an established view of a supplier due to inertia (Wu 2011).

This is the first study to test both attribution and perceived misconduct level simultaneously when influencing trust loss and future intentions. The moderation analysis indicates their effects are quite distinct. (Interaction effects between them were tested for, but none were significant). We deduce that the decision-making process involves two stages, attributing blame to the supplier and then assessing the level of the trust violation.

Managerial Implications

This work illustrates how customers can be usefully divided into two groups following news of a potential trust violation that might influence existing customers. One group, those more likely to stay, do so because they do not accept that a significant trust violation has occurred and/or that the supplier was responsible. A second group are likely to leave because they accept the media report as evidence of misconduct. There were no differences between the groups by age or gender, but leavers were significantly more likely to claim involvement (e.g. cars are important to me) adding to prior work on how customer characteristics influence trust violation outcomes (Fulmer and Gelfand 2015). Information on a supplier's website emphasising the supplier's credentials and targeting those interested in the business area of the supplier are implied. Prior work on pre-empting crises also suggests emphasising a company's social responsibility and generally building reputation as an 'insurance' against the effects from crises. There is considerable work on post crisis communication suggesting that, even if a business believes they are innocent, they could compensate those affected and show regret, while encouraging customers to remain by using financial incentives (Nemery et al. 2002).

Further Work and Limitations

There was mention of risk in the thought protocols. There is a significant literature on consumer risk which contains its own system of categorisation (Mitchell 1992), and where trust is already seen as relevant (Siegrist 2021) suggesting future work on the interaction between different types of perceived risk and trust violation. Other factors could have contributed to whether respondents would stay or leave, for example whether they had to use a particular garage due to a warranty condition. Respondents were given a response scale to indicate whether they would leave of not, rather than a binary choice of leave or remain.

It is possible that a different context for the empirical work would have yielded a different picture, for example if the violation had affected the respondent directly or the reported failure had been in such as medical treatment. The work here was intended to test the validity of a different approach to theorising about trust loss. Further work is justified to explore how useful combining assimilation contrast and categorisation theory can be in explaining the consequences of trust violation.



Appendix

Appendix A. Scenario provided toparticipants

Should you trust your local garage?

Paul Thompson needs his car every day to commute to and from his work. His car, which is now outside of the manufacturer's warranty, was serviced regularly by Garage X. And, up until last month Paul was very happy with the service he was getting. But things went very wrong after the car had its annual service and MOT. A week later, and while driving in heavy wind and rain, Paul was involved in a serious accident. Paul claims he had to brake to avoid a tree branch, torn down by the high winds but that the car's brakes failed to work properly. As a result the vehicle skidded into on-coming traffic, hitting a motor bike. The rider, a local man Phillip Harris, was lucky to escape without serious injury but both the bike and Paul's car were damaged. Worse, Paul is now being investigated by police for careless driving. He blames Garage X and has had his car examined by an independent mechanic who suggested the cause of the braking problem might be due to the garage fitting a non-standard part during the service.

A spokesperson for Garage X has denied any responsibility, claiming that, 'We often fit spare parts which are not branded by the manufacturer. This saves our customers money. The parts have the same warranty as those from the manufacturer and we only fit them after telling the customer. This is a clear case of driver error, for which we cannot be held responsible'.

The manufacturer of Paul's car entered the fray yesterday, pointing out that, 'We recommend that only our own, warranted parts are fitted to our vehicles. The risks of fitting other brands are just not worth the small savings.' adding,' We emphasise to those who service our brand that they should only use our parts'.

This paper understands that Paul Thompson is being sued by the motor cyclist, calling him ' a danger to all road users.' Paul in turn denies being asked by Garage X whether he was happy with the use of the part and he told us that his insurance company intends suing Garage X for failing in its duty of care. He also points out that he has a clean driving license.

Appendix B. Measures.

Initial level of trust (7-point scale):

Thinking about the garage who normally services your car, how much do you trust them? Not at all/Very much.

Thinking about the garage who normally services your car, do you think they put their customers first? Not at all/Very much.

Thinking about the garage who normally services your car, how competent do you believe them to be? Not at all competent/Very competent.

Thinking about the garage who normally services your car, how honest do you believe them to be? Not very honest/Very honest.

Final trust (7-point scale anchored by 'strongly disagree' and 'strongly agree').

I would not trust my garage as much as I did before.

I would not use the garage again to service my car,

I would be less likely to recommend the garage to others.

Misconduct Level (5-point scale anchored by 'strongly disagree' to 'strongly agree').

Garage X made a mistake in not using a manufacturer branded part.

Garage X is probably not telling the truth about the incident.

Garage X is acting unfairly towards Paul Thompson.

Garage X should have listened to the advice of the manufacturer.

Garage X is bending the law here.

Garage X acted irresponsibly.

Involvement (7-point scale anchored variously on a 7 point scale).

For you cars: are important to me….unimportant to me.

For you cars: are of concern to me…of no concern to me.

For you cars: mean a lot to me….mean nothing to me.

For you cars: matter to me…. do not matter to me.

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C.M. and further analyses by G.D. They shared in the drafting of the work. Both authors reviewed and revised the manuscript.

Data Availability Full data are available from the authors on reasonable request.

Declarations

Competing interests The authors declare no competing interests.

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