THE MODERATING EFFECT OF BRAND RECOVERY ON BRAND HATE AND DESIRE FOR RECONCILIATION: A PLS-MGA APPROACH

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ABSTRACT

This paper discuss the strategies that can control the extreme negative phenomenon called brand hate. Our purpose is to introduce a new concept called brand recovery which helps in managing band hate among consumers after having poor experiences. A model in this regards is assessed empirically. Experiments were conducted on five groups of fast food brand consumers in Pakistan. Different interventions of brand recovery such as apology, compensation, and explanation were applied on five groups to identify which group intervention is suitable for brand hate recovery. A pair-wise comparison was carried out with the help of multigroup analysis in SmartPLS to assess the categorical moderator variable i.e. brand recovery. According to PLS-MGA results, the group that received the combination of all three interventions (i.e. A+C+E) was the most significant in managing brand hate and further lead consumers towards desire for reconciliation. The comparison showed that the control group with no treatment differs significantly from all other groups while there is negligible differences in the remaining groups.

Keywords: Brand hate; Brand management; Brand recovery; Customer brand relationship

1. INTRODUCTION

Recently, there is an increasing concern in the field of branding towards negative consumer brand relationships. Marketing scholars have started to realize that brands are greatly threatened by negative consumer brand relationships and the extreme notion of this relationship is called brand hate (Kucuk, 2016; Zarantonello, Romani, Grappi & Bagozzi, 2016; Hegner, Fetscherin & Delzen, 2017). There is a limited research on negative emotions of consumers towards brands and various scholars have suggested for further exploration (Romani, Grappi & Dalli, 2012; Fetscherin & Heinrich, 2015). Because of the narrow research in consumers' extreme negative emotions like brand hate there are several aspects that are still unknown which needs to be explored i.e. how hate among consumers can be reduced? Studies on 'what is brand hate' (Zarantonello et al., 2016), 'how it evolves' (Zarantonello et al., 2016; Hegner et al., 2017), 'how it develops over time' (Zarantonello, Romani, Grappi & Fetscherin, 2018) have emerged but how brand hate can be

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educed is yet unexplored. Kucuk (2016) is the only researcher who explained the process of brand hate management which consists of three strategies i.e. listening, engaging and negotiating but did not prove them empirically. So, this study intends to fill this gap.

Humans are prone to talk more about negative events than the positive ones as explained by Baumeister, Bratslavsky, Finkenauer and Vohs (2001) that when consumers of a brand experience a bad service, it is more likely that they will share that bad experience with others but it is less likely in case of a good experience. This phenomena is called 'negativity bias' in the field of consumer behavior (Kanouse & Hanson, 1972) which states that "people tend to weigh negative information more heavily than positive information" (Kanouse, 1984). Consumers take negative events seriously and do not forget them easily until they take revenge or being compensated by the company (Gregoire, Tripp & Legoux, 2009; Gregoire, Laufer & Tripp, 2010; Joireman, Gregoire, Devezer & Tripp, 2013). Especially in this present time one bad incident can ruin the company's reputation in all over the world in no time as consumers are empowered with cyberspace (Gregoire et al., 2009). Consumers tend to share their bad experiences on brand hate websites which further affects the brands' image in a negative way and some brands even have whole websites against them such as for Coca-Cola there is a domain named as killercoke.org and for Starbucks it is starbucked.com (Kucuk, 2015; 2016).

From a management perspective, a significant amount of loss is faced by the companies in result of this negative relationship consumers have with the brands (Kucuk, 2008; Fournier & Alvarez, 2013). To deal with consumers' bad experiences and service failures scholars have previously identified service recovery strategies that leads to customer satisfaction (Smith, Bolton & Wagner, 1999; Wirtz & Mattila, 2004; Ringberg, Odekerken & Christensen, 2007; Joireman, Gregoire & Tripp, 2016). There is a detailed literature on how service recovery strategies such as apology (Wirtz & Mattila, 2004; Hareli & Eisikovits, 2006), speed of recovery (Wirtz & Mattila, 2004), compensation (Darley & Pittman, 2003; Wirtz & Mattila, 2004; Grewal, Roggeveen & Tsiros, 2008; Gelbrich, Gathke & Gregoire, 2016), explanation (Shaw, Wild & Colquitt, 2003) and forgiveness (Aquino, Tripp & Bies, 2006; Joireman et al., 2016) have controlled the negative emotions of consumers. But the question is are these service recovery strategies helpful in managing extreme negative emotions such as brand hate? The answer to this question is provided later in this study.

Given its prominence from managerial as well as academic point of view, this paper focusses on finding the brand hate recovery strategies. The following study contributes in two ways in the existing literature: (1) it introduces the concept of brand recovery consisting of three strategies i.e. apology, compensation and explanation, (2) it goes beyond the qualitative studies by doing an experimental study in the fast food industry of Pakistan. The concept of brand recovery is introduced under the shadow of two well-known theories i.e. the balance theory of wisdom (Sternberg, 1998) and theory of hate (Sternberg, 2003). For achieving the objectives of the study, first this study will discuss the relevant literature and second, a multigroup analysis of five groups will be performed. The study will be concluded with a discussion of theoretical and managerial implications.

2. LITERATURE REVIEW

2.1. Conceptualization of hate

There is no ambiguity that hate is a multidimensional concept. While from the perspective of few scholars hate is a simple emotion but most of the scholars view this emotion as a primary and sometimes secondary emotion (Zarantonello et al., 2016). For example, Plutchik (1991) described hate as a secondary emotion resulting from the combination of anger and disgust which are considered as primary emotions. Kemper (1987) and McDougall (2001) also declared hate as a combination of several primary emotions i.e. disgust, anger and fear. Among other conceptualizations, Sternberg (2003) developed one of the foremost conception of hate. He gave a multifaceted and broader perspective in his conception of hate. Sternberg (2003) defined hate on the basis of three components which are: (1) Devaluation (2) Negation of intimacy and (3) Anger. Sternberg form the concept of cold hate, cool hate and hot hate as the combination of "devaluation and diminution", "negation of intimacy and disgust" and "anger and fear" respectively.

Hate emotions once provoked are difficult to cope with and people behaves in certain ways to deal with their hate. Usually these behaviors are threatening and aim to punish the target (Allport, 1958; Sternberg, 2003; Rempel & Burris, 2005). To deal with hate, either the people attack their target i.e. attacking strategies or avoid them i.e. avoidance strategies or face them i.e. approaching strategies (Zarantonello et al., 2016). According to Sternberg and Sternberg (2008), to combat hate one must accept the responsibility of his/her mistakes, than involve in the process of forgiveness to move towards reconciliation. Sometimes, forgiveness can be a painful and difficult process as it is not easy to accept your faults and apologize for them. Also on the victim's side it is not easy to forget the incident, accept the apology and forgive the target (Sternberg & Sternberg, 2008). When people let go of their hate, they often felt that they have completed the process of forgiveness, have become normal and neutral towards the target and have reconciled with the target (Flanigan, 1998).

According to Christie, Wagner and Winter (2001), the ways that are used to reduce hate are mostly the same as used in achieving peace and resolving conflicts. These ways include explaining, apologizing, building trust and creating win-win situations (Boardman, 2002; Isenhart & Spangle, 2000). The best way to combat hate, according to Sternberg and Sternberg (2008) is through the use of wisdom. According to the theory of wisdom, wisdom is "the application of intelligence, creativity, and knowledge toward a common good by balancing one's own interest with others' interests and institutional interests, over the long and short terms, through the mediation of values" (Sternberg, 2001). For example, it will be wise to first reduce the hate between two angry parties rather than negotiating in the first attempt. It is evident that to reduce the effects of hate one must take the responsibility for the mistakes, apologize for those mistakes and then start negotiating for the loss (Sternberg & Sternberg, 2008).

2.2. Brand hate

Psychologists like Sternberg (2003) consider hate as an underdeveloped research topic. Its application in marketing research is even less studied. Few scholars (Gregoire et al., 2009; Johnson, Matear & Thompson, 2011; Alba & Lutz, 2013; Romani et al., 2012; Bryson et al., 2013; Kucuk,

2016; Zarantonello et al., 2016; Hegner et al., 2017; Zarantonello et al., 2018) have discussed hate in consumer research and developed the concept of brand hate. Various aspects of this extreme negative emotion were discussed by these researchers such as types of brand hate, antecedents of brand hate, outcomes of brand hate and brand hate development process. Different conceptualizations were given by these marketing scholars.

According to Gregoire et al. (2009) brand hate is a desire to take revenge and avoid the target brand for the failure they have caused. Later Johnson et al. (2011) conceptualize brand hate as a powerful consumers' resistance towards target brands in the form of revenge. Furthermore, they found in their study that shame is another major factor that urge consumers to hate more. Alba and Lutz (2013) used the term "true brand disgust" to define brand hate referring to the situations in which consumers become prisoners to the brands with monopolies. While studying negativity towards brands Romani et al. (2012) found brand hate to be an intense degree of dislikeness against the target brands. Bryson et al. (2013) also defined brand hate as "an intense negative emotional affect towards the brand". While following the Sternberg's conception of hate Zarantonello et al. (2016) and Hegner et al. (2017) conceptualize brand hate as a consumer's extreme emotional reaction against a brand more than brand dislike.

The literature on brand hate shows that it is triggered mainly by three antecedents named as negative past experience, symbolic incongruity and ideological incompatibility (Zarantonello et al., 2016; Hegner et al., 2017; Zarantonello et al., 2018). Kucuk (2016) added some explanation in this regard that there are company related and consumer related antecedents of brand hate. Company related antecedents include product/service failure and corporate social irresponsibility while consumer related antecedents include consumers' personality problems. Because of the increasing power and abilities of consumers in the digital world, high expectations of consumers are developed which are the main influencer to incite frustration and anger in consumers (Kucuk & Krishnamurthy, 2007; Cherrier, 2009 & Gregoire et al, 2010). The increased distance between actual performance and consumer expectations takes consumers towards conflicts and hostile behavior against companies. Bryson et al. (2013) found in their study on luxury brands that brand hate is instigated by four precursors i.e. customers' discontentment towards brands' products, corporate wrongdoings, country of origin and customers' negative stereotypes regarding brands.

Apart from the causes of brand hate scholars have also shed light on the outcomes of brand hate and found extremely unfortunate results. More recently, Zarantonello et al. (2016) and Hegner et al. (2017) studied the concept of brand hate in depth and found brand avoidance, brand retaliation and negative word of mouth as the outcomes of brand hate. Kucuk (2016) explained the behavioral and attitudinal responses that comes after experiencing failures from the brands, and found out various reactions of consumers like boycotting the brand, spreading bad comments (nWOM) and addressing their complaints. With the emergence of social media platforms it is now easy to participate in the activities of anti-branding. The social media has changed the scenario in a way that bad speeches, negative thoughts and abuses against brands have become what Kucuk (2016) called "complaint mechanism". It is now a very common phenomena that consumers get themselves involved into the activities of anti-branding like negative publicity and inciting hate against brands whenever consumers find them acting inadequately (Mazzarol, Sweeney & Souter, 2007; Sweeney, Souter & Mazzarol, 2014) and these behaviors are a great threat to the firm's future stock returns (Luo, 2007). The literature lacks in how to manage brand hate effectively except a few conceptual recommendations (cf. Kucuk, 2016). A first attempt has been made in this study to

manage brand hate that is caused by negative experiences and make its way towards the desire for reconciliation.

2.3. Desire for reconciliation

Different studies have found a connection between stressful incidents and their positive outcomes (Calhoun et al., 2000; Lewandowski & Bizzoco, 2007). Reconciliation is a familiar behavioral response which is considered as one of the options after facing some disobedience or defiance. According to McCullough et al. (1997), for the sake of restoring and maintaining relationships, reconciliation is a way by which victim offers forgiveness and both parties move towards rapprochement. Reconciliation is beyond establishing a practical relationship as explained by Staub et al. (2005), that reconciliation requires an elemental change in emotional and psychological identities that produce "mutual acceptance by members of formerly hostile groups of each other which must include a changed psychological orientation towards the other".

In the context of consumer brand relationships it is important for organizations to maintain good relationships not only because of benefits but also to avoid revenge behaviors. Customer's desire for reconciliation depends on how the company treats them when they face some failure. Aquino, Tripp and Bies (2006) defined formally the desire for reconciliation as "a customer's willingness to accept a firm's failure and to extend acts of goodwill in the hope of maintaining a relationship with the firm". To reduce revenge behaviors from consumer and increase forgiveness, marketing research has analyzed different remedies and their effectiveness. For instance, according to Joireman et al. (2013) combination of apology and compensation given by a company to its consumers can change the negative perception of consumers concerning the firm's intention into positive, and exceeds in desire for reconciliation rather than desire for revenge. Also from the companies' point of view, reconciliation can usually be accomplished by apologizing, repairing the defective piece, and offering discounts and compensations (Gregoire & Fisher, 2008; Smith, Bolton & Wagner, 1999; Bowen, Gilliland & Folger, 1999). However there are different options available for customers when they decide to restore the relationship with the brand or company.

One of the opportunities to reconcile is complaining directly to the company to solve the problem called "problem-solving complaining" (Hibbard, Kumar & Stern, 2001). A "problem-solving complaining" is considered useful because customer tries to solve the problem by contacting the company rather than engaging in revenge behaviors (Folkes, Koletsky & Graham, 1987). Another option that is available for customers in order to reconcile with the company is "third part complaining" for resolving disputes (Gregoire & Fisher, 2008). The reasons for using "third party complaining" are the same as "problem-solving complaining" which is to resolve the matter, the only difference between the both is that in third party complaining, customers used to approach outside parties in order to get support or directions concerning the best possible ways to resolve the issues with the firm (Gregoire & Fisher, 2008). So, it is better for companies to avoid the desire for revenge and make strategies effective enough that leads towards desire for reconciliation. The next section explains the strategies for brand recovery.

2.4. Brand Recovery

According to Kucuk (2016) it would be very distressing if companies fail to discover the hate in the consumers and manage them properly. The resulting situation will be extremely threatening and markets will collapse and attain a self-destructive mode destroying the economy and digital markets, Kucuk (2016) further said that if some consumer is trying to register his complaint against the company or they are looking forward to the company for some solution and meanwhile the company does not guide them and behave with them in a poor manner then they really want to knock the company down and become haters of the company. If the companies fail to satisfy the complaints of the consumers it means they are willingly accepting the consumer's hostility. According to Kucuk (2016) a company have two opportunities of managing the complaints of consumers. If the company manages to satisfy the consumer in the first place right after the failure it will be a good step and the consumer will not consider the incident as a bad experience. But if the company fails to satisfy the consumer in the first place then the consumer becomes an actual complainer and spreads bad words about his poor experience but there is still another chance of satisfying the consumer through whatever it takes to satisfy the consumer. But if the company fails even in the second opportunity then the consequences will be unaffordable for the company as the complainer will turn into a brand hater.

Kucuk (2016) have suggested three stages which makes a management process for brand hate which are, (1) listening, (2) engaging and (3) negotiating. Listening is the first step in order to explore and understand the reasons for the development of hate feelings in the consumers. Through listening companies may know that what negativity is being spread in the markets against them and who is spreading that hate speech. Along with the modernization of the world, advanced communications channels have also developed like social media is one of the channel where consumers initiate conversations with the companies both publically and in private. So, to understand those conversations not only on social media but also on other platforms, companies need to develop advanced listening tools (Kucuk, 2016). It is better to detect hate as soon as possible so that companies can make strategies to reduce it before it develops further in severe forms of hate. Engaging is the second step of the brand hate handling process which involves not only listening but also responding back to the consumers which are unsatisfied in any way (Kucuk, 2016). In this stage the company completely understand the reasons for hateful emotions against brands and proceeds with the next step which is negotiation only if the consumers are not having any personality issues. The final step in the process of handling brand hate is negotiating which is fulfilling the demands of consumers in the result of the engagement process. Companies need to develop systems for compensation which will help in negotiating the recovery efforts and stop the consumers at this final stage from destroying the reputation and value of the brand (Kucuk, 2016).

Kucuk (2016) is of the view that it is not always about compensation, sometimes consumers expects a respectful response, a sincere apology and attention. So these three stages in a brand hate handling process can reduce the effects of hate and can further move towards reconciliation. There are studies on how to manage effectively the complaint process but not exactly on how to manage brand hate (Kucuk, 2016). So this study proposes that the elements of brand recovery can reduce the impact brand hate by strengthening the relationship between brand hate and desire for reconciliation. Let's have a look on the elements of brand recovery i.e. apology, explanation, and compensation.

2.5 Apology, compensation and explanation

The first strategy in the brand recovery process is apology. An apology is an effective strategy which is used to mend relationships between the transgressor and the victim (Hareli & Eisikovits, 2006). Also according to many other scholars, apologies helps in reconciliation of broken relationships which are the results of bad incidents (Takaku, Weiner & Ohbuchi, 2001; Itoi, Ohbuchi & Fukuno, 1996; Gonzales et al., 1990). Previous research in psychology, management and marketing has investigated the concept of apologies, their importance and effectiveness in repairing and restoring the relationships when broken by service or product failures (Smith, Bolton & Wagner, 1999; Kim, Ferrin, Cooper & Dirks, 2004; Dirks, Lewicki & Zaheer, 2009). One of the reasons that apologies helps in reconciliation is that apologies eliminate the evil motives of the offender (Tomlinson, Dineen & Lewicki, 2004; Hareli & Eisikovits, 2006). In the theories of equity and social exchange, apology is considered as a precious reward which helps in restoring the respect that was lost when the relationship broke (Walster, Berscheid & Walster, 1973). When a firm or service provider apologize in result of a service failure, that means the firm offers kindness, respect and its efforts to the customers who experienced failures to mitigate their pain (Kelley, Hoffman & Davis, 1993; Hart, Heskett & Sasser, 1990). During a recovery effort, an apology represents the quality of treatment with the customers and is also associated with the perception of the customers regarding interactional justice (Clemmer & Schneider, 1996; Blodgett, Hill & Tax, 1997).

Next strategy of brand recovery process proposed in this study is compensation. Compensation is identified as a valuable strategy of the recovery process in the critical studies of service failure and recovery encounters (Kelley, Hoffman & Davis, 1993; Hoffman, Kelley & Chung, 2003; Bitner, Booms & Tetreault, 1990). According to the previous research compensation (e.g. reducing the price) helps in effectively restoring the relationship between customer and the firm by eliminating dissatisfaction and anger due to a product or service failure (e.g. Smith, Bolton & Wagner, 1999; Mattila & Patterson, 2004; Grewal, Roggeveen & Tsiros, 2008). Compensation is one of the common strategies of service recovery which helps in reducing the anger of the consumers and also their dissatisfaction after encountering a failure from the company (Bitner, Booms & Tetreault, 1990). Joireman et al. (2013) explained the possibility of a second chance for firms to recover the loss of consumers even after the process of double deviation which is referred to as service failure followed by failed recovery. The researcher found that combined interventions (i.e. apology and compensation) are more able to create positive motives in consumers towards firms rather than apology or compensation alone and these positive motives will further result in desire for reconciliation. Without these interventions the motives inferred will be negative resulting in desire for revenge.

However according to Bitner (1990) if the compensation is not backed by explanation then the company is perceived guilty and this leads to evaluations which are now more negative. Because when a customer encounters a failure and he reaches out for revenge or reconciliation and the company compensate him to avoid the retaliation, the customer got the compensations but no explanation which makes him felt disgusted like he is not worth it, so it leads him to even more negative feelings. According to Bitner (1990) explanations affects attributions and customer evaluations are influenced by these attributions. Joireman et al., (2013) in their second study found

that along with compensating and apologizing there is another intervention that helps in encouraging the customers towards reconciliation and that is to offer an explanation regarding the failure. They further stated that when a firm offers explanation for double deviation, it implies that they are interested in customer's well-being.

Mattila and Paterson (2004) in a cross cultural context, studied the influence of two attributes of recovery process named as explanation and compensation on the post recovery impression of customers. They found compensation to be an important determinant of customer perception of fairness and also found a positive relationship between the explanations offered regarding the failures and customer perceptions of fairness. According to Mattila and Paterson (2004) in spite the fact that interest in the field of interactional justice is growing (i.e. explaining the reactions of consumers regarding bad incidents), research regarding the function of explanation in reducing the adverse effects of failures in service domain is scant. So, after reviewing the literature on recovery strategies this study intends to contribute further empirical knowledge regarding the concept of brand hate by investigating the moderating effect of apology, compensation and explanation on brand hate and the resulting outcome which in this case is desire for reconciliation as illustrated in the conceptual framework in Figure 1.

Apology (A)

Compensation (C)

Explanation (E)

A+C+E

Brand Recovery

H2

Desire for Reconciliation

Figure 1: Conceptual Model of Brand Hate Recovery

- H1a: Brand hate has a positive and significant relationship with desire for reconciliation if apology is offered.
- H1b: Brand hate has a positive and significant relationship with desire for reconciliation if compensation is offered.
- H1c: Brand hate has a positive and significant relationship with desire for reconciliation if explanation is offered.
- H1d: Brand hate has a positive and significant relationship with desire for reconciliation if A+C+E is offered.
- H1e: Brand hate has a negative and significant relationship with desire for reconciliation if no brand recovery intervention is applied.
- H2: All five groups are different from each other based on different interventions of brand recovery.

3. METHODOLOGY

This study used SmartPLS for doing multi-group analysis between five groups. The effect of categorical moderator i.e. brand recovery was examined on the relationship of brand hate and desire for reconciliation. For this purpose, a series of experiments were conducted on fast food brand consumers in Pakistan. Participants were selected randomly in different fast food restaurants from three cities of Pakistan i.e. Lahore, Karachi and Islamabad. First, they were asked if they hate any fast food brand, if yes then what the reasons behind their hate were. Participants who mentioned poor experience (negative past experience) as the sole reason behind their hate were considered for experimentation. 50 participants were allocated to each group resulting in a total sample of 250 for five groups. Each group of participants was given an equally poor service in the restaurants and afterwards each group received a different recovery strategy to cool down the customers.

First group received no response and a careless attitude from the management for the failure, known as the control group; second group received an apology from the restaurant's management; third group received a compensation in form of free drinks or a discount; fourth group received only an explanation from the management regarding the failure and the fifth group received a combination of apology, compensation and explanation. Data regarding 'brand hate' was collected from the participants after they experienced the failure and the data for 'desire for reconciliation' was collected when participants were given some recovery intervention. Few participants left the restaurant and refused to fill the questionnaire because the experiments ruined their evening. At the end participants were apologized and offered free drinks or discount vouchers.

Inter-item reliability of two scales i.e. brand hate and desire for reconciliation were assessed in a pre-test study. Questionnaires were designed as a type of feedback forms placed on the tables and participants were asked by the waiters to fill the form if they have any issue regarding the service. More than 350 experiments were conducted in three cities of Pakistan to accomplish the target of 250 experiments. Participants from group 1 (control group) were 62% males and 38% females, group 2 (apology) consisted of 74% males and 26% females, group 3 (compensation) incorporated 58% males and 42% females, group 4 (explanation) had 60% males and 40% females and the participants in group 5 (apology + compensation + explanation) were 54% males and 46% females.

The measures of 'brand hate' used in this study were adopted from the study of Hegner et al. (2017) while the items of 'desire for reconciliation' were adopted from the work of Aquino, Tripp and Bies (2006). A five-point Likert scale from strongly disagree to strongly agree was used in this study. Sample size used in this study fulfils the requirement of an experimental study. According to Roscoe (1975) a sample of 30 is enough to conduct an experimental study which is also suggested by Sekaran and Bougie (2010). Schreiber et al. (2006) suggested a rule of thumb to have 10 participants against each parameter. Moreover Hair et al. (2014) suggested the lower limit as 5 participants against one variable and an upper and safe limit of 10 participants against one variable. Since the items are reliable and sample size is adequate enough, the next step is to go for a multigroup comparison in SmartPLS.

For multi-group analysis (MGA), one must follow three steps as suggested by Matthews (2017). In step one groups were generated in the SmartPLS software to examine the effects of categorical

moderators in those groups. The authors generated five groups and coded those groups i.e. control group (0), apology (1), compensation (2), explanation (3) and A+C+E (4). In step two measurement invariance of the model was assessed to check the reliability of measures when they are tested under dissimilar conditions. In the final step, results regarding pair-wise comparisons of five groups were evaluated which means every group is compared against all other making a total of ten groups. Tests that are offered by the SmartPLS software named as: (1) PLS-MGA procedure, (2) parametric and (3) Welch-Satterthwaite were used to compare the path coefficients of all the five groups.

4. RESULTS

4.1. Test for Invariance

For the assessment of measurement model, the researchers performed measurement invariance test with a bootstrap subsample of 5000. In the report the outer loadings of the variables were analysed as the model under consideration is a reflective measurement model. The point of doing measurement invariance is that the outer loadings must be invariant across all groups. The difference between outerloadings across all ten groups were not significant except two items which implies a good measurement model. The difference between outer loadings of two items across three groups were significant which makes the measurement model as partial invariant. Appendix 1 shows the summary of difference between outerloadings of brand hate and desire for reconciliation and their significance in the form of p-values that are shown below the values of differences in outer loadings.

The shaded boxes shown in appendix 1 are the only significant differences of outer loadings among three groups i.e. A+C+E vs compensation (BH4), apology vs compensation (BH4), compensation vs control (BH5). The differences between outer loadings of brand hate and desire for reconciliation shown above indicates that the measurement model is partial invariant which is acceptable for doing multi-group analysis (Henseler, Ringle & Sarstedt, 2016). Moreover it shows that if there exists differences between groups it will be due to categorical moderator instead of any other factor related to measurement model (Hair et al., 2014; Matthews, 2017).

4.2. Multi-group Analysis

A pair wise comparison of five groups in SmartPLS-MGA was performed. Path coefficient of each group was measured against all other groups. The group that received no intervention was compared with other groups that received apology, compensation, explanation and the combination of all (A+C+E). Same goes with every group. So the total groups compared were ten. First let's have a look on the bootstrapping results showing the path coefficients of each group and their significance.

| | Path | Path | Path | Path | Path |
|----------|----------------------------|---------------------------|------------------------|-----------------------|------------------------|
| | Coefficients A+C+E(4.0) | Coefficients Apology(1.0) | Coefficients Comp(2.0) | Coefficients Exp(3.0) | Coefficients Ctrl(0.0) |
| | 0.622 | 0.411 | 0.557 | 0.336 | -0.574 |
| BH > DFR | t = 2.772 | t = 2.713 | t = 7.175 | t = 0.930 | t = 2.142 |
| | p = 0.006 | p = 0.007 | p = 0.000 | p = 0.352 | p = 0.032 |

Note: $BH \rightarrow Brand\ Hate$

 $DFR \rightarrow Desire for Reconciliation$

Table 1 shows that the combination of apology, compensation and explanation (A+C+E) has the greatest effect in managing brand hate with a path coefficient of 0.622. The separate effect of apology, compensation and explanation shows the path coefficients of 0.411, 0.557 and 0.336 respectively. After A+C+E, compensation is the second intervention that can reduce the impact of hate and lead towards desire for reconciliation followed by apology. The path coefficient of explanation group does not seem significant (t-value < 1.96, p-value > 0.05) and therefore does not contribute in managing brand hate. While looking at the path coefficient of control group where no intervention was applied to manage brand hate, the result is quite distressing i.e. -0.574. It implies that there is a negative relationship between brand hate and desire for reconciliation if no intervention is applied. To check if there is significant differences among these five groups, this study interpreted the parametric test results which shows the differences in path coefficients among all groups. Table 2 shows the path coefficient differences and their significance respectively.

Table 2: Significance of Difference in Path Coefficients

| | A+C+ | A+C+ | A+C+ | A+C+ | Apolog | Apolog | Apolog | Comp | Comp | Ctrl |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| BH > | E (4.0) | E (4.0) | E (4.0) | E (4.0) | y (1.0) | y (1.0) | y (1.0) | (2.0) | (2.0) | (0.0) |
| DFR | - | - | - | - | - | _ | - | - | - | _ |
| DIK | Apolog | Comp | Ctrl | Exp | Comp | Ctrl | Exp | Ctrl | Exp | Exp |
| | y (1.0) | (2.0) | (0.0) | (3.0) | (2.0) | (0.0) | (3.0) | (0.0) | (3.0) | (3.0) |
| Path | 0.211 | 0.065 | 1.196 | 0.286 | 0.146 | 0.985 | 0.075 | 1.13 | 0.221 | 0.909 |
| p-value | (0.433) | (0.782) | (0.001) | (0.498) | (0.389) | (0.002) | (0.846) | (0.000) | (0.546) | (0.044) |

Note: $BH \rightarrow Brand\ Hate$

DFR → Desire for Reconciliation

The shaded boxes in Table 2 shows that there are four groups that are significantly different from each other i.e. (1) A+C+E vs Control, (2) Apology vs Control, (3) Compensation vs Control, (4) Explanation vs Control. This means that there is not much difference in the remaining six groups, but the value of path coefficients indicates the intensity of each intervention's impact in managing brand hate. The overall results of PLS-MGA show that by the intervening of categorical moderator i.e. brand recovery (A+C+E), there exist group differences in four out of ten group comparisons. Hence, the formulated hypotheses H1a, H1b, H1d, and H1e are supported by this study, while H1c is rejected because the effect of explanation is not significant in minimizing brand hate. Whereas, H2 is partially supported by this study because four out of ten groups comparisons revealed significant differences with each other.

5. DISCUSSION

Following the footsteps of Kucuk (2016), Hegner et al. (2017) and Sternberg's theory of hate (2003) regarding the management of brand hate, this study has placed a new milestone by extending the current qualitative work into an experimental research. This study further contributes in the literature by introducing the concept of brand recovery which incorporates apology, compensation and explanation. The experiments were conducted in the Pakistani fast food industry which is growing rapidly with a challenging environment (Ehsan, 2012; Nawaz et al., 2017). The concept of brand hate has recently got attention of scholars and different studies have presented different aspects of brand hate. Zarantonello et al. (2016) and Hegner et al. (2017) have explained brand hate in detail and found negative past experience, symbolic incongruity and ideological incompatibility as the antecedents of brand hate. While Kucuk (2016) proposed consumer related and company related antecedents of brand hate. Further Zarantonello et al. (2018) described the development process of brand hate. Not much emphasis has been given on managing brand hate i.e. how to deal with brand hate effectively? This study has managed to minimize the effect of brand hate that results from 'negative past experience'.

Results indicate that out of ten group comparisons, four group comparisons were significant i.e. the groups in those four comparisons were significantly different from each other. The groups A+C+E, apology, compensation, and explanation were significantly different from the control group where no intervention was applied on the relationship of brand hate and desire for reconciliation. All the interventions have significant impact on the relationship of brand hate and desire for reconciliation except explanation which has no significant impact in terms of minimizing or maximizing the effects of brand hate. But the most suited intervention according to the results of PLS-MGA in terms of managing brand hate effectively is A+C+E. The group of participants who received A+C+E after experiencing worst service were more inclined towards the desire for reconciliation while minimizing the effect of brand hate.

Though this study has contributed towards the brand hate management but still have some limitations. The first limitation is that this study is useful only if the brand hate is triggered by negative past experience which is mainly the reason for brand retaliation (Lee et al., 2009; Hegner et al., 2017). Zarantonello et al. (2016) and Hegner et al. (2017) found three antecedents of brand hate and this study found the solution for one influencer of brand hate. Brand hate resulting from other factors like symbolic incongruity or ideological incompatibility may or may not be managed from the brand recovery strategies used in this study. Therefore, more research is required in this regard. Second limitation is related to the context of the study which is fast food industry in Pakistan. Brands other than fast foods and countries other than Pakistan must be considered for future research regarding the concept of brand hate. Comparison studies across cultures will be helpful in observing the cultural factors that contributes in brand hate development. Kucuk (2016) proposed consumer related antecedent of brand hate i.e. narcissistic personality of consumers which must also be considered for empirical investigation in the future. Finally, this study has a limitation regarding methodology of the study. A pair wise comparison of groups in PLS-MGA was performed, scholars for future experimental studies must develop some procedure that can compare more than two groups simultaneously (cf. Sarstedt, Henseler & Ringle, 2011).

In a practical scenario, this study can assist brand managers in managing brand hate effectively. Since this study itself is based on experiments conducted under real time situations in fast food

restaurants, it can provide brand managers with the strategies that are most effective in dealing with consumers' hatred. Studies conducted by Kucuk (2016) and Hegner et al. (2017) were also beneficial to brand managers but this specific study is one of the first to prove empirically the brand recovery strategies which are really helpful for brand managers in managing brand hate. Fast food industry is one of the sensitive business in service industry as quality of food lead towards satisfaction and sometimes dissatisfaction (Namin, 2017), therefore requires extreme effort and care. Our experiment research proves that brand recovery strategies (apology + compensation + explanation) in the context of fast food industry are extremely effective in managing brand hate. According to Hegner et al. (2017) it is almost impossible to please every customer but in this study an effort has been made to minimize the impact of brand hate. Brand hate still is a new concept which is being studied by few scholars and brand hate management is even more recent, therefore more research in managing brand hate is required.

Appendix 1: Summary of Outer loadings differences and their significance

| | | | • | |) | |) | | | |
|---------------|---------------|------------|--------------|-------------|------------|------------|-----------|--------------|-----------|-------------|
| | Outer | Outer | Outer | Outer | Outer | Outer | Outer | Outer | Outer | Outer |
| | Loadings- | Loadings- | Loadings- | Loadings- | Loadings- | Loadings- | Loadings- | Loadings- | Loadings- | Loadings- |
| | diff A+C+E | diff | diff | diff | diff | diff | diff | diff Comp | diff Comp | diff Ctrl |
| | (4.0) – | A+C+E | A+C+E | A+C+E | Apology | Apology | Apology | (2.0) – Ctrl | (2.0) – | (0.0) – Exp |
| | Apology (1.0) | (4.0) – | (4.0) – Ctrl | (4.0) - Exp | (1.0) – | (1.0)-Ctrl | (1.0)-Exp | (0.0) | Exp (3.0) | (3.0) |
| | | Comp (2.0) | (0.0) | (3.0) | Comp (2.0) | (0.0) | (3.0) | | | |
| BH1 < BH | 0.048 | 0.041 | 0.049 | 0.263 | 0.007 | 0.097 | 0.311 | 0.09 | 0.304 | 0.214 |
| | (0.414) | (0.373) | (0.647) | (0.933) | (0.484) | (0.695) | (0.934) | (0.755) | (0.940) | (0.924) |
| BH2 < BH | 0.059 | 0.047 | 0.095 | 0.037 | 0.012 | 0.035 | 0.097 | 0.048 | 0.084 | 0.132 |
| | (0.619) | (0.506) | (0.799) | (0.491) | (0.342) | (0.753) | (0.375) | (0.844) | (0.484) | (0.199) |
| BH3 < BH | 0.253 | 0.127 | 0.090 | 0.121 | 0.126 | 0.163 | 0.131 | 0.037 | 0.006 | 0.031 |
| | (0.076) | (0.099) | (0.207) | (0.189) | (0.693) | (0.802) | (0.763) | (0.694) | (0.645) | (0.461) |
| BH4 < BH | 0.274 | 0.829 | 0.266 | 0.074 | 0.555 | 0.008 | 0.348 | 0.563 | 0.903 | 0.340 |
| | (0.093) | (0.014) | (0.107) | (0.776) | (0.048) | (0.535) | (0.932) | (0.939) | (0.966) | (0.924) |
| BH5 < BH | 0.345 | 0.362 | 0.058 | 0.489 | 0.017 | 0.403 | 0.144 | 0.420 | 0.127 | 0.547 |
| | (0.934) | (0.964) | (0.419) | (0.953) | (0.506) | (0.058) | (0.875) | (0.032) | (0.886) | (0.955) |
| BH6 < BH | 0.171 | 0.447 | 0.056 | 0.101 | 0.276 | 0.115 | 0.07 | 0.391 | 0.346 | 0.045 |
| | (0.169) | (0.060) | (0.318) | (0.293) | (0.119) | (0.775) | (0.708) | (0.936) | (0.911) | (0.442) |
| DFR1 < | 0.006 | 0.122 | 0.011 | 0.302 | 0.128 | 0.005 | 0.308 | 0.133 | 0.179 | 0.312 |
| DFR | (0.420) | (0.189) | (0.580) | (0.171) | (0.184) | (0.649) | (0.166) | (0.812) | (0.332) | (0.168) |
| DFR2 < | 0.008 | 0.018 | 0.130 | 0.147 | 0.01 | 0.122 | 0.155 | 0.112 | 0.165 | 0.278 |
| DFR | (0.362) | 0.290 | (0.763) | (0.260) | (0.415) | (0.843) | (0.320) | (0.866) | (0.344) | (0.123) |
| DFR3 < | 0.439 | 0.481 | 0.182 | 0.240 | 0.041 | 0.257 | 0.679 | 0.298 | 0.720 | 0.422 |
| DFR | (0.885) | (0.928) | (0.671) | (0.329) | (0.515) | (0.292) | (0.089) | (0.254) | (0.061) | (0.237) |
| DFR4 < | 0.043 | 0.052 | 0.095 | 0.042 | 0.009 | 0.139 | 0.086 | 0.148 | 0.095 | 0.053 |
| DFR | (0.254) | (0.213) | (0.690) | (0.651) | (0.377) | (0.841) | (0.772) | (0.859) | (0.791) | (0.526) |
| DFR5 < | 0.345 | 0.160 | 0.709 | 0.234 | 0.185 | 0.364 | 0.111 | 0.549 | 0.074 | 0.475 |
| DFR | (0.124) | (0.187) | (0.051) | (0.240) | (0.738) | (0.166) | (0.652) | (0.071) | (0.495) | (0.854) |

Note: () \rightarrow p-values $BH \rightarrow Brand\ Hate$ $DFR \rightarrow Desire\ for\ Reconciliation$

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