Roles of Brand Forgiveness towards Brand Re-Engagement: Case of Domestic Airlines

Patcharee Hongthong* a, Pensri Jaroenwanit b, a,bFaculty of Business Administration and Accountancy, Khon Kaen University, Thailand, Email: apatcharee_ho@kkumail.com, bpenjar@kku.ac.th

This paper aims to investigate the mediating roles of brand forgiveness or its mediating effects in the relationship between recovery satisfaction—which includes apologies, compensation, and explanation—and brand re-engagement. The sample consists of 400 Thai domestic passengers who had experienced inconvenience or were unsatisfied with the domestic airline services at Khon Kaen Airport and Suvarnabhumi International Airport. The data were analyzed by using statistical software which includes the analysis of confirmatory factors (CFA), structural equation modeling (SEM), and mediating effects (Sobel’s Test). The result found that apologizing had the most influenced mediating effects on brand re-engagement, followed by compensation and explanation. From this study, it can be concluded that factors influencing satisfaction recovery can also affect brand forgiveness, which in turn has impacts on brand re-engagement.

Key words: Satisfaction recovery, brand forgiveness, brand re-engagement.

Introduction

Many brands make it their sole focus to keep up with ever-changing customer needs, but sometimes mistakes just happen unintentionally (Ran, Wei & Li, 2016). Failure is unavoidable. It may result in brand resentment or, eventually, customers might stop buying the brand (Grégoire, Ghadami, Laporte, Sénécal, & Larocque, 2018). However, the brands can still recover and turn negative relationships into positive relationships by asking for brand forgiveness. Fernández-Capo, Fernández, Sanfelú, Benito, and Worthington (2017) stated that forgiveness is a process to restore customer-brand relationships. It has the potential to reduce negative emotions which are somehow associated with an increase in positive emotions.
Previously, forgiveness has been mentioned a lot in many psychological studies, but not in the field of marketing (Alvarez & Fournier, 2016). Nonetheless, many marketing scholars have already become more aware of the brands being increasingly threatened by customer negative emotions (Hegner, Fetscherin & Delzen, 2017) and they also noticed the increasing number of research in consumer negative emotions. Therefore, they have suggested that it’s time to study brand forgiveness seriously (Fetscherin & Heinrich, 2014) so that we can explain the brand forgiveness-related behaviors and their relationships towards brand re-engagement, and brand managers can further develop the right customer relationship strategies (Anderson & Ostrom, 2015). Henceforth, the study of forgiveness and satisfaction recovery will be absolutely necessary for the hospitality business (Trianasari, Butcher & Sparks, 2019).

Nowadays, Thai people travel domestically more often as it is convenient, safe, and inexpensive. In 2019, air transport statistics reported a total number of 17,921,877 domestic passengers and 139,547 domestic flights in all airports operated by the Department of Airports Thailand (DOA). From that number, 14,055 flights were operated at Khon Kaen Airport, while Suvarnabhumi International Airport dealt with 41,805 flights. And it looks like the domestic low-cost airline competition has intensified. Their ticket prices have been dropped to fight for market shares. More new routes have been opened. Flight frequencies to popular routes have also been increased and their service standards have improved a lot to increase passenger satisfaction.

Even though the airlines have been trying their best to respond to customer needs, common service failures that affect their customer satisfaction still could not be avoided. Statistics of complaints submitted to the Office of the Consumer Protection Board (OCPB) showed that in 2020 the travel and tourism industry had the second-highest number of complaints after the consumer goods industry. 238 cases or 67.23% of complaints were filed against the airlines for their bookings and other airline-related issues. The number of complaints in this sector is quite high and it has been increasing every year when compared to other types of complaints. Moreover, the data was also matched with the previous study done by Leow (2015) in which the researcher mentioned the global airline situation seeing a rise in passenger complaints. This could explain why many marketing scholars these days are very interested in studying customer relationships in the airline industry (Lee & Kim, 2018). In Thailand, there are only a few previous studies in the airline-customer relationships and the subject has not been quite popular yet. Thus, further research should be conducted to investigate customer relationships in the Thai domestic airline industry.

All the issues addressed here are important and now they have led to the next questions. What are the factors that impact airline forgiveness? And why is brand re-engagement study necessary? Finding the answers would help the author investigate the mediating roles of brand forgiveness in the relationship between satisfaction recovery and brand re-engagement in the
domestic airline business. It would also clarify the roles and relationships of each factor that affects airline forgiveness and helps re-establishing their passenger engagement. The knowledge would also be useful in creating marketing strategies that can reduce future complaints and continuously help increase the number of domestic airline passengers.

Literature Reviews

Satisfaction Recovery

Ahmed and Hashim (2018) stated that satisfaction recovery refers to the action taken by the brand in response to the negative events or service failure, aiming to resolve the problems or improve customer satisfaction. This action is also taken to regain customer satisfaction and re-establish brand engagement (Tschohl, 2016). Satisfaction recovery does result in brand forgiveness and it can help the brand avoid customer complaints as well. Kucuk (2016) also pointed out that the brand’s effective and rapid response to mistakes helps enhance customer satisfaction to some extent. Customers will be less likely to consider their bad experience unforgettable if the brand responds instantly and it is also easier for them to forgive the brand. In their research, Ahmed and Hashim (2018) studied factors related to satisfaction recovery and its influences on brand forgiveness. They found that three key factors in satisfaction recovery, which are apologies, compensation, and explanation, had impacts on brand forgiveness and brand re-engagement. In their paper, Abney, Pelletier, Ford, and Horky (2017) presented that customers do not always prefer compensation. They sometimes only expect to get respectful responses, sincere apologies, and personal attention. Therefore, it is true that the three factors can reduce customer resentment and get them to re-engage with the brand (Mostafa, Lages, Shabbir & Thwaites, 2015).

Apologies

Ahmed and Hashim (2018) explained apologizing as a strategy the brands use to take responsibility for their service failures. Businesses must respond to every single customer complaint. They must politely apologize with sincerity and be careful not to be defensive as a sincere apology is an effective strategy that affects brand forgiveness directly, and it always works well in solving customer-brand relationships (Odoom, Aghemabiese & Hinson, 2019). Besides, apologies can sustain existing customer-brand relationships and mitigate the negative effects of their bad experiences (Ahmed & Hashim 2018). Some previous studies in management psychology and marketing also support the idea of apologizing and view it as a significant and effective method in recovering customer relationships from brand service failures. Apologizing is one factor that can calm the customers down. It decreases customer's motivation for complaining and can even help them forgive the brand. A review of the relevant works above has led to the first hypothesis for this research:
H1: Apologizing has a positive relationship with brand forgiveness

Compensation

Joireman, Grégoire, and Tripp (2016) identified compensation as one of the general strategies to recover customer satisfaction. Compensations, discounts, or credits can lower customer’s anger and reduce unfavorable attitudes towards brand failure. On the other hand, customers who feel ignored or feel that they do not get the responsibility they deserve would eventually stop using the brand. Komiya, Ohtsubo, Oishi, and Mifune (2017) investigated the possibility of the brands to recover customer satisfaction to avoid losing customers. They found that compensation increases positive attitudes, which in turn lead to brand forgiveness and reconciliation. A review of the relevant works above has led to the second hypothesis for this research:

H2: Compensation has a positive relationship with brand forgiveness

Explanation

According to Kucuk (2016), if the brand explains the causes of failure by using relevant facts and the right choices of words, customers will show less negative responses. In addition, a person with a reliable and trustworthy personality can also minimize the customer’s level of dissatisfaction. In Kucuk’s study, it appears that when the customers do not get any explanation at all, their motivation to revenge and complain would increase and it costs the brand even more to resolve the problems. Contrary, when customers receive a sincere explanation, they would feel respected by the brand and their negative emotions would be reduced. Joireman et al. (2016) also stated that the explanation affects satisfaction and brand forgiveness. When customers get the responses and direct explanation about service failure from the brands, they are more likely to forgive as this assures them that the brand is interested in their well-being and values them. A review of the relevant works above has led to the third hypothesis for this research:

H3: Explanation has a positive relationship with brand forgiveness

Brand Forgiveness and Brand Re-Engagement

Joireman et al. (2016) defined brand forgiveness as an action happening when customers do not want or avoid revenging because they do not want to create any gap in their customer-brand relationship and they are likely to show positive attitudes towards the brand. Cowden, Worthington, Joynt, and Jakins (2018) described forgiveness as a kind of adaptive reaction happening especially when the customers are starting to feel dissatisfied. Customer’s
unsatisfactory feelings would stimulate a gap between customers and the brand (Enright & Fitzgibbons, 2015) and each failure occurred can affect brand forgiveness differently. If the brand chooses to ignore them, the customers will feel resentful and finally stop using that brand (Worthington & Sandage, 2016). Therefore, it can be inferred that forgiveness is a reaction of customers who wish to rebuild their relationship with the brand after they experienced service failure and these customers are likely to re-engage with the brand in the future.

Joireman et al. (2016) also addressed the benefits of brand forgiveness and its effects on brand re-engagement. They mentioned that customers were more motivated and more likely to forgive when the brand took responsibility for the unfavorable event. As soon as they were less furious, these customers would be ready to engage with the brand again. According to Fernández-Capo et al. (2017), brand forgiveness is a strategy to manage customer emotions when they feel dissatisfied with brand failure. Brand forgiveness can reduce customer resistance and improve customer-brand relationships which in turn reconnects the customers with the brand and encourages repeat purchases. In their recent in-depth survey, Ahmed and Hashim (2018) also pointed out that brand forgiveness has direct effects on re-engagement. A review of the relevant works above has led to the fourth hypothesis for this research:

**H4:** Brand forgiveness has a positive relationship with brand re-engagement

**Figure 1. Conceptual Framework**

**Methodology**

**Populations** The study population consists of Thai passengers who experienced inconvenience or were unsatisfied with domestic airlines at Khon Kaen Airport and Suvarnabhumi International Airport. Since the sample size was unknown, the author determined to calculate it from the two criteria: 1) by using Cochran’s (1977) formula, the sample size was 384 participants, and 2) by considering independent variables (Hair, Black, Babin, & Anderson, 2010) based on the idea that the suitable sample size in the Structural Equation Model (SEM) should not be less than 100 samples, as it is not enough to do the linear analysis. According to that, three latent variables were established in this research model and when considered all criteria mentioned the author then determined the sample size at 400.

**Sampling Methods** This study used two steps from the non-probability sampling method. The first one was the quota sampling in which the samples were divided into two areas based on
the number of flights operated in each airport in 2019. From the statistics, the number of flights operated in Khon Kaen Airport was 14,055 flights or 10.071% and the number of flights operated in Suvarnabhumi International Airport was 41,805 or 29.957%. When comparing the flight ratio with the sample population in this study, the result for Khon Kaen Airport was 135 while Suvarnabhumi International Airport got 265 samples. The second step was the judgment sampling in which the author determined the samples based on conditions that they once used the service of domestic airlines and were dissatisfied with their services. The two screening questions the author used to select qualified respondents in this study are 1) Have you ever used services from domestic airlines? and 2) Have you ever had any bad experiences or feel dissatisfied with the domestic airlines? The data was collected during the period of 31 days, between 20th March and 20th April 2020.

Research Instruments A questionnaire was an instrument in this research. The author had language experts translate it from English to Thai and used a back-translation process to re-translate the text into English to prevent any distortions in meaning (Douglas & Craig, 2007). The outline of the questionnaire was also presented to three experts for quality and accuracy approval, before testing it with 30 actual respondents. The index of item objective congruence (IOC) was then adopted to evaluate content validity and the results showed that all questions had an alpha coefficient greater than 0.70, which means the questionnaire is reliable and accurate (Rovinelli & Hambleton, 1977). This questionnaire was also designed for respondents to complete by themselves (self-administered) and it was divided into five sections. Part 1 contained general questions asking for demographic information. Part 2 consisted of questions related to behaviors of passengers using domestic airlines, which were adapted from Lertkojchasie (2015). Part 3 was related to satisfaction recovery, while Part 4 was about brand forgiveness, and Part 5 sought information related to brand forgiveness which affects brand re-engagement. The total number of questions in Part 3-5 was 22, all of them were adopted from the previous studies (Odoom et al., 2019; Ahmed & Hashim, 2018; Liang, Choi & Joppe, 2017; Fritz & Schoenmueller, 2017). For each question in this questionnaire, respondents were asked to select only one answer based on the level of their agreement (Likert scales).

Data Analysis

The data collected from the returned questionnaires were evaluated for accuracy and analyzed by using the SPSS software package to obtain statistics and used them in four different aspects: 1) analyze measurement models for accuracy and reliability by using the confirmatory factor analysis (CFA) to find factor loadings and influences that affect airline forgiveness among Thai passengers, 2) analyze paths (path analysis) to find influences or causes of independent variables that affect the dependent variable, 3) analyze structural relationships using the structural equation modeling (SEM) which is a multivariate statistical analysis technique used to analyze multiple variables that have mediate effects on dependent variables, and 4) analyze...
mediates by using the mediation test (Sobel’s Test) to find out if forgiveness is a good mediator between satisfaction recovery and brand re-engagement.

Research Results

Demographic Information of the Subjects

The majority of the subjects in this study were female (245 respondents or 61.3%), meanwhile, the largest age group was between 21-30 years old (325 respondents or 81.25%).

Behaviors of Passengers Using Domestic Airlines

Regarding the behaviors of domestic airline passengers, 247 respondents or 61.75% of the sample group used the service from domestic flights around 1-2 times. Thai Air Asia was the most popular airline that respondents in this study used (194 respondents or 48.5%) and respondents were also dissatisfied with Thai Air Asia the most (140 respondents or 35%). Also in the survey, there were 216 respondents or 54% who addressed flight delays as the type of service they were most dissatisfied with.

Confirmatory Factor Analysis: CFA

1. For the assessment of the satisfaction recovery measurement model, the author found that the results were consistent with the empirical data, the Chi-Square statistic $\chi^2=2.97$ df = 1 and $\chi^2/df = 2.97$ p=.085. The goodness of fit index (GFI) was equal to .930 and the comparative fit index (CFI) was equal to .973. The root mean square error of approximation (RMSEA) was equal to .080 and the standardized root mean square residual (SRMR) was equal to .059.

2. For the assessment of the brand forgiveness measurement model, the results were consistent with the empirical data, the Chi-Square statistic $\chi^2=9.24$ df = 8 and $\chi^2/df = 1.16$ p = .322. The goodness of fit index (GFI) was equal to .998 and the comparative fit index (CFI) was equal to .998. The root mean square error of approximation (RMSEA) was equal to .020 and the standardized root mean square residual (SRMR) was equal to .015.

3. For the assessment of the brand re-engagement measurement model, the results were also consistent with the empirical data, the Chi-Square statistic $\chi^2=7.71$ df = 7 and $\chi^2/df = 1.10$ p = .359. The goodness of fit index (GFI) was equal to .998 and the comparative fit index (CFI) was equal to .999. The root mean square error of approximation (RMSEA) was equal to .016 and the standardized root mean square residual (SRMR) was equal to .012.
Pearson’s Correlation Coefficient

The analysis results indicated that variables in the model had a statistically positive relationship at the .05 level. When considering the nature of relationships between each pair, the results indicated that apologies and explanation was the most significant pair \((r = .728, p < .001)\), and variables in this study were all related and suitable for further analysis.

Table 1: The results of Pearson’s correlation coefficient between variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Apology</th>
<th>Compensation</th>
<th>Explanation</th>
<th>Brand Forgiveness</th>
<th>Brand Re-engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apology</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td>.578*</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Explanation</td>
<td>.728*</td>
<td>.563*</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Forgiveness</td>
<td>.443*</td>
<td>.404*</td>
<td>.372*</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Brand Re-engagement</td>
<td>.428*</td>
<td>.386*</td>
<td>.386*</td>
<td>.517*</td>
<td>1.000</td>
</tr>
<tr>
<td>Mean</td>
<td>3.61</td>
<td>3.05</td>
<td>3.55</td>
<td>3.02</td>
<td>3.12</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>1.00</td>
<td>1.01</td>
<td>0.96</td>
<td>0.98</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Path Coefficient

The analysis of the influences (path coefficient) between variables and the hypothesis testing indicated that explanation was the variable that had the greatest direct impact on brand re-engagement \((DE = .287)\) and it also had the greatest indirect impact on brand re-engagement through a mediator variable or brand forgiveness \((IE = .334)\). In addition, the explanation also showed the highest total effect among variables that have direct and indirect impacts on brand re-engagement \((TE = .621)\). From the analysis of both direct and indirect influences, the author found that apologizing, compensation, and explanation were variables that had a causal relationship with brand forgiveness, and brand forgiveness was able to predict brand re-engagement at 71.9% or \(R^2 = 71.9\). As a result, all the hypotheses were accepted.

Table 2: Influences of causal relationships between variables and hypothesis testing

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Effects</th>
<th>Total Effects</th>
<th>Test Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Apologizing has a positive relationship with brand forgiveness.</td>
<td>DE = .092* IE = .211*</td>
<td>TE = .303*</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2: Compensation has a positive relationship with brand forgiveness.</td>
<td>DE = .271* IE = .194*</td>
<td>TE = .465*</td>
<td>Accepted</td>
</tr>
</tbody>
</table>
H3: Explanation has a positive relationship with brand forgiveness. 
\[ \text{DE} = .287^* \quad \text{IE} = .334^* \quad \text{TE} = .621^{**} \] Accepted

H4: Brand forgiveness has a positive relationship with brand re-engagement. 
\[ \text{DE} = .719^{**} \quad \text{TE} = .719^{**} \] Accepted

**Structural Equation Modeling**

The analysis of results showed that \( \chi^2/df \) was equal to 2.41 and the p-value of the model’s variance matrix test and empirical data was higher than .05 (\( p > .05 \)). Therefore, the model and data were consistent. According to an index of fit, the goodness of fit index (GFI) needs to be higher than .90, and in this case, the GFI was .948, while the comparative fit index (CFI) was .996. On the other hand, the ideal value for residuals must be less than .08, and in this case, the root mean square error of approximation (RMSEA) was .059 and the standardized root mean squared residual (SRMR) was .056. This also showed that the variable relationship model and the empirical data were consistent and the statistical values passed all the criteria.

**Table 3:** The consistency of direct influences in the path analysis model

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Criteria</th>
<th>Values</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>( \chi^2 )</td>
<td>-</td>
<td>2.41</td>
<td>-</td>
</tr>
<tr>
<td>df</td>
<td>-</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>( \chi^2/df )</td>
<td>should be less than 3.00</td>
<td>2.41</td>
<td>Passed</td>
</tr>
<tr>
<td>( p )</td>
<td>higher than .05</td>
<td>.120</td>
<td>Passed</td>
</tr>
<tr>
<td>CFI</td>
<td>higher than .90</td>
<td>.996</td>
<td>Passed</td>
</tr>
<tr>
<td>GFI</td>
<td>higher than .90</td>
<td>.948</td>
<td>Passed</td>
</tr>
<tr>
<td>RMSEA</td>
<td>less than .08</td>
<td>.059</td>
<td>Passed</td>
</tr>
<tr>
<td>SRMR</td>
<td>less than .08</td>
<td>.056</td>
<td>Passed</td>
</tr>
</tbody>
</table>

**Remark** *\( p < .05 \) is statistically significant at the level of .05

**Sobel’s Test**

The results revealed that all variables (apologizing, compensation, and explanation) had indirect effects on brand re-engagement through the mediating variable (brand forgiveness) at the statistical significance of .05. But the most important variable was the apology (\( z = 8.620 \)).
Table 4: Indirect influences of independent variables on the dependent variable via the mediating variable

<table>
<thead>
<tr>
<th>Relationships</th>
<th>β</th>
<th>Sobel’s Test</th>
<th>Mediating Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apology &gt; Brand Forgiveness &gt; Brand Re-engagement</td>
<td>-670</td>
<td>8.620***</td>
<td>Partial</td>
</tr>
<tr>
<td>Compensation &gt; Brand Forgiveness &gt; Brand Re-engagement</td>
<td>-683</td>
<td>7.948***</td>
<td>Partial</td>
</tr>
<tr>
<td>Explanation &gt; Brand Forgiveness &gt; Brand Re-engagement</td>
<td>-678</td>
<td>7.338***</td>
<td>Partial</td>
</tr>
</tbody>
</table>

Remark * p < .05

Conclusion and Discussion

Studying the roles of forgiveness and its mediating effects between satisfaction recovery (apologizing, compensation, and explanation) and brand re-engagement in domestic passengers in Thailand provides a better understanding of the occurrence and behaviors of existing passengers. The study results revealed that all three factors had statistically significant positive effects on brand forgiveness. It means that if the airlines apologize, compensate, or explain the causes of failure to customers, the levels of airline forgiveness will be more likely to increase. Therefore, it is possible to predict the occurrence and behaviors of customers after the brand apologized, compensated, or gave an explanation to their customers appropriately, and it can be useful in improving or developing future marketing strategies. Moreover, this study also revealed the fact that brand forgiveness only partially mediated the effects of satisfaction recovery towards brand re-engagement, not a full mediation. However, it might have some academic benefits that lead to the future study of brand forgiveness which can cause academic movement and knowledge expansion.

The results of this study are also consistent with the previous research studied by Bakar, Hidayati, and Giffani (2019). In their research which studied satisfaction recovery among airline customers who experienced service failure, they found that apologies, compensation, and explanation could help customers to recover from the bad experiences and restore customer-airline relationships. Besides, apologies, compensation, and explanation would increase the chances for them to decide and forgive the airline. This is similar to the psychology study done by Cowden et al. (2018). In their study, apologizing was effective in rebuilding the broken relationships for both parties. Once the victims received an apology, they would start rebuilding the relationship and developing positive emotions which would eventually make them forgive their offenders. This study also indicated that brand forgiveness only had partial mediating effects between satisfaction recovery and brand re-engagement with statistical significance denoted, which is consistent with the previous research (Noth, Jaroenwanit & Brown, 2015) that studied forgiveness and service reuse among Thai and European passengers.
in international airlines. In their study, the researchers found that Thai passengers were likely to forgive the airlines and use their service again. Fetscherin & Sampedro (2019) also studied customer behaviors after the customers have forgiven the brands and noticed that there was a high probability that those reconciled customers would re-engage with the brand.

**Suggestions for Business**

Customers are important and the business should let them know that all of them are highly appreciated. To do so, the brand must treat and love every customer like they are family members and must not ignore their feelings when a mistake happens. The brand must also promptly and effectively take responsibility for that mistake. It is very important for the brand to show its customers that it is their feelings the brand cares the most and that the brand is also very sorry about the incident. The brand should apologize without hesitation, even though it is not the brand’s fault, and then address the actual cause of the problem openly. The brand should also respond and apologize immediately or as soon as possible to maintain the customer’s trust. However, on the flip side, the brand can turn the mistake into an opportunity to win the heart’s of irregular customers and impress them with how the brand behaves in such difficult circumstances. The brand can also give special discounts or credits to be used on the customer’s next trip (Ahmed & Hashim, 2018).

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REFERENCE


