

Chapter 6

**MY DEAR BRANDS, WHEN YOU
TRANSGRESS, SHOULD I FORGIVE YOU?
RELATIONSHIP TYPES BETWEEN
CONSUMERS AND BRANDS**

*Fang Wan¹, Amitava Chattopadhyay²
and Peyman Assadi³*

¹Asper School of Business, University of Manitoba, Canada

²INSEAD, Singapore Campus

³Asper School of Business, University of Manitoba, Canada

ABSTRACT

The book chapter reviews the stages that branding research has gone through—transaction exchange model, relationship partner model and marriage model—and discusses the implication of the nature of the relationship model a consumer has with the brand on how brand transgressions may affect the consumer. The transaction exchange model views that brand/products are the means of transaction between consumers and sellers (company) and brands/products fulfill the expected utility of consumers (Silberberg & Suen 1990). Departing from the transaction exchange model, the relationship partner model takes a long-term focus between brands and consumers and emphasizes how consumer's needs are fulfilled by brands, which partly explains consumer loyalty toward brands in terms of emotions and repeated purchases

Complimentary Contributor Copy

(Fournier 1998). In the marriage model, brands are conceptualized as intimate relationship partners like spouses. We argue the latter is a particularly useful perspective as it helps us to understand the contingencies under which a consumer-brand relationship can break down as well as how to recover from a transgression on the part of the brand.

MY DEAR BRANDS, WHEN YOU TRANSGRESS, SHOULD I FORGIVE YOU: RELATIONSHIP TYPES BETWEEN CONSUMERS AND BRANDS

Consumers' perceptions of a brand start with their direct experience with a brand, from its messages to the actual consumption experience of the brand. Take a few brand messages for example, Subway's –Eat Fresh,|| McDonalds' –I am loving it,|| Nike's –Just do it,|| Debeer's –A diamond is forever,|| or TagHeuer's –Success. It is a mind game.|| (Gatbonton 2013). It looks obvious that these brands' messages capture various needs a brand can fulfill for its target consumers:

Functional Needs: Subway's –Eat Fresh,|| (need for healthy food)

Emotional Needs: McDonalds' –I am loving it,|| (need for feeling happy)

Relational Needs: Debeer's –A diamond is forever,|| (need for long-lasting relationship)

Value Orientation: Nike's –Just do it,|| (no procrastination); TagHeuer's –Success. It is a mind game.|| (you can be successful if you set your mind to it).

Intuitively, these brand messages, when delivered consistently, repeatedly and via multiple channels--from advertising campaign to all forms of promotion, the product or service, and store experiences--can help define how consumers perceive these brands, which determines the type of relationship a consumer establishes with a brand. However, why are brands framed in terms of these needs and how has branding research evolved over the years to deliver such insights? This chapter attempts to address this issue by first reviewing the three stages that branding research has progressed through—transaction exchange model, relationship partner model, and marriage model. It then elaborates on the insights provided by the marriage model in terms of understanding the contingencies under which the brand-consumer relationship

Complimentary Contributor Copy

might break down and how brands can recover from transgressions which may have damaged the brand-consumer relationship.

TRANSACTION EXCHANGE MODEL

The transaction exchange model considers brand/products as the means of transaction between consumers and sellers (company), with brands/products fulfilling the expected utility of consumers (Silberberg & Suen 1990). Branding research at this stage is heavily influenced by the theory of consumer choice in microeconomics which posits that consumers choose different products based on the utility they get from consumption, while the budget constraint functions as a restricting factor (Eraldo 1957; Alderson 1957). The assumption behind this research tradition is that consumers are rationally seeking to maximize their utility, or engaged in the act of giving or taking one thing in return for another (Sheth and Uslay 2007). The basic tenet of the transaction exchange model is that money is exchanged with another commodity and this transaction happens as if there is nothing before or after the transaction. A typical example of this type of consumer and brand relationship is the restricted exchange model put forth by Bagozzi (1975) where, for example, the transaction between a consumer and a hairstylist is a restricted exchange in which a consumer pays money to get a haircut in return, and there is no past history or an expectation that the consumer will ever return. Such a transaction occurs when for instance one is traveling and in need of something. For instance, one of the authors recently went for a haircut during a recent business trip. The hairdresser and he had no prior history, and quite independent of the nature of the encounter, he is unlikely to ever visit that hairdresser again.

However, in life, most exchange transactions are not like the example above; they are relational (Dwyer, Schurr and Oh 1987). One of the authors has a hairdresser to whom she has been going back repeatedly for many years now. There is a history, and at each encounter, there is an expectation on the part of both the hairdresser and the author that they will meet again. Indeed, later scholars challenge the basic tenet of the transaction exchange model that the ultimate goal of the exchange between a buyer and a seller is transactional. Instead, they argue that the goal of the exchange is to maintain a relationship between a seller and a consumer, so that the needs of both parties are fulfilled (Grönroos 1997), which leads us to the second stage of branding research.

Complimentary Contributor Copy

BRANDS AS RELATIONSHIP PARTNER MODEL

The highlight of this stage of branding research is that brands become analogous to human relationship partners. Concepts such as trust, commitment and loyalty in human relationship have been used to define consumers' relationships with brands (Fournier 1998). In this context, brand loyalty means—a deeply held commitment to rebuy or re-patronize the preferred product/service consistently in the future (Oliver 1999); commitment is defined as—as an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it (Morgan and Hunt 1994), and trust is considered to exist when—one party has confidence in an exchange partner's reliability and integrity. (Morgan and Hunt 1994).

Reasons behind the Paradigm Shift: Company Perspective

There are a few factors explaining this shift of paradigm to brands as relationship partners. First, firms realized that consumer loyalty influences their profitability. This change was led by Reichheld (1996) who reported that across 14 industries his data showed that as little as a 5% percent increase in loyal customers can result in an increase of 25 to 95 percent in profits.

The need to focus on consumers, which lies at the heart of Reichheld's argument, has been echoed by other researchers too. For example, Kohli and Jaworski (1990) assert that the formation and the distribution of the information in organizations must be oriented toward the single goal of better understanding consumers' current and future needs, and the whole organization must respond to this information. Narver and Slater (1990) went one step further and argued that it is a necessity for organizations which desire higher profitability to constantly fulfill their consumers' needs.

Indeed, consistent with such exhortations, research findings suggest a direct relationship between customer satisfaction, repeat purchase behavior—or an ongoing relationship with brands in a competitive context—and financially-based measures of performance (Oliver 1997, 1999; Zeithaml 2000; Anderson, Fornell and Mazvancheryl 2004). It has been shown that consumer loyalty provides added value in that loyal consumers are less price sensitive (Grönroos 1997) and are willing to pay more for the brands they are loyal to (Homburg, Koschate and Hoyer 2005).

Complimentary Contributor Copy

In a nutshell, adopting a relationship partner frame to craft and communicate brands is beneficial to companies because when consumers engage in a relationship with their brands, they are less price sensitive, pay more, and purchase repeatedly. This in turn leads to increased market share and profitability in spite of competitive pressure.

Reasons behind the Paradigm Shift: Consumer Needs and Motivations

A well-crafted brand and the relationship with such a brand can be beneficial to consumers as well. For example, familiarity with a brand enhances customers' confidence in the brand (Laroche, Kim and Zhou 1996). This confidence is translated into certainty toward consumers' brand evaluation, which reduces consumers' cognitive cost of comparing options (Howard 1989). So, when a consumer has a long term relationship with a brand repeat purchases become effortless and automatic (Fournier 1998).

Second, consumers extract meaning from brands and use brands for self-identification and self-expression. Research shows that consumers attribute personality traits to brands and then use these traits to define their own self-concept (Escalas and Bettman 2003) by choosing and using these brands (Chaplin and John 2005). Thus, for example, TagHeuer uses Leonardo Di Caprio as their spokesperson (<http://baselworld.tagheuer.com/2012/en/leonardo-dicaprio>) to create a vivid personality for itself. Consumers who identify with Di Caprio are likely to transfer their identification and attachment with Di Caprio to the TagHeuer brand which can lead to a liking for and loyalty towards the brand. The use of the Tag Heuer brand by these consumers helps them signal that in their own way they possess some aspects of Di Caprio's personality. Consistent with this view, Fournier (1989) reported that one of her informants, Vicki, a young woman, loved the Dove brand because she felt that Dove is like her, the girl next-door who is personable and fresh.

When consumers' needs of self-identity definition, self-expression, or emotional dependence are met by brands, consumers develop a trusting relationship with the brand and form emotional attachments with it (He, Li, and Harris 2012; Johnson, Herrmann and Huber 2006). Brand trust and emotional attachment in turn drive intention to purchase and brand loyalty (Garbarino and Johnson 1999).

Complimentary Contributor Copy

To sum up, brands-as-relationship-partners is an important perspective for both companies and consumers. Loyal consumers engage in a long-term relationship with the brands they are loyal towards. To have loyal consumers, companies need to explore consumers' needs, many of which may be hidden and difficult to identify, and then use marketing communications to actively portray the brand in terms of its personality, meaning and values so that consumers can easily connect to it and use it to construct their self-identity and express the same. When a brand fulfills these needs, consumers will have a stronger bond with the brand, which in turn will positively influence the brand's market share and profitability (Nam, Ekinci, and Whyatt 2011).

MARRIAGE MODEL: CONFLICT AND FORGIVENESS

Researchers have also cast the brand-person relationship as a marriage between the two (Dwyer, Schurr and Oh 1987). In the human relationship literature, conflict seems to be a dominant element in marriage (Määttä 2011). Whether a marriage is successful or not depends on how conflicts are resolved. Määttä (2011) identifies four contexts where a marriage could end in a divorce: if partners are different from each other in terms of their values, if partners do not work mutually to keep their marriage alive, if partners mature but in different directions, or if something unexpected such as infidelity happens. In other words, divorcers are those partners who cannot satisfy each other's needs (Fincham, Paleari and Regalia 2002) either because their compatibility is low, or they do not work hard enough, or expectations are set erroneously.

Brand Divorce

Mapping divorce in human relationships to brand and consumer marriage, we can identify the same three ways that a brand consumer marriage can result in divorce: change in shared values or identity shift, lack of effort to keep the relationship, and setting erroneous expectations. Consumers can –divorce or detach from their chosen brand when the congruence between their own identities and brand identities is no longer there (Sussan, Hall and Meamber 2012). For example, Karen, a divorced mother in Fournier's article (1998) removes herself from the brands she used when she was married to her ex-husband because these brands remind of her former identity. In this case, the

Complimentary Contributor Copy

brand has not done anything wrong and the consumer has not had a dissatisfactory experience. The brand simply does not fulfill the identity needs of the consumer as s/he has outgrown that identity.

As in the human relationships literature, divorce may happen when one of the partners refuses to commit to the relationship and fails to satisfy the needs of the relationship partner. A case in point is when consumers experience a decrease in their affective bonds with their brands (e.g., Park, MacInnis and Priester 2007; Shi, Chen and Ma 2011). Perrin-Martinénq (2004) uses the label ~~brand detachment~~ in referring to this decreased bonding and argues that brand detachment has negative effects on consumers' intentions to repurchase. As a result, brand detachment is a threat to the longevity of the relationship.

A classic example of reduced loyalty due to lack of commitment on the part of the brand would be when Coca Cola stopped to continue offering the old coke to its consumers (Dwyer, Schurr and Oh 1987). Or in Fournier's study (1998), Mary Kay, a cosmetic brand, discontinued certain product lines, which caused Karen, a loyal and committed consumer of Mary Kay, to experience stress and anxiety. As a result, she began to stockpile her preferred Mary Kay products for the fear that her favorite lines will be discontinued again. In the long run, such stress in a relationship makes consumers look for substitutes, which leads to brand divorce.

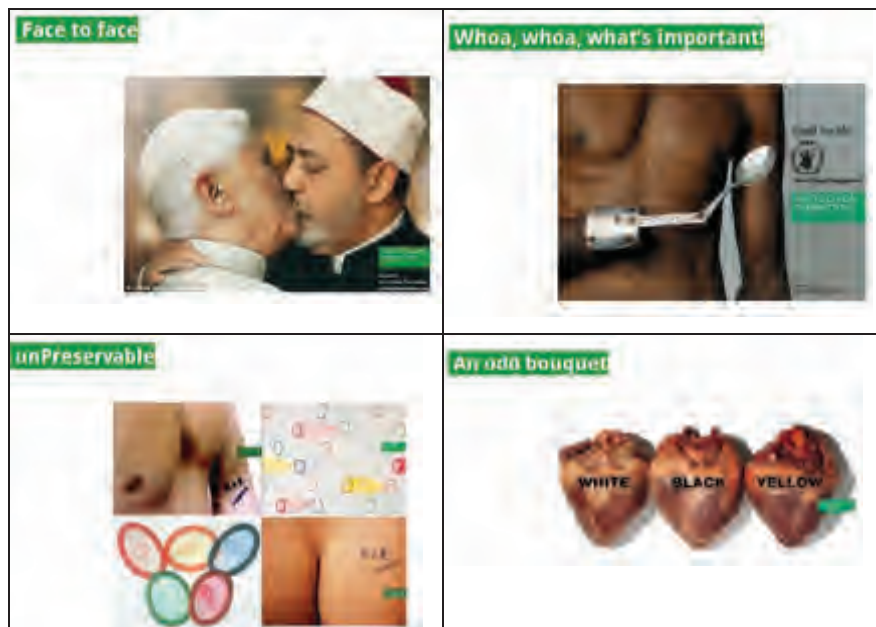
Another cause of brand-consumer divorce is when brands fail to deliver the expected experience because they set erroneous expectations via their marketing efforts. The failure to meet expectations may lead to brand divorce. A good example of this is Benetton, a fashion label, which experienced huge customer erosion in the 1990's. United Colors of Benetton is known for its advertising, which is shocking and controversial. As its founder Luciano Benetton explained, ~~we did not make our advertisements to provoke, but to make people talk, to develop citizen consciousness~~ (<http://top10buzz.com/top-ten-controversial-united-colors-of-benetton-ads/>). Examples of Benetton's Ads are captured in Table 1, which all link to political issues with controversial images highlighting racism, world hunger, AIDs, or gay rights.

In the extremely competitive fashion industry United Colors of Benetton successfully differentiates itself from its competitors by employing these shock ads and expressing strong political values. As a corporate brand, United Colors of Benetton is also known for its large scale involvement in social responsibility initiatives. As a fashion brand, its uniqueness via its ~~shock~~ ads (http://andriadis.net/files/Marketing_UCB.pdf) also successfully attracts consumers who can identify with these political values or prefer the shock ads. However, United Colors of Benetton did not successfully deliver this sense of

Complimentary Contributor Copy

–shockll in all its brand touch points, especially in its product design. Its clothing lines in the 1990's were not sufficiently innovative such that consumers gradually felt that the experience and design of the clothes did not deliver the uniqueness and the shock that the brand delivered via its advertising.

**Table 1. Examples of United Colors of Benetton Shock Ads:
Controversial Imagery Aligning with Political Issues**



To sum up, brand and consumer divorce can happen when consumers feel a sense of disconnection between their self-concept and brand identities, when brands discontinue products, or when brands fail to deliver the promised experience consistently.

Brand Forgiveness

Human relationship research suggests that not all conflicts in a marriage result in divorce and –forgivenessll often resolves marital conflict. According to Yárnoz Yaben (2009), forgiveness is a victim's internal choice

Complimentary Contributor Copy

(unconscious or deliberate) to seek reconciliation with the offender. The choice of –forgiveness is driven by the fact that the alternative, divorce, can be costly economically, emotionally, and socially (Yárnoz Yabe 2009). Moreover, forgiveness can be beneficial to the well-being of both victims and offenders (Fincham, Hall and Beach 2006). Research indicates that forgiveness is easier to foster when the attribution of the blame is to something external and/or unintentional (Fincham, Paleari and Regalia 2002).

In the context of branding, Fournier (1998) was among the first to argue that tolerance and forgiveness can result in the durability and stability of the consumer-brand relationship. However, in human relationships, the social and emotional cost of divorce is very high especially in terms of social pressure and the psychological well-being of the parties involved, which triggers forgiveness as an alternative option. Some may argue that in the brand case, the cost of brand-consumer divorce is mostly economical, time-wise, or psychologically (Porter 1980). Therefore, forgiveness seems to be an irrelevant construct in this context (Van Trijp, Hoyer and Inman 1996).

However, we argue that forgiveness in the brand context is plausible. Consumers invest time, money, and emotions in brands they are emotionally attached to, as discussed in the earlier sections. When a brand, with whom a consumer has a strong relationship transgresses, for example in terms of a product failure, we argue that consumers may choose to forgive the transgression as there are costs for not doing so. To choose to end the relationship, consumers will have to justify the time, effort, and emotions they have invested in the transgressed brands (theory of effort justification, Aronson and Mills 1959; or cognitive dissonance, Festinger's 1957).

Forgiveness is a relatively new concept, receiving attention from human relationships literature only recently (Fincham, Hall and Beach 2006), and academic work on how consumers would forgive their brands is scanty. There is empirical evidence that when brands transgress and commit mistakes, consumers do forgive the brand. British Petroleum Company is a good example of being forgiven by consumers. In the April of 2010, an explosion on the Deepwater Horizon drilling rig led to the biggest oil spill in the history. After that incident, the company lost some of its brand value between 2010 and 2011. Yet its brand value increased between 2011 and 2012, suggesting that consumers had perhaps forgiven the transgression.

Complimentary Contributor Copy

Toyota: Brand Redemption

Another important case to look into is Toyota's brand crisis between 2009 and 2010, when consumers first reported that the accelerator pedals in certain Toyota vehicles could get stuck. The resulting public scrutiny of accidents involving Toyota vehicles—including congressional hearings—hugely dented Toyota's reputation for quality and undermined its sales--Toyota's US sales were flat in 2010, in a year when almost every other major auto maker posted gains and for the first time the company ended its 30-year unbroken run of market-share increases in the U.S. In addition, Toyota Moto Corp. paid about \$1.1 billion to settle a class-action lawsuit stemming from complaints of unintended acceleration and recalled in 2009 and 2010 2.77 million vehicles for accelerator pedals that could stick. The scandal led the CEO of Toyota Akio Toyoda to apologize during testimony before Congress and vow that the company would overhaul the way it handled quality control. Notwithstanding this crisis and its immediate negative consequences, by November 2012, Toyota had gained 2 percent market share compared to November 2011. And Globally, Toyota has regained its top spot in sales (¹online.wsj.com/article/SB10001424127887324669104578203440990704994.html). The fact that Toyota sales and market share rebounded implies that the crisis was over and consumers had forgiven the brand. What is important to learn from Toyota's brand crisis case is that the way brands communicate and manage crisis, influences whether they are able to gain consumers' forgiveness. The detailed remedy activities and 10 advertisements Toyota released during the first three months of the brand crisis are instructive and are included in Table 2 and Appendix 1. We conceptualize the redemption strategies of brands in the following framework:

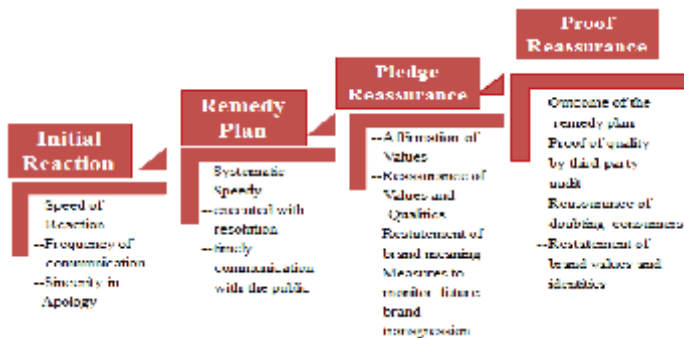


Figure 1. Map to Brand Redemption Journey.

Complimentary Contributor Copy

Table 2. Brand Remedy Activities: Toyota Case

| Date | Activity |
|-------------------|--|
| November 2, 2009 | Precursor- recall to correct possible incursion of an out-of-place floor mat causing pedal entrapment. |
| January 21, 2010 | Toyota Motor Sales (TMS), U.S.A., Inc, today announced it would recall approximately 2.3 million vehicles to correct sticking accelerator pedals on specific Toyota Division models |
| January 22, 2010 | FAQ for recall circulated |
| January 26, 2010 | Toyota temporarily suspends sales of selected vehicles |
| January 28, 2010 | Statement from Toyota saying they are working closely with supplier on revised design for accelerator pedals |
| January 29, 2010 | Updated FAQs |
| January 29, 2010 | Update on pedal recalls |
| January 30, 2010 | Toyota update statement: National Highway Traffic Safety Administration has approved plan for pedal recall |
| January 31, 2010 | FIRST AD: Temporary Pause to Put You First |
| February 1, 2010 | Updated FAQs |
| February 1, 2010 | Toyota announces comprehensive plan to fix accelerator pedals |
| February 2, 2010 | Toyota update |
| February 2, 2010 | SECOND AD: An Open Letter To Toyota Customers |
| February 3, 2010 | Toyota statement on comments by Transportation Secretary (ensuring customers understand that situation is rare) |
| February 5, 2010 | Toyota announces dealers have begun fixing accelerator pedals |
| February 5, 2010 | Akio Toyoda announces global quality task force |
| February 5, 2010 | THIRD AD: There's been a lot of talk about the recall. Here are the facts for our customers |
| February 10, 2010 | FOURTH AD: Toyota's Pledge to You Ad |
| February 13, 2010 | Toyota update: engineering firm commissioned for independent analysis report |
| February 16, 2010 | Toyota to comply with NHTSA request: federal regulators opened an investigation into whether Toyota conducted recent recalls in timely fashion. |
| February 17, 2010 | FIFTH AD: Press Conference Address: Toyota discusses quality related matters at press conference in Japan |
| February 18, 2010 | SIXTH AD: Commitment to customers |
| February 22, 2010 | Announcement that Toyota will install a brake override system on an expanded range of vehicle to provide additional measure of confidence |
| February 22, 2010 | SEVENTH AD: Akio Toyoda outlines steps company is taking in Wall Street Journal article |
| February 22, 2010 | In response to ABC news spot with Dr. Gilbert which made a claim about the electronic throttle control system, Toyota confirmed that what was described would not cause unintended acceleration to occur |
| February 24, 2010 | Toyota announces it will provide additional services to customer affected by recalls in New York |
| February 26, 2010 | Toyota announces it will extend additional services to customer affected by recalls in US |
| March 2, 2010 | EIGHTH AD: Our Pledge to Toyota Drivers |
| March 4, 2010 | Toyota evaluates unintended acceleration complaints in remedied vehicles |

Complimentary Contributor Copy

Table 2. (Continued)

| Date | Activity |
|------------------|---|
| March 5, 2010 | Toyota responds to Waxman Committee request and will keep committee informed on a regular basis |
| March 5, 2010 | Toyota official statement of Dr. Gilbert on ABC news 'unintended acceleration' demonstration which was deemed as highly likely to occur naturally and can only be contrived in a laboratory. |
| March 8, 2010 | During live webcast, Toyota raised concerns about credibility of Dr. Gilbert's study, publicly stating that the public and congressional committees have been misled by the demonstration and dramatization of it by ABC news. Preliminary reports by Exponent establishes the functionality of the electronic throttle control fail-safe systems |
| March 23, 2010 | Toyota statement on replacing accelerator pedals due to the fact that some news account have misinterpreted letter sent by Toyota to dealers regarding an improved part process |
| March 30, 2010 | Official remarks by Akio Toyoda following inaugural meeting of the special committee for global quality |
| March 30, 2010 | First meeting of special committee for global quality was convened |
| March 30, 2010 | NINTH AD: Toyota answers consumer questions 1 TENTH AD: Toyota answers consumer questions 2 |
| April 6, 2010 | Toyota communicates that they are considering its response to the NHTSA announcement that it is seeking a civil penalty |
| April 7, 2010 | Toyota statement on internal communications regarding recent recalls. But, did not comment on particular email in question. |
| April 8, 2010 | Toyota announces SMART business process for quick evaluation of unintended acceleration reports |
| April 29, 2010 | US Transportation announces appointment of 6 safety and quality experts to Toyota's independent North American Quality Advisory Panel |
| May 4, 2010 | Toyota announces that over 3 million remedies have been performed on recent recalls |
| May 5, 2010 | Toyota announces that it has expanded the number of Event Data Recorder read out devices |
| January 18, 2010 | National Academy of Sciences National Research Council report commissioned by the National Highway Traffic Safety Administration report released. Toyota comments that |
| January 24, 2012 | Reports conclude that scientific evidence confirms that there is no problem with the electronic throttle control systems in Toyota vehicles |

Source: http://pressroom.toyota.com/section_display.cfm?section_id=569&start_row=1

We argue that in order to win trust and forgiveness from consumers, transgressing brands need to communicate frequently, consistently, and sincerely through four stages: initial reaction, remedy plan, pledge and reassurance, and proof and reassurance. When a crisis breaks out, the brand champion, the CEO of the company, needs to admit the mistake and openly address it FAST and with the RESOLUTION that the company will fix the problems. Second, the brand needs to release and share with the public a

Complimentary Contributor Copy

systematic, rigorous plan of how the problems will be solved, and do so credibly. Third, via the problem solving process, brands need to remind consumers of who they are and the values and identity they stand for, and through this reassure consumers that the brand remains steadfast and committed to fixing its mistakes. This reassurance and reminder via the form of formally pledging is important to reconnect consumers to the brand. The last stage is proof and reassurance, which re-establishes the brand integrity by realising the outcome of problem solving, certified and legitimized by a third party audit and, at the same time, re-stating the identity and values of the company. At this stage, companies should use their abilities and resolution to solve the crisis as proof that that the brand is committed to its consumers and win their trust back. This framework, inspired by Toyota's actions (in Appendix 1 and Table 2) could be a useful tool to examine the relationship between how a company employs remedial strategies and its impact on consumers. Exploring the veracity of this framework will be an important future research direction for consumer and brand researchers.

REFERENCES

- Aaker, J. L. (1997). Dimensions of brand personality. *Journal of Marketing research*, 347-356.
- Aaker, J., Fournier, S., & Brasel, S. A. (2004). When good brands do bad. *Journal of Consumer research*, 31(1), 1-16.
- Alderson, W. (1957). *Marketing behavior and executive action: A functionalist approach to marketing theory*. RD Irwin.
- Anderson, E. W., Fornell, C., & Mazvancheryl, S. K. (2004). Customer satisfaction and shareholder value. *Journal of Marketing*, 172-185.
- Arndt, J. (1983). The political economy paradigm: foundation for theory building in marketing. *The Journal of Marketing*, 44-54.
- Aronson, E. & Mills, J. (1959). —The effect of severity of initiation on liking for a groupll , *Journal of Abnormal and Social Psychology*, 59, 177-181.
- Bartels, R. (1951). Can marketing be a science?. *The Journal of Marketing*, 15(3), 319-328.
- Bagozzi, R. P. (1974). Marketing as an organized behavioral system of exchange. *The Journal of Marketing*, 77-81.
- Bagozzi, R. P. (1975). Marketing as exchange. *The Journal of Marketing*, 32-39.

Complimentary Contributor Copy

- Converse, P. D. (1945). The development of the science of marketing: an exploratory survey. *The Journal of Marketing*, 10(1), 14-23.
- Chaplin, L. N., & John, D. R. (2005). The development of self-brand connections in children and adolescents. *Journal of Consumer Research*, 32(1), 119-129.
- Dwyer, F. R., Schurr, P. H., & Oh, S. (1987). Developing buyer-seller relationships. *The Journal of marketing*, 11-27.
- Eraldo, F. (1957). The theory of general static equilibrium. Oxford : B. Blackwell.
- Erciş, A., Ünal, S., Candan, F. B., & Yıldırım, H. (2012). The Effect of Brand Satisfaction, Trust and Brand Commitment on Loyalty and Repurchase Intentions. *Procedia-Social and Behavioral Sciences*, 58, 1395-1404.
- Escalas, J. E., & Bettman, J. R. (2003). You are what they eat: The influence of reference groups on consumers' connections to brands. *Journal of Consumer Psychology*, 13(3), 339-348.
- Festinger(1957). –a Theory of Cognitive Dissonance, Stanford, *Stanford University Press*.
- Fincham, F. D., Paleari, F., & Regalia, C. (2002). Forgiveness in marriage: The role of relationship quality, attributions, and empathy. *Personal Relationships*, 9(1), 27-37.
- Fincham, F. D., Hall, J., & Beach, S. R. (2006). Forgiveness in marriage: Current status and future directions. *Family Relations*, 55(4), 415-427.
- Fournier, S. (1998). Consumers and their brands: developing relationship theory in consumer research. *Journal of consumer research*, 24(4), 343-353.
- Grönroos, C. (1997). Keynote paper From marketing mix to relationship marketing-towards a paradigm shift in marketing. *Management decision*, 35(4), 322-339.
- Garbarino, E., & Johnson, M. S. (1999). The different roles of satisfaction, trust, and commitment in customer relationships. *The Journal of Marketing*, 70-87.
- Gatbonton, A.2013), –77 Catchy And Creative Slogans, –<http://www.hongkiat.com/blog/77-catchy-and-creative-slogans/>,|| retrieved on October 8 2013.
- He, H., Li, Y., & Harris, L. (2012). Social identity perspective on brand loyalty. *Journal of Business Research*, 65(5), 648-657.
- Hirschman, E. C. (1987). People as products: Analysis of a complex marketing exchange. *The Journal of Marketing*, 98-108.

Complimentary Contributor Copy

- Homburg, C., Koschate, N., & Hoyer, W. D. (2005). Do satisfied customers really pay more? A study of the relationship between customer satisfaction and willingness to pay. *Journal of Marketing*, 84-96.
- Howard J.A. (1989). *Consumer Behavior in Marketing Strategy*. Englewood Cliffs, NJ: Prentice Hall .
- Hunt, S. D. (1976). The nature and scope of marketing. *The Journal of Marketing*, 40(3), 17-28.
- Hunt, S. D. (1983). General theories and the fundamental explananda of marketing. *The Journal of Marketing*, 9-17.
- Hutchinson, K. D. (1952). Marketing as a science: an appraisal. *The Journal of Marketing*, 16(3), 286-293.
- Johnson, M. D., Herrmann, A., & Huber, F. (2006). The evolution of loyalty intentions. *Journal of Marketing*, 122-132.
- Kelly, E. L., & Conley, J. J. (1987). Personality and compatibility: A prospective analysis of marital stability and marital satisfaction. *Journal of Personality and Social Psychology*, 52(1), 27.
- Kim, J., Morris, J. D., & Swait, J. (2008). Antecedents of true brand loyalty. *Journal of Advertising*, 37(2), 99-117.
- Kotler, P. (1988). *Marketing Management: Analysis, Planning and Control*. Prentice-Hall, Englewood Cliffs, NJ.
- Kotler, P. (1972). A generic concept of marketing. *The Journal of Marketing*, 46-54.
- Kohli, A. K., & Jaworski, B. J. (1990). Market orientation: the construct, research propositions, and managerial implications. *The Journal of Marketing*, 1-18.
- Laroche, M., Kim, C., & Zhou, L. (1996). Brand familiarity and confidence as determinants of purchase intention: an empirical test in a multiple brand context. *Journal of business Research*, 37(2), 115-120.
- Määttä, K. (2011). The throes and relief of divorce. *Journal of Divorce & Remarriage*, 52(6), 415-434.
- Meenaghan, T. (1995). The role of advertising in brand image development. *Journal of Product & Brand Management*, 4(4), 23-34.
- Mittal, V., Kumar, P., & Tsiros, M. (1999). Attribute-level performance, satisfaction, and behavioral intentions over time: a consumption-system approach. *The Journal of Marketing*, 88-101.
- Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *the journal of marketing*, 20-38.
- Narver, J. C., & Slater, S. F. (1990). The effect of a market orientation on business profitability. *The Journal of Marketing*, 20-35.

Complimentary Contributor Copy

- Nam, J., Ekinci, Y., & Whyatt, G. (2011). Brand equity, brand loyalty and consumer satisfaction. *Annals of Tourism Research*, 38(3), 1009-1030.
- Nevin, J. (1995). Relationship marketing and distribution channels: Exploring fundamental issues. *Journal of the Academy of Marketing Science*, 1995, Vol.23(4), pp.327-334 [Peer Reviewed Journal]
- Norton, M. I., Mochon, D., Ariely, D. (2012). —The IKEA effect: When labor leads to lovell, *Journal of Consumer Psychology*, 2012, Vol.22 (3), pp.453-460 [Peer Reviewed Journal].
- Oliver Richard, L. (1997). Satisfaction: A behavioral perspective on the consumer. **New York** □NY: Irwin-McGraw-Hill.
- Oliver, R. L. (1999). Whence Consumer Loyalty?. *Journal of Marketing*, 63 (Special Issue), 33–44.
- Park, C. W., MacInnis, D., & Priester, J. (2007). Beyond attitudes: Attachment and consumer behavior. *Seoul National Journal*, 12(2), 3-36.
- Perrin-Martineng, D. (2004). The role of brand detachment on the dissolution of the relationship between the consumer and the brand. *Journal of Marketing Management*, 20(9-10), 1001-1023.
- Porter, M. E. (1980). Competitive strategies. *New York*.
- Reichheld, F. F. (1996). The Loyalty Effect, Harvard Business School Press. *Harvard, MA*.
- Silberberg, E., & Suen, W. C. (1990). *The structure of economics: a mathematical analysis* (Vol. 2). New York: McGraw-Hill.
- Sussan, F., Hall, R., & Meamber, L. A. (2012). Introspecting the spiritual nature of a brand divorce. *Journal of Business Research*, 65(4), 520-526.
- Sheth, J. N., & Uslay, C. (2007). Implications of the revised definition of marketing: from exchange to value creation. *Journal of Public Policy & Marketing*, 302-307.
- Shi, W. H., Chen, J. J., & Ma, J. M. (2011). A study of customer loyalty based on switching cost and brand attachment. *The Journal of China Universities of Posts and Telecommunications*, 18, 136-141.
- Sirgy, M. J. (1982). Self-concept in consumer behavior: A critical review. *Journal of consumer research*, 287-300.
- Thompson, C. J., Locander, W. B., & Pollio, H. R. (1989). Putting consumer experience back into consumer research: the philosophy and method of existential-phenomenology. *Journal of Consumer Research*, 133-146.
- Van Trijp, H. C., Hoyer, W. D., & Inman, J. J. (1996). Why switch? Product category: level explanations for true variety-seeking behavior. *Journal of Marketing Research*, 281-292.

Complimentary Contributor Copy

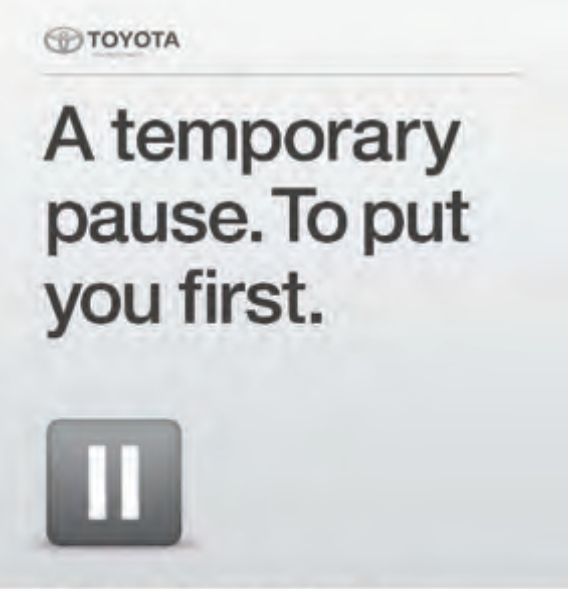
Wilkie, W. L., & Moore, E. S. (2003). Scholarly research in marketing: exploring the "4 Eras" of thought development. *Journal of Public Policy & Marketing*, 116-146.

Yárnoz Yaben, S. (2009). Forgiveness, attachment, and divorce. *Journal of Divorce & Remarriage*, 50(4), 282-294.

Zeithaml, V. A. (2000). Service quality, profitability, and the economic worth of customers: what we know and what we need to learn. *Journal of the Academy of Marketing Science*, 28(1), 67-85.


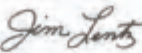
Zey-Ferrell, M. (1977). Is all social exchange marketing?. *Journal of the Academy of Marketing Science*, 5(4), 307-314.

**APPENDIX 1: TEN STEPS OF BRAND REDEMPTION:
A CASE OF TOYOTA CRISIS MANAGEMENT**



| Timeline and goals to achieve | Advertisement |
|--|---|
| Ad 1: Jan 30 2010 Notification And Action |  <p>The advertisement features the Toyota logo at the top left. Below it, the text reads "A temporary pause. To put you first." in a large, bold, sans-serif font. Underneath the text is a large, dark square icon with two vertical white bars, resembling a pause button. At the bottom of the ad, there is a small section of text that says "Why we've temporarily stopped some of our plants:" followed by a very small, illegible paragraph. Below that, another line of text says "To find out if your Toyota is affected and to get the very latest information about the recall, please visit:" followed by the website "toyota.com".</p> |

Complimentary Contributor Copy

(Continued)


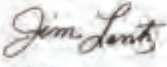
| Timeline and goals to achieve | Advertisement |
|--|--|
| Ad 2: February 2 2010 Clarification and Updating |  <p data-bbox="354 468 451 485">February 2, 2010</p> <p data-bbox="354 527 488 543">Dear Toyota Customers:</p> <p data-bbox="354 573 980 625">For more than 50 years, Toyota has provided you with safe, reliable, quality vehicles and first-rate service. I am truly sorry for the concern our recalls have caused, and want you to know we're doing everything we can - as fast as we can - to make things right.</p> <p data-bbox="354 644 980 697">We have launched a comprehensive plan to permanently fix the vehicles we've recalled because in rare instances, accelerator pedals can, over time, become slow to release or get stuck. We know what's causing this and what we have to do to fix it. We've tested our solution rigorously, and we are confident that it works.</p> <p data-bbox="354 716 964 747">We're working day and night with Toyota dealers to make our recalls simple and trouble-free. Here are some of the things we're doing:</p> <ol data-bbox="354 768 980 982" style="list-style-type: none"> 1. The precision parts we've engineered to reinforce the pedals are already being shipped and dealers are being trained to make the repair. 2. We're writing to all customers affected by the Pedal recall, as well as the Floor Mat recall, to let them know how to schedule a convenient appointment with their local dealer. 3. Many of our dealers will be working extended hours - some of them 24/7 - and adding staff to get through the repairs as quickly as possible. 4. We've temporarily halted production of these models to focus fully on fixing this problem in the vehicles that are on the road. Our entire organization of 172,000 North American employees and dealership personnel is committed to you. <p data-bbox="354 1003 980 1035">Some of the actions we've taken are unprecedented. Stopping production is never an easy decision - but we're confident it's the right thing to do for our customers.</p> <p data-bbox="354 1056 980 1087">Ensuring your safety is our highest priority. We'll continue to do everything we can to meet - and exceed - your expectations, and justify your continued trust in Toyota.</p> <p data-bbox="743 1140 932 1266"> Sincerely,  Jim Lentz President and Chief Operating Officer Toyota Motor Sales, U.S.A., Inc. </p> |

Complimentary Contributor Copy


| Timeline and goals to achieve | Advertisement |
|---|---|
| <p>Ad 3: Feb 5 2010</p> <p>Clarification and Communication of Action Plan</p> |  <p>There's been a lot of talk about the recall. Here are the facts for our customers.</p> <p>Over the past few days, there has been a lot of speculation about our sticking accelerator pedal recall. Our message to Toyota owners is this — if you are not experiencing any issues with your accelerator pedal, we are confident that your vehicle is safe to drive. If your accelerator pedal becomes harder to depress than normal or slower to return, please contact your dealer without delay.</p> <p>At Toyota, we take this issue very seriously, but I want to make sure our customers understand that this situation is rare and generally doesn't occur suddenly. In the instances where it does occur, the vehicle can be controlled with firm and steady application of the brakes.</p> <p>Here's the latest update on the recall:</p> <ol style="list-style-type: none"> 1. We're starting to send letters this weekend to owners involved in the recall to schedule an appointment at their dealer. 2. Dealerships have extended their hours — some of them working 24/7 — to fix your vehicle as quickly as possible. 3. Trained technicians have begun making repairs. <p>We've halted production of these models this week to focus fully on fixing this problem for the vehicles that are on the road.</p> <p>Our entire organization of 172,000 North American employees and dealership personnel has been mobilized. And we're redoubling our quality control efforts across the company.</p> <p>Ensuring your safety is our highest priority. I will continue to update you with accurate and timely information about the status of the recall in the days and weeks ahead.</p> <p>Sincerely,</p>  <p>Jim Lentz President and Chief Operating Officer Toyota Motor Sales, U.S.A., Inc.</p> |

Complimentary Contributor Copy

(Continued)

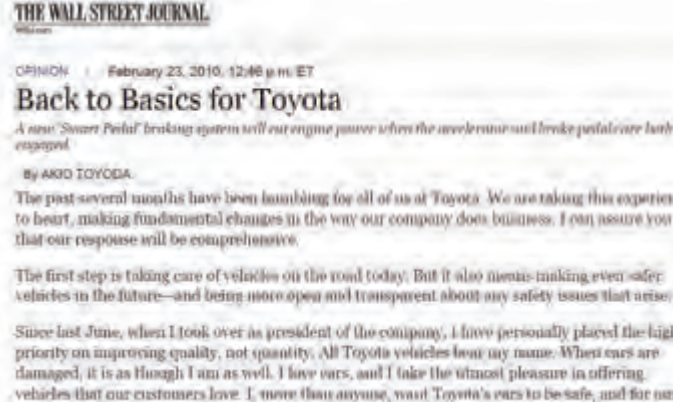
| Timeline and goals to achieve | Advertisement |
|--|---|
| Ad 4: Feb 10 12012 Reinforcement of values And communication of Action Plan |  <h1 data-bbox="329 405 669 653">Toyota's Pledge To You.</h1> <p data-bbox="318 703 976 768">More than 70 years ago, Toyota was founded with one mission in mind — to provide our customers with the safest, most reliable vehicles in the world. That's why 80% of all Toyota cars and trucks sold in the United States over the last 20 years are still on the road today.*</p> <p data-bbox="318 789 976 854">We're proud of our heritage and recognize that, lately, we haven't lived up to it. All 172,000 Toyota employees and dealership personnel in North America are working around the clock to make things right for you and earn back your trust.</p> <p data-bbox="318 875 976 940">We've launched a comprehensive program, led personally by our President, Akio Toyoda, to improve quality controls worldwide — from when we design your vehicle to the day you stop using it — and respond more effectively when there's an issue.</p> <p data-bbox="318 982 516 1005">Here's what we are doing:</p> <ol data-bbox="318 1026 976 1262" style="list-style-type: none"> 1. We are launching a top-to-bottom review of every process related to quality in design, production, sales and service, and verifying the causes that prompted our recent recalls. 2. We're improving communications with our customers to gather information faster and further strengthening our dialogue with our regulators. 3. When we learn about a problem our customers are experiencing, we'll investigate without delay, and we'll quickly address any safety issues we find. 4. We'll ask outside experts to confirm that the enhanced quality controls we're putting in place conform to best industry practices. <p data-bbox="318 1304 976 1369">At Toyota, we have always believed that continuous improvement — doing better every day — is the best guarantee of success. And we believe that the best companies learn from their mistakes. We know we need to do better. We are committed to doing just that.</p> <p data-bbox="318 1411 386 1434">Sincerely,</p>  <p data-bbox="318 1499 516 1556">Jim Lentz President and Chief Operating Officer Toyota Motor Sales, U.S.A., Inc.</p> |

Complimentary Contributor Copy



| Timeline and goals to achieve | Advertisement |
|--|--|
| <p>Ad 5: Feb 17 2010 Reinforcement of efforts and communication of Action Plan</p> | <p>Toyota Motor Corporation Press Conference on Quality – Akio Toyoda</p> <p><i>Toyota Motor Corporation Press Conference Addressing Quality-Related Matters Tokyo, Japan February 17, 2010 Akio Toyoda, President</i></p> <p>Thank you for joining us here today following a similar gathering just last week.</p> <p>Repair operations began for the "Prius" this past weekend. To speak to customers and to encourage dealer staff members carrying out the repairs, I visited several Toyota sales outlets.</p> <p>The repair effort for the Prius is fast moving ahead, and, in Japan, including vehicles for which repair appointments are set, some dealer outlets are reporting they are already confident of attaining a 100% repair rate. This rapid progress is a tribute to the understanding and cooperation exhibited by our customers, to whom I would like to express my deepest gratitude.</p> <p>Also, we have completed preparations for repair operations for the "Sai" and "Lexus HS250h", as we announced today in newspaper notices. Our dealers have begun notifying owners of those models today.</p> <p>Working with our dealers as one, we aim to attain a 100% repair rate as soon as possible, as we endeavor to provide our customers with vehicles that are safe and reassuring.</p> <p>Since autumn, we at Toyota have worked hard to address each of a number of quality issues. We conducted a safety campaign in the United States to respond to a problem with floor mats. We recalled vehicles to resolve a problem with accelerator pedals. And we recalled the Prius and other models to address a braking system issue. But against the backdrop of our efforts, there are a number of points on which we need to deeply reflect.</p> <p>Safety standards and technical benchmarks usually form the basis for decision-making on recalls. But in the case of the Prius and the other models, our highest priority was to provide customer reassurance. This prompted us to decide on a recall in a very short time. This emphasis on customer reassurance will continue to be a centerpiece of our actions.</p> |
| <p>Ad 6: Feb 18 2010 Reinforcement of Values and Communication of Action Plan</p> |  <p>TOYOTA</p> <p>Our Commitment To Customers:</p> <p>History shows that great companies learn from their mistakes. That's why all 172,000 people working for Toyota and our dealers are doing more than ever to make things right for our customers today and for the future.</p> |

Complimentary Contributor Copy

(Continued)

| Timeline and goals to achieve | Advertisement |
|--|---|
| Ad 7: Feb 23 2010 Reflection and Reinforcement of Vaues |  <p>THE WALL STREET JOURNAL WSJ.com</p> <p>OPINION February 23, 2010, 12:48 p.m. ET</p> <h3>Back to Basics for Toyota</h3> <p><i>A new "Smart Parking" braking system will cut engine power when the accelerator and brake pedals are both engaged.</i></p> <p>By AKIO TOYODA</p> <p>The past several months have been humbling for all of us at Toyota. We are taking this experience to heart, making fundamental changes in the way our company does business. I can assure you that our response will be comprehensive.</p> <p>The first step is taking care of vehicles on the road today. But it also means making even safer vehicles in the future—and being more open and transparent about any safety issues that arise.</p> <p>Since last June, when I took over as president of the company, I have personally placed the highest priority on improving quality, not quantity. All Toyota vehicles bear my name. When cars are damaged, it is as though I am as well. I love cars, and I take the utmost pleasure in offering vehicles that our customers love. I, more than anyone, want Toyota's cars to be safe, and for our</p> |
| Ad 8: March 2 2013 Reinforcement of Values and Future Commitment | <h2>Our Pledge To Toyota Drivers</h2> <p>When Kiichiro Toyoda brought Toyota into the auto business in 1937, he created a set of principles that has always guided how we operate. The pillars of the "Toyota Way" are "respect for people" and "continuous improvement." These remain core values – and we'll adhere closely to them as we make vehicle safety our top priority.</p> <p>We have already taken decisive steps to make things right for our drivers.</p> <ul style="list-style-type: none"> - All 172,000 team members and dealers across North America are working day and night to fix our recalled vehicles – and one million have already been repaired. - Our solutions are effective and durable – and we are confident that no problems exist with our electronic throttle control system. - We've asked a world-class engineering firm to conduct a comprehensive independent analysis of this system. Their interim report confirms that its multiple fail-safes work – and we will make their final report public. <p>But we are not stopping there.</p> <p>Toyota will set a new standard for speed of response on safety issues. For example, we are expanding our field monitoring team with the goal of conducting on-site inspections of unwanted acceleration reports as soon as possible.</p> <p>And we'll be a leader in introducing advanced safety technologies to provide you with added confidence – including an advanced brake override system that automatically cuts engine power when the accelerator and brake pedals are both engaged.</p> |

Complimentary Contributor Copy

| | |
|--|--|
| | <p>Toyota will set a new standard for speed of response on safety issues. For example, we are expanding our field monitoring team with the goal of conducting on-site inspections of unwanted acceleration reports as soon as possible.</p> <p>And we'll be a leader in introducing advanced safety technologies to provide you with added confidence – including an advanced brake override system that automatically cuts engine power when the accelerator and brake pedals are both engaged.</p> <p>We'll ask distinguished independent safety experts to ensure that the enhanced quality controls we're putting in place conform to best industry practices.</p> <p>We continue to produce many of the best vehicles on the road. Many of you who are bringing your vehicles to our dealers for repair continue to tell us that, and we deeply appreciate your loyalty.</p> <p>More than anything, we want you to feel safe, knowing the vehicles you are driving are among the safest, most reliable in the world.</p> <p>Sincerely,</p>  <p><small>Jim Lentz President and Chief Operating Officer Toyota Motor Sales, U.S.A., Inc.</small></p> |
| <p>Ad 9: March 30 2010 Reinforcement of Brand Values and Future Commitment</p> |  <p>WE WANT TO KNOW THAT TOYOTA IS IMPROVING SAFETY AND THAT THEY STAND BEHIND THEIR PRODUCTS</p> <p>Carol, we appreciate your comment. We want you to know that your safety is our first priority. And our goal is not simply to meet safety standards, but to go beyond them. That's why we're sending out teams of technicians to investigate consumer complaints as quickly as possible. And we're introducing new safety features, like an advanced brake override system. We do stand behind our products. And assure you that we're committed to your safety, now and in the future.</p> <p>TOYOTA Please call 800-331-4331 or visit Toyota.com/recall</p> |

Complimentary Contributor Copy

(Continued)

| Timeline and goals to achieve | Advertisement |
|--|--|
| Ad 10: March 30 2010 Reinforcement of Brand Value and Future Commitment |  <p>HOW IS TOYOTA GOING TO REGAIN THE CONFIDENCE OF THE DRIVER?</p> <p>Dan, thank you for your question. You, like millions of other drivers, depend on us. And that's something we don't take lightly. So we're doing everything we can, as fast as we can, to restore your confidence in us. We recently launched a top-to-bottom review of our global operations. And we didn't stop there. We also invited Exponent, an independent engineering firm used by NASA, to further validate the safety of our vehicles. And, as we continue to set even higher standards of safety and quality, we'll keep you informed every step of the way.</p> <p>TOYOTA <small>Exponent 800-333-2731 or visit Toyota.com/safety</small></p> |

Complimentary Contributor Copy

First, we are fixing the vehicles covered by our recent recalls.

- Our technicians are repairing up to 50,000 vehicles a day.
- Many dealers are extending hours – some of them working around the clock – to fix your cars quickly and conveniently.

Second, Toyota engineers have rigorously tested our solutions – and we are confident that no problems exist with the electronics in our vehicles.

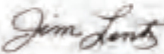
- We've designed our electronic throttle control systems with multiple fail-safe mechanisms to shut off or reduce engine power in the event of a system failure. And they work. But we're not stopping there. We've asked a world-class engineering firm to conduct a comprehensive independent analysis. Their interim report confirms that our fail-safe features work.
- Toyota will make the results of this comprehensive, independent evaluation available to the public when it is completed.

Third, we're taking steps to ensure that we learn from this experience – and operate in a more open and transparent way.


- We've launched a top-to-bottom review of our quality controls worldwide – design, production, sales and service.
- We are assembling a group of distinguished independent safety experts to help ensure that these quality controls meet or exceed industry standards.
- We're listening more closely to our customers, gathering information faster and responding more effectively when there's an issue.

At Toyota, building safe cars is what we've been doing for 50 years – and we are committed to continuing that legacy for decades to come.

Sincerely,



Jim Lentz
President and Chief Operating Officer
Toyota Motor Sales, U.S.A., Inc.



Our Commitment To Customers:

History shows that great companies learn from their mistakes. That's why all 172,000 people working for Toyota and our dealers are doing more than ever to make things right for our customers today and for the future.

Source: http://pressroom.toyota.com/section_display.cfm?section_id=569&start_row=1

Complimentary Contributor Copy

Complimentary Contributor Copy