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When a Brand Betrayed Me: How Brand Betrayal Increases Consumer Self-Disclosure For Future Personalized Offerings

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This study reveals a positive effect of brand betrayal on consumer responses. Consumers with strong self-brand connection experience high cognitive dissonance when a brand they care for betrays them, while self-disclosure helps them reduce this dissonance, and subsequently, they perceive the brand's future personalized offering to be more attractive.

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EXTENDED ABSTRACT

Previous study claims that the experience of brand betrayal results in longer lasting negative consequences and is more difficult for brand managers to recover (Reimann et al. 2018). However, little is known about the effect of brand betrayal on the responses of consumers with strong self-brand connection during a brand transgression, especially after the brand propounds a future personalized service or product during the recovery process (after making a sincere apology and handling consumer complaint). *What type of psychological stress is experienced by these consumers during a brand transgression? How will they evaluate and respond to a betraying brand that reflects their self-concept if a future personalized service or product is offered them during a brand recovery process?*

Study 1 (N = 630) used a 3 (poor customer experience: minor failure vs. severe failure vs. brand betrayal) × 2 (personal information: request vs. control) between-subjects experimental design. The negative feeling of self-worth, consumer self-disclosure, and perceived attractiveness of a personalized offering were included as the key consumer responses. The results of Table 1 revealed successful manipulations. Participants in the brand betrayal condition ($M = 4.14$) indicated higher negative feelings of self-worth than participants in the minor failure ($M = 3.39, p < .001$) and severe failure conditions ($M = 3.77, p = .016$). Participants in the brand betrayal condition ($M = -0.91$) were more likely to disclose their personal information in exchange for future personalized offering than participants in the severe failure condition ($M = -1.45, p = .017$). Further, they perceived the personalized offering as more attractive ($M_{\text{request}} = 5.54$ vs. $M_{\text{control}} = 5.12, p = .022$) when the brand representative had requested (vs. did not request) additional personal information before the personalized offering. However, no differences arose in the perceived attractiveness among participants in the minor failure ($p = .381$) and severe failure ($p = .068$) conditions.

In study 2 (N = 500), we manipulated the degree of consumer anger in two opposite outcomes (a fortunate ending vs. an unfortunate ending). This design served to investigate whether consumer anger is a better predictor of consumer self-disclosure, rather than brand betrayal. As our conceptual framework is motivated by cognitive dissonance theory (Aronson 1968), betrayed consumers with a strong self-brand connection should maintain their favorable attitude toward a betraying brand to defend the brand after a brand transgression. Thus, we explored the consumers' evaluation of brand attitude in four different timelines, including before brand transgression (T1), after brand transgression (T2), after consumer self-disclosure (T3), and after the brand's personalized offering (T4). Although participants in the unfortunate ending experienced a higher degree of frustration-centric anger ($M_{\text{unfortunate}} = 5.62$ vs. $M_{\text{fortunate}} = 5.33, p = .037$) and indignation-centric anger ($M_{\text{unfortunate}} = 4.66$ vs. $M_{\text{fortunate}} = 4.36, p = .038$) than participants in the fortunate ending, the consumer anger does not serve to predict consumers' experience of low and high degrees of brand betrayal ($p = .203$), and no significant differences arose in consumer self-disclosure ($p = .169$).

A series of regression model analysis was conducted by using the self-brand connection as a moderating variable and a continuous brand betrayal measure as a predictor of the brand attitude in four different timelines, suggesting significant differences in the moderation

effect. The results revealed that the participants with strong (weak) self-brand connection and a high degree of brand betrayal held positive (negative) attitudes toward the betraying brand during the brand transgression and brand recovery process. We further conducted a moderated mediation model (Hayes 2013, model 7). The conditional indirect effect measured through the consumer self-disclosure index was significant when the participants hold strong self-brand connection ($b = .28, p < .001$), but not with a weak self-brand connection ($p = .144$). Remarkably, the direct relationship for brand betrayal on perceived attractiveness of the offering changed to an insignificant effect after including the consumer self-disclosure index in the model ($p = .799$). The implication here is that betrayed consumers would perceive a personalized offering more attractive if they hold a strong self-brand connection and are willing to disclose personal information to the brand representative. Otherwise, a higher degree of brand betrayal would not lead to betrayed consumers to perceive the personalized offering as more attractive.

Study 3 (N = 484) was conducted to minimize cognitive dissonance by decreasing negative feelings of self-worth (i.e., self-threat) via a self-affirmation task. The findings revealed that consumers with strong self-brand connection are less likely to experience both brand betrayal and negative feelings of self-worth when they are affirmed before a brand transgression; subsequently, they hold unfavorable brand attitude and are less likely to disclose personal information to a betraying brand in exchange for personalized offerings.

This research demonstrates counterintuitive evidence that during the recovery process (after making a sincere apology and handling consumer complaint), highly betrayed consumers are more likely to disclose personal information (e.g., education, job title, workplace, ethnic group, personal interests, favorable and unfavorable brands, lifestyles, and future traveling plans) to a brand representative in exchange for a future personalized offering. Betrayed consumers with strong self-brand connection may defend a betraying brand as to avoid a threat to the self, a finding that is consistent with previous studies (Angle and Forehand 2016; Cheng et al. 2012); they tend to reduce their cognitive dissonance by holding a belief that the betraying brand will serve them better in the future—by rationalizing the betraying brand to be a favorable brand—even if they feel dissatisfied with the brand after a brand transgression. Further, they perceive the offering as more attractive if the brand has requested additional personal information from them. Importantly, the act of consumer self-disclosure is positively (negatively) related to a rise in the degree of brand betrayal (failure severity). For these reasons, marketing scholars are not advised to generalize the effect of brand betrayal by referring to the service failure literature. Lastly, the consumer self-disclosure index can be an alternative to brand relationship measures in predicting consumers' attitude and behavioral intention after a brand transgression.

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