

# Does brand attachment protect consumer-brand relationships after brand misconduct in retail banking?

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## Abstract

**Purpose** – This research aims to examine the role of consumers' brand trust and attachment on advocacy intention before and after the occurrence of brand misconduct in retail banking. In addition, the influence of brand attachment on consumers' willingness to switch, advocate for, and forgive brands is examined in a post-misconduct scenario.

**Design/methodology/approach** – Data were collected through a self-administered online survey questionnaire. A total of 304 valid and usable responses from Australian participants were analysed using IBM SPSS 27.0.

**Findings** – The findings reveal that brand attachment mediates the positive relationship between trust and advocacy intention. Furthermore, brand attachment (i) dilutes consumers' switching intention and (ii) strengthens their willingness to forgive the bank after misconduct.

**Practical implications** – Results suggest that retail banks should create strong brand attachments with their consumers. In addition to brand trust, brand attachment will generate greater advocacy intention among consumers. Moreover, practitioners in retail banking can leverage brand attachment to mitigate the negative impact of brand misconduct.

**Originality/value** – To the best of the authors' knowledge, this study is the first to examine the impact of brand attachment on the consumer-bank relationship within the context of brand misconduct. The study is also unique in its analysis of the mediating role of brand attachment between brand trust and advocacy. This research further adds to the current literature by suggesting that strong and positive customer connections to the brand facilitate communication and marketing efforts after brand misconduct, and that these are effective in maintaining customer-bank relationships.

**Keywords:** Brand attachment, advocacy, misconduct, forgiveness, switching, retail banking.

## Citation

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## 1. Introduction

In recent years, the complexity of the consumer-brand relationship has advanced significantly (Khatoon and Rehman, 2021; Iveson et al., 2022). The construction of these consumer-brand relationships is especially important in the marketing 3.0 era – also known as the “values-driven era” (Papista and Dimitriadis, 2012; Kotler et al., 2010) – in which the literature has suggested that customers are multifaceted human beings who will choose those brands that satisfy their deepest needs. Under this paradigm, shrewd businesses must use their brands to engage with society by addressing social, economic, and environmental challenges (Jiménez-Zarco et al., 2014). While maintaining positive consumer-brand relationships is vital, recent studies have uncovered that the effects of negative brand sentiment due to brand “wrongdoing” have become more prevalent in disrupting consumer-brand relationships (e.g., Fetscherin, 2021; Jabeen et al., 2022).

This is largely because the consumer-brand interaction is no longer defined purely by purchase or consumption (Ndhlovu and Maree, 2022; Tsimonis and Dimitriadis, 2014); indeed, businesses are now vulnerable to negative sentiment delivered via electronic word of mouth on multiple digital and social channels, regardless of whether they decide to use these channels to engage with their customers. For instance, consumer responses can take various forms, from mild complaints or brand switching to severe ones like organised anti-brand communities and coordinated attacks (Brandão and Popoli, 2022; Rauschnabel et al., 2016). One of the drivers of consumers’ negative brand sentiment is brand misconduct, “a company’s behaviour or statement that disappoints consumers or public expectations of the brand” (Hsiao et al., 2015, p. 862). Brand misconduct, also known as brand transgression/scandal/crisis/wrongdoing, relates to the brand’s socially or morally questionable behaviour and product- and service-related flaws, which have a significant public impact and frequently produce unfavourable

consumer reactions to the brand (Huber et al., 2009; Khamitov et al., 2020; Kapoor and Banerjee, 2021).

While the seminal works of several authors (Baghi and Gabrielli, 2019; Hsiao et al., 2015; Klein et al., 2004; Huber et al., 2009) have contributed to the existing body of literature on the relationship between brand misconduct (e.g., brand scandals, brand misbehaviours, brand wrongdoings) and consumer attitudes and behaviours (e.g., consumers' purchase behaviours, word of mouth behaviours, brand evaluation, repurchase decisions, and protest behaviours), there is still much to learn about the effect of brand misconduct on the consumer-brand relationship (Khamitov et al., 2020). In particular, the literature lacks a clear answer to whether past findings regarding negative consumer-brand interactions correspond to a debtor-creditor relationship or a consumer-bank relationship (Ahn et al., 2016; Rodrigues and Borges, 2020; Banerjee et al., 2021). For instance, in 2022 alone the Australian Securities and Investments Commission estimates that major Australian banks and financial service providers alone have paid, or have offered to pay, a total of \$3.15 billion in compensation to customers who suffered a loss or harm as a result of "fees for no service" misconduct or "non-compliant advice" (Libatique, 2022). In addition, the BBC has reported numerous allegations of customer exploitation and corporate misbehaviour within Australia's banks and financial institutions (BBC, 2018). Based on these findings, one may wonder whether consumers' emotion-related factors (e.g., brand attachment) could act as the catalyst through which consumers show resilience to negative information and continue patronising the bank (Fedorikhin et al., 2008; Lin et al., 2021).

An extensive search in the current body of literature evidences limited research on brand misconduct within the context of retail banking. Moreover, little is known about how

consumers' attachment to banks negates the negative brand sentiment resulting from brand misconduct. We have summarised the relevant studies in Table 1, which also illustrates how the present research adds to the existing body of knowledge. Hence, we argue that consumer trust, attachment, and advocacy intentions are affected by brand misconduct (Baghi and Gabrielli, 2019; Roy et al., 2018). Through the lens of social exchange theory (SET), we further predict that in a post-misconduct situation consumers will show more "willingness to forgive" and less "switching intention" if banks can build strong emotional attachments with consumers. More specifically, SET supports the complementary relationships between consumers and brands by indicating that (i) brand trust and attachment have positive effects on advocacy intention and (ii) brand attachment further strengthens the consumer-brand relationship as an example of reciprocity in a post-misconduct scenario. The potential findings will enable practitioners to develop marketing strategies to reduce the detrimental effects of brand misbehaviour on customers' advocacy intention while simultaneously constructing long-term brand strategies and establishing enduring consumer-brand relationships.

=== Table 1 about here ===

## **2. Theory and hypotheses**

### ***2.1. Theoretical background***

#### *2.1.1. Social exchange theory*

SET is one of the most widely used theoretical lenses in academic disciplines such as management, social psychology, and sociology. While economic exchange involves explicit conditional trade with trust being less important, social exchange encompasses implicit support

of immaterial, symbolic, and personal values involving more mutual trust (Haas and Deseran, 1981; Rousseau et al., 1998). As opposed to economic exchange, successful social exchanges engender “feelings of personal obligation, gratitude, and trust” (Blau, 1964, p. 94). Moreover, the obligation to reciprocate in exchange for benefits received from the other party is an essential aspect of SET (Gouldner, 1960). Despite the fact that the receivers are morally expected to reciprocate for the benefits they receive, such reciprocity can only be realised voluntarily (Hornung and Glaser, 2010).

SET has been used in marketing, especially in relation to brand referral and brand advocacy by consumers (Choi et al., 2021; Li et al., 2022). Consequently, this study adopts SET to explain how brand attachment mitigates the harmful effect of brand misconduct on the consumer-bank relationship. Satisfied customers who have placed their trust in a brand and are thus emotionally attached to it will likely advocate on behalf of the brand to reciprocate the relational trust developed (Shimul and Phau, 2022). Moreover, the foundational premises of SET configure an adequate theoretical background for developing practices to navigate abrupt organisational crises (Cortez and Johnston, 2020; Garner, 2017) such as brand misconduct and scandal. By applying SET, this study argues that consumers with strong brand attachment will continue brand advocacy even after the occurrence of brand misconduct.

## **2.2. Conceptual framework and hypotheses**

The conceptual framework of this study is depicted in Figure 1. This framework builds upon SET to argue for the expected relationships and effects stipulated. In the first part of the framework, the relationships between brand trust and brand advocacy have been established. Inherent within SET, consumers’ trust in brands will promote their brand advocacy intention.

However, in the process of developing advocacy intention, brand attachment plays a key and mediating role. When consumers' brand trust builds after positive brand experiences or encounters, they will develop an emotional attachment to the brand, and subsequently feel obligated to reciprocate this emotional attachment by promoting the brand to others (Shimul and Phau, 2022; Mukerjee, 2018). In the second part of the framework, the detrimental effects of brand misconduct on brand trust, brand attachment, and advocacy intention are introduced. While scholars have shown that brand misconduct brings negative consequences for the brand (e.g., Huber, Vollhardt, Matthes, & Vogel, 2010), such a straightforward and pseudo-conclusive effect is not optimal or realistic. Therefore, based on SET and brand attachment, the framework proposes that after an incident of brand misconduct, consumers' brand attachment will mitigate the negative effects of such misconduct, especially on their loyalty and brand advocacy; they will thus still be willing to forgive the brand for its misconduct.

### *2.2.1. Brand trust and brand advocacy*

Brand trust is defined as a consumer's willingness to depend on the brand in terms of its ability to deliver its stated promise with certitude (Chaudhuri and Holbrook, 2002) despite the risk or uncertainty associated with such a promise or functional ability (Becerra and Korgaonkar, 2011; Chaudhuri and Holbrook, 2002). Consumers trust a brand when they perceive it to be reliable, competent, and consistent (Becerra and Badrinarayanan, 2013; Husain et al., 2022). With the creation of new media and increasing customer access thereto, consumers are becoming brand advocates and exerting their power to influence others' purchase decisions. Unlike consumers who are merely engaged in general word of mouth communication (i.e., recommending products to others), brand advocates are passionate in their endorsement of the brand's products, thus helping to secure new customers, encourage repeat buying, and elevate brand awareness (Sweeney, Payne, Frow, and Liu, 2020). Accordingly,

consumers become brand advocates when they feel a deep connection with a brand (Bhati and Verma, 2020), which may essentially emanate from their trust in the brand.

SET suggests that trust is the main currency of social exchange in a relationship (Cropanzano and Mitchell, 2005). Trust refers to a person's willingness to bank on a party based on their beliefs about the party's characteristics notwithstanding risk (Jevons and Gabbott, 2000). Similarly, brand trust is defined as a consumer's willingness to depend on the brand in terms of its ability to deliver its stated promises with certitude (Chaudhuri and Holbrook, 2002), despite the risk or uncertainty associated with such promises or functional abilities (Becerra and Korgaonkar, 2011; Chaudhuri and Holbrook, 2002). Consumers trust a brand when they perceive it to be reliable, competent, and consistent (Becerra and Badrinarayanan, 2013; Husain et al., 2022). Indeed, scholars argue that trust in a brand is not simply a one-off event, purchase, or brand interaction; instead, it is developed over time involving a complex process (Bowden, 2009; Wongsansukcharoen, 2022). Brand trust (or distrust) is developed through the social exchange process, which is initiated when a brand treats an individual consumer positively or negatively (Cropanzano et al., 2017; Eisenberger et al., 2004). Positive initiating actions may include a positive experience gained by interacting with employees who treated the consumer very well or solved a problem during the purchase or post-purchase stage (Riggle et al., 2009). In response to the initiating action, a consumer may then choose to reciprocate this treatment with a corresponding positive (or negative) behavioural response (Huaman-Ramirez and Merunka, 2008; Wong and Lee, 2022; Wu et al., 2008). SET posits that in reaction to positive initiating actions, consumers will tend to reply in kind by engaging in more positive and fewer negative reciprocating responses (Cropanzano et al., 2017). Brand advocacy is a reciprocating response to the consumer's positive experience with and trust in a brand (Wong, 2023).

Given that financial products are at risk of imitation, creating and offering a sustainable differentiation in the banking industry is complex. Banks must focus on the consumer experience and positive characteristics to build relationships (Beckett et al., 2000; Mainardes et al., 2020). Consumers create relationships with banks based on trust emanating from the reliable, competent, and consistent delivery of services. They subsequently feel a moral obligation to give back to their banks through positive word-of-mouth and brand advocacy (Moliner-Tena et al., 2019; Van Tonder et al., 2018). Research has shown that brand trust influences consumers' attitudes and brand-related behaviours, including purchases, loyalty, brand commitment, and referrals (e.g. Chaudhuri and Holbrook, 2002; Wong, 2023). Since brand referrals involve putting one's reputation on the line, consumers are more likely to promote a brand only when they trust it to live up to expectations (Reichheld, 2003). Based on this, we propose:

**Hypothesis 1.** Brand trust will have a significant positive impact on brand advocacy intention.

### *2.2.2. Mediating role of brand attachment*

Brand attachment refers to an emotion-driven bond between a consumer and a brand (Park et al., 2010; Thomson et al., 2005). Scholars suggest that brand attachment is the result of consumers' emotional connection to a brand (Malär et al., 2011; Park et al., 2010). Based on Bowlby's (1979) attachment theory, studies have argued that consumers consider a brand to be a human-like partner, whereby consumers' affection, passion, and connection toward the brand generates this attachment (Thomson et al., 2005). Hence, a positive brand experience plays a vital role in creating brand attachment, whereas brand trust is also essential (Huaman-



Ramirez and Merunka, 2019; Ramaseshan and Stein, 2014). Within the context of this research, trust in a specific bank leads to a sense of financial safety and security in consumers' minds. Trust results in psychological reliability and proximity toward the relationship partner through commitment and engagement (Bravo et al., 2019). Thus, consumers will want to prolong their relationship with the trusted bank, subsequently building an emotional connection with it (Levy and Hino, 2016; Aldlaigan and Buttle, 2005).

A trustworthy brand consistently delivers on its promise without failure, starting from R&D to production, sales, distribution, after-sales service, and advertising (Delgado-Ballester and Munuera-Alemán, 2005). Because positive experiences with a brand build brand trust and consumers develop a type of emotional attachment to the brand, consumers will eventually feel a sense of responsibility to promote the brand in reciprocity (Shimul and Phau, 2022; Mukerjee, 2018). Consumers with an emotional attachment towards, as well as confidence and trust in a brand are likely to perceive a higher brand value, which motivates them to engage in voluntary behaviour and civic virtue (Gupta, 2022; Tsai et al., 2017), such as advocating the brand to others. Therefore, based on this reasoning, we posit that brand trust, in combination with brand attachment, generates a greater level of advocacy intention:

**Hypothesis 2.** Brand attachment will mediate the relationship between brand trust and advocacy intention.

### *2.2.3. Consequences of brand misconduct*

Brand misconduct refers to “a company’s behaviour or statement that disappoints consumers or public expectations of the brand” (Hsiao et al., 2015, p. 862). Brand misconduct can be broadly classified into two categories: value-related (i.e., nonconformity to consumers’

desired ethical standards) and performance related (i.e., the failure to deliver on a promise or function as desired) (Dutta and Pullig, 2011; Huber et al. 2010). Brand misconduct can cause harm not only to a brand's image but also to other areas of the consumer-brand relationship. Misconduct can severely damage consumers' brand trust and advocacy intentions (Custance et al., 2012; Custance et al., 2012; Hsiao et al., 2015; Rea et al., 2014; Yannopoulou et al., 2011). Due to its delicacy, brand trust is highly vulnerable to any misconduct, scandals, or negative information that could somehow be related to the brand (Kapoor and Banerjee, 2021).

As a result, negative behavioural and emotional responses are quite common in response to brand misconduct (Hua et al., 2021). Numerous studies have explored negative behavioural responses caused by brand misconduct, such as negative word-of-mouth, boycotting, and complaining (Kapoor and Banerjee, 2021; Klein et al., 2004), as well as negative emotional responses such as contempt, anger, and distrust (Hua et al., 2021; Romani et al., 2013). This negative behavioural and emotional response to brand misconduct is much more acute in the service industry, especially banking, which involves a highly utilitarian service context (Ladhari et al., 2011; Tseng and Su, 2013). We put forward that, due to the betrayal of trust on the part of the bank resulting from misconduct, consumers who have previously developed some type of emotional attachment to the brand will now be demoralised (Davis and Dacin, 2022). Based on the foregoing discussion, we predict that disheartened consumers will trust the brand less, in addition to feeling reduced affection and being less likely to advocate for the brand. We therefore propose:

**Hypothesis 3.** Brand misconduct will cause consumers' brand trust, brand attachment, and advocacy intention to deteriorate.

#### *2.3.4. The role of brand attachment after misconduct*

Brand attachment is reported to have positive consequences, especially in response to a brand's misconduct or scandal, whereby consumers show resilience to negative information and tend to defend the brand against criticism (Japutra et al., 2014; Shimul, 2022). Brand misconduct may not immediately result in a lesser level of brand attachment because consumers' emotional connection with the brand activates the restoration of brand trust by enhancing consumers' perceived brand authenticity (Roy et al., 2018; Cheng et al., 2012). Similarly, consumers with a higher attachment to a brand tend to overlook and soften any negative information they may receive about the brand by exhibiting forgiveness (Bhattacharya and Sen, 2003; Sinha and Lu, 2016). Consumers who are ready to forgive the brand are likely to re-engage rather than show any negative response, such as avoiding or attacking (Fetscherin and Sampedro, 2019). Even if they do encounter any negative experience with the brand, they will be of the opinion that it is not likely to happen again, believing it to be a one-time event, and will thus be ready to forgive the brand and give it another chance (Japutra et al., 2014; Davis and Dacin, 2022). Therefore, consumers are less likely to switch to other competing brands because of an emotional attachment to their trusted brand (Huber et al., 2010) and do not cease to advocate for it. Some long-established household brands, such as Nestle's Maggi, in spite of being scandalised, withstood scandal and survived because customers developed a sense of nostalgia – an emotion associated with the brand – and forgave the brand's wrongdoings (Wen et al., 2019). Thus, bonding with consumers and allowing them to develop an emotional attachment to the brand can afford a bank the opportunity to withstand misconduct by having consumers on their side to forgive the misconduct and continue advocating for the brand. Therefore, we propose:

**Hypothesis 4.** After brand misconduct, consumers with a higher (vs. lower) brand attachment will show (a) a stronger willingness to forgive the brand, (b) a weaker intention to switch the brand, and (c) a stronger intention for brand advocacy.

### 3. Methods

#### 3.1. Study design and procedure

An exploratory approach was undertaken to test the hypothesised relationships in this research. We predict that brand trust will positively influence brand advocacy (H1), and this relationship will be mediated by brand attachment (H2). Next, we test the impact of brand misconduct on consumers' perceived brand trust, attachment, and advocacy intentions (H3). Finally, we investigate whether consumers' level of brand attachment after brand misconduct impacts their willingness to forgive, switching intention, and advocacy intention (H4). We conducted the hypotheses tests using IBM SPSS 27. The key variables of our research are presented in Figure 1.

=== Figure 1 about here ===

#### 3.2. Measures

We utilised empirically established scales to measure the constructs in our research. In particular, brand trust was measured with a five-item scale adapted from Morgan and Hunt (1994) and Quaye et al. (2022). We adapted Levy and Hino's (2016) six-item scale to measure brand attachment. Next, Kim et al.'s (2001) three-item scale was adapted to measure brand

advocacy. Consumers' willingness to forgive (Fedorikhin et al., 2008) and intention to switch (Bougie et al., 2003) were also measured with three-item scales. All items were measured on a seven-point Likert scale (1 = strongly disagree, 7 = strongly agree). The measurement items are presented in Table 2.

=== Table 2 about here ===

### *3.3. Survey instrument and data collection*

Data were collected through an online survey questionnaire built in Qualtrics. One of the researchers' university human research ethics committees approved the survey questionnaire and relevant research protocols. The questionnaire consisted of several sections. First, the participants were informed about the confidentiality and privacy of their responses. Once the participants agreed to participate in the survey, they were asked to write the name of their most preferred bank. This response was recorded as a 'piped text', which was carried over to subsequent sections and scale items in the survey. Then, the participants reported their levels of trust, attachment, and advocacy intention for their most preferred bank. Next, the participants were exposed to a news clip representing misconduct by the bank (Table 3).

=== Table 3 about here ===

After reading the news clip, the participants reported perceived misconduct (i.e., *The above news represents grave misconduct by <bank>*) measured on a seven-point Likert scale. Only the respondents who considered the act of the bank to be grave misconduct (i.e., selected either *agree*, *somewhat agree*, or *strongly agree*) were allowed to proceed to the next section of the survey. Subsequently, as a reaction to the misconduct, the participants reported their brand trust, attachment, advocacy intention, willingness to forgive, and switching intention. Next, the participants responded to a priori marker variable (i.e., the overall impression of a rainy day) which was assessed for examining the common method bias (CMB). The three items of the scales were: (i) very favourable, (ii) extremely positive, and (iii) very good. Finally, the participants' ages, gender, education, and income level were documented. It is noteworthy that, to avoid any potential spread of misinformation, once the participants completed the survey they were informed that the news clip regarding the misconduct was fictitious.

We distributed the survey link among our friends, families, and peers residing in Australia. The survey link was also shared through social media platforms, with snowballing encouraged. A total of 327 completed responses were collected, of which 23 were discarded as the participants failed the attention trap question (i.e., Select the option "Agree" if you are not a robot run by software). Thus, 304 responses were considered valid and useable for further analyses.

### 3.4. Sample profile

All the participants in this research resided in Australia. Of the participants, 57% were male, 42% were 31-40 years old, and 28% had a university degree. Additionally, 68% of the respondents earned more than A\$60,000 annually. A summary of the respondents' demographic profiles is presented in Table 4.

=== Table 4 about here ===

### 3.5. Common method bias

Following the guidelines suggested by MacKenzie and Podsakoff (2012), we took several actions to minimise the potential CMB. First, we randomised the order of the scale items in the survey and informed the participants that there was no right or wrong answer. Second, we conducted Harman's single-factor test, which showed that the unrotated single factor only explained 35.59% (i.e., less than the threshold of 50%) of the variance. Third, we used a theoretically unrelated marker variable (i.e., impression of a rainy day) that did not significantly impact the measurement model (Lindell and Whitney, 2001). Thus, CMB was not found to be a concern in this research.

## 4. Results

### 4.1. Reliability and validity of the scales

We conducted confirmatory factor analyses in SPSS AMOS 27 to test the reliability and validity of the measurement scales. First, we ran the test for the core constructs of our research model (i.e., brand trust, attachment, and advocacy) before the brand misconduct. The measurement model achieved an acceptable fit with  $\chi^2 = 213.998$ ,  $df = 68$ ,  $\chi^2/df = 3.147$ ; RMSEA = 0.080; CFI = 0.945; and TLI = 0.926 (Hu and Bentler, 1999). The composite reliability, as well as convergent and discriminant validity of the constructs, were evident as well (Table 5). We added consumers' *willingness to forgive* and *intention to switch* to the measurement model and repeated the confirmatory factor analyses for the post-misconduct setting. The measurement model achieved strong fit ( $\chi^2 = 385.170$ ;  $df = 156$ ,  $\chi^2/df = 2.469$ ;

RMSEA = 0.070; CFI = 0.959; and TLI = 0.950) and the reliability and validity of the measures were satisfactory, with the exception of a slightly higher correlation between brand attachment and brand advocacy intention (Table 6). To assess this further, we conducted an HTMT analysis and found that the correlation between brand attachment and brand advocacy is 0.81, which is lower than the recommended threshold of 0.85 (Henseler et al., 2015; Voorhees et al., 2016).

=== Table 5 about here ===

=== Table 6 about here ===

#### 4.2. Hypotheses testing

*Before the brand misconduct.* We identified a statistically significant positive relationship between consumers' brand trust and advocacy intention ( $\beta = 0.473$ ,  $SE = 0.068$ ,  $t = 9.323$ ,  $p < 0.001$ ), thus supporting H1. Next, we ran a structural model in AMOS to test the mediation of brand attachment as postulated in H2. We found a significant positive relationship between brand trust and brand attachment ( $\beta = 0.763$ ,  $SE = 0.092$ ,  $t = 8.291$ ,  $p < 0.001$ ), as well as between brand attachment and brand advocacy ( $\beta = 0.652$ ,  $SE = 0.097$ ,  $t = 6.684$ ,  $p < 0.001$ ). However, the direct effect of brand trust on brand advocacy was statistically non-significant ( $\beta = 0.126$ ,  $SE = 0.088$ ,  $t = 1.434$ ,  $p = 0.152$ ), further demonstrating that brand attachment acts as a mediator between brand trust and brand advocacy ( $\beta = 0.414$ ,  $p = 0.001$ ). The fit indices for the mediation model were:  $\chi^2 = 193.998$ ;  $df = 68$ ,  $\chi^2/df = 2.852$ ; RMSEA = 0.074; CFI = 0.945; and TLI = 0.950. To provide rigour to this finding, we further examined the mediating role of brand attachment between brand trust and advocacy through the PROCESS macro plugin



(model 4) for SPSS (Hayes, 2012). The mediation test showed that brand trust is positively related to brand attachment ( $\beta = 0.630$ ;  $SE = 0.061$ ;  $t = 10.384$ ,  $p < 0.001$ ) and that brand attachment is positively related to brand advocacy ( $\beta = 0.626$ ;  $SE = 0.074$ ;  $t = 8.484$ ;  $p < 0.001$ ). Accordingly, brand attachment mediated the link between trust and advocacy: indirect effect ( $\beta = 0.394$ ;  $SE = 0.059$ ;  $CI: 0.285, 0.516$ ) and total effect ( $\beta = 0.593$ ;  $SE = 0.076$ ;  $t = 7.809$ ;  $p < 0.001$ ;  $CI: 0.742, 0.422$ ). Thus, H2 was supported. We controlled for the impact of gender, age, education, and income on brand advocacy and ascertained that none of the control variables exerted any confounding impact on the postulated relationships.

*After the brand misconduct.* We conducted a paired samples t-test to assess the impact of brand misconduct on consumers' perceived brand trust, attachment, and advocacy intention. We found negative impacts of brand misconduct on these three constructs. The average score ( $\mu$ ) for brand trust, attachment, and advocacy intention decreased significantly from the "before misconduct" condition to the "after misconduct" condition. A summary of the aforementioned statistically significant deterioration in consumer-brand related variables is presented in Table 7.

=== Table 7 about here ===

We conducted a series of independent sample t-tests to examine the impact of brand attachment on willingness to forgive, switching intention, and advocacy intention after brand misconduct (H4). In doing so, we used a median split technique to divide the participants into higher and lower brand attachment (median score: 2.83) groups. We found that consumers

exhibiting higher brand attachment were more willing to forgive the brand than their lower brand attachment counterparts ( $\Delta\text{Mean} = 1.517$ ;  $\Delta\text{SE} = 0.149$ ;  $t = 10.189$ ; and  $p < 0.001$ ), supporting H4a. Furthermore, compared to lower brand attachment, a higher brand attachment results in weaker switching intention ( $\Delta\text{Mean} = -1.057$ ;  $\Delta\text{SE} = 0.163$ ;  $t = -6.473$ ; and  $p < 0.001$ ) and stronger brand advocacy intention ( $\Delta\text{Mean} = 1.564$ ;  $\Delta\text{SE} = 0.120$ ;  $t = 12.984$ ; and  $p < 0.001$ ), supporting H4b and H4c, respectively.

## 5. Discussion

The research demonstrates that consumers' trust in banks is essential in generating brand advocacy (H1). This finding is consistent with past studies that reported that a higher level of trust in a brand results in a greater tendency to spread positive recommendations (Bhati and Verma, 2020). Aligning with the notion of SET, we found that relationship quality is strengthened when consumers feel the brand (i.e., bank in our research) is trustworthy. Consequently, through the notion of reciprocity, the consumers recommended the bank to other people. Our research validates and extends past studies (e.g., Montgomery et al., 2018) in regard to brand trust and transgression. This further adds onto the findings of Rodrigues and Borges (2020) regarding mitigating consumers' negative emotions in terms of harmful management in retail banking. In particular, building strong trust can act as a shield to protect the bank's corporate reputation.

We also determined that consumers develop an emotional attachment to their trusted brand that positively impacts their advocacy intention. The positive mediation of brand attachment on the relationship between brand trust and advocacy intention (H2) signifies the role of emotion in the consumer-brand relationship. In line with prior studies, our findings suggest that consumers' brand-self congruence (Huber et al., 2010) and brand-self connection

(Cheng et al., 2012; Ryoo, 2022; Trump, 2014) are essential in retaining the strength of consumer-brand relationships after brand misconduct. In particular, we extend Ryoo's (2022) notion of consumers' self-affirmation and self-brand connection through brand attachment, in addition to their effect on diluting the impact of brand transgression. Taken together, our research reiterates that while consumers' decisions regarding financial transactions are primarily rational, their interactions with financial institutions capture the cognitive and affective aspects of mutual relationships. In addition to the financial security of their monetary transactions, consumers derive a sense of emotional well-being from the bank. Thus, consumers' trust and attachment toward the bank generate a stronger advocacy intention.

Next, we discovered that brand misconduct significantly deteriorates the quality of the consumer-brand relationship (H3). Considering the context of our research, it is plausible to put forward that misconduct by the bank will hurt consumers' trust, attachment, and advocacy intention for the bank. However, our research suggests that the negative impact resulting from brand misconduct can be mitigated by strengthening brand attachment (H4). Our results evidence that, even after brand misconduct, consumers with higher brand attachment are willing to forgive the brand and continue their brand advocacy. Moreover, they are less inclined to switch brands due to brand misconduct. This demonstrates the power of brand attachment in the consumer-brand relationship, whereby consumers show resistance to negative information (Japutra et al., 2014; Cheng et al., 2012), strong commitment (Charton-Vachet and Lombart, 2018), and forgiveness (Fedorikhin et al., 2008). We further recall that consumers consider the brand (that they are attached to) to be a part of their self-concept (Malär et al., 2011). Such image self-congruence and consumer-brand identification generate a sense of oneness between the consumer and the brand that protects the mutual relationship after brand misconduct. In summary, the mutual and complementary arrangements (i.e., interdependence), are considered

to be a defining characteristic of the social exchange (Molm, 1994). Hence, one party's actions depend on the other's behaviour, whereby interdependence reduces risk and encourages cooperation. Therefore, consumer-brand relationships have the potential to become ever stronger, and that potential is fostered in reciprocal transactions in the process of developing brand attachment.

## **6. Implications**

### *6.1. Theoretical implications*

To the best of our knowledge, this is a pioneering study utilising a mediation model to explore how brand attachment influences consumers' forgiveness and switching behaviours in banking. This study expands our understanding of brand relationship quality by highlighting the significant role of brand attachment as a mediator between brand trust and advocacy. According to SET, social behaviours are a result of an (often interdependent) exchange process and are driven by reciprocal inhibition. However, the theory largely confines this reciprocal interdependence (e.g., whereby an action by one party leads to a response by another) to only mutual and complementary arrangements (Molm, 2003). This study therefore extends both the extant theory and literature on the consumer-brand relationship on two fronts: (i) incorporating negative brand actions as part of the consumer-brand relationship and (ii) investigating consumers' responses to negative brand actions in a pre- and post-scenario context.

This research confirms complementary relationships between consumers and brands as evident in H1 and H2, suggesting that (i) a higher level of trust in a brand results in increased recommendations as a notion of reciprocity, and (ii) brand attachment positively impacts the advocacy intention. This suggests that a positive exchange process (i.e., reciprocity) tends to

engender stronger interpersonal bonds (Molm, 2000). Furthermore, the study finds that an irregular reciprocal exchange between the consumer and the brand can significantly undermine their relationship quality as a result of negative brand actions. Aside from substantiating reciprocal relationships as a result of positive or negative exchanges, this research also extends SET to investigate whether existing relational effects could impact the nature of reciprocal inhibition. While the form of the transaction (positive or negative) seems to be capable of altering a relationship, the reverse is also true (Cropanzano and Mitchell, 2005), which suggests that the consumer-brand relationship may also alter the nature of exchanges. The research findings show that strong brand attachment negates undesirable brand actions. This implies that while the transaction between the consumer and the brand is negative due to negative brand actions, a strong bond between consumer and brand can alter the nature of exchanges in a post-scenario context, where consumers were found to be more likely to forgive brand misconduct and less likely to switch to other brands.

## *6.2. Managerial implications*

The results of this research have a number of managerial implications. *First*, the positive impact of brand trust on brand advocacy suggests that brands need to put additional effort into strengthening their relationship with customers. Building, maintaining, and protecting a brand's reputation is critical. One of the ways to achieve this is to integrate authenticity into brand communications, ensuring that the consumer can relate to your brand voice. Building deeper relationships with consumers is also key to establishing equity and trust. This suggests that brand advocacy may be employed as a technique to strengthen one's reputation in order to encourage favourable reciprocal behaviours, such as spreading positive word-of-mouth about the bank. When consumers trust a bank, they tell others about it, and thus significantly impact the opinions of others around them (such as family, friends, and co-

workers). Accordingly, businesses should leverage their earned media on review sites like Google and Yelp, including shareable “word-of-mouth” recommendations.

*Second*, another way to generate brand equity is to create in-depth case studies of the firm’s satisfied clients and share them with potential consumers or put them on a website to increase confidence. Consequently, banks should focus on providing consumers with fair, honest, and transparent advice, occasionally even going so far as to recommend a competitor’s product to suit their best interests. Eventually, the bank is able to gain the trust of its clients, which motivates them to take further steps to promote the bank to others in line with the concept of *reciprocity* or reciprocal inhibition (Molm, 2000). Brand managers can analyse what acts encourage a sense of responsiveness among bank customers when thinking about the anticipated beneficial influence that this type of gesture can have on brand advocacy. This creates an opportunity for banks and customers to co-create, which is a crucial value generator in financial services marketing.

*Third*, the negative impact of brand misconduct on the consumer-brand relationship quality suggests that brand misbehaviour harms brand relationships and that businesses should make an effort to steer clear of dubious brand behaviour. From a prevention perspective, a firm’s corporate board must raise the bar and adopt a proactive strategy for winning with integrity instead of planning retaliatory responses to misconduct (Arjoon, 2006). For example, developing measurable integrity performance indicators and/or mandating interactive training to convey ethical and compliance standards are useful prevention points.

*Finally*, negative brand activities such as brand misconduct can be mitigated through strong brand attachment. Studies have shown that brand attachment not only influences

consumers' positive behaviour (i.e., brand loyalty) but also has the power to eliminate negative behaviours, such as trash-talking, schadenfreude, and anti-brand actions (Guèvremont and Grohmann, 2018). According to current studies, strong and positive customer connections to the brand facilitate communication (Japutra et al., 2014; Lin et al., 2021), whilst marketing efforts after brand misconduct are effective in maintaining customer-brand relationships (Hsiao et al., 2015). As a result, businesses should effectively utilise a combination of human and digital resources to maximise each interaction with loyal customers. For instance, banks might interact with brand communities or utilise direct marketing tools to target specific banking customers across relevant digital and social media channels (Choi et al., 2021; Bhati and Verma, 2020).

### *6.3. Limitations and future research*

There are a few limitations of this research that could be addressed in future studies. Although we measured the respondents' attachment to their preferred bank, we did not consider the length of the consumer-bank relationship. Future studies can ask for the relationship duration and consumer involvement and validate whether our findings vary over time. Studies can also include "response[s] from the bank after misconduct" in their experimental design to provide novel insights. We also warrant additional research examining the moderating role of consumer psychographics (e.g., self-esteem, self-consciousness, etc.) and the mediating role of "resilience to negative information" on the relationship between brand attachment and intention to forgive/switch after brand misconduct.

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**Table 1.** Summary of relevant literature on brand misconduct

Sl.	Author(s)	Concept	Study context	Explanatory variable	Outcome variable
1	Aaker et al. (2004)	Brand transgression	Photography service	Partner quality, brand personality	Relationship strength
2	Roehm and Tybout (2006)	Brand scandal	Fast food	Spill over effect	Brand attitude and belief
3	Huber et al. (2010)	Brand misconduct	Adidas, Nike and Puma	Brand self-congruence, relationship quality	Repurchase intention
4	Cheng et al. (2012)	Brand failure	Blackberry phone	Self-brand connection	Brand evaluation
5	Puzakova et al. (2013)	Product wrongdoing	Beverage	Anthropomorphisation, personality stability	Brand evaluation
6	Trump (2014)	Negative brand action	Nike	Self-brand connection, information valence	brand evaluation
7	Magnusson et al. (2014)	Brand transgression	Automobile	Country image; degree of prototypicality	Brand attitude
8	Romani et al. (2015)	Corporate wrongdoing	Food/fashion	Moral violation by brand, feeling of hate	Anti-brand activism
9	Hsiao et al. (2015)	Brand misconduct	Fictitious brand	Relationship quality, advertising investment	Advocacy intentions
10	Gao et al. (2015)	Product harm crisis	Dairy products	Category, brand prototypicality, crisis severity	Brand trust
11	Tsarenko and Tojib (2015)	Brand transgression	Cereal	CSR initiative, consumer forgiveness, firm response, and consumer awareness	Repurchase intentions
12	Sinha and Lu (2016)	Brand transgression	Food/drinks	Self-construal	Consumer forgiveness
13	Ahn et al. (2016)	Brand transgression	Bank	Consumer emotional intelligence	Consumer response
14	Guèvremont and Grohmann (2018)	Brand scandal	Sports apparel brand	Brand authenticity	Willingness to pay, brand responsibility, brand hypocrisy
15	Montgomery et al. (2018)	Brand transgression	Hair salon; museum	Brand commitment, trust	Brand attitude
16	Karaoşmanoglu et al. (2018)	Brand transgression	Corporate workplace	Religious orientation	Consumer punishing behaviour
17	Mantovani et al. (2018)	Brand transgression	Mobile phone service	Social distance, transgression severity, anger	Satisfaction, trust, loyalty
18	Baghi and Gabrielli (2019)	Brand crisis	Apparel brand	Culture, negative emotion	Purchase intention, negative WOM
19	Kim et al. (2019)	Brand transgression	Product/service delivery	Brand biography	Perceived anger, forgiveness intention
20	Isiksal and Karaosmanoglu (2020)	Brand transgression	Corporate workplace	Self-referencing, transgression severity	Consumer punishing behaviour
21	Yuan et al. (2020)	Product harm crisis	Samsung phone	Online brand community engagement, brand super recovery effort	Consumer forgiveness, repurchase intention
22	Kennedy and Guzmán (2020)	Brand transgression	Fictitious brand	Apology	Engagement, brand love, brand equity
23	Krishna et al. (2021)	Gender discrimination	Corporate workplace	Moral orientation and anticorporate sentiment	Negative affective response
24	Rodrigues and Borges (2020)	Harmful management	Bank	Negative emotions toward a bank, brand engagement, consumer based-brand authenticity	Brand love
25	Matute et al. (2021)	Brand transgression	Amazon, Inditex, Apple, Starbucks, and Nike	Moral decoupling/rationalisation, performance/immorality judgement	Purchase intention
26	Gabrielli et al. (2021)	Brand scandal	Fictitious brand	Perceived hypocrisy, perceived brand equity	Intention to buy, negative word of mouth
27	Banerjee et al. (2021)	Brand transgression	Bank	Relationship marketing orientation, attribution strength, customer commitment	Referral intentions, cross buying intentions
28	Septianto and Kwon (2022)	Brand transgression	Pharma/tobacco/food	Brand logo	Intention to punish
29	Sameeni et al. (2022)	Brand betrayal	Respondents' brand	Post-purchase regret; Mode of discovering betrayal	Brand avoidance, vindictive NWOM/complaining
30	Ryoo (2022)	Brand transgression	Starbucks	Self-brand connection, perceived unethicality of transgression	Permissibility of transgression
31	Rathee et al. (2022)	Brand transgression	Online/offline grocery	Product type; Fun brand name	Willingness to forgive
32	Davis and Dacin (2022)	Brand transgression	Customer prioritization in social media	Perceived threat, attribution of blame	Brand attachment
	<b><i>This research</i></b>	<b><i>Brand misconduct</i></b>	<b><i>Bank</i></b>	<b><i>Trust, brand attachment</i></b>	<b><i>Brand advocacy intention, Willingness to forgive, Intention to switch</i></b>

**Table 2.** Measurement items with factor loadings

Measurement constructs and items	CFA loading	
	Before misconduct	After misconduct
<b>Brand trust</b>		
<Bank name> can be trusted at all times.	0.74	0.87
<Bank name> can be counted on to do what is right.	0.75	0.87
<Bank name> is very dependable.	0.69	0.86
<Bank name> has high integrity.	0.83	0.85
<Bank name> is very competent.	0.75	0.81
<b>Brand attachment</b>		
I have a unique relationship with <Bank name>	0.63	0.60
I identify with what <Bank name> stands for.	0.80	0.82
I feel a sense of belonging in regard to <Bank name>.	0.84	0.81
I am proud to be a customer of <Bank name>.	0.83	0.89
I am highly regarded by <Bank name>.	0.62	0.69
<Bank name> fits my personality.	0.79	0.85
<b>Brand advocacy intention</b>		
I recommend <bank name> to other people.	0.76	0.87
I talk directly to other people about my experience with <Bank name>.	0.79	0.54
I suggest others for taking services from <Bank name>.	0.93	0.93
<b>Willingness to forgive</b>		
I would probably give <bank name> another chance.	-	0.94
Despite the bank's misconduct, I would probably continue taking service from <bank name> again.	-	0.92
I would forgive <Bank name> for the misconduct.	-	0.82
<b>Switching intention</b>		
I will not acquire services of <bank name> anymore in the future.	-	0.88
I intend to switch to another bank in the future.	-	0.91
I do not want to continue my relationship with <Bank name> anymore.	-	0.97

**Note:** <Bank name> = The participant's most preferred bank

**Table 3.** Scenario of fictitious brand misconduct

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*Imagine that you have been reading the newspaper this morning and you discover a news article that reported the below -*

**<Bank name> is charged with money laundering**

“The national banking regulator has warned that <Bank name> is at risk of becoming ensnared in money laundering and illegal financing activity. In a report issued on Tuesday, the regulatory authority reported that <Bank name> had 9,388 clients with unknown citizenship, which poses a high risk within the sector. The regulator is scrutinizing the bank’s misuse of cash deposit infrastructure and the purchase of high-value assets (such as real estate, boats, and artwork) to reinvest or conceal criminal proceeds and convert them back to legitimate funds. <Bank name> is also under regulatory investigation for several cases of fraud, bribery, corruption, and tax offences.”

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**Note:** <Bank name> = The participant’s most preferred bank.

**Table 4.** Respondents' demographic profile

	<b>Characteristics</b>	<b>Number (%)</b>
<b>Gender</b>	Male	173 (57%)
	Female	131 (43%)
<b>Age</b>	18-24	9 (3%)
	25-30	58 (19%)
	31-40	128 (42%)
	41-50	73 (24%)
	Over 50	36 (12%)
	<b>Education</b>	Primary
High school		79 (26%)
Undergraduate		85 (28%)
Postgraduate		64 (21%)
Others		21 (7%)
<b>Income (AUD)</b>	Below 12000	3 (1%)
	12000 - 20799	6 (2%)
	20800 - 31199	12 (5%)
	31200 - 41599	9 (3%)
	41,600 - 51,999	27 (8%)
	52,000 - 59,999	36 (12%)
	More than 60,000	207 (68%)
	Do not want to specify	3 (1%)

**Table 5.** Validity and reliability of the measures (before brand misconduct)

<b>Measures</b>	CR	AVE	BT	BA	BAI
Brand trust (BT)	0.867	0.567	<b>0.753</b>		
Brand attachment (BA)	0.887	0.570	0.694***	<b>0.755</b>	
Brand advocacy intention (BAI)	0.869	0.690	0.553***	0.712***	<b>0.831</b>

Note: CR = Composite reliability. Figures in the diagonal (values given in bold) are the square root of the Average Variance Extracted (AVE); those below the diagonal are the correlations between the constructs. The significance level: \*\*\*  $p < 0.001$ .

**Table 6.** Validity and reliability of the measures (after brand misconduct)

Measures	CR	AVE	BT	BA	WF	SI	BAI
Brand trust (BT)	0.930	0.727	<b>0.853</b>				
Brand attachment (BA)	0.903	0.613	0.761***	<b>0.783</b>			
Willingness to forgive (WF)	0.925	0.804	0.636***	0.656***	<b>0.897</b>		
Switching intention (SI)	0.941	0.841	-0.461***	-0.499***	-0.664***	<b>0.917</b>	
Brand advocacy intention (BAI)	0.834	0.637	0.741***	0.838***	0.726***	-0.525***	<b>0.798</b>

Note: CR = Composite reliability. Figures in the diagonal (values given in bold) are the square root of the Average Variance Extracted (AVE); those below the diagonal are the correlations between the constructs. The significance level: \*\*\*  $p < 0.001$ .

**Table 7.** Changes in brand trust, attachment, and advocacy intention

Pair	Paired differences		<i>t-value</i>	<i>df</i>	<i>p-value</i>	<i>Cohen's d</i>
	$\mu$	$\sigma$				
Brand trust (before misconduct) Brand trust (after misconduct)	2.770	1.432	33.722	303	<0.001	1.934
Brand attachment (before misconduct) Brand attachment (after misconduct)	1.595	1.416	19.649	303	<0.001	1.127
Brand advocacy intention (before misconduct) Brand advocacy intention (after misconduct)	1.657	1.270	22.753	303	<0.001	1.305



**Figure 1.** Research framework

