SERVICE RECOVERY FOR SEVERE CRISES IN THE CRUISE INDUSTRY

A Thesis

by

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ABSTRACT

This experimental study examined what are the effects of expertise, blame, and service recovery on both purchase intentions and brand image after severe service failures. A 2x2x2 experimental design was conducted to measure the participants' attitude toward communicators' expertise, blame attribution, and distributive justice. This experiment was set within the cruise industry and was conducted on-line via Qualtrics. Participants were randomly assigned into eight treatment conditions. Written scenarios messages were employed to convey the different treatment conditions. In these scenarios, a fictitious spokesperson recalled an accident that had occurred while vacationing on a cruise ship. The level of expertise varied based on the past-experience of the spokesperson. This spokesperson was as either a first time or a long time cruiser. In terms of blame attribution, the accident was attributed either to a staff member or to a passenger. For the condition of service recovery, the cruise line offered a 20% discount on a future cruise and fully reimbursed the passengers or only a 20% discount. The main effect for recovery was significant (p<.05) for both brand image and intentions. There was also a significant interaction between expertise and blame attribution (p<.05) in terms of both intentions and brand image. Results offer both theoretical and practical insights in terms of advertising strategies and crisis management for cruise lines.

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CHAPTER I

INTRODUCTION

Study Background

From 1980 to 2013, cruise lines have undergone a spectacular economic

expansion with an average increase of 7.2% in the number of passengers per year

(Cruise Line International Association [CLIA], 2013). Predictions for the cruise

industries indicate that the market will keep on growing in the years to come (CLIA,

2014). However, the cruise industry has faced some recent and recurrent misfortunes in

term of passengers' safety. These crises range from small incidents, like food related

illnesses (Boutros, Hewedi, Roberts & Megahid, 2014), to more dangerous events such

as electrical failures and fires (Ventikos, 2013). Tragedies, like the 2012 wreckage of the

Costa Concordia, are fortunately less common, but can generate intense negative media

coverages (Dickerson, 2014). The dramatic capsizing of the *Costa Concordia* caused the

death of over thirty cruisers and crewmembers. While recent studies have focused on

communication strategies (Michelson, 2014) and liabilities (Dickerson, 2014), no

research of cruise incidents has yet explored what types of strategies will be the most

successful in term of service recovery.

A better understanding of the effectiveness of service recovery during a severe

crisis is likely to be important for cruise lines. Indeed, there are indications that cruise

lines are facing a ripple effect in terms of financial and brand image damages (Howard

& Stephenson, 2013; Michelson, 2014; Barton, 2001). Howard & Stephenson (2013)

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suggested that the stock value of all cruise lines decreased by more than 13 percent after the Costa Concordia incident. Further, they also discovered that potential customers were expressing concerns about whether cruise ships were a safe means of transportation.

Therefore, there is concern that customers' general images about cruising is negatively impacted by the depiction of cruises' accidents in the media (Barton 2001). Horror testimonies and even rumors are likely to spread even faster with social media. In a case study of the cruise ship *Triumph*, Michelson (2014) explained that passengers were stranded at sea for several days without working bathrooms and air conditioning. He stated, "As passengers uploaded photos of the surroundings on the boat, social media exploded with news about the situation, specifically trending the hashtag #cruisefromhell" (Michelson, 2014, p. 20). These types of damaging reports about cruise ships have the potential to impede the economic success of the whole industry and to damage customers' attitudes toward cruising.

Therefore, cruise lines have a stake in learning more about service recovery during a crisis. A large number of recovery studies have been conducted within the context of the restaurant and hotel industries (Mattila, 2001; Wirtz & Mattila, 2004). However, few have explored how service recovery could be applied to the specificities of the cruising industry. A notable exception is Petrick, Tonner & Quinn' study (2006) on incidents aboard cruise ships. Their findings were consistent with Prospect Theory, which states that when customers experience a service failure, the event will overshadow other successful exchanges, as losses loom larger than gains.

In a study about recovery messages at an Australian destination, Walters & Mair (2012) mentioned that it was important to measure the impact of recovery both in terms of brand image (i.e.; travelers' emotional perceptions of the destination) and purchase intentions (i.e.; desire to come back to the destination. There are some indications that loyal cruisers might be more receptive to financial incentives such as discounts (Duman & Mattila, 2005). Thus, it would be particularly interesting to study how cruisers react to recovery strategies that focused on reimbursements and discounts.

However, recovery strategies sometimes fail because customers do perceived the communicator as being dishonest. For example, BP's attempts to be perceived as caring after the Golf Oil spill failed because customers were likely to consider BP directly responsible for the environmental damages (Muralidharan, Dillistone & Shin, 2011). Therefore, the goal of the present study was to set-up an experimental design in order to measure what the effects are of: 1) the expertness of the communicators, 2) the blame attribution and 3) the pricing strategies – on both purchase intentions and brand image. Further, the present study explored how blame, recovery and expertise interacted the participants' ratings in terms of brand image and purchase intentions. Lastly, our study tested whether there was a three way interactions between blame, expertise, and recovery in terms of both brand image and purchase intentions.

Study Objectives

The current study utilized a 2x2x2 experimental design in order to examine how the interactions between in credibility, blame attribution, and recovery messages,

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impacted brand image and purchase intentions. Participants were undergraduate and graduate students enrolled in RPTS courses, and were randomly assigned into eight conditions. Each condition was presented in the form of written testimonies.

In these written texts, a cruiser recalled a bad service experience on board of a cruise ship. Two types of experts were used. In one scenario, the storyteller had taken eleven cruises with seven different cruise lines. In the other scenario, the storyteller had booked a cruise for the first time. The goal was to measure if variations in the level of expertise could have an effect on participants' rating of brand image and purchase intentions.

Similarly, two scenarios of blame attribution were used in the experiment. In one scenario, a crewmember smoked a cigarette in the engine room that led to a fire and a generalized power failure. In the other scenario, a passenger started the fire. Here, the aim was to measure how blame attribution influences purchase intentions and brand image.

Finally, two types of recovery messages, which both focus on pricing strategies, were used as part of the experiment. In one case, the cruise line offered a 20% discount on a future cruise and fully reimbursed the passengers. In the other case, the cruise line will simply offer a 20% discount on a future cruise.

The objective was to measure the effect of these recovery messages on both purchase intents and brand image. Interactions between each of the independent variables were also measured.

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Limitations

This study faced several limitations. The sample used was composed of students, which might make it more difficult to generalize the results (Dabholkar & Bagozzi, 2002). This study was also limited by having a small sample. Future studies might nevertheless benefit from working in partnership with cruise lines in order to obtain data from actual cruisers. Additionally, the present study provided an insight into the target market of young cruisers. However, cruise lines attract a broad variety of segment markets. The efficacy of the recovery messages might differ depending on the characteristic of a brand's target segments (e.g.; age and income). This issue could be solved by regrouping respondents into groups, which reflect their affiliations to specific segments markets.

Another limitation was that the scenarios included in the experiment depicted severe accidents. Therefore, it could have been more difficult for the participants to relate to the experience (Dabholkar & Bagozzi, 2002). Additionally, when a severe crisis occur, the event is likely to make the headlines. A recent example was the capsizing of the *Costa Concordia*. Such dramatic events are also likely to generate strong feelings in the consumers' minds (Volo and Pardew, 2013). These heightened emotions may be difficult to replicate in an experiment. The consumers' reactions to an actual crisis might thus differ from the ones expressed inside a lab (Coombs & Holladay, 1996). A solution, could be to analyze case studies or conduct a meta-analysis of service recovery prior to

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develop an experiment. This would provide researchers with an overview of past strategies that have failed or succeeded.

Therefore, the present study possessed several limitations. Nevertheless, this research will hopefully expand the current knowledge of how crises affect customers' loyalty. The present study also offered new perspectives on how cruise lines can effectively manage brand image during a crisis. Lastly, cruise lines are thus likely to implement services recovery more effectively. The goal of the study will to test the different levels of variables to ascertain the differences among them (Webster & Sell, 2014).

Definitions

Distributive justice: "refers to the perceived fairness of the tangible outcome of a dispute, negotiation, or decision involving two or more parties" (Blodgett, Hill & Tax, 1997, p. 188)

Equity theory: "postulates that persons in social exchange relationships compare with each other the ratios of their inputs into the exchange to their outcomes from the exchange" (Huppertz, Arenson & Evans, 1978, p. 250)

Expertise: "is defined as having a high degree of skill in/knowledge of a certain subject area" (Braunsberger & Munch, 1998, p. 25)

Interactional justice: "focuses on the interactional treatment during a service recovery process, including an apology, perceived helpfulness, courtesy, and empathy of the service staff in dealing with the recovery" (Wirtz & Mattila, 2004, p. 151)

Likeability: is defined "as affection for the source as a result of the source's physical appearance and behavior, and similarity as a supposed resemblance between the source and receiver of the message (McCracken, 1989, p. 311)

Trust: "refers to the generalized expectancy that a message received is true and reliable and that the communicator demonstrates competence and honesty by conveying accurate, objective, and complete information" (Renn & Levine, 1991, p. 179).

Persuasion knowledge: "is an especially important interpretive belief system because it tells people about situations where an intelligent purposeful outside agent is skillfully trying to alter their inner self (their beliefs, their emotions, their attitudes, their decisions, their thought processes) and there by alter the course of their lives." (Friestad & Wright, 1999, p. 186)

Procedural justice: "is concerned with the impact of the fairness of decision making procedures on the attitudes and behavior of the people involved in and affected by those decisions" (Korsgaard, Schweiger & Sapienza, 1995, p. 63)

Redress/ Voice: "complaints directed toward the retailer; asking for a refund, an exchange, for the product to be repaired, or for an apology" (Blodgett & Granbois, 1992, p. 97).

Sale promotions: refers to "temporary and tangible monetary or non-monetary incentives intended to have a direct impact on consumers' behavior" (Chandon, Wansink & Laurent, p. 65)

Source's credibility: is a term commonly used to imply a communicator's positive characteristics that affect the receiver's acceptance of a message (Ohanian, 1990, p. 41)

Value: "the consumer's overall assessment of the utility of a product based on perception of what is received and what is given" (Zeithaml, 1988, p. 14)

CHAPTER II

LITERATURE REVIEW

Credibility

Research on tourism and credibility has explored issues related to brand image and source credibility (McBoyle, 1996; Miller, 2001; Gössling et. al., 2007; Loda, Norman, & Backman, 2007). An important issue for tourism providers is to determine the credibility of a tourism company in terms of offered services and brand image (McBoyle, 1996). For example, it has been argues there that green initiatives in the hotel airline industry were lacking credibility because of the lack of external audits to ensure that these practices are enforced in every locations (Miller, 2001; Gössling et. al., 2007). Another issue is to assess the credibility of the source and its effect on the customers' attitude and purchase intentions (Loda, Norman, & Backman, 2007). Credibility is one of the keys to the promotion of destinations "because of the intangible nature of the tourism product and the risk associated with destination selection" (Loda, Norman, & Backman, 2007, p. 260).

The medium chosen to promote a destination is likely to have an effect on the customers' perception of credibility (Kerstetter & Cho, 2004; Loda, Norman, & Backman, 2007). Kerstetter & Cho (2004) suggested that the types of medium used to share information (e.g.; printed brochures, CVBs' websites, and magazines) is likely to influence the travelers' image of the destinations. They found that colorful

advertisements might be useless if the medium (e.g.; blog) is not perceived to be credible. Loda, Norman, & Backman (2007) suggested that publicity is more likely to be perceived as being more credible than advertisement. They also found that purchase intentions were the strongest when participants first read the publicity, and then watched an advertisement.

 Schmallegger & Carson (2008) further suggested that tourism businesses should monitor blogs in order to ensure a greater control of their credibility. However, Akehurst (2009) mentioned that the abundance of online data often makes it difficult for tourists to find pertinent information. A as a solution, Kerstetter & Cho (2004) suggested tourism providers add links to relevant tourism blogs inside their firms' websites.

Credibility is also likely to have an effect on tourists' attitudes. Credibility, among other factors such as place attachments and destination images, have been found to have an effect on satisfaction (Veasna, Wu & Huang, 2013). This could have implications for tourism marketers since the credibility of the information sent to customers can affect their perception of the destination. One main issue is that destination marketers need to provide a credible image of the destination. This implies creating expectations that are not too high but still presenting the destination in a way that is attractive to travelers. Veasna, Wu & Huang (2013) thus suggested that consumers are more likely to be satisfied with their travel experiences if they possess a lower and more realistic perception of the destination.

Additionally, length of time might have an effect on credibility. In an influential study, Hovland and Weiss (1951) designed an experiment that measured how credibility

influenced people's opinions. Participants were asked to rate the credibility of information coming from different sources. They found that participants were more likely to change their opinion on an issue when the information came from a highly credible source. Four weeks later, the same survey was given to the same participants. A surprising finding as that participants in the highly-credible condition were now far less likely to rate the source as being credible. Conversely, the participants who read information from a low- credible source were now significantly more likely to rate this source as being more credible. This reaction was dubbed *The Sleeper Effect* (Hannah & Sternthal, 1984).

Other researchers have failed to replicate these results and argued that *The Sleeper Effect* was void (Schulman & Worrall, 1970; Gillig & Greenwald, 1974). However, Cook, Gruder, Hennigan & Flay (1979) stated that *The Sleeper Effect* could not be discarded. Rather, they argued that the experiment could be replicated but it would require controlling for numerous extraneous variables. Similarly, Pratkanis, Greenwald, Leippe & Baumgardner (1988) suggested that researchers should implement "well-controlled experimental procedure[s]" in order to find significant results (p. 216). More recently, Kumkale & Albarracín (2004) conducted a meta-analysis of experiments that have focused on *The Sleeper Effect*. They suggested that researchers were more likely to find significant results when participants were motivated by the topics.

In order to access a message's credibility, consumers refer to both internal and external sources of information (Murray, 1991; Beatty & Smith, 1987). Internal sources comprise information that the consumers already possess through past-experiences,

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memories, and learning (Park & Stoel, 2005). For example, cruisers who had a great vacation onboard a particular cruise ship. These cruisers might decide to book their next vacation on the same ship because of their positive previous experience.

External sources of information are any additional sources that the consumers seek outside of their inner knowledge (Schmidt & Spreng, 1996). External searches include the use of a "neutral source" (e.g.; article in magazines), retailer search (e.g.; interaction's with sellers), and "media search" (e.g.; advertisements) (Beatty & Smith, 1987, p. 83). As an example, cruisers might decide to go on vacation at a particular destination, based on recommendations from friends, articles in magazines, or TV advertisements.

The use of internal and external references is likely to vary depending on the type of product purchased. Murray (1991) found that consumers were less likely to purchase service based on their own trials and observations and were more likely to refer to their experiences and to ask for advice from a personal sources (e.g.; friends and opinion leaders). Further, Beatty & Smith (1987) suggested that consumers were more likely to consult a friend when they were not knowledgeable about the product and if the purchase was perceived to be risky.

Internet and social media have facilitated the access to a broad range of information (Chan & Yazdanifard, 2014). This ease of access had a significant impact on the effectiveness of marketing strategies (Reimer, Rutz & Pauwels, 2014). Reimer, Rutz & Pauwels (2014) conducted a cluster analysis of music buyers and divided these consumers into four segments. The "deal prone consumers" like to access coupons via

banners on the internet (Reimer, Rutz & Pauwels, 2014, p. 279). The "new users" are mostly reactive to internet advertisements and are less loyal (Reimer, Rutz & Pauwels, 2014, p. 279). The "steady users" are loyal consumers of online services but are also sensitive to TV and radio advertisements (Reimer, Rutz & Pauwels, 2014, p. 280). Lastly, the "heavy users" are "older high-skilled professionals" and are the only one who reacts positively to print advertisement (Reimer, Rutz & Pauwels, 2014, p. 280).

Credibility is also likely to have an effect on consumers' price perceptions (Grewal, Gotlieb & Marmorstein, 1994). Grewal, Gotlieb & Marmorstein (1994) found that new products offered by an unknown brand are likely to be perceived as having more purchase risks. However, highly credible endorsers were likely to buffer this fear. A limitation of their experiment is that Grewal, Gotlieb & Marmorstein (1994) assumed that a new product will systematically be offered at a lesser price than famous brand-name products. However, this is unlikely to be the case in the luxury segment of the travel industry (e.g.; cruise vacations and private jet services).

Lastly, the credibility of a message is likely to vary depending on the communicators (Mack, Blose & Pan, 2008; Hyan Yoo & Gretzel, 2008). Three major factors are likely to influence the credibility of communicators: their perceived level of expertise, trust and likeability (Patzer, 1983; Yalch & Elmore-Yalch, 1984; Ohanian 1990; Hamilton, Hunter & Burgoon, 1990; O'hara, Netemeyer & Burton, 1991; Wathen & Burkell, 2002). The next section will further explore the effects of communicators' expertness, likability and trustworthiness.

If consumers judged an expert to be biased, it is likely to have an impact on their interpretations of a message, as consumers are likely to change their attitude depending on what they think the communicators are trying to accomplish (Friestad & Wright, 1999). This effect is called persuasion knowledge and could be simply defined as the consumers' awareness that marketers are trying to persuade them in order to gain benefits from a transaction (Friestad & Wright, 1999). Birnbaum & Stegner (1979) suggested that participants were more likely to develop a negative opinion about a message, when a source with high expertise supported a biased message. However, they found an unbiased expert was more likely to provide stronger positive effects in terms of change of opinions.

However, Petty & Cacioppo (1986) differed from the previous conclusions by suggesting that people might use more complex "peripheral routes" when analyzing a message (p. 673). They found that consumers' personal attitude toward an issue mitigated the effect of expertise. Petty, Cacioppo and Gooldman (1981) suggested that participants were more likely to focus on the quality of the arguments when they deeply care about the issue. Conversely, participants who were less involved tended to be focused more on the source expertise. Similarly, Homer & Kahle (1990) encouraged marketers to use the expert's endorsements at the beginning of the advertisement. The audience's attention is higher at the beginning of an advertisement, and thus the impact of the endorsement is likely to be larger. Kahle (1990) also advised marketers to focus more on the content and design of a message, when the target market's involvement with the product is lower.

The consumers' level of knowledge is also likely to affect how they will rate the endorsers' expertise. Ratneshwar & Chaiken (1991) found that participants are less likely to rely on a communicator's expertise when they possessed a higher knowledge of the product. Furthermore, the content of the message itself is likely to have an impact on the consumers rating of expertise (Pornpitakpan & Francis, 2000). For example, consumers are more likely to focus on the communicator's level of expertise when the advertisement's message contains many numerical references (e.g.; percentages, electrical power, or level of accuracy) (Yalch & Elmore-Yalch, 1984).

Similarly, consumers are less likely to oppose an issue when a communicator uses weak arguments (Bohner, Ruder & Erb, 2002). More importantly, consumers are even more critical of the message when a highly credible source used weak argument. Cultural differences might also influence the effectiveness of the endorsers' expertise. Pornpitakpan & Francis (2000) concluded that Thai consumers were more likely to rely on the strength of an argument. Oppositely, they Canadian consumers were more likely to develop a judgment about a product based on the expertise of the endorsers. Similarly, expertise has been found to be an important factor of credibility within the American population (Lafferty, 2007; Reichelt, Sievert & Jacob, 2014).

The current study attributed a higher level of expertise to one storyteller who had taken eleven cruises with seven cruise lines. The lower level of expertise will be manipulated by having a story teller being a first time cruiser. Thus, it is hypothesized that:

H1: **Participants will have more positive image of ABC Cruise Line when the communicator has taken eleven cruises with seven cruise lines than when the communicator is a first time cruiser**

H2: **Participants will have higher purchase intentions when the communicator has taken eleven cruises with seven cruise lines than when the communicator is a first time cruiser.**

The credibility of messages is likely to be strengthened when the communicators are perceived to be trustworthy (Ohanian, 1990). The dimension of trust has been found to be more influential than expertise (McGinnies & Ward, 1980). However, Wiener & Mowen (1986) pointed out that McGinnes &Ward's experimental design used dimensions that were too intricate to adequately measure expertise. Thus, the importance of expertise is not clear.

Consumers' trust in the communicator depends of many factors (Giffin, 1967; Renn & Levine, 1991). Giffin (1967) suggested that consumers evaluate the trustworthiness of communicators based on how much risk they associated with the purchase (e.g.; loss of money, frustrations and embarrassment associated with buying an unsatisfactory service). Consumers were likely attribute trust to a communicator based on "objectivity (lack of biases in information as perceived by others); fairness (acknowledgement and adequate representation of all relevant points of view)" as well as "faith (perception of "good will" in composing information)" (Renn & Levine, 1991, p. 179-180).

Trustworthiness is likely to have an effect on attitudinal and behavioral loyalty. Consumers have been found to be willing to pay a higher price for an expensive product when the sellers display positive reviews from other consumers (Ba & Pavlou, 2002). Singh & Sirdeshmukh (2000) suggested that higher trust levels are also likely to lead to better post-purchase experience, and thus to increased loyalty. This could have implications in the travel industry since purchasing a trip is likely to be perceived as an important financial investment. In the manufacturing industry, Doney & Cannon (1997) found that higher trust level is likely to increase loyalty because buyers are interested in maintaining a good business relationship with trusted sellers.

In particular, the communicators' perceived trust is likely to have tremendous importance during online-purchase. Indeed, Fogg & Tseng (1999) suggested that credibility especially matters when an on-line customer is searching for information prior to making a purchase. When consumers purchase goods and services online, they cannot handle the product or interact with the vendor face-to-face (Pavlou, 2003; Lee & Turban, 2001). Therefore, consumers often turn to online reviews for reassurance. If consumers perceived the online communicators or vendors to be trustworthy, it could help them to reduce pre-purchase dissonance.

In the travel industry, Gefen & Straub (2004) found that consumers were more likely to book a flight on a travel website, such as Expedia, when they perceived that the firm placed a high importance on customers' satisfaction. Consumers have also been found to be more likely to accept the recommendations, to buy the services/products and

to provide word-of-mouth when they trust the sellers (Harrison McKnight, Choudhury & Kacmar, 2002).

Trust can also been linked to authority. Authoritative figures have been previously used to restore trust in tourism campaigns (Floyd, Gibson, Pennington-Gray & Thapa, 2004; Dickinson, 2005). This was especially true in the case of 09/11 when President George W Bush was part of a series of advertisements, in which he "encourag[ed] Americans to resume traveling and to see America" (Floyd, Gibson, Pennington-Gray & Thapa, 2004, p. 33). Similarly, Dickinson (2005) referred to former President George W Bush's public speech, in which he encouraged Americans to visit Disney World. These types of messages are based on emotional appeals and act as a call to patriotism.

The notion of trust is also connected with emotional factors such as admiration or friendship (Hyan Yoo & Gretzel, 2008; Mack, Blose & Pan, 2008). Communicators, such close friends, or respected and knowledgeable opinion leaders are more likely to convince people who have differing opinions (Hyan Yoo & Gretzel, 2008). For example, travelers are likely to rate messages as being more credible when the communicator is a friend or an expert (Hyan Yoo & Gretzel, 2008). Similarly, Mack, Blose & Pan (2008) found that participants were more likely to trust their friends, rather than cruise lines' official webpages. According to a study on social media and tourism, "42% of the [travelers] had shared or planned to share visual content in social networks for acquaintances" (Munar & Jacobsen, 2014, p. 50). The main motivations for sharing

travel experiences was "help[ing] others" and "prevent[ing] people from using ad products" (Munar & Jacobsen, 2014, p. 50).

A possible reason of this mistrust could be the anonymity of the reviewers whose expertise cannot be checked by the travelers (Kusumasondjaja, Shanka & Marchegiani, 2012). Kusumasondjaja, Shanka & Marchegiani (2012) found that when reviewers provided information about themselves (e.g.; name, place of residence, expertise, and membership status), respondents were more likely to rate a negative review as being credible. In particular, travelers are more likely to find a communicator to be trustworthy when the communicator is considered to be one of their peers (i.e.; in term of location and travel interest) (Park, Xiang, Josiam & Kim, 2014). Thus, individuals start to question their own opinion when someone they consider highly credible is supporting an opposite point-of-view. As a result, they are more likely to be influenced and to be convinced to switch their viewpoints (Aronson, Turner & Carlsmith, 1963).

The likeability of the communicator is also likely to affect the consumers' evaluation of a messages' credibility (Fisher, Ilgen & Hoyer, 1979; Hoeken & Sinkeldam, 2014; Karmarkar & Tormala, 2010; O'hara, Netemeyer & Burton, 1991; Chaiken 1980). Participants are more likely to be persuaded when the communicator is perceived to be likable (Chaiken, 1980). Likability can also have a spill out effect. In an experimental design, Chaiken (1980) suggested that "likable communicators (vs. unlikable communicator) was viewed as more attractive, expert, trustworthy, sincere, and unbiased" (p. 759).

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However, the consumers' involvement with the product can mitigate the effect of a communicator's likability (Reinhard & Messner, 2009). The Elaboration Likelihood Model can be used to explain how involvement influences consumers (Reinhard & Messner, 2009). The Elaboration Likelihood Model states that people evaluate information along a continuum of processes that is anchored by two types of information analyses. These two types of information analyses are called peripheral, also named heuristic, and systematic. Systematic processing means that the subject is engaged in deep analysis and reflections (Petty & Wegener, 1999). Subjects who are using high need cognition are more likely to focus their attention on the quality of the arguments (Cacioppo, Petty & Morris, 1983). If the receiver of a message has a high need for cognition, this person will be more likely to use systematic processing (Petty & Wegener, 1999). Reinhard & Messner (2009) transposed the need for cognition model into a marketing setting. They suggested that consumers with high-cognition need would be more likely to focus on the product features and the seller's arguments (Reinhard & Messner, 2009).

Conversely, people with low-need for cognition are more likely to use heuristic cues in order to develop an opinion about a product (Cacioppo, Petty & Morris, 1983; Petty & Cacioppo, 1986). Heuristic cues include the likability, attractiveness, and the perceived expertness of the communicators. These heuristics cues allow the consumers to make shortcuts in their decision processes. People with low-need for cognition are thus more likely to make decisions based on the seller's likeability, partiality and honesty (Reinhard & Messner, 2009).

However, Klebba & Unger (1983) found that the dimension of likability and trustworthiness only has an effect when the information about the endorser was negative. They explained this difference by the lack of direct contact in their experiment. Additionally, the communicators' perceived level of attractiveness could also influence the effectiveness of the message (Puckett, Petty, Cacioppo & Fischer, 1983). Metzger, Flanagin, Eyal, Lemus & McCann (2003) tied the factor of likability with the one of attractiveness because both are dealing with the emotional side of credibility.

Kahle and Homer (1985) stated that celebrities' attractiveness had a significant impact on "brand recall," "purchase intent" and on remembering the advertisements'' contents. Kamins (1990) also argued that attractive communicators were more likely to have a positive impact if the endorsed product was beauty related (e.g.; hair products, makeup). However, Till & Busler (2000) suggested that expertise is likely to be more influential than attractiveness. Similarly, Maddux & Rogers (1980) found that the physical attractiveness of an endorser did not have a significant effect on persuasion.

Several problems might arise when firms decide to use celebrities as communicators of their promotional messages. The success of celebrity endorsements can be inconsistent because it is partly based on how likable the celebrity is perceived to be by the consumers. If the celebrities are suddenly associated with bad behaviors (e.g.; drunk driving and drugs), it can potentially impact the brand image. As a result, Agrawal and Kamura (1995) noted that certain firms were hesitant to use celebrity endorsements because they feared that their brand image would be damaged if the endorsers behave badly.

Furthermore, "some celebrities endorse several products, sometimes even switching their endorsements to rival brands" (Agrawal and Kamura, 2005, p. 60). Till and Shrimp (1998) equally found that a celebrity's misbehavior could negatively impact both product and brand images. Moreover, Till and Shrimp (1998) suggested that when endorsers misbehave, brand image is more impacted than the product. This could have tremendous implications since it is more difficult to revamp a whole brand than to discontinue a product. To limit these negative impacts, Amos, Holmes and Strutton (2008) recommended to organizations to "develop quick response contingency plans to countermand any possible negative information" about "the endorsers" (p. 224).

Likability could also be influenced by the similarities between the consumers and the communicator (Chaiken, 1980). In an early study on similarities and likeability, participants rated the communicators as being more "intelligent, sophisticated, happy, and sincere" when these communicators were perceived to be similar to them (Hendrick & Page, 1970, p. 595). Jiang, Hoegg, Dahl & Chattopadhyay, (2010) expanded on these findings and suggested that even incidental similarities could lead to increased likability. For example, participants attributed higher likability scores to gym trainers that shared the same birthday (Jiang, Hoegg, Dahl & Chattopadhyay, (2010). In an experimental study about health care subsidies, the more the participants identified with the narrator, the more likely they were to be persuaded to support the government's funding (Hoeken & Sinkeldam, 2014). The communicator's message is also more likely to be persuasive when this communicator expresses ideas that are similar with the ones of the receivers (Bochner & Insko, 1966).

It has been suggested that expertness was the most effective factor when determining the credibility of an endorser as opposed to likability (Premeaux, 2006) and expertness (Till and Bustler, 2000; Bower & Landreth, 2001). However, Bower and Landreth (2001) found that trust was the most important factor followed by credibility and likability. Thus, it is expected that there will be variations in terms of effectiveness but the significance of each factors cannot be predicted at this point.

Measurements of Credibility

The measurement of credibility has been a central concern for communication studies (West, 1994). In the early stages of scale development, credibility was measured as whole without distinctions between possible factors (Bochner & Insko, 1966). During a study on opinion change, Bochner & Insko (1966) used a seven-points scale to measure the participants' opinion of the communicator's credibility by combining together notions such as "expertness, competence, trustworthiness, intelligence, credibility, and knowledgeableness" (p. 616).

Other studies have used a more partial representation of the dimension of credibility. Aronson & Golden (1962) measured the credibility of the communicator by using a seven-point scale that contained only two items: "intelligence" and "sincerity" (p. 140). In a study focusing on opinion discrepancy, Aronson, Turner & Carlsmith (1963) asked participants to rank a poem simply based on their presupposed quality. A limitation of this study was that the commentator' influence was only measured in terms

of expertness. The dimensions of likeability and trustworthiness were both absent from the study.

Similarly, Mack, Blose, & Pan (2008) used the source authority and trustworthiness as levels of measurement for the credibility of cruisers' word-of-mouth messages. However, this measurement was somewhat limited because it did not fully take into account the complexity of the credibility's measurement (e.g.; expertise, partiality and truthfulness) (Freeman & Spyridakis, 2004).

Credibility has also been defined has a three-dimensional construct (Ohanian, 1990; Senecal & Nantel, 2004; Wu & Wang, 2011). Ohanian (1990) tested three dimensions of credibility: "attractiveness (attractive/unattractive, classy/not classy, beautiful/ugly, elegant/plain, sexy/not sexy), trustworthiness (dependable/undependable, honest/dishonest, reliable/not reliable, sincere/insincere, trustworthy/untrustworthy), [and] expertise (expert/not an expert, experienced/inexperienced, knowledgeable/ unknowledgeable, qualified/unqualified, skilled/unskilled)" (p. 50).

After a confirmatory analysis, Ohanian found the scale to be reliable and effective. Each of the three dimensions include five items. While Ohanian's scale constitutes a strong measurement of credibility, it can only be used when the participants can see the communicator. Indeed, the attractiveness factor (e.g.; beautiful/ugly, "elegant/plain", and "sexy/ not sexy) could not be applied to audio messages or to text messages posted on social media (e.g.; Twitter post).Therefore, the scale used in this experiment will not be using the activeness factor.

Blame

The Attribution of Blame

Attribution theory could be particularly helpful in understating how people react when confronted with unexpected negative events. Coombs (2007) argued that "it is logical to connect crises and attribution theory" because "stakeholders will make attributions about the cause of a crisis" (p. 136). Thus, attribution theory could help us to better understand how potential customers attribute degrees of responsibility to a cruise line for a service failure.

In an early study, Irwin, Smith & Mayfield (1956) noticed that participants' abilities to predict results was dependent on their level of confidence and this level of confidence could be controlled in an experiment. Based on these findings, Kelley (1967) created a three dimensional theoretical framework for blame attribution. This framework is based on the concepts of "consistency, consensus and distinctiveness" (Kelley, 1973, p. 112). Consistency could be defined as the frequency in which the issue has occurred. Numerous studies have subsequently concluded that customers are more likely to attribute a higher degree of responsibility to companies that have faced repeated crises (Coombs & Holladay, 2002; Combs 2004). Although, these studies were not conducted in the context of the cruise industry, it seems reasonable to hypothesize that similar results could be expected for a cruise line. Cruisers might, for example, be more likely to blame a cruise line for food poisoning issues if the cruise line had faced recurrent and similar problems in the past.

A second dimension of Kelley's framework is "consensus" (Kelley, 1973, p. 112), which measures the degree to which participants feel that a communicator's opinion is backed up by several other reliable sources. Cruisers' blame attribution is thus more likely to be important if a cruiser's complaint is echoed by other customers. The last dimension is "*distinctiveness*" and refers to the uniqueness of the situation (Kelley, 1973, p. 112). As an illustration, cruisers might attribute more blame to a cruise line if it is the only one that has faced frequent problems with food poisoning.

Kelley (1973) also postulated that "causal inferences generally are made in a manner that takes account of the joint contribution of multiple causes to a given effect" (p. 122). He however stressed that individuals generally prefer to use simple extrapolations to decide of offenders' responsibility based on a single cause. This allows the subjects to make quick assertions about a situation. Hence, Kelley (1973) described people as having a "repertoire" of blame attributions' schema that they use to analyzed causes. Coombs (2007) later applied Kelley's three-dimensional framework in the context of post-crisis communication. Coombs (2007) suggested that this three dimensional framework could be used by firms to estimate how their brand image could be impacted by a crisis.

In another seminal study, Heinder (1958) offered novel perspectives in the literature of blame attribution. He formulated the idea that individuals subconsciously attribute blame based on their unformulated desire that the outside world is just and that everything happens for a reason. Heidner theorized that "Outside events may be looked upon as signs that the recipient has done something for or against the ought forces…

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Thus, fortune or misfortune are, legitimately or not, in the position of mediators in the cognition of ought force" (1958, p. 264). In other words, when terrible events occur, individuals look for a sense of order in a chaotic world. He further postulated that people would be more likely to feel secure again if they can find a sense of order in the world. This belief sometimes leads people to subconsciously think that victims are somewhat responsible for their hardships (Lerner, 1965, 1980; Lerner & Matthews, 1967; Lerner & Millers, 1978; Chaikin and Darley, 1973; Younger, Arrowood & Hemsley, 1977; Heise, 2013). Affect control theory helps explain this general phenomenon (Heise 2013).

Later on, Shaw and Sultzer (1964) built on Heinder's postulation to suggest that people also take into account the level of involvement when attributing blame. In their study, participants attributed more blame to people who were directly involved in the negative outcomes (i.e.; fraternity students participating in a bad prank) than to people who had an indirect link with the event (i.e.; students from the same fraternity who did not participate in the prank) (Shaw and Sultzer; 1964).

The *Just World theory* has also been applied to victims in order to measure how much responsibility they attribute to themselves (Wortman 1976; Bulman & Wortman, 1977; Davis, Lehman, Silver, Wortman & Ellard, 1996). Wortman (1976) found that individuals are likely to experience higher level of stress when they feel like they had no control over the situation. In a later experiment, Bulman & Wortman (1977), indicated that victims tend to blame themselves if they estimate accident could have been avoided by taking additional precautions. However, in a later study Davis et al. (1996) suggested that distortion might occur when victims are attributing blame. Indeed, Davis, Lehman,

Silver, Wortman & Ellard stated that "the more respondents think that they could have avoided their accidents, the easier for them to imagine the accidents not happening" (1996, p. 654-565).

However, Shaw & Skolnick (1971) claimed that previous studies had focused too much on negative accidents and that positive events should also be taken into account in *Just World Theory*. In their experiment, they added "happy accidents" as a variable, which were unplanned events that lead to positive outcomes (Shaw & Skolnick, 1971, p. 381). They hypothesized that people are more likely to take responsibility for happy events if the consequences are highly positive (i.e.; a ground breaking scientific discovery) rather than moderate (i.e.; a minor scientific discovery). While their results were not significant, an interesting finding was that participants were more likely to associate a positive event with chance. Conversely, negative events were perceived to be under someone else's control.

Several studies have explored the impact of accidents' severity on blame attribution (Walster, 1966, 1967; Shaver, 1970; Zuckerman, 1979). In his earliest experiment, Walster (1966) argued that participants identified more easily with the victim of a mild incident than the victim of a severe catastrophe. Based on *Just World Theory*, Walster (1996) suggested that people feared that such a catastrophe could also happen to them. Thus, Waslter stated, "if we can categorize a serious accident [is] in some way the victim's fault, it is reassuring" (1966, p. 74). More recently, Lerner (2003) argued that *Just World Theory* might be too limited in scope to adequately understand how people attribute blame after severe events. Indeed, *Just World Theory* does not

explain which part of blame attribution is due to social norms (i.e.; how society expect us to react) and which part is simply due to an individual's intrinsic values (e.g.; compassion for the victims).

Early studies on blame attribution were focused on the relationship between accidents' severity and blame attribution (Walster, 1966; Feigenson, Park, & Salovey, 1997). It has been suggested that the worse an accident is, the more likely participants will blame the perpetrators severely (Walster, 1966). Feigenson, Park, & Salovey, (1997) explored the role of emotions as a mediator to blame attribution. They found that participants were more likely to feel upset when the victims were negligent. They are also more likely to feel sympathetic when the victims were virtuous. However, the participants' emotions did not have an interaction effect on their perception of the severity of the accident and on the attribution of liability.

Chaikin and Darley (1973) took a novel approach by creating scenarios that were not too catastrophic and could commonly happen in real-life. They designed an experiment with a "supervisor" role and a "worker" role. The worker was supposed to stack abstract drawings according to the supervisor's instructions. The accident occurred when the supervisor rose quickly from his seat and made the stack fall. Participants watched the event happen on screen. They were also told that they would have to perform the same task, and that they will be assigned to either the worker or the supervisor role. Chaiking and Darley (1973) found that participants, who were told that they would be taking on the role of the worker, were far more likely to attribute the fall

to bad luck. Thus, they expressed more compassion because they knew that they would soon be asked to perform the same task.

However, a particularity of Chaikin & Darley's (1973) experiment is that the participants, who would later take on the role of supervisors, did not blame the workers. Rather, they blamed the person who set up the experiment for choosing such an instable table. As opposed to Walster's findings (1996), the severity of the accidents did not play a role in the attribution of blame. Further, even Walster (1967) failed to replicate his own results in later experiments. Similarly, numerous other studies have systematically failed to replicate the early results of Walster's early experiment (Shaver; 1970, Arkkelin, Oakley, & Mynatt, 1979; Kelley & Michela, 1980).

Rather than the severity of the accident, foreseeability is more likely to be correlated with blame attribution (Shaver, 1970; McDonald, Sparks & Glendon, 2010). Shaver (1970) designed a scenario in which a child is harmed during an open house at a research and development firm because the guide forgot to close the safety door. In this experiment, the participants attributed a greater level of blame to the guide based, not on the severities of the injuries, but on the fact that the accident could have been avoided. Similarly, Arkkelin, Oakley & Mynatt (1979) suggested that external and internal factors are also taken into account during blame attribution. In their study, participants were more likely to blame someone for an accident if the driver forgot to pass a car inspection or did not respect the speed limit (Arkkelin, Oakley & Mynatt, 1979). Therefore, it is seems likely that individuals blame attribution varies depending on how predictable the outcomes are.

Lastly, blame attribution has also been tied to the notion of locus of control in the marketing literature (Jorgensen, 1994; Folkes, 1988). Weiner (2000) found that subjects perceived the locus of control to be internal; they believed that they were to blame for negative outcome (Weiner, 2000). Internal locus of control includes people's intellectual and physical abilities. An example would be cruisers who blame themselves for not finding any chairs by the pool because it is crowded and think they should have arrived earlier to find a good spot. When the locus of control is external, subjects believe that an outside entity is to blame for the negative outcome (Weiner, 2000). The subjects thus believe that the situation is due to the action of higher authorities, corporations, or chance (e.g.; cruisers who believe that the cruise line did not plan for enough chairs around the pool). Blodgett & Granbois (1992) transposed the definition of locus of control within the marketing context. They conceptualized locus of control as "to whether the product failure is due to the seller (an externals attribution) or to the consumer (an internal attribution)" (Blodgett & Granbois, 1992, p. 96).

In the current study, the crises scenarios will take into account the externality/internality dimension of blame attribution. The crisis will be a fire which heavily incapacitates the cruise ship. In the external scenario, a passenger will have deliberately broken the rules by smoking in his cabin. In the internal scenario, the fire will have been started by a crewmember who smoked in the engine room. Based on the previous findings, it is hypothesized that:

H3: **Participants will have more positive image of ABC Cruise Line when the passenger started the fire than when the crewmember started the fire.**

H4: **Participants will have higher purchase intentions when the passenger started the fire than when the crewmember started the fire.**

Additionally, Weiner (2000) suggested that attribution could be tied to positive outcomes for consumers. For example, a cruise line that upgrades a couple to a stateroom after they complain about a closest door being broken. This is an illustration of a firm "going the extra-mile" to please the customers (Weiner, 2000, p. 386). Patrons are likely to feel satisfied and share positive word-of-mouth when they feel like front line employees are striving to provide great recovery (Khoo-Lattimore & Ekiz, 2014). As a result, customers are likely to feel satisfaction with how their complaints were dealt with and develop loyalty toward the cruise line (Weiner, 2000). Although there is a gap in the domain of service recovery and blame attribution, marketers could gain more insight by better understanding how the psychological aspects of attribution can affect consumers' behaviors and attitudes (Weiner, 2000).

Recovery services are also impacted by this notion of locus of attribution. When consumers estimate that the product failure is the responsibility of the firm (i.e.: external locus), they are likely to expect the firm to provide them with some form of compensation (e.g.; coupons, discount, apologies) (Folkes, 1988). Boshoff & Leong (1998) further suggested that for consumers, the most important thing is that a firm recognizes its responsibility during service failure. This specific need for responsibility was even ranked before dealing with a knowledgeable and empowered staff. Thus, accepting blame could be perceived as the first step to service recovery.

Services failures could be further aggravated when consumers are not able to clearly determine who is to blame for the service failure (Stephens & Gwinner, 1998). Stephens & Gwinner (1998) associated consumers' services failure with psychological copying mechanisms. They postulated that consumers who are confused about who is to blame for the service failure might experience more difficulties in getting over poor services (Stephens & Gwinner, 1998).

International firms that blame their manufacturers for product defects (Carvalho, Muralidharan & Bapuji, 2014) have sometimes exploited this psychological confusion. In this case, blame is assigned to a faraway entity in order to maintain a positive brand image. Consumers are thus more likely to support the brand and to blame the manufacturer (Yoon, 2013), especially when the manufacturer is located in countries that suffer from negative images, and when consumers are not familiar with the product (Carvalho, Muralidharan & Bapuji, 2014). Thus, firms that have a deeper knowledge of the psychological process of attribution have an edge in protecting their brand image, and recovery strategies would likely beneficiate from having a better understanding of their consumers' expectations in term of service recovery.

Measurements of Blame

Measurements of blame attribution rely on attribution of level of responsibilities to each of the parties involved (Klein & Dawar, 2004; Magno, 2012; Davis, Lehman, Silver, Wortman & Ellard, 1996; Mattila & Cranage, 2005). In a study on consumers' blame, Richins (1983) measured a firm's blame solely in term of percentage of external

attribution. However, a limitation of his study was that respondents were asked to recall

a purchase that had occurred up to six month ago. Much variability was therefore

introduced in terms of recall abilities and purchase types. Another limitation was that

blame was reduced to an external/internal dialectic within one firm. In order to take into

account other possible sources of blame, Klein & Dawar (2004) asked respondents to

attribute a percentage of blame to the consumers, the firm and the supplier.

In a scenario-based experiment, Chaikin and Darley (1972) also measured blame

in terms of how much responsibility the respondents attributed to each of actors.

Similarly, Shaw and Skolnick (1971) measured blame attribution in terms of

carelessness and level of control. Their respondents were asked if the actor "took

adequate precaution" and "if the accident was due to chance" (Shaw and Skolnick, 1971,

p. 381). A particularly interesting aspect of their measurement scale was that they

actively engaged the participants. Participants were questioned about whether "they

would have been able to anticipate the consequences", "if they would have done what

[the actor] did], and "if the accident was due to chance" (Shaw and Skolnick, 1971, p.

381-382).Using both these two measurements will allow for a more precise

measurement of blame in term of foreseeability and locus of control.

Service Recovery

Service recovery is likely to be a crucial tool for businesses. Service recovery

was defined as "the actions a supplier takes in order to seek out dissatisfaction and as a

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response to poor service quality" (Wallin Andreassen, 2000, p. 156). It has been suggested that services related businesses be particularly cautious to train their first line employees (Spreng, Harrell & Mackoy, 1995), to empower these employees to go the extra mile to satisfy customers (Hart, Heskett & Sasser, 1989; Boshoff, 1997) to pro-actively apply recovery strategies, and to encourage customers to share their complaints (Hart, Heskett & Sasser, 1989).

Service providers could gain from developing a good recovery program because it is likely to improve their consumers' perceptions of fairness and even displace blame on other entities (Wallin Andreassen, 2000; Wagner, Hennig-Thurau & Rudolph, 2009). Wallin Andreassen (2000) also suggested that customers are likely to go through a disconfirmation effect when evaluating a service recovery. Customers are first dissatisfied by a service failure, but an effective recovery could generate high satisfaction levels. Dissatisfaction is likely to occur when customers feel disadvantaged when comparing what ought to be with what they got out of the exchange (McColl-Kennedy & Sparks, 2003)

Businesses that take a longer time to resolve issues have been found to be less successful in their recovery (Boshoff, 1997; Wirtz & Mattila, 2004; Hoffman, Kelley & Rotalsky, 1995), as consumers who wait a longer time for service recovery are more likely to have higher expectations in term of recovery (Boshoff, 1997). Prompt recovery has also a positive influence on perceived justice (Liao, 2007). Further, consumers are more likely to engage in negative word-of-mouth when recovery is delayed (Swanson & Kelley, 2001).

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Additionally, the severity of the incident is likely to have an impact on the service recovery (Hoffman, Kelley & Rotalsky, 1995; Webster & Sundaram, 1998; Miller, Craighead & Karwan, 2000, Mattila 2001). Customers tend to remember more vividly service failures when they are severe (Hoffman, Kelley & Rotalsky, 1995). Nevertheless, even in these grave cases, service recovery can lead to improvements in term of customer retention (Mattila, 2001). Webster & Sundaram, (1998) found that recovery needed to be higher (e.g.; free service) when the incidents were severe in order to obtain higher level of consumers' satisfaction and loyalty. In a study conducted across a wide variety of businesses, Miller, Craighead & Karwan (2000) found that firms typically experience more difficulties in resolving severe issues in a satisfactory manner.

Lastly, service recovery is also likely to be affected by customers' perceptions of quality (Kelley & Davis, 1994; Miller, Craighead & Karwan, 2000). Customers are more likely to be satisfied with a firm' service recovery when they choose to do their business based on a firm's reputation (i.e.; positive reviews and advices from friends) (Miller, Craighead & Karwan, 2000). If customers perceive that the firm usually delivers a higher quality of service they are likely to expect better service recovery after an impromptu service failure (Kelley & Davis, 1994).

There has been a call to further explore how service recovery impacts loyalty, word-of-mouth and purchase intent (Kelley & Davis, 1994). Therefore, this study will further explore how customers' perceptions of fairness and value influence their behaviors and attitudes.

Fairness

Equity theory states that individuals evaluate fairness by attributing compensations and retributions. These rewards and punishments are based on the community members' level of benefaction, intake and accountability (Adams 1963, 1965). Adams (1963) created two entities to further explain the psychological dialectic of this definition. He referred to a "Person" as "any individual for whom equity or in equity exists", and to "Other" for "any individual or group used by Person as a referent when he makes social comparisons of his inputs and outcomes" (Adams, 1963, p. 424).

Based on these definitions, "Equity is said to occur when Person perceives that the ratio of his outcomes to his inputs is equal to Other's outcome/input ratio" (Pritchard, 1969, p. 177). Thus, equity theory relies on the concept of trade-off with a social organization.

Equity theory has previously been applied to marketing studies to research consumers' behaviors during service complaints and recoveries (Lapidus & Pinkerton, 1995; Goodwin & Ross, 1990; Huppertz, Arenson & Evans, 1978; Chebat & Slusarczyk, 2005; Grégoire, Salle & Tripp, 2014). Customers are likely to feel more satisfied with their purchase when they perceived that they have received a higher output from the firm (Lapidus & Pinkerton, 1995; Grégoire, Salle & Tripp, 2014). As a result, they often reward the firm by sharing positive comments (Lapidus & Pinkerton, 1995; Grégoire, Salle & Tripp, 2014).

Oppositely, Huppertz, Arenson & Evans (1978) suggested that buyers are less likely to purchase a product when they perceive that they have received an unfair treatment from a store's employee (i.e. long waiting time and items not on the shelves). They found that the perceived feeling of unfair treatment is higher when customers have been a loyal client of the store.

However, Pritchard (1969) argued that the notion of ratio developed by Adams (1963) is too simplistic in nature to fully account for variations of perceived fairness. He further added that the conceptualization of Equity Theory by Adams (1963) suffered from several limitations. The main problems with Adams' theory were that it might be difficult to draw a clear line between outputs and inputs, it did not discuss how people decide on a reference point, there is not enough details about the possible impacts of inequality, and its lack of precision makes it difficult to design effective experiments (Pritchard 1969). Other factors, such as people's sensitivity level, have also been argued to influence how people perceive fairness (Huseman, Hatfield & Miles, 1987). Thus, Equity Theory has been argued to not take into account the personality of individuals. It also has failed to explain why certain individuals choose to react, or not to react, when faced with an unfair situation (Cropanzano & Folger, 1989).

As a result of these limitations, Leventhal (1980) supported a multidimensional approach to fairness. In organizational and marketing studies, fairness has later been conceptualized as having three dimensions. These dimensions include distributive fairness, procedural fairness and interactive fairness (Goodwin & Ross, 1992; Skarlicki

& Folger, 1997; Blodgett, Hill & Tax, 1997; Martínez-Tur, Peiró, Ramos & Moliner, 2006; Luo, 2007).

Interactional fairness refers to "the degree to which people are treated with politeness, dignity, and respect by authorities or third parties involved in executing procedures or determining outcomes" (Colquitt, Conlon, Wesson, Porter & Ng, 2001, p. 427). Customers who perceive that a seller's apology is sincere are less likely to engage in negative word-of-mouth (Goodwin & Ross, 1990; Blodgett, Wakefield & Barnes, 1995; Blodgett, Hill & Tax, 1997). Interactional failure is particularly important after a minor service failure (Choi & Choi, 2014). In more severe failures, interactional fairness has been found to be more effective when it combined with distributive fairness (McCollough, Berry & Yadav, 2000).

When evaluating service recovery, customers are more likely to give a higher grade to a restaurant when they receive a prompt apology (Wirtz & Mattila, 2004; Smith, Bolton & Wagner, 1999). Goodwin and Ross (1992) also found that interactional fairness had a significant positive effect on satisfaction, especially for industries such as airlines and restaurants. These findings could arguably be transferred to the cruise industry because of the similarities in settings and customers' expectations.

The psychology of the customers is also likely to influence their perception of interactional fairness (Smith & Bolton, 2002; Tax, Brown & Chandrashekaran, 1998; Schoefer & Ennew, 2005). Smith & Bolton (2002) found that customers who exhibit stronger emotions report a greater impact on their satisfaction levels. However, in the service industry, distributive fairness has been found to account for more the variance in

satisfaction than interactional fairness (Maxham & Netemeyer, 2002). One possible

explanation could be that customers might focus on coupons and rebates because it

allows them to concretize an intangible good (Maxham & Netemeyer, 2002).

Procedural justice refers to the fairness of the procedures applied by an

organization and to the impacts that these procedures have on people in terms of

behavior and attitude (Korsgaard, Schweiger & Sapienza, 1995). Goodwin and Ross

(1992) transposed this definition within the context of the consumers. They defined

procedural justice "as the consumer's opportunity to present information and express

feelings, or *voice*" (Goodwin & Ross, 1992, p. 149), as consumers who are given the

opportunity to voice their discontent are more likely to rate a firm positively (Folger,

Rosenfield, Grove & Corkran 1979; Goodwin & Ross, 1992).

The notion of procedural justice has also been applied to organizational settings

(Taggart, 1997). The efficacy of procedural justice depends on the management team's

set of procedures (Folger & Bies, 1989). Employees are likely to have a better attitude

toward a company's procedures when all employees are subject to the same regulations,

and when managers explain the reasons behind these regulations (Folger & Bies, 1989).

Additionally, the personality of the employees may affect how they perceive procedural

justice, as employees are likely to have greater controlling tendencies are more likely to

voice negative opinions, and be harsher when evaluating their supervisors' decisions

(Folger, 1977).

In an experiment measuring employee's opinions about salary raises, distributive

justice was found to be associated with the trust in the employer and commitment to the

firm (Folger & Konovsky, 1989). Even when their salaries were lower, employees were more likely to be loyal and trustful when they perceived the allocations to be fair (McFarlin & Sweeney, 1992). Significant negative correlation has also been found between employees' opinions regarding whether these procedures of wage allocation are fair and a lower level of retaliation against a company (Alexander & Ruderman, 1987; Skarlicki & Folger 1997; Moorman, Blakely & Niehoff, 1998; Korsgaard, Schweiger & Sapienza, 1995).

In a marketing context, Blodgett & Granbois (1992) explained that procedural justice depends on: the customers' ability to express redress, on the length of time it took to process the complaints, and the implementation of a firm's procedures. Further, Kau & Loh (2006) added that procedural justice is also based on consumers' ease of voicing a complaint (i.e.; effortless and stress-free). They concluded that consumers, who rated a company high on procedural justice, were more likely to be satisfied with service recovery and more likely to share positive word-of-mouth (Kau & Loh; 2006). Lastly, customers who received immediate service recovery reported higher re-purchase intent (Wirtz & Mattila, 2004).

Procedural justice is also likely to have an impact on trust (Tyler, 1989; Folger & Konovsky, 1989). In a study about consumers' privacy concerns, Culnan & Armstrong (1999) suggested that consumers feel more comfortable sharing private information with marketing firms that possess well developed procedures. Folger & Konovsky (1989) found that providing customers with the ability to share their comments had a significant positive effect on perceived trust and commitment.

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Distributive Justice

This section will now focus on distributive justice because it is the dimension that will be used in the experiment. Distributive justice "refers to the perceived fairness of the tangible outcome of a dispute, negotiation, or decision involving two or more parties" (Blodgett, Hill & Tax, 1997, p. 188). Consumers might evaluate the distributive justice of a service recovery by making comparison with other consumers (Varian, 1975). Distributional justice occurs when consumers feel that they have received a fair "consumption bundle" in comparison with other consumers (Varian, 1975, p. 241).

In an early study about administrative management, Cowherd & Levine (1992) suggested that distributive justice has an impact on motivation. Workers, who perceived their salary range to be fair, reported higher levels of motivation and produced higher quality products. In an experiment focusing on distributive justice in the hiring process, Gilliland (1994) found that job applicants were more prone to declare that the selection process was unfair when they highly expected to be hired, but were not. The reverse occurred when job applicants had lower expectations about the outcome. These findings could have tremendous implications for the travel industry. For instance, cruisers who have high expectations about cruising, but are disappointed by their cruise might thus rate service recovery as being less equitable.

Additionally, the type of social organization could have an effect on the members' perception of distributive justice (Deutsch, 1975; Deutsch, 2003; Leung & Park, 1986). Deutsch (1975) explained that the meaning of distributive justice will vary depending on the communities' organization. For community members whose goals is to be productive, distributive justice is likely to be associated with the notion of equity. This would imply that persons who are producing the most would receive the most incomes.

However, communities that focus on social parity among its members would favor equality as a means of distributive justice. Lastly, communities that focus on social well-being will prefer to administer distributive justice based on the needs of its members. Thus, people's expectations in terms of distributive justice are likely to vary depending on which type of social organization is present in their culture.

Fairness has also been found to be related to customers' satisfaction (Tax, Brown & Chandrashekaran, 1998; Martínez-Tur, Peiró, Ramos & Moliner, 2006). In order to evaluate the fairness of the recovery, customers are likely to focus on distributive justice (Tax, Brown & Chandrashekaran, 1998). Customers who perceive that they have been treated fairly are more likely to be satisfied. These higher satisfaction levels are in turn likely to trigger purchase intent. Distributive fairness has been found to be the most important of the three fairness dimensions to generate satisfaction (Martínez-Tur, Peiró, Ramos & Moliner, 2006)

Customers are also more likely to feel that they have been treated fairly when they perceive that they have gotten more out of a deal than sellers (Oliver & Swan,

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1989a, 1989b). Goodwin and Ross (1992) found that service recovery was most effective when customers received positive outcomes, such as a discount or a free night in a hotel. They indicated that apologizing is important but not sufficient for the customers to feel that they have been treated fairly and to be satisfied by the service recovery (Goodwin and Ross, 1992). Similarly, Conlon & Murray (1996) suggested that "customers who receive coupons or other forms of compensation" are more satisfied with the service recovery and are "more willing to do business with the company in the future" (p. 1044-1045).

There has been a call for further studies of the customers' blame attribution and efficacy of service recovery strategies within the domain of the tourism industry (Gonzalez, Hoffman & Ingram, 2005; Walters & Mair, 2012). Therefore, the present study hope to provide new information for the cruise industry that could be particularly helpful in developing strategies that will help cruise lines to retain cruisers after a crisis. Cruise lines could also be more likely to provide compensatory programs that increase overall satisfaction.

Measurement of Fairness

Conlon & Murray (1996) conceptualized fairness as a sub-dimension of customers' general satisfaction with service recovery. While this measurement has been found to be reliable, it did not focus per se on the fairness factor. Rather than assimilating fairness with another factor, Oliver & Swan (1989a) construed a scale that

measured the consumers' perception of fairness in terms of trade-offs. Participants were asked to express on a Likert-type scale, if the seller "got more out of the deal" or if they "both equally benefited" (Oliver & Swan, 1989a, p. 29).

Another approach is to conceptualize fairness in terms need, equity and anticipation (Smith, Bolton & Wagner, 1999; Cranage & Mattila, 2006; Holloway, Wang & Parish, 2005). Smith, Bolton & Wagner (1999) also introduced a scale which measures fairness in terms of what respondents feel they ought to have received.

Later, Mattila and Cranage (2005) adapted Smith, Bolton & Wagner (1999) into a single item scale. This scale is particularly interesting for the present study because it was set within a service recovery setting. They used an experimental design in which participants were asked to react to a restaurant failure to provide them with their desired experiences.

 The use of a single item to measure fairness has also been applied across multiple service industries (Tax & Brown, 2012). Wang & Mattila (2011) later expanded this single-item measure by adding an item that measured participants' expectation of fairness. However, this item leads to a lower Cronbach Alpha of the fairness scale.

Value

In seminal works, the definition of value has been solely based on the monetary function (Wind, 1990; Christopher, 1982), as the price of a product was considered to be at the center of the concept of value (Christopher, 1982). Christopher (1982) stated,

"price must be seen in terms of value" (p. 37). Industrial researchers focused on how much value producers could gain from selling products (Reuter, 1986). These early studies were focused on measuring how customers react to a price increase to determine the right price for a new product (Wind 1990).

Value has been defined as the actual selling price of the product (Della Bitta & Monroe, 1980). These early studies primarily focused on how the actual price of a product affects consumers' behaviors (e.g.; purchase intent) and attitudes (e.g.; price acceptance) (Della Bitta, Monroe & McGinnis, 1981). Researchers were thus starting to understand that customers could perceive differently the same actual price (Fry & McDougall, 1974; Della Bitta & Monroe, 1980; Petroshius & Monroe, 1987). The selling price was dubbed "reference price" and value began to emerge as its own concept based on customers' perceptions (Della Bitta, Monroe & McGinnis, 1981; Monroe & Chapman, 1987; Grewal, Monroe & Krishnan, 1998; Monroe, 1973).

Researchers also began to introduce the notion of quality within the definition of value (Monroe & Petroshious, 1981; Gale, 1994; Dodds & Monroe, 1985; Hallowell, 1996). Value was defined by Gale (1994) as consumers' "perceived quality adjusted for the relative price of [the] product" (p. xiv). Similarly, Monroe & Petroshious (1981) conceptualized value to be equal to perceived quality divided by price. They concluded that consumers had unconscious price brackets and that a change in price would remain unnoticed if it stayed within this unconscious bracket (Monroe & Petroshious, 1981). Price has also been associated with the notion of higher quality (Dodds & Monroe, 1985). For instance, consumers have been found to associate products with higher price

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tags (i.e.; $ 129 radio cassette player) with higher quality (Dodds & Monroe, 1985). However, these definitions of value have often resulted in confusion because the authors did not clearly define the concepts of quality and price (Woodruff, 1997).

In later studies, the concept of trade-off was introduced (Monroe & Chapman, 1987; Dodds, Monroe & Grewal, 1991; Anderson, Jain & Chintagunta, 1992). Value was now being defined "as the perceived brand utility relative to its costs, assessed by the consumer and based on simultaneous considerations of what is received and what is given up to receive it" (Lassar, Mittal & Sharma, 1995, p. 10).

Under this view, value represents how much customers benefit from the purchase of a good or a service, in exchange for what is invested (e.g.; time, money) (Mazumdar, 1993; Sirohi, McLaughlin & Wittink, 1998). Zeithaml (1988) concluded that the main difference between quality and value is that consumers attribute value based on a trade-off. What the consumers is ready to trade off might vary considerably based on sociological and psychographic factors (Sweeney& Soutar, 2001).

Quality could thus be defined as one of the components of value. Indeed, Dodds, Monroe & Grewal (1991) stated that "the cognitive trade-off between perception of quality and sacrifices results in perception of value" (p. 308). Therefore, the mental representation of value can change from one individual to the next.

Indeed, value is an abstract concept whose meaning could vary depending on the consumers' representations (Zeithaml, 1988). During the development of a conceptual model for value, Zeithaml (1988) interviewed customers on their conceptualization of value. They discovered that customers possessed very different opinions about what

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constitute value. However, all their perceptions evolved around the notion of price, quality, needs and trade-off. A limitation of this study was that the author did not explain why so much variation was recorded in the customers' perception of value (Ravald & Grönroos, 1996). Nevertheless, Zeithaml (1988) proposed a comprehensive definition of value as "the consumer's overall assessment of the utility of a product based on perception of what is received and what is given" (p. 14). This definition will be used by the author.

In the psychological literature, value has also been associated with how well the consumers' needs are fulfilled by a product or service (Ravald & Grönroos, 1996; Grönroos, 1997). It is however important to differentiate value from satisfaction. One of the main distinctions is that satisfaction is typically focused on "how customers feel about products and services", while measures of customer value are indices of how customers will act " (Goodstein & Butz, 1998, p. 23). It can also be argued that the value of certain service relies in the experience of the customers (Mathwick, Malhotra & Rigdon, 2001). Experiential value regroups activities that focus on the customers' experiences and involvements with the services (e.g.; buying tickets to see a movie and booking a cruise). Mathwick, Malhotra & Rigdon (2001) described experiential value as being composed of four factors: "consumers return on investment, service excellence, playfulness, and aesthetic appeal" (p. 41).

Lastly, value has been described as having a significant effect on trust and loyalty (Sirdeshmukh, Singh & Sabol, 2002). In an ideal exchange model, consumers perceive that they are gaining benefits from their purchases and have faith that the

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product/service will keep on exceeding their expectations. Therefore, they are more likely to keep purchasing from the same company and to become loyal customers (Sirdeshmukh, Singh & Sabol, 2002).

Finally, value has consistently been found to have a significant indirect effect on repurchase intentions and word-of-mouth (Cronin, Brady & Hult, 2000). Thus, consumers' perception of value are likely vital to implement successful service recovery.

Value, Sale Promotions, and Crisis

Tourism providers can express different attitude toward sale promotions due to the broad diversity of tourism market segments (Green, Bartholomew & Murrmann, 2004; Enz & Taylor, 2002). The type and severity of a crisis can also influence the type of sale promotions that will be used by tourism providers (Walters & Mair, 2012). This section will therefore more precisely reflect upon how cruisers might perceive the value of sales promotions after a crisis.

In the tourism literature, researchers have explored how governments can coordinate or encourage recovery efforts with rebates and subsidies (Henderson & Ng, 2004; Avraham, 2004). Henderson & Ng (2004) commented that the government of Singapore provided significant tax relief to the hotel industry during the SARS pandemic. In fact, the Singaporean government gave "tax and rental rebates for accommodation and transport operators", "bridged loans for tourism-related small and medium-sized enterprises and [offered] training grants" (Henderson & Ng, 2004, p. 69).

Likewise, DMOs can speed up the recovery process by increasing "taxes benefits for companies and factories that are willing to relocate to the city within a specified time frame", engaging in "various sales and property tax exemptions," and offering "benefits for relocating residents" (Avraham, 2004, p. 474).

.Private businesses can also decide to create partnerships in order to offer prices that are more attractive to visitors. After 09/11, Green, Bartholomew & Murrmann (2004) explained that some of the New York's restaurateurs decided to collaborate in order to offer attractive discounts. Although some restaurateurs argued against these rebates, the majority of them chose to offer discounts on their "menus" and "beverages" (Green, Bartholomew & Murrmann, 2004, p. 73). Many airlines also adopted the strategy of price reductions after 09/11. Indeed, Hatty and Hollmeier (2003) stated that "in their need to fill the empty seats, airlines start[ed] market share battles with significant cuts in ticket prices" (p. 51).

While Massey (2005) agreed that airlines tried to offer attractive discounts in their ads, he also insisted that the major objective of these ads was to restore customers' feeling of safety. Consequently, the advertisement messages were more likely to focus on patriotism and security than on attractive discounts. In case of terrorist attacks, cruise lines might also need to design recovery messages that are more focused on safety and patriotism. Additionally, sale promotions are likely to differ according to firms' target markets (Enz & Taylor, 2002). For example, luxury hotels managers might not be too keen on drastically reducing the price of their rooms. Indeed, they could fear that the customers will associate the discounts with a lower quality of services.

At the destination level, Walters & Mair (2012) suggested that price reductions could impose another economic burden to small tourism businesses. This reluctance to decrease price was observed by Enz and Taylor (2002), when they interviewed hotel managers about how 09/11 had impacted their marketing strategies. They found that instead of offering discounts, the managers of luxury hotels were more likely to refocus their marketing strategies on the local market.

Price reductions can also be used in combination with other strategies. Israeli and Reichel (2003) conducted a study in order to determine which economic strategies were considered by hotel managers to be the most important, and the most likely to be applied for their hotels. They suggested that hotel managers were more likely to "freeze pay rate" and to "postpone maintenance" (Israeli and Reichel, 2003, p. 362). Other successful strategies could include personally contacting the most loyal guests and offering them new personalized services (e.g.; rent room or cleaning service) (Lo, Cheung and Law (2006).

The use of sale promotions has also been used by the cruise industry in time of crisis. After the *Costa Concordia* crisis, Costa's ads focused mainly on price reductions (Tuttle, 2012). Mishra (2009) also argued that thanks to price reductions, customers were more likely to feel that the overall value of the product had increased, as sales promotions have been correlated with higher purchase intent (Cotton & Babb, 1978).

In a study on sale promotions, Chandon, Wansink & Laurent (2000) created a conceptual model based on the following benefits that promotions may provide to consumers: hedonic (i.e.; "value expression", "entertainment" and "exploration") and

utilitarian (i.e.; "savings, "quality" and "convenience") (Chandon, Wansink & Laurent, 2000, p. 70). They concluded that utilitarian promotion, such as rebates and price reductions, were "perceived [by customers] as offering more savings and more opportunities" (Chandon, Wansink & Laurent, 2000, p. 70). Similarly, Boshoff (1997) found that the most effective recovery method for airlines was to fully reimburse dissatisfied patrons, as well as to offer them a free flight.

Based on these finding, it could be postulated that cruisers who are offered a rebate and a discount will perceived more benefits in term of savings and opportunities. Therefore, it is hypothesized that:

H5: **Participants will have more positive image of ABC Cruise Line when the cruise line fully reimburses the storyteller and offer a 20 % discount on future cruise than when the cruise line simply offers a 20 % discount on a future cruise.**

H6: **Participants will have higher purchase intentions when the cruise line fully reimburses the storyteller and offers a 20% discount on future cruise than when the cruise line simply offers a 20 % discount on a future cruise.**

Measurements of Value

The measurement of perceived value has evolved from a unidimensional construct to a multidimensional construct (Sweeney & Soutar, 2001). Early studies on consumers' perceptions of value were likely to put emphasis solely on price (Gale 1994; Sirohi, McLaughlin & Wittink, 1998; Dodds, Monroe & Grewal, 1991). In a research

about supermarket retailers, Sirohi, McLaughlin & Wittink (1998) used a unique item to measure perceived value. They simply asked respondent to evaluate "what [they] pay for what [they] get" (Sirohi, McLaughlin & Wittink, 1998 p. 241). Similarly, Dodds, Monroe & Grewal (1991) used a single dimension to measure perceived value, but they measured this construct with five items. These items asked respondents to share their opinions about perceived bargain, overall-value, cost-effectiveness and price acceptability. Thus, these unidimensional scales focused solely on the pecuniary aspect of value.

More recently, Cronin, Brady and Hult (2000) designed a two dimensional scale to measure perceived value across a wide range of industries such as restaurants, "sporting events" and "heath care" (Cronin, Brady and Hult, 2000, p. 199). Interestingly, their scale only measured the utilitarian aspect of value by using two items. One item focuses on the general perception of value and the other on the trade-off aspect of the purchase.

However, customers' perceived value has been proposed to also include emotions (Dalen, 1989; Sweeney & Soutar, 2001). When customers purchase a product, they could be pushed by more complex factors than simple utilitarian needs. For example, travelers purchasing a vacation can be driven by the desire to relax and unwind. The perceived value associated with vacations is thus likely to be linked with psychological and social dimensions (Dalen, 1989). Sweeney & Soutar (2001) suggested that "consumers assess products, not just in functional terms of expected performance, value for money and versatility; but also in terms of the enjoyment or pleasure derived

from the product (emotional value)" (p. 216). In the marketing literature, hedonistic values have been associated with a large umbrella of sub-dimensions such as ethical predispositions (Shaw, Grehan, Shiu, Hassan & Thomson, 2005), levels of self-declared materialism (Dalen, 1989), conformity (Allen, 2001), individualism/ collectivism (Gregory, Munch & Peterson, 2002), and luxury (Tse, Belk & Zhou, 1989).

The use of scale that combine both hedonistic and utilitarian dimension is common in marketing studies (Batra & Ahtola, 1991; Park, 2004; Voss, Spangenberg & Grohmann, 2003; Johar & Sirgy, 1991). In their research on shopping malls, Babin, Darden & Griffin (1994) conceived shopping as a travel experience that generates emotions in consumers' minds. Hedonistic value was used to measure the emotional aspect of the experience. For example, customers going shopping for Christmas might experience joy and excitement. These feelings likely add to the value of their shopping trip. Thus, Babin, Darden & Griffin (1994) assessed value based on customers' goals achievement, the effectiveness of their purchases decisions, and the product availability at the shopping center.

Based on this previous scale, Chandon, Wansink & Laurent (2000) developed a two dimensional scale with hedonist and utilitarian factors. They concluded that this two-dimensional framework could be used as a strong statistical tool to measure the perceived benefits of both tangible (e.g.; coupons) and intangible (e.g.; rebates) types of sale promotions.

However, Dhar & Wertenbroch (2000) suggested that a strong limitation of the two-dimensional scale is that customers' perceived value of a product may change

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contingent to the presence of competitive goals (Dhar & Wertenbroch, 2000). They stated, "If consumers tend to elaborate on what might have been, choosing the more hedonic option may make them happier" (Dhar & Wertenbroch, 2000, p. 70). Therefore, an advantage of these multidimensional scales is that they allow for a more precise segmentation of the target market (Bourdeau, Chebat & Couturier, 2002). Oppositely, Sweeney & Soutar (2001) suggested that "consumers assess products, not just in functional terms of expected performance, value for money and versatility; but also in terms of the enjoyment or pleasure derived from the product (emotional value)" (p. 216). An advantage of their proposed measures was that they were found to be reliable for both pre-purchase and post-purchase behavior.

Ailawadi, Neslin & Gedenk (2001) constructed a scale to generate clusters of consumers' purchase behaviors. They integrated the concept of economic value (e.g.; return on investments) along with other psychographics (e.g.; novelty seekers, and conformists) and goal-oriented factors (e.g.; bargain hunters and budget conscious). They concluded that psychographic elements have a significant impact on buyers unless those buyers are only motivated by the goal of saving money.

However, a limitation of these multidimensional scales was that they were tested on products and not services (Petrick, 2002). Petrick (2002) conducted an exploratory and confirmatory analysis of a multidimensional scale that could be applied to services. The study was set within the cruise industry setting. His developed scale was comprised of five factors that asked respondents to rate their service experience during the cruise. These factors included: "quality", "emotional response", "monetary price", "behavioral

price" and "reputation" (Petrick 2002, p. 128). Additionally, Petrick (2002) used a single item on a five-point scale to measure overall value "by asking respondent to rate the value received for their money when purchasing their cruise" (p. 125).

This scale represents a particularly interesting measurement for the current research project because it of its high reliability and the fact that is was tested on the cruisers population. Yet, because the present study will be based on fictitious scenarios and not on actual cruisers' experiences, the use of the multidimensional scale might not be the most adequate.

Brand Image

Firms' brand image can be deeply impacted after a crisis (Michelson, 2014). In order to recover from negative brand image it is important to design recovery messages that resonate with the target market. Firms that understand the importance of communication during a crisis already possess an edge in term of crisis management (Barton, 1994; Sönmez, Apostolopoulos and Tarlow 1999). In a tourism context, the goal of effective crisis communication is to reduce the damages on destination image and to encourage visitors to come back (Huang, Tseng & Petrick, 2008)

Several factors can also influence the success of crisis communication on brand image. The degree of responsibility that the customers attribute to an organization could influence the success of recovery messages. Indeed, Coombs & Holladay (1996) suggested that customers were more likely to have a negative attitude toward companies

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that had intentionally transgressed the rules. Moreover, customers were more likely to attribute a higher degree of responsibility to companies that had repeatedly faced crises (Coombs & Holladay, 2002; Combs 2004).

Combs (2007) also suggested that a company's past communication strategies was likely to impact how customers judged the company in terms of brand image. Coombs (2007) pointed out that when a company goes through a crisis (e.g.; harmful products, malfunctions, bad service experiences) consumers will intrinsically evaluate the origins of the crisis (i.e.; internal and external) and will determined if the company was unscrupulous. Ray (1999) suggested that there are three ways in which a firm can deal with how blame attribution is impacting its brand equity. These three options were to "1) deny a crisis exist and refuse to cooperate with the media and government agencies, 2) [to] provide partial inaccurate, or delayed information, or 3) [to] establish and maintain open and accurate communication channels with external constituent"(p.20).

However, Ulmer and Sellnow (2000) argued that open communication might not always work because organizations sometimes feared that their recovery messages could be used against them in a trial. Nevertheless, Marra (1999) stated that it was generally in the best interest of an organization to favor open communication in order to restore the trusts of the customers. Oppositely, Nikbin, Marimuthu, Hyun & Ismail (2014) suggested that firms' brand image could be damaged when the crisis was not severe and these firms took accountability for the incident.

Social media had also changed the way firms communicate to improve their brand image after a crisis. Indeed, Taylor and Perry (2005) argued that Internet can be effectively be used by companies to post "press releases, fact sheets, Q & As, letters and memos" and to engage in a "two-way communication" (p.215). However, people tend to attribute different levels of credibility to social media. Utz, Schultz and Glocka (2013) suggested that participants judged newspapers' websites to be more credible than Facebook and Twitter accounts. More recently, Mason (2014) found mixed results in terms of whether the customers based their judgment of the credibility of a newspaper. However, a strong limitation of this study was that participants were not asked to estimate the credibility of the newspapers.

The fit between cruisers' self-image and a cruise line's brand image is also likely to influence the customers' intentions to take a cruise (Hung & Petrick, 2011a, 2011b, 2012). Hung & Petrick (2011a) found that hedonistic cruisers were likely to purchase a cruise because it reinforced their ideal's perception of themselves. Thus, cruisers were likely to favor cruise lines that match their idealized self-representation (Hung & Petrick, 2011b). For example, cruisers that aspired to be adventurous were likely to prefer cruise lines that reinforced the concepts of adventures in their cruise packages (e.g.; cruise packages that contain extreme sport activities such as scuba diving or surfing). Further, self-image was likely to influence the cruisers' judgements of the functional features of a cruise package (e.g.; choice of activities and quality of the shows). Similarly, Petrick (2011) found that a cruise line's "reputation has a great influence on cruise passengers' perceptions of price sensitivity, monetary price, behavioral price, quality, value,

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satisfaction, word of mouth, and repurchase intentions" (p. 52). Thus, the cruisers'

perceptions are likely to have an influence of purchase intents.

Measurements for Brand Image

In term of tourism destination, open ending questions have been used to generate

a pool of adjectives that offer insights in how the destination is viewed by potential

visitors (Echtner & Ritchie, 1991, 1993; MacKay & Fesenmaier, 1997; Chi & Qu, 2008;

Stepchenkova & Li, 2014). Based on this technique, Echtner & Ritchie (1993) found that

symbolism (e.g.; musical atmosphere and locals' friendliness) and physical factors (e.g.;

warm weather and beaches) were influential in developing the brand image of Jamaica.

Similarly, MacKay & Fesenmaier (1997) used a focus group to create survey that was

using pictures instead of words to define a destination's image.

Other methods used to generate measurement of destinations image include

cluster and content analysis (Leisen, 2001; George & Anandkumar, 2014). In order to

measure the on-line perception of visitors, George & Anandkumar (2014) asked

participants to conduct a content analysis of the official website of five islands

destination. Alternatively, Leisen (2001) used a cluster analysis to determine the main

characteristic of New Mexico as a destination. She found four factors that could be used

to asses New Mexico's image. These factors were "socio cultural amenities", "natural

amenities", "participative recreational activities", and "climate attribute interrelation"

(Leisen, 2001, p.56). A limitation of this scale is that it is limited in term of generalization to other destinations.

Bi-polar scale have also been commonly used to measure the brand image of destinations (Li and Petrick, 2010; Baloglu, 2001, Backman 1991) . In the context of the cruise industry, Li and Petrick (2010) measure brand image of a cruise line with a bi-polar scale. The adjectives included in the list were: "interested/not interested, pessimistic/optimistic, negative/positive, complete/incomplete, pleasurable/unpleasurable, meaningful/meaningless, valuable/worthless, unsociable/sociable, successful/unsuccessful, important/unimportant, attractive/repelling" (Li and Petrick, 2010). Further, Li and Petrick (2010) also combined these items with those that were developed by Baloglu (2001) to measure destination image. These items were "relaxing/distressing, exciting/gloomy, pleasant/unpleasant, arousing/sleepy" (Baloglu, 2001, p.45). These answers on this scale ranged from 1 "strongly agree to 7 "strongly disagree" on a 7-point Likert-type scale. Petrick and Li's scale (2010) will be used in the present experiment because has been found to be reliable and was used within the cruising context.

Intentions

Cruise lines are likely to be financially impacted by a severe incident in two different ways (Michelson, 2014). Indeed, cruise lines are large corporation that have

usually have contracted insurances that cover much of the physical damages after an incident (Michelson, 2014).

However, cruise lines can suffer financially when the number of bookings suddenly decreases because of damaged brand image, and when investors are starting pulling out (Haywood, 1989; Howard and Stephenson, 2013). Hence, maintaining purchase intentions after a crisis is a crucial issue for cruise lines. Haywood (1989) also pointed out that companies that suffered from a negative brand image were likely to experience more difficulties in attracting skillful and experienced workers.

During a crisis, consumers' perceptions of a firm's honesty are likely to have significant implications in term of purchase intentions (Engel, Kegerreis & Blackwell, 1969, Cowden and Sellnow, 2002; Klein & Dawar, 2004). Cowden and Sellnow (2002) used the example of the 1988 Northwest Airlines (NWA) strike, which resulted in terrible public image and financial loss. The NWA produced ads whose goals were clearly "to turn the sentiment of stakeholders against the pilots' union, thus pressuring the pilots to accept the proposed contract" (Cowden & Sellnow, 2002, p. 210). However, Gittell, Cameron, Lim and Rivas (2006) argued that firms who turn against their employees are more likely to suffer from negative image. Indeed, firms' reputations are also strongly influenced by how they treat their workforces.

Additional recommended practices are centered on restoring the trust of the stakeholders. Covello (2003) recommended to "accept and involve stakeholders as legitimate partner", to "listen to people, to "coordinate, collaborate and partner with credible sources" (e.g.; NGOs), to "meet the need of the media" and to "plan thoroughly

and carefully" (p.5-8). Likewise, Reynold & Seeger (2005) recommended maintaining a constant communication with the stakeholders in order to convey a sense of stability and to restore trust. Lastly, it is also acceptable for organizations to recognize when they do not know all the facts about a critical event. However, Seeger (2006) warned that this strategy should not be used "to avoid disclosing uncomfortable information or closing off further communication" (p.242).

In the cruise industry, purchase intents are been found to be influenced by past experiences and loyalty (Petrick, 2004a, 2004b, 2005). Petrick (2004b) suggested that passengers who were taking their first cruise were more likely to spend more money while aboard the ship. Indeed, they were likely to be very excited about their first cruise and less knowledgeable about extra costs that can occur during a cruise.

Oppositely, people with more experience of cruising were more likely to spend less and to be bargain hunters (Petrick, 2004b). A possible explanation for this behavior was that repeat cruisers were knowledgeable about the product. They knew the right price for the different package and were able to see when a deal was particularly interesting. In terms of loyalty, women cruisers have been found to be more emotionally attached to their favorite cruise line than men (Petrick, 2005).

Additionally, cruisers' emotions and perceived values are also likely to influence their purchase intentions (Dubs, Le Bel & Sears, 2003; Petrick & Li, 2006; Li & Petrick, 2010). Petrick & Li (2006) suggested that there was a need to differentiate between value and satisfaction. They explained that cruisers might have been very satisfied with a cruise but could also have found that this purchase was not a good value. For example,

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cruisers who found that they did not get enough bucks for their bang might be less likely to purchase again for the same cruise line even though they were satisfied with the overall cruise experience. Duman & Mattila (2005) suggested that cruisers might also consider emotional benefit when looking for a deal on a future cruise.

However, one limitation of Duman & Mattila' study (2005) was that it did not take into account the diversity among the different psychographic segments of cruisers. Oppositely, Petrick and Durko (2015) suggested that push and pull factors are likely to differ among the different psychographic segments of cruisers. Petrick and Durko (2015) conducted a cluster analysis that resulted in the creation of five segments of cruisers who possessed their own distinctive set of motivations: "Relaxers, Unmotivateds, Motivateds, Social Statusers, and Cultureds" (p. 154). For example, the social statusers were more likely to state that their main motivation was "to have a status vacation, to socialize, and to see nature" (Petrick and Durko, 2015, p.155). Thus, cruise lines are likely to gain a better understanding of the cruisers' purchase intentions by taking into account the psychographic and demographic differences among the segments of cruisers.

Lastly, motivations are likely to influence cruisers' purchase intents (Hung & Petrick, 2011b). Hung & Petrick (2011 b) found that about forty percent of the variance in cruising intentions could be explained by motivation. However, cruisers motivations might decrease when they experienced more constraints to cruising (Chen & Petrick, 2014). This is likely to be the case during a severe crisis because cruising might be associated with feeling of uneasiness and lack of safety.

Measurement for Intentions

In the tourism literature, purchase intents have been measured in terms of proportion of purchase and willingness of travelling back to the destination (Murphy, Pritchard, & Smith, 2000; Oppermann, 2000; Milman & Pizam, 1995). The proportion of purchase can be defined as the share "of total purchases devoted to the brand" or "proportion of total years traveled to" a specific destination (Oppermann, 2000, p. 82). Further, Milman & Pizam (1995) suggested that it is also important to include a timeframe when measuring the willingness to travel back to a destination. For example, Milman & Pizam (1995) asked respondents if they would be willing to come back "in the next two years" (p.24).

Within the context of the cruise industry, purchase intentions have also been measured by asking respondent how likely they will be to book a cruise (Petrick, 2004b; Petrick, Tonner & Quinn, 2006; Yingzhi, Tian, Jianfeng & Kun, 2014). In a study conducted in the hotel industry, Duman & Mattila (2005) asked respondents if they would still make the same purchase if they were given the opportunity to go back in time. However, this type of questions might not be a good fit for studies that used fictional cruise lines. Petrick, Tonner & Quinn (2006) used two items in order to measure the participants' purchase intentions. These two items were what would be "the probability that" participants would travel "with ABC Cruise Line" if they "were to purchase a vacation" and what would be "the likelihood that" they "would consider purchasing an ABC Cruise" (Petrick, Tonner & Quinn, 2006, p. 275). Petrick, Tonner &

Quinn (2006) scale is particularly interesting because it distinguishes between the prospect of going on a cruise and the concretization of the purchase. Thus, Petrick, Tonner & Quinn' scale (2006) was used in the present study to measure purchase intentions.

Purchase Intentions and Brand Image: Expertness, Blame, and Recovery

The trustworthiness, likability and expertise of a communicator are also likely to have an impact on purchase intentions (Goldsmith, Lafferty & Newell, 2000a, 2000b; Till & Busler, 1998; Kamins, Brand, Hoeke & Moe, 1989) and brand image (Lafferty & Goldsmith, 1999; Till & Busler, 2000; La Ferle & Choi, 2005; Fleck, Michel & Zeitoun, 2014). In a study on endorsers' credibility, Till and Busler (2000) suggested that choosing an athlete to promote an energy bar increased the customers' impression that the bar increased energy. However, they did not find any significant impacts on purchase intent. This could be because the experiment did not control for the customers' level of involvement with the product being sold. Oppositely, Goldsmith, Lafferty & Newell (2000b) found that the most credible communicators triggered more purchase intent. In later studies, Lafferty, Goldsmith & Newell (2002) suggested that a communicator's credibility is positively correlated with attitude toward an advertisement, which in turn has a positive effect on brand image and purchase intent.

Based on these findings, the following hypotheses are proposed:

H7: **In terms of brand image, there will be an interaction between types of expertise and types blame.**

H10: **In terms of intentions, there will be an interaction between types of expertise and types blame.**

Blame attribution is also likely to have an impact on consumers' perceptions of service recovery (Swanson & Kelley, 2001; Wagner, Hennig-Thurau & Rudolph, 2009). However, consumers could perceive monetary compensations as an overt admission of faultiness for an internal failure (Wirtz & Mattila; 2004). Therefore, customers could be more likely to attribute a higher level of blame to a firm that provides monetary compensations because they may feel entitled to do so. Wagner, Hennig-Thurau & Rudolph (2009) found that consumers' attitudinal loyalty (i.e.; negative emotions) toward a firm is likely to decrease when the locus of control is external. As a result, consumers' behavioral loyalty (i.e.; purchase intent will) may increase if the level of blame is reduced.

Based on these findings, it is hypothesized that:

H9: **In terms of brand image, there will be an interaction between type of blame and types of service recovery.**

H12: **In terms of intentions, there will be an interaction between type of blame and types of service recovery.**

Service recovery has also been found to have an impact on loyalty (Spreng, Harrell & Mackoy, 1995; Chebat & Slusarczyk, 2005; Sousa & Voss, 2009). Chebat &

Slusarczyk, (2005) suggested that distributive justice (e.g.; discounts and reimbursements) has a positive effect on the customers' emotions after service recovery. Conversely, Wirtz & Mattila (2004) found that distributive justice did not have a significant effect on word-of-mouth and repurchase intent.

Figure 1. Conceptual Model for Service Recovery and Blame Attribution (Wirtz & Mattila, 2004)

However, their manipulations did not include a full reimbursement, but only a discount versus no discount conditions. Nevertheless, their conceptual model is particularly interesting because it incorporated the notion that blame attribution influences purchase intent and word-of-mouth (see **Figure 1**). Conversely, Sousa & Voss (2009) concluded that when consumers perceived the service recovery to be better,

they were more likely to have higher purchase intent and to share positive word-of-mouth. Based on these findings, it is hypothesized that:
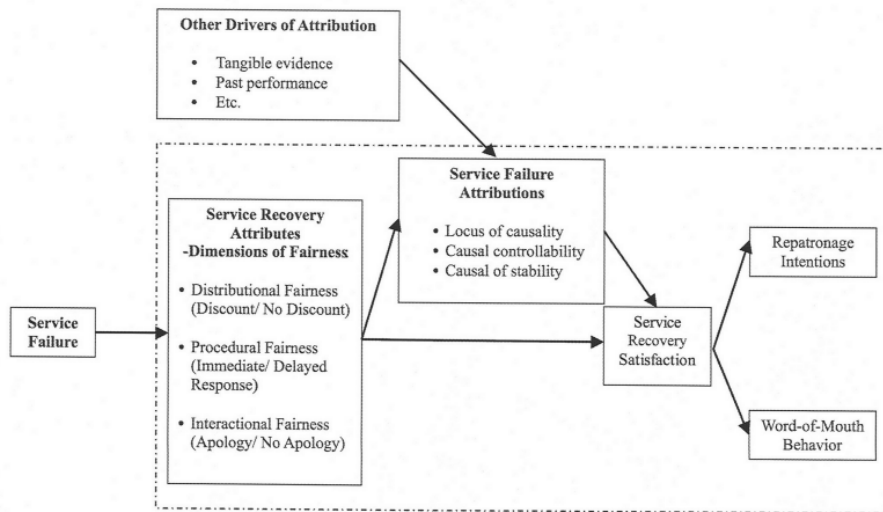
H8: **In terms of brand image, there will be an interaction between type of expertise and types of service recovery.**

H11: **In terms of intentions, there will be an interaction between type of expertise and types of service recovery.**

The current study will also look at three way interactions between expertise, blame, and recovery – for both brand image and intentions. Thus, it is hypothesized that:

H13: **In terms of brand image, there will be an interaction between types of expertise, types blame, and types of service recovery.**

H14: **In terms of intentions, there will be an interaction between types of expertise, types blame, and types of service recovery.**

Table 1 resumed the hypotheses that will be tested. **Figure 2** placed these hypotheses within a conceptual model.

Table 1 Resume of Hypotheses That Will Be Tested

Hypotheses
H1: Participants will have more positive image of ABC Cruise Line when the communicator has taken eleven cruises with seven cruise lines than when the communicator is a first time cruiser.
H2: Participants will have higher purchase intentions when the communicator has taken eleven cruises with seven cruise lines than when the communicator is a first time cruiser.
H3: Participants will have more positive image of ABC Cruise Line when the passenger started the fire than when the crewmember started the fire
H4: Participants will have higher purchase intentions when the passenger started the fire than when the crewmember started the fire.

Table 1 Continued

Hypotheses

H5: Participants will have more positive image of ABC Cruise Line when the cruise line fully reimburses the storyteller and offer a 20 % discount on future cruise than when the cruise line simply offers a 20 % discount on a future cruise.

H6: Participants will have higher purchase intentions when the cruise line fully reimburses the storyteller and offers a 20% discount on future cruise than when the cruise line simply offers a 20 % discount on a future cruise

H7: In terms of brand image, there will be an interaction between types of expertise and types blame.

H8: In terms of brand image, there will be an interaction between type of expertise and types of service recovery.

H9: In terms of brand image, there will be an interaction between type of blame and types of service recovery.

H10: In terms of intentions, there will be an interaction between types of expertise and types blame.

H11: In terms of intentions, there will be an interaction between type of expertise and types of service recovery.

H12: In terms of intentions, there will be an interaction between type of blame and types of service recovery.

H13: In terms of brand image, there will be an interaction between types of expertise, types blame, and types of service recovery.

H14: In terms of intentions, there will be an interaction between types of expertise, types blame, and types of service recovery

Figure 2 Conceptual Model
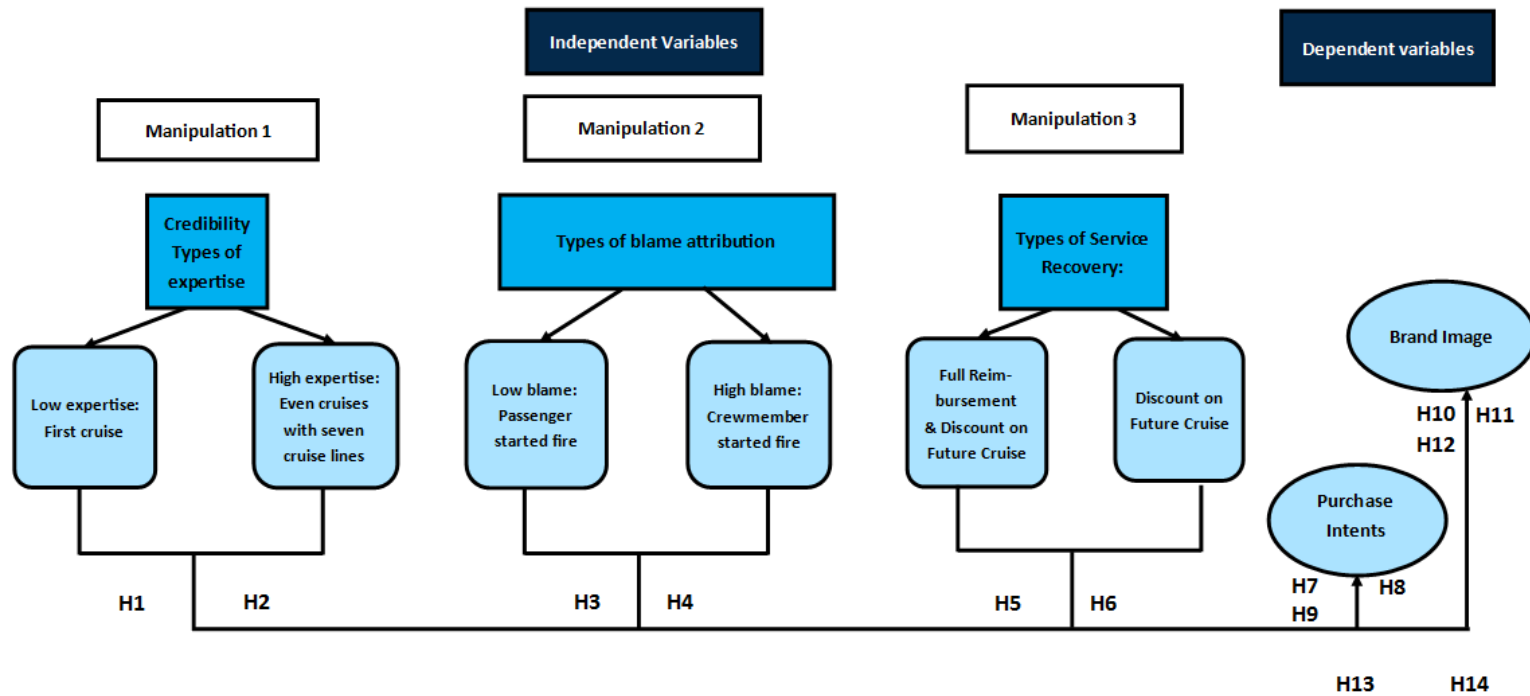
CHAPTER III

METHODOLOGY

Introduction

This study is based on an experimental design. A 2x2x2 between subject experimental designs was employed to measure the effects of two levels of expertise, two types of recovery messages and two types of blame scenarios. This section will further detail the selection of the participants, conditions, and prompts that will be used in the experiment.

Research Design

Location and Timeline

The experiment was fully conducted on-line. Data collection took place between April lst and April 27th, 2015. The participants received an e-mail which contained an invitation to take part in the survey as well as a link to the survey. The survey was hosted in *Qualtrics*, an online Survey Software. When clicking on the link, participants first read the consent form. The participants were then randomly assigned into eight groups. *Qualtric*s has a function that randomly assigns participants into groups by creating blocks for each question's scenario. This function was used to randomly assign

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participants into groups and to help ensure that there was no bias during the participants'

assignment into the treatment groups.

Participants

Participants were selected from the RPTS undergraduate and graduate students.

Currently there are about 400 students enrolled in RPTS undergraduate classes. The

confidence level will be 95% with a level of precision of plus or minus five. The p value

will be set at p= 0.05. Israel (1992) recommended to set a sample size of 201 when a

population has a size of 400 with a 95% confidence interval, set at p=0.05, and precision

level of plus or minus 5). Thus, the goal was be gather a sample size of at least 201

students. However, Ploutz-Snyder, Fiedler & Feiveson (2014) suggested that smaller

sample sizes are sometime acceptable (i.e.; experimental design) or necessary (cost

exceeding funding).

At the end of the data collection, there were a total of 210 answers for

undergraduate students and 20 for the graduate students. However, 17 undergraduate

students did not fully complete the survey. Their answers were thus excluded resulting in

a total of 193. The completion rate for graduate students was 100 percent. Thus, the total

number of answers that were used for data analysis was 213. This resulted in an average

of about 26 participants in each of the eight conditions.

While these students might not represent the full population of cruisers, their

participation presented several advantages. These students represented potential future

clients for cruise companies. CLIA estimated that one of the most significant trends for the future was that the "Millennials will drive first-time cruiser growth" (2014, p. 1). In a report on the cruise industry, CLIA (2014) expected that 95 million of Millennials will become first-time cruisers in the years to come. Since the Millennials population were born between 1979 and 1994 (Smola & Sutton, 2002), the current undergraduate students population was anticipated to be a viable sample.

College students represented an interesting population to study service recovery because "younger and better-educated consumers are more likely to" share their grievances about a services or a product (Goodwin & Ross, 1990, p. 40). Additionally, college students have been used in other studies on service recovery since they also represent consumers of leisure services (Mattila, 2001; Swanson & Kelley, 2001). Once they graduate, college students are likely to be a particularly attractive target market for cruise lines. CLIA (2011) stated that an average of "71% [of the North American cruisers] have at least a four-year degree" (p. 30). Hence, students from Texas A&M University represented a particularly interesting pool for a study about cruise tourism.

Further, selecting students from a Texas university was likely to be relevant since Texas is one of the largest markets. According to the Houston Business Journal, "Texas residents accounted for 11 percent of all U.S. cruise passengers" in 2011 (Pulsinelli, 2012). Texas is also one of the most active ports of call. CLIA (2012) stated that "the Texas cruise industry's passenger traffic increased by almost 32% in one year" to "863,000 total passengers" (p. 18).

The Caribbean was selected as the location of the fictitious cruise that will be used in the experiment. This region was selected because it is the most visited destination by cruisers worldwide. CLIA (2013) forecasted that the Caribbean will maintained its leading position in 2014 with 37.3 % of world cruisers taking a vacation in the Caribbean.

Procedures

Table 2 Resume of Treatment Conditions

Treatment number	Independent Variables		
	Expert cruiser (fifteen cruises on different ships and with seven different cruise lines)	Crewmember started the fire	20% discount and full reimbursement
1	Yes	No	Yes
2	Yes	No	No
3	Yes	Yes	Yes
4	Yes	Yes	No
5	No	No	Yes
6	No	No	No
7	No	Yes	Yes
8	No	Yes	No

This study is based on a 2x2x2 experimental design. This experiment was based on eight written messages. All scenarios were fictitious. Wirtz and Mattila (2004) explained that there are several advantages to using fictitious scenarios to measure service recovery. They also allow the researcher to control for variations in experiences (Bateson & Hui, 1992; Wirtz & Mattila, 2004; Wirtz & Bateson, 1999). A problem with

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using past experiences is that participants do not have the same abilities in recollecting memories and there could be too much dissimilarity in the severity of the crisis. Each written message addressed a combination of three variables. **Table 2** resumes the content of each of the eight conditions:

The first variable was credibility. Two types of credibility were used: one with high level of expertness and one with a low level of expertness. The scenarios with low expertness stipulated that the storyteller was taking a cruise for the first time. The scenarios with high expertness stated that the storyteller had taken fifteen cruises on different ships and with seven different cruise lines.

In these written messages, the storytellers recalled a bad vacation onboard a cruise ship. The cruise line was fictitious and was called ABC Cruise Line. The responsibility of the cruise ship in this bad travel experience varied. The second variable was thus the level of blame that participants attributed to ABC Cruise Line. In one scenario, a crewmember started a fire by smoking in the engine room. This fire lead to a power failure and left the entire cruise ship without working bathroom and air-conditioning. Fires caused by power failure have been argued to be frequent and dangerous issue faced by cruise lines (Ventikos, 2013). The goal was to measure if the participant will react more negatively to recovery messages if they estimate that the cruise line was highly to blame for the bad travel experience. Coombs & Holladay (1996) had previously suggested that customers were less likely to strongly react against a company when they estimated that the company was not responsible for the crisis. In

the other scenario, the fire leaded to the same consequences but it was started by a passenger.

An additional variable was the type of recovery messages that was used by ABC Cruise Line. In the written message, the storytellers explained that they received some kind of compensation for the service failure. In one scenario, ABC Cruise Line offered a full refund of the cruise plus a future discount on the next cruise. The amount of the discount was set to 20% because this amounts had been successfully used in previous studies about service recovery in the restaurant industry (Wirtz & Mattila, 2004; Mattila, 2001). In the other scenario, the cruise line only offered a 20% discount on the next cruise. After the participants had read the scenarios, they were asked to complete a manipulation check. The manipulations checks included questions about credibility of the source (i.e.; first time cruiser versus experienced cruiser), blame attribution (i.e.; external versus internal), and recovery strategies (i.e.; twenty percent discount and full refund versus twenty percent discount). Lastly, this study measured how these combinations of variables influence the participants' brand image and purchase intentions. The full and detailed list of scenarios is included in the **Appendix A**.

To encourage participants to take the survey, we offered them the possibility to enter a drawing for a $50 gift card to either Target or Walmart. Participants could enter the drawing by typing their e-mail address at the end of the survey. The winner was randomly selected from these e-mail addresses within three weeks of end of data collection.

Development of Survey Instrument

Pre-Test

The goal of the pre-test was to facilitate the comprehension of the participants by improving the wording of the items. Another goal was to improve the design of the audio messages and of the advertisement so that they appear to be realistic. The pre-test was conducted among ten graduate students of the RPTS Department. This convenience sample might not reflect the general population of cruise users. However, these graduate students were selected because they possess great knowledge of tourists' behavior and psychology.

The graduate students were contacted via e-mail and given a link to access an electronic survey. This survey was the exact replica of what was intended to be distributed to the participants. These graduate students were asked to take the survey and to take notes on any sentences that might require rephrasing or clarification. Lastly, the ten graduate students shared their opinion about the credibility of the written message. The panel of graduate students suggested several changes.

One of the main suggestions was that the key sentences about the storytellers' expertise, the cause of the fire, and the type of recovery received were lost in the test. As a solution, these key sentences were bolded. In addition, a sentence was added at the beginning of the scenarios which asked participants to "please pay special attention to the bolded sentences."

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Another suggestion was to add more space between the paragraphs in order to make the written text easier to read. Thus, extra spaces were added between the paragraphs in order to provide a better flow. Based on the recommendation of a committee member, the item "disgusted/delighted" was added to the scale that was measuring brand image.

Lastly, it was recommended to add number above the scale of brand image in order to make the contrast being the bipolar adjectives clearer. Subsequent changes were made to the survey based on this recommendation.

Scales of Measurement

The questionnaire focused on the three independent variables of blame attribution, service recovery as well as on the dependent variable of brand image and purchase intentions.

Table 3: Conditions per Scenarios

Scenario			Condition
1	High Expertise	Passenger	Full Reimbursement and 20% Discount.
2	High Expertise	Passenger	20% Discount.
3	High Expertise	Crewmember	Full Reimbursement and 20% Discount.
4	High Expertise	Crewmember	20% Discount.
5	Low Expertise	Passenger	Full Reimbursement and 20% Discount.
6	Low Expertise	Passenger	20% Discount.
7	Low Expertise	Crewmember	Full Reimbursement and 20% Discount.
8	Low Expertise	Crewmember	20% Discount.

The independent variables consisted of two levels of expertise, two types of blame, and two types of recovery (**Table 3**). The number of cruises taken by the storyteller manipulated the factor of expertise. In one level, the storyteller was taking a cruise for the first time. In the other level, the storyteller had taken fifteen cruises with seven different cruise lines. The factor of blame was manipulated by the origins of the fire. In one level, the fire was a started by a passenger. In the other level, the fire was started by a crewmember. The factor of recovery was manipulated by the amount. In one level, the story teller was offered full reimbursement and a 20% discount on a future cruise. In the other level, the storyteller was offer a 20% discount. These eight conditions were used to measure if the differences in blame, expertise, and recovery have an impact on brand image and purchase intents. These eight conditions were entered as categorical variable in SPSS.

In order to check if the participants understood the differentiation between each condition, a manipulation check was conducted (**Table 4**). Thus, the goal was to measure if respondents had fully understood the key elements of their assigned scenarios. The first item included in the manipulation check was "How many cruises had the person telling the story been on?" Respondents could check either "15" or "1". The second item asked "Who started the fire?". The response choice included "passenger" or crewmember." The last item included in the manipulation check was "What action did ABC Cruise Line take to compensate the person telling the story?". The response choice included "Full reimbursement and 20% discount on a future cruise" and "20% discount

on a future cruise". The answers to the manipulation checks were coded entered in

SPSS.

Table 4: Items Used for Manipulation Checks

Items	Check
How many cruises had the person telling the story been on?	1 15
Who started the fire?	Passenger Crewmember
What action did ABC Cruise Line take to compensate the person telling the story?	Full reimbursement and 20% discount on a future cruise 20% discount on a future cruise

Table 5 Scale of Measurements for Brand Image

Reference	Items	
Petrick and Li, (2010)	Please indicate how you feel about ABC Cruise Line:	
	Interested	Not interested
	Pessimistic	Optimistic
	Negative	Positive
	Pleasurable	Unpleasurable
	Meaningful	Meaningless
	Valuable	Worthless
	Important	Unimportant
	Attractive	Repelling
	Complete	Incomplete
Baloglu (2001)	Relaxing	Distressing
	Exciting……….Gloomy	
	Pleasant	Unpleasant

The dependent variables were purchase intentions and brand image. Brand

Image was measured by asking respondents to "please indicate how you feel about the

ABC cruise Line" (Petrick and Li, 2010) (**Table 5**). The choice of feelings included:

"interested/not interested, pessimistic/optimistic, negative/positive,

pleasurable/unpleasurable, meaningful/meaningless, valuable/worthless, successful/unsuccessful, important/unimportant, attractive/repelling" (Petrick and Li, 2010), relaxing/distressing, exciting/gloomy, pleasant/unpleasant, (Baloglu, 2001). These answers ranged from 1 "strongly agree to 7 "strongly disagree" on a 7-point Likert-type scale.

Table 6 Scale of Measurements for Intentions

Reference	Items
Petrick, Tonner & Quinn (2006)	If you were to purchase a cruise, the probability that the vacation would be with ABC Cruise Line is The likelihood that you would consider purchasing an ABC cruise is

The next section measured intentions (**Table 6**). The dimension of purchase intentions, was measured by asking respondents what would be "the probability that" they would vacation with ABC Cruise Line if they "were to purchase a vacation" and what would be "the likelihood that" they would consider "purchasing an ABC Cruise" (Petrick, Tonner & Quinn, 2006). These answers ranged from 1 "very low" to 9 "very high" on a 9-point Likert-type scale.

Finally, the last question asked respondents about their previous experiences because these are likely to impact their perception of blame attribution, (Smith & Vogt, 1995), service recovery, (Holloway, Wang & Parish, 2005; Tax, Brown & Chandrashekaran, 1998; Maxham & Netemeyer, 2002), and loyalty (Petrick, 2005). A single open-ended item was used which asked to participants how many cruises they

have taken in their lifetime. The data for this question might be used in future studies. This open-ended question was asked at the end of the questionnaire.

Once the participants have answered all the questions, they were directed to a *Thank you* page. This page thank them for their time and effort in participating in the study. This concluded the participants' study experience.

Data Analysis

The data analysis occurred in five phases via the SPSS Software. In the first phase, the data was extracted from the Qualtrics survey website and transposed into SPSS. Once the data was transposed in SPSS, the author checked that there were no mistakes in terms of level of measurements, columns and raw attribution. The goal was to detect the presence of outliers and to see if they could impact the results' interpretations. Particular attention was given to missing and incomplete data.

Descriptive statistics were run to get a better idea of measures of spread and tendency within the participants' answers. Cronbach alphas were used to measure the reliability of the scale of measurements. Manipulations checks were run to measure if the participants clearly understood the scenarios. A Levene's test was also run to check for the assumption of homogeneity of the variance. Lastly, a full model ANOVA was run and the model was checked for interactions and main effects for both brand image and purchase intentions.

CHAPTER IV

FINDINGS

This chapter provides a description of the results of analysis of data from the study. The chapter is divided into two sections. First, descriptive statistics for the two outcome variables, brand image and intentions, are presented. The descriptive statistics section also includes a discussion on the reliability of these two measures in the current sample. The result of the evaluation of the efficacy of the manipulation check is also discussed. The manipulation check was conducted to verify that participants have understood each scenario. The final sections describe the results of the hypothesis tests.

Descriptive Statistics

Overall

Table 7 Descriptive Statistics for Intentions and Brand Image

	N	Mean	SE mean	SD	Skewness	Kurtosis	α
Intentions	210	3.60	.14	2.01	.450	-.799	.93
Brand Image	211	3.74	.09	1.25	.076	-.268	.96

Descriptive statistics are summarized in **Table 7**. Both scales showed strong reliability. The Intentions scale had a Cronbach alpha of .93 and the brand image scale

had a Cronbach alpha of .96. The distribution of scores for intentions was moderately

skewed to the left. This indicates that a larger portion of the scores were gathered toward

the lower scores (Pallant & Manual, 2010). The distribution of scores for brand image

can be considered to be symmetric. Both the distributions of scores for intentions and

brand image were platykurtic (Pallant & Manual, 2010). This means that the curves had

a flat-looking shape because a higher numbers of scores either gathered at the lower or

higher ends of the scale.

By Group

Table 8 Marginal Means

	Intentions			Brand Image		
	N	M(SD)	SE	*n*	M(SD)	SE
Expertise						
High	104	3.63(2.01)	.197	105	3.87(1.20)	.117
Low	106	3.57(2.03)	.197	106	3.62(1.29)	.125
Origin						
Passenger	102	3.87(2.08)	.206	102	3.97(1.17)	.116
Crew	108	3.35(1.92)	.185	109	3.54(1.29)	.124
Recovery						
20%	106	2.83(1.71)	.167	106	3.31(1.09)	.105
20% +	104	4.38(2.00)	.197	105	4.18(1.26)	.123

Marginal means, standard deviations, and standard errors are presented in **Table

8**. The largest differences for both outcome variables were between the two "Recovery"

conditions. For intention, the mean of the 20% discount plus full refund condition

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(M=4.38) was 1.55 units higher than the 20% discount only group (M=2.83). The same

pattern was observed for brand image. The mean of the 20% discount plus full refund

condition (M=4.18) was .87 units higher than the 20% discount only mean (M=3.31)

By Scenario (Cells)

Table 9 Descriptive Statistics for Intentions and Brand Image by Scenario

				Intentions				Brand Image			
Scenario	Expertise	Origin	Recovery	N	Mean	SD	SE	N	Mean	SD	SE
1	High	Passenger	Full+ 20%	25	4.22	2.15	.43	25	4.43	1.10	.22
2	High	Passenger	20%	26	2.71	1.90	.37	26	3.33	.94	.18
3	High	Crew	Full+ 20%	26	4.73	1.66	.33	27	4.50	.99	.19
4	High	Crew	20%	27	2.93	1.62	.31	27	3.25	1.19	.23
5	Low	Passenger	Full+ 20%	25	4.94	1.98	.40	25	4.37	1.22	.24
6	Low	Passenger	20%	26	3.65	1.72	.34	26	3.78	1.09	.21
7	Low	Crew	Full+ 20%	28	3.71	2.06	.39	28	3.50	1.43	.27
8	Low	Crew	20%	27	2.06	1.25	.24	27	2.90	.98	.19

Table 9 summarizes descriptive statistics for intentions for each of the eight

scenarios (cells) used to manipulate the three independent variables. The scenarios that

received the highest means for intentions was scenario 5 (M= 4.94, sd=1.98) (i.e.; low

expertness/passenger/ full reimbursement plus 20% discount), scenario 3 (M=4. 73,

sd=1.66) (i.e.; high expertness/crew/ full reimbursement plus 20% discount), and

scenario 1 (*M*= 4.22, sd=2.15) (i.e.; high expertness /crewmember/ full reimbursement plus 20% discount) (Table 7). The higher mean for scenario 5 is somewhat surprising because this scenario included low level of expertness. We expected that high expertness would lead to increased intentions but the descriptive statistics for that scenario seemed to indicate that this was not the case.

Table 9 also shows descriptive statistics for brand image. The scenarios that produced the highest means were also scenario 3 (M=4.50, sd=.99), scenario 1 (M=4.43, sd=1.10), and scenario 5 (M=4.37, sd=1.22). This order is somewhat more consistent with our hypotheses. Indeed, it was postulated that higher levels of expertness would lead to higher scores in term of brand image.

Nevertheless, scenario 5 still had one of the highest means in term of brand image. Scenario 8 (low expertness/ crewmember/ 20% discount) had the lowest mean for both brand image and intention. This result was consistent with the hypothesis that lower levels of expertise would lead to lower scores in terms of both brand image and intentions.

 Further, the result is also consistent with the hypothesis that accidents started by a crewmember would have a more negative impact on brand image and intentions than the one started by a passenger. None of the conditions that had a 20% discount for recovery received the highest mean score for intentions and brand image. This suggests that the 20% condition was likely to lead to lower scores in term of brand image and intentions.

Manipulation Checks

Three questions served as our manipulation check to test whether participants had read and understood the scenarios (**Table 10**). A total of 97% of participants correctly answered when they were asked "How many cruises had the person telling the story been on?" This question served as our manipulation check for expertise. The manipulation check for blame asked participants "Who started the fire?" The percentage of correct answers for that question was also 97%. Lastly, the manipulation check for recovery asked respondents, "What action did ABC Cruise Line take to compensate the person telling the story?" This manipulation check recoded the highest percentage, with 98% of participants answering correctly on this item. Overall, the manipulation checks suggested that the scenarios were understood by participants.

Table 10 Manipulation Checks

	Correct		Incorrect	
	N	%	N	%
Expertise	206	97	7	3
Blame	207	97	6	3
Recovery	208	98	5	2

Hypotheses Test

Test of Assumptions

Tests of assumptions were conducted to determine if two way ANOVAs would

be appropriate for hypothesis testing. Use of Qualtrics for presentation of scenarios to

the individual research participants made it very unlikely that response of one individual

influenced response of others. Thus, the assumptions of independence were met. The

data set was also checked for outliers. The maximum and minimum values for each item

were observed. No outliers were detected. For intention, the highest and lowest standard

scores were 2.43 and -1.29. For brand image, the highest z score was 2.60 and the

lowest was -2.08.Levine's test was used to test for the assumption of homogeneity of the

variance for both intentions and brand image. For intentions, the $F_{(7,202)}$ ratio was 2.06

with a p-value of 0.05. For brand image, the $F_{(7, 203)}$ ratio was 1.06, p=.39. Both

results are not significant (p>.05). The null hypothesis of homogeneity of variance was

retained. Thus, the use of two way ANOVAs was justified.

Analysis of the Variance

Brand Image

A two way, between subjects ANOVA was used to measure the effects that

expertise, blame, recovery, and interactions among those had on brand image (**Table**

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11). The three way interaction was not significant, nor was the two factor interaction involving expertise and recovery.

A significant main effect for recovery was found (F (1,7) =32.30, p< .001, η^2= .14). Scores on brand image were higher when ABC Cruise Line offered full reimbursement and a 20% discount on a future cruise (M= 4.18, sd=1.26) than when it only offered a 20% discount on a future cruise (M=3.31, sd=1.09). Hypothesis 5 stated that brand image would be higher when the cruise line fully reimbursed the storyteller and offered a discount on a future cruise than when the cruise line simply offered a discount on a future cruise. Thus, Hypothesis 5 was supported.

Table 11 Univariate Analysis of the Variance for Brand Image

| Brand Image	SS	df	MS	*F*	*P*	η2
Expertise (E)	2.94	1	2.94	2.30	.131	.01
Blame (B)	10.15	1	10.15	7.94	.005	.04
Recovery (R)	41.30	1	41.30	32.30	.000*	.14
E*B	9.94	1	9.94	7.77	.006**	.04
E*R	4.42	1	4.42	3.45	.065	.02
B*R	.08	1	.08	.06	.802	.00
E*B*R	.07	1	.07	.06	.812	.00
Error	662.02	202				

Note: Levine's Test F (7,202)= 2.06, p=.05
* significant at p<0.001
**significant at p<0.05

The two factor interaction of expertise and blame was also significant F (1, 7) =7.77, p=.006, η^2 =.04. The interaction effect was plotted in **Figure 3.** Brand image was substantially higher when the storyteller had low expertise and the passenger started the fire (M= 4.07, sd=.15) than when the story teller had low expertise and the fire was

started by a crew member (*M*= 3.21, sd= .13). Hypothesis 7 stated that in terms of brand image, there would be an interaction between type of expertise and type of blame. Thus, hypothesis 7 was supported.

Figure 3 Interactions between Blame and Expertise for Brand Image
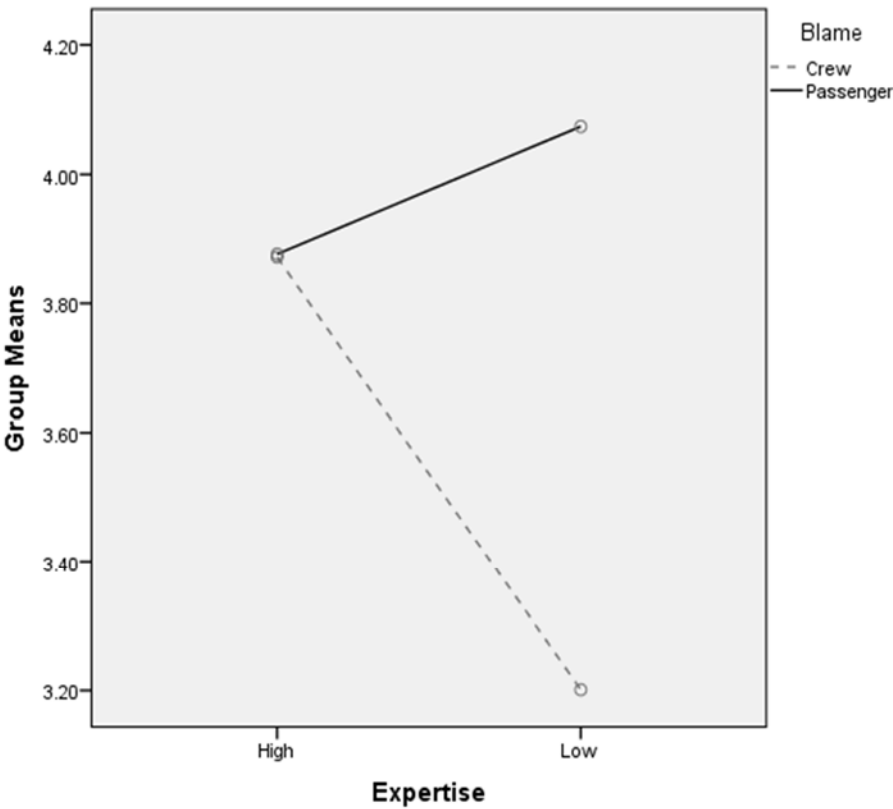
The two-way interaction effect between type of blame and type of service recovery was not significant $F (1, 7)$=.06, p=.80, η^2< .01 (p>.05). Hypothesis 13 stated

that in terms of brand image, there would be an interaction between types of blame and types of service recovery. Therefore, Hypothesis 13 was not supported

Intentions

A univariate analysis of the variance was also used to test hypotheses about the effects of expertise, blame, recovery and their interactions on intentions. Results are presented in **Table 12**. The three way interaction was not significant (p>.05), nor was the two factor interaction involving expertise and recovery (p>.05). The two-way interaction between expertise and blame was significant ($F=12.60$, $p<.001$, $\eta^2=.06$). The main effect of recovery was also found to be significant ($F=39.16$, $p<.001$, $\eta^2=.16$).

Table 12 Univariate Analysis of the Variance for Intentions

| Intentions	SS	df	Ms	F	P	η2
Expertise (E)	.17	1	.17	.05	.823	.00
Blame (B)	14.44	1	14.44	4.41	.037	.02
Recovery (R)	128.34	1	128.34	39.16	.000*	.16
E*B	41.28	1	41.28	12.60	.000*	.06
E*R	.45	1	.45	.14	.713	.00
B*R	1.47	1	1.47	.45	.504	.00
E*B*R	.02	1	.02	.01	.939	.00

Note: Levine's Test F (7,203)= 1.06, p=.39
* significant at p<0.001

Group means were plotted to facilitate interpretation of the blame by expertise interaction. The interaction effect was plotted in **Figure 4**. The mean for intentions was

much higher when the storyteller had low expertise and a passenger started the fire (*M*=4.28, *SD*=.1.94) than when the story teller had low expertise and a crew member started the fire (*M*= 2.90, *SD*=1.89). The difference between these two means was 1.38 units. Only .36 units separated the scores of the high expertise, crew group (*M*=3.81, *SD* = 1.86) and the high expertise, passenger group (*M*=3.45, *SD* = 2.15). Hypothesis 10 stated that in terms of intentions, there would be an interaction between types of expertise and types of blame. Thus, Hypothesis was 10 supported.

Figure 4: Interaction between Blame and Expertise for Intentions
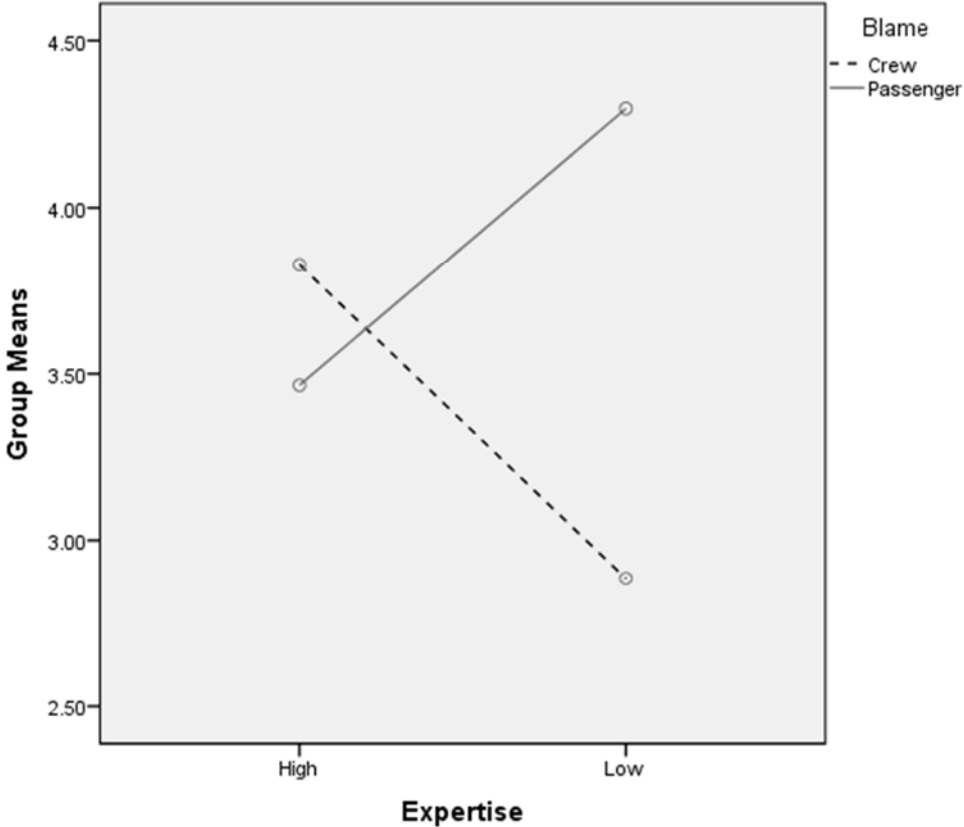
The main effect of recovery was evaluated by examining the marginal means. The scores on intentions were higher when ABC Cruise Line offered full reimbursement and a 20% discount on a future cruise (*M*= 4.38, *SD*=1.71) than when it only offered a 20% discount on a future cruise (*M*=2.83, *SD*=1.71). Hypothesis 6 stated that intentions would be higher when the cruise line fully reimbursed the story teller and offered a discount on a future cruise than when the cruise line simply offered a discount on a future cruise. Thus, Hypothesis 6 was supported.

Conclusion

Table 13: Resume of Decision Taken for Each Hypothesis

Results	Hypotheses
Rejected	H1: Participants will have more positive image of ABC Cruise Line when the communicator has taken eleven cruises with seven cruise lines than when the communicator is a first time cruiser
Rejected	H2: Participants will have higher purchase intentions when the communicator has taken eleven cruises with seven cruise lines than when the communicator is a first time cruiser
Supported	H3: Participants will have more positive image of ABC Cruise Line when the passenger started the fire than when the crewmember started the fire.
Supported	H4: Participants will have higher purchase intentions when the passenger started the fire than when the crewmember started the fire.
Supported	H5: Participants will have more positive image of ABC Cruise Line when the cruise line fully reimburses the storyteller and offer a 20 % discount on future cruise than when the cruise line simply offers a 20 % discount on a future cruise..
Supported	H6: Participants will have higher purchase intentions when the cruise line fully reimburses the storyteller and offers a 20% discount on future cruise than when the cruise line simply offers a 20 % discount on a future cruise.
Supported	H7: In terms of brand image, there will be an interaction between types of expertise and types of blame
Rejected	H8: In terms of brand image, there will be an interaction between types of expertise and types of service recovery

Table 13: Continued

Results	Hypotheses
Rejection	H9: In terms of brand image, there will be an interaction between types of blame and types of service recovery
Supported	H10: In terms of intentions, there will be an interaction between types of expertise and types of blame
Rejected	H11: In terms of intentions, there will be an interaction between types of expertise and types of service recovery
Rejected	H12: In terms of intentions, there will be an interaction between types of blame and types of service recovery
Rejected	H13: In terms of intentions, there will be an interaction between types of expertise, types of blame, and types of service recovery.
Rejected	H14: In terms of intentions, there will be an interaction between types of expertise, types of blame, and types of service recovery.

Results of the hypothesis tests are presented in **Table 13**. Because the conservative approach to analysis of variance was used (omnibus F tests), three main effects; three two-factor interactions; and one three-factor interaction was tested for each of the two dependent variables. In reviewing those results, it is important to recall that the main effects of blame (H3 and H4) were not interpreted directly, but rather in the context of the interaction with expertise.

CHAPTER IV

CONCLUSIONS AND IMPLICATIONS

Review of the Findings

In the present experiment, we hypothesized that the storyteller who had taken eleven cruises with seven different cruise lines would be perceived as having more expertise than the storyteller who took a cruise for the first time. It was also hypothesized that participants would be able to discern who started the fire (i.e.; crewmember or passenger), as well as the type of service recovery the storyteller received (i.e.; 20 % discount or full reimbursement and 20% discount). The strength of these manipulations were confirmed. Thus, the experiment demonstrated strong independent effects. This could have implication for tourism firms that would like to know of to test the efficiency of the service recovery.

In terms of interactions, our hypothesis was that there would be a three -level interaction between expertise, blame and recovery in terms of both brand image and intentions. We failed to reject the null for this hypothesis because we did not find three way interactions between blame, recovery, expertise, and how participants scored ABC Cruise Line in terms of brand image and intentions.

The other set of hypothesis concerned two-level interactions. It was postulated that there would be a two level-interaction for expertise and blame, expertise and recovery, as well as blame and recovery. A significant two level interaction was found

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for expertise and blame in terms of both brand image and intentions. The other two interactions were not significant (p>.05).

Theoretical Implications

The present study expands the current tourism literature by exploring the effect expertise has on service recovery within the context of a cruise industry. The statistical analyses suggested that expertise did not have a significant main effect on both brand image and intentions. Similarly, Till and Bustler (2000) found that expertise did not directly influence purchase intentions. In an experiment on communicators' expertise, Petty, Cacioppo & Goldman, (1981) found that participants, who had a high level of involvement, were more likely to be focus on the quality of the arguments used by a communicator, and less involved participants, tended to make quicker decisions based on expertise. Since travel purchase is considered to be high involvement it would make sense that expertise is less likely to trigger purchase intentions and higher brand image. The current study expands on Petty, Cacioppo & Goldman (1981) by confirming that similar results could be found within the setting of the cruise industry.

Conversely, the main effect for recovery was significant (p<.05) in terms of both brand image and intentions. Participants expressed higher purchase intentions and more positive brand image toward ABC Cruise line when the passenger was offered full reimbursement plus a discount on future cruise than just a 20% discount of a future cruise. This finding is consistent with other studies that focused on recovery within the

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hotels, restaurants and airlines industries (Kim, Kim & Kim, 2009; Mattila & Cho, 2011; Wang, Wu, Lin & Wang, 2011). In an experimental design set in the restaurant industry, Wirtz and Mattila (2004) found that the absence of discounts did not have a significant impact on purchase intent and brand image. However, their study did not include full reimbursement as one of the level for service recovery. Therefore, the present study expands on previous research by including full reimbursement within an experimental design.

Similarly, there was a main effect for blame in terms of both intentions and brand image. Participants were more likely to have lower intentions and brand image when the crewmember was responsible for the fire than when the passenger started the fire. This suggests that participants were less likely to blame ABC Cruise Line when it was not directly to blame for the accident (i.e.; a passenger deliberately broke the rules). This result reinforces findings from previous studies on crisis communication, which have found that firms are less likely to be blamed when a crisis perceived to be external (Wagner, Hennig-Thurau, & Rudolph, 2009).

Further, the interaction between levels of expertise and types of recovery was not significant ($p > .05$) for both brand image and intentions. Previous studies have also found that the expertise of a spokesperson might not be sufficient to recover after a severe crisis (Muralidharan, Dillistone & Shin, 2011; Wangenheim & Bayón, 2004). Muralidharan, Dillistone & Shin (2011) suggested that BP service recovery after the Gulf Oil spill failed because the message was not deemed to be sincere.

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Similarly, Wangenheim & Bayón (2004) suggested the effectiveness of an expert spokesperson is likely to be influenced by the perceived risks associated with the purchase. Wangenheim & Bayón (2004) also found that when customers feel like a purchase was associated with psychological risk, as can be the case after a severe crisis, they were less likely to be convinced by the expertness of a spokesperson. Thus, having a combination of an expert spokesperson and a significant monetary recovery might not be sufficient when customers estimate that the risks are too high.

Additionally, the present study suggests that the interaction between blame and recovery was not significant (p>.05) in terms of brand image and intentions. Similarly, Wirtz and Mattila (2004) found that monetary compensation was not necessarily perceived as a sufficient recovery by patrons. Further, Mattila & Cho (2011) suggested that patrons might also attach an emotional value to a service failure, which cannot simply be recovered with discounts. They also recommended that patrons are more likely to react more favorably to upgrades than discounts when the service failure is attributed to a staff member.

Oppositely, there was a significant interaction between the storytellers' expertise and blame attribution – in terms of both intentions and brand image. This suggests that an expert spokesperson was likely to act as a buffer from negative brand image and decreased purchase intent. In the scenarios with high expertise, ABC cruise line did not record any significant change in terms of brand image and intentions depending on whether a crewmember or passenger started the fire. This suggests that the expertise of

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the spokesperson was alone sufficient to detour the participants' attention from attributing blame.

However, passengers were less likely to be convinced when the spokesperson had low expertise. This lack of expertise was correlated with a change in blame attribution. ABC Cruise Line was likely to suffer from negative brand image and low intentions scores when a crewmember started the fire. However, participants attributed higher scores on the intentions and brand image scale when a passenger started the fire. This suggests that customers are more likely to focus on who is to blame if the spokesperson is not an expert. Participants were more likely to blame ABC Cruise Line when the accident was due to internal failure (i.e.; when a crewmember broke the non-smoking rule).

This is finding is consistent with past literature on service recovery and blame attribution (Petrick, Tonner, and Quinn, 2006; Jackson, White, and Schmierer, 1996). Petrick, Tonner, and Quinn (2006) found that cruisers were less forgiving of negative accidents when the cruise line was directly responsible for failures (e.g.; poor service delivery, accidents involving crew and food) . Oppositely, passengers were more tolerant with service failures when the cruise lines did not have a direct control on the issues. For example, passengers who had a negative trekking experience during ports of call because of bad weather are less likely to blame the cruise line.

Lastly, the three levels interaction between expertise, blame, and recovery was not significant (p>.05)-for both brand image and intentions. A possible explanations is that customers evaluate recovery messages through different lenses (Walters & Mair,

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2012; Armstrong & Ritchie, 2008). Walters & Mair (2012) found that recovery messages that focus on monetary aspects are more likely to be effective when the travelers focus on the logical aspect of purchasing a vacation (e.g.; savings, more bang for your bucks and upgrades). They found that when travelers focused on emotions, they were more likely to be convinced by recovery messages that focused on positive and exciting descriptions of the activities offered at the destination. Armstrong & Ritchie (2008) further suggested that recovery messages are more likely to be successful in improving the travelers' perception of destination if they also emphasize trust and honesty.

Managerial Implications

The lack of main effect for expertise suggests that advertisements focusing solely on expertise might not be sufficient to change cruisers brand image and intentions. However, the interaction between expertise and blame suggests that knowledgeable experts lessen the attribution of blame. Findings also suggest that participants were less likely to distinguish whether the fire was attributable to ABC Cruise Line when the spokesperson was an expert. This buffer effect resulted in the participants being more likely to report an overall positive image of ABC Cruise Line and higher purchase intents. These results also offer insights in terms of crisis management for cruise lines.

Based on these findings, we suggest managers to design promotional material that take into account this interaction between blame and expertness. We also

recommend a dual approach to recovery messages. When the fire was started a by a passenger, participants were less likely to report negative brand image toward ABC cruise line. Based on this finding, we recommend that managers subtly highlight in their communication messages that the cruise line was not directly to blame, and that crewmembers have also complied to safety rules (Ki & Nekmat, 2014). However, it is also important that the cruise line does not appear to be running away from its responsibility as a tourism provider (Ki & Nekmat, 2014). If passengers' cruise experiences have been negatively impacted by a crisis, they are rightfully likely to expect the cruise line to show consideration and genuine empathy (Nikbin et al. 2014).

Based on this dual approach, we also recommend managers to use an expert spokesperson when the cruise line is directly to blame for crises. This strategy would typically work for severe crises that are caused by non-compliances to safety and sanitary measures. As an example, having an expert spokesperson is likely to be useful for a crisis related to food poising because it can often be directly traced to poor enforcements of sanitarily rules by cruise lines. This is similar to that be the crisis faced by Royal Caribbean last year, which suffered from negative brand image after a series of serious cases of food poisoning (Falco & Ford, 2014). To reduce this negative impact on brand equity, it is recommended to use frequent and loyal cruisers as spokespersons. These loyal cruisers are likely to reassure customers by displaying their frequent use of the product, their deep knowledge of cruising, and their diversity of experiences with multiples cruise lines and cruise ships (Hyan Yoo & Grezel, 2008; Mack Blose & Pan, 2008). Lastly, advertisements featuring fellow cruisers are also likely to inspire trust

since travelers will be more likely to identify with a fellow cruiser (Jiang, Hoegg, Dahl & Chattopadhyad, 2010).

Another recommendation is that cruise management specifically target segments that are very receptive to the argument of expertise during blame attribution. The present study suggests that college students are sensitive to the argument of expertise during blame attribution. In other words, the student population adapted its strategies of blame attribution based on the expertise of the communicator. This finding has several managerial implications, especially for cruise lines that want to increase their market share of students segments. Indeed, cruise lines, such as Carnival Cruise Lines, Royal Caribbean International, and Norwegian Cruise Line, have demonstrated a desire to attract college students by designing special packages during Spring Break. For instance, Norwegian Cruise Line is working on designing a new line of cocktails that will appeal to the college students population (Sampson, 2014). Royal Caribbean International's new ship, the Quantum of the Seas, was specifically designed with amenities that specifically appeal to Millenniums (Sampson, 2014). This ship features a climbing wall, wind tunnel, zip line, and roller tracks that are likely sought by active college students (Hobbs, 2014). By focusing on expertise in recovery messages, cruise lines are likely to design advertisements that resonate with the college students' segment. We thus recommend to cruise management to feature expert spokespersons when they are specifically targeting college students after a severe crisis. Thus, cruise lines are likely to gain precious time and effort by knowing how targeted customers react to recovery.

Other studies have also found that certain segments of travelers are more likely to be sensitive to the argument of excellence when attributing blames (Bolton & Mattila, 2014). Bolton & Mattila, (2014) designed an experiment in which a booking failure occurred in large hotel chains. They found that corporate travelers were more lenient toward the hotel chain when recovery messages focused on expertise. This leniency translated into higher purchase intentions than other segments of travelers. Similarly, cruise lines have become particularly interested in the segment of young corporate travelers segments because it is a fast growing and profitable segment (Cruise Market Watch, 2011). Thus, we also recommend to cruise management to further conduct market analyses in order to explore if other segments (e.g.; young corporate travelers) are particularly sensitive to the expertise argument when attributing blame.

The presence of main effects for blame and recovery suggests these elements can be pursued by marketers after a crisis. Our findings suggest that participants attributed lower scores on brand image and purchase intentions when the crewmember started the fire than when the passenger started the fire. This implies that participants are more likely to punish ABC cruise line when one of its staff is directly responsible for a crisis. Based on this finding, we recommend that managers adapt their communication strategy based on whether the crisis is the resultant of an internal fault (e.g.; crewmember breaking the rules) or an external fault (e.g.; passenger breaking the rules). They should thus ensure that attribution of blame is placed on external, instead of internal causes.

Yet, previous research has suggested that providers should take full responsibility for a crisis when their firms are to blame for the crisis (Grundy & Moxon, 2013). Further

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research is also needed in order to determine if timing could have an impact on how customers react to spokespersons' expertise during blame attribution. For example, Grundy & Moxon (2013) recommended airlines to promptly react after a crisis by issuing a statement to the press and social media. Other recommendations included swiftly answering concerns of the customers and clearly detailing the steps to getting a reimbursement (Ki & Nekmat, 2014).

In terms of main effects, our findings also indicate that participants had a more positive brand image toward ABC cruise line when the storyteller was offered full reimbursement plus a 20% discount rather than just the 20% discount. Similarly, Nikbin et al (2014). suggested that offering tangible recovery was crucial after a severe failure in the airline industry. Further, they recommended providing the highest financial incentives possible to customers. Indeed, the cost of a damaged brand image and decreased booking numbers can quickly be overpassed by the cost of fully reimbursing the wronged cruisers (Michelson, 2014). Our study also revealed that cruisers are likely to prefer cruise lines that go the extra mile and offer to fully reimburse their passengers. Thus, we recommend managers to offer full refunds as well as discounts on a future cruise because as it may save them money in the long run after a severe crisis, and will also likely aid in maintaining their reputation.

However, there was no significant two-level interaction between expertise and recovery – for both brand image and intentions. Similarly, there was no significant two-level interaction between blame and recovery - in terms of both brand image and intentions. This suggests that these factors' effectiveness might be somewhat limited.

What the cruisers considered to be a fair recovery is likely to fluctuate based how much they estimate the cruise line to be responsible for the crisis (Duffin, Mendick, & Squires, 2012). Based on these findings, we recommend that managers be cautious about recovery messages that mainly focus on discounts without taking into account the cruise line's degree of responsibility during a severe crisis.

For example, the Costa Concordia crisis suggests that offering a discount might not be sufficient when the cruise line is considered to be directly to blame for the crisis. In a case study about the Costa Concordia, Giziakis & Bountri (2013) explained that Costa was highly criticized for its service recovery. Indeed, a representative from Costa stated that only a small portion of the survivors will be reimbursed (i.e.; based on the severity of the prejudice received) (Duffin, Mendick, & Squires, 2012). The totality of the passengers was only offered a thirty percent rebate on their next Costa's cruise (Duffin, Mendick, & Squires, 2012). This announcement led to a general outcry that pushed Costa to change strategies by offering eleven thousand dollars to each passenger of the Costa Concordia (Silverstein, 2012). Hence, discounts and refunds might not necessarily be enough to outweigh the negative emotions felts by customers after a severe crisis (Mattila, 2004).

Lastly, our study indicates that the three-way interactions between blame, expertise, and recovery were not significant for both brand image and purchase intent. This suggests that other factors might come into play during the evaluation of service recovery. We recommend further exploratory study to better understands what factors could influence the levels of blame, expertise, and recovery.

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Limitations of the Study

The studies' limitations include: the use of college students as the main population of interest, severity of crises, and demographic specificities.

A limitation of using severe crises scenarios is that it can be more difficult for the participants to identify with the described travel experiences because they are too dramatic (Dabholkar & Bagozzi, 2002). Further, the present study used a fictitious crisis that took place in a fictitious cruise line. The used a fictitious scenario is likely to limit the ecological validity of the study. In an actual crisis, like the capsizing of the Costa Concordia, the feelings of potential customers are likely to be heightened (Volo and Pardew, 2013). Seeing catastrophic images and hearing real-life accounts from the survivors are likely to have a strong emotional impact on people that can difficult to transpose into a laboratory experiment (Coombs & Holladay, 1996; Matlin, 2013). In the scenarios used in the present experiment, none of the passengers died. Thus, it is possible that the results would differ if the scenarios included death of passengers.

Another limitation is that the population of interest was only comprised of college students. Although certain cruise lines are looking into targeting the growing segment of college students, this segment is still a niche and represents less sales than other more mature segments (e.g.; families, people over 40 years old, and retirees). Thus, cruise lines are also likely to be interested in measuring how other segments react to recovery messages. As a solution, cluster analysis could be used to test the effectiveness

of different recovery messages among several target markets. This will allow cruise lines to adapt their recovery messages to the specificity of each segment.

Additionally the present study only investigated cruisers' reactions to distributive justice (e.g.; refund, discount, and rebate). Other factors such as interactional justice (e.g.; apology, genuine care, customers' opportunity to voice complaint) and procedural justice (e.g.; fairness of rules for refunds and ease of procedures for complaints) could also have an impact on service recovery (Choi & Choi, 2014; Goodwin & Ross, 1992; Martínez-Tur, Peiró, Ramos & Moliner, 2006). Further studies are needed in order to measure which types of justice are the most effective within the cruise industry context. Further, studies could experimentally test which combination of justices has the most impact on brand image and purchase intentions.

Lastly, the present study did not explore how demographic characteristics influence the participants' perceptions of service recovery. In a recent study, Martin & Vincent (2014) found that cruisers were likely to react differently to advertising messages based on their past experiences. Experienced cruisers reacted more positively to travel testimonies from both an inexperienced spokesperson (i.e.; first time cruisers) and expert spokesperson (i.e.; twenty-five years of cruising experience). Surprisingly, the experienced cruisers had higher purchase intentions after reading testimonies from both experienced and inexperienced spokespersons. Martin & Vincent (2014) suggested that experienced cruisers were impacted by the message of the inexperienced spokesperson because it reminded them of their own first time abroad a cruise ship. The

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number of cruises taken by the customers is thus likely to influence how they perceive advertisements.

In conclusion, future research is needed to further explore how emotions can impact the perception of recovery messages. Results are likely to vary based on the broad variety of segments that are targeted by cruise lines.

Recommendations for Future Research

Past studies have focused on how the customers' level of knowledge about a product can influence their perception of advertisements (Martin & Vincent, 2014; Ariaei Monfared, 2015). Martin & Vincent (2014) found that experienced cruisers were more receptive to advertising messages regardless of the expertise of the spokesperson. However, few studies have explored how customers' knowledge of cruising influences their perceptions of recovery messages after a severe crisis. Thus, future studies could explore what market segment market is likely to be the most receptive to recovery messages. For example, studies could investigate whether cruise lines should focus on loyal customers or if they should target first time cruisers after a crisis.

The factor of expertness could also be further investigated. In the present study, the expert cruiser was defined by the number of cruises taken and the number of cruise lines tested. Future study could investigate what are the most effective factors to define expertness. For instance, studies could include several conditions to test each characteristics of the expert spokesperson to measure which one has the most positive

impact on customers after a crisis. Examples of characteristics of expertise could include member status (e.g.; loyalty status), number of destinations visited, diversity of destinations (e.g.; Caribbean, Northern Europe, Mediterranean region), and number of cruises taken. This type of information is likely to be useful to cruise lines because it would allow them to feature strong expert spokespersons in their advertisements after a crisis.

While effective recovery messages can help mitigate the damages to brand image and intentions, cruise lines should still focus on reducing the risk of service failures. In a recent study, Karatepe & Vatankhah (2015) suggested that studies about service recovery should also focus, not only on the customers' perceptions of service recovery, but also on how tourism businesses could empower their employees to reduce the occurrence of service failures. For example, crewmembers in the airline industry are exposed to high level of work related fatigues (e.g.; jet lag and uncomfortable surroundings) which might lead to decreased service recovery because crewmembers may react more rudely to customers complaints (Karatepe & Vatankhah, 2015).

Similarly, crewmembers are exposed to stress aboard cruise ships (Matuszewski and Blenkinsopp, 2011). Matuszewski and Blenkinsopp (2011) suggested that cruise ships are unusual work environment because crewmembers live at their workplace and spend extended time away from their home. Matuszewski and Blenkinsopp (2011) also found that new employees might sometimes suffer from a feeling of isolation. The perception of crewmembers is extremely significant since many are on the front line and interact daily with customers. Yet few studies have explored how crewmembers'

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perceptions impact service recovery. Future research might be needed in order to

measure how crewmembers' actions impact passengers' perceptions of a crisis.

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APPENDIX A

SCENARIOS

SCENARIO: 1

Communicator*:* High expertise: 15 cruises on different ships and with 7 different cruise lines
Crisis: Fire started by a passenger
Recovery: Full reimbursement plus 20% discount
Please pay special attention to the bolded sentences:
*"*Howdy! I took a cruise with the ABC Cruise Line last Spring Break. I traveled with three of my best friends. **I have already taken fifteen cruises on different ships and with seven different cruise lines**. We decided to go in the Caribbean because we wanted to enjoy the sun and to go snorkeling in the beautiful waters of the Caribbean. One of my friends had seen an ad in a travel magazine in which ABC Cruise Line was offering a seven-day package in the Western Caribbean at a reasonable price. We decided to order a brochure to get more information about the destinations offered in the package.

*T*he brochure we received was full of sunshine filled pictures depicting people enjoying the beach, drinking coconuts, and snorkeling above coral reefs. The destinations included in this package were Honduras, Belize, and Mexico. We got very excited and decided to book this cruise because we saw that the package also included a snorkeling excursion at Belize's renowned barrier reef.

The first three days on the cruise went well. We spent a lot of time hanging out by the pool, going to the shows, the fitness center, and the SPA. The weather was beautiful and we were looking forward to our snorkeling excursion.

But unfortunately we never got to see Belize. On the third day of the cruise, I noticed that the temperature in my room was really hot. At first, I thought that my air-conditioning was broken and I called the front desk hoping that they would send someone in to fix the problem. However, the front desk agent informed me on the phone that a small fire had occurred in the engine room last night that resulted in a large power failure. I was also told that they were working on the issue and hoped to resolve it as soon as possible*.*

But at the end of the day, the air-conditioning was still not working. The temperature inside the ship had also started to rise. We went on the decks to try to get some fresh air but the decks were crowded. The temperature was reaching the high 90s and the humidity outside also made it hard to feel any relief. But the real problem started on the next day when there was not enough back-up power for the toilet to function. The damages to the electric system were so severe that the ship had to be redirected in emergency to a port in Louisiana.

The staff informed us that the fire started because a passenger smoked in his cabin even though he knew he was breaking the rules*.* However, the staff onboard were extremely helpful. They provided us with water bottles and seemed to genuinely care for the passengers. But I was glad when we finally reached the U.S. and I got to get off the *ship!*

The ABC Cruise Line offered to fully reimburse the cruise for all of us and even offered us a 20 % reduction on a future cruise

Communicator*:* High expertise: 15 cruises on different ships and with 7 different cruise lines
Crisis: Fire started by a passenger
Recovery: 20 % discount
Please pay special attention to the bolded sentences:
"Howdy! I took a cruise with the ABC Cruise Line last Spring Break. I traveled with three of my best friends. **I have already taken fifteen cruises on different ships and with seven different cruise lines**. We decided to go in the Caribbean because we wanted to enjoy the sun and to go snorkeling in the beautiful waters of the Caribbean. One of my friends had seen an ad in a travel magazine in which ABC Cruise Line was offering a seven-day package in the Western Caribbean at a reasonable price. We decided to order a brochure to get more information about the destinations offered in the package.

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The staff informed us that the fire started because a passenger smoked in his cabin even though he knew he was breaking the rules. However, the staff onboard were extremely helpful. They provided us with water bottles and seemed to genuinely care for the passengers. But I was glad when we finally reached the U.S. and I got to get off the *ship!*

The ABC Cruise Line offered us a 20% reduction on a future cruise

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Communicator*:* High expertise: 15 cruises on different ships and with 7 different cruise lines
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Communicator*:* Low expertise: first cruise
Crisis: Fire started by a passenger
Recovery: Full reimbursement plus 20% discount
Please pay special attention to the bolded sentences:

"Howdy! I took a cruise with the ABC Cruise Line last Spring Break. I traveled with three of my best friends. **This was the first cruise I ever took.** We decided to go in the Caribbean because we wanted to enjoy the sun and to go snorkeling in the beautiful waters of the Caribbean. One of my friends had seen an ad in a travel magazine in which ABC Cruise Line was offering a seven-day package in the Western Caribbean at a reasonable price. We decided to order a brochure to get more information about the destinations offered in the package.

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<center>**SCENARIO: 6**</center>

Communicator*:* Low expertise: first cruise
Crisis: Fire started by a passenger
Recovery: 20 % discount
Please pay special attention to the bolded sentences:

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<center>145</center>

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APPENDIX B

SURVEY

Information Sheet

You are invited to take part in a research study being conducted by Dr. James Petrick and Ms. Joelle Soulard, researchers from Texas A&M University**.** The information in this form is provided to help you decide whether or not to take part. If you decide you do not want to participate, there will be no penalty to you, and you will not lose any benefits you normally would have.

Why Is This Study Being Done?
The purpose of this study is to measure the effectiveness of recovery messages in the context of the cruise industry.

Why Am I Being Asked To Be In This Study?
You are being asked to be in this study because your are a student enrolled in an RPTS undergraduate course. No participants will be excluded on the basis specific populations or individuals based on gender, culture, language, economics, race, or ethnicity.

How Many People Will Be Asked To Be In This Study?
Four hundred participants will be invited to participate in this study via online survey.

What Are the Alternatives to being in this study?
The alternative to being in the study is not to participate.

What Will I Be Asked To Do In This Study?
You will be asked to first listen to an audio message and then to answer survey questions about the message that you just heard. All the questions will be answered online. Your participation in this study will last up to 15 minutes.

Are There Any Risks To Me?
The things that you will be doing are no more risks than you would come across in everyday life.

Will There Be Any Costs To Me?

Aside from your time, there are no costs for taking part in the study.

Will I Be Paid To Be In This Study?

You will not be paid for being in this study but you will have the opportunity to enter a drawing for a $50 gift card. Disbursement will occur within three week of the end of data collection.

Will Information From This Study Be Kept Private?

The records of this study will be kept private. No identifiers linking you to this study will be included in any sort of report that might be published. Research records will be stored securely and only Dr. James Petrick and Ms. Joelle Soulard will have access to the records.

Information about you will be stored in computer files protected with a password.

Who may I Contact for More Information?

You may contact the Principal Investigator, Dr. James Petrick, to tell him about a concern or complaint about this research at (979) 845-8806 or jpetrick@tamu.edu. You may also contact, Ms, Joelle Soulard at (832) 603-2467 or joelle.soulard@gmail.com

For questions about your rights as a research participant; or if you have questions, complaints, or concerns about the research, you may call the Texas A&M University Human Subjects Protection Program office at (979) 458-4067 or irb@tamu.edu.

What if I Change My Mind About Participating?

This research is on voluntary and you have the choice whether or not to be in this research study. You may decide to not begin or to stop participating at any time. If you choose not to be in this study or stop being in the study, there will be no effect on your student status, medical care, employment, evaluation, relationship with Texas A&M University, etc.

By completing the survey(s), you are giving permission for the investigator to use your information for research purposes.

Thank you.

Dr. Petrick and Ms. Joelle Soulard

Survey Item

How many cruises had the person telling the story been on?

☐ 15
☐ 1

Who started the fire?

☐ Passenger
☐ Crewmember

What action did ABC Cruise Line take to compensate the person telling the story?

☐ Full reimbursement and 20% discount on a future cruise
☐ 20% discount on a future cruise

Please indicate how you feel about ABC Cruise Line:

	1	2	3	4	5	6	7	
Not interested	○	○	○	○	○	○	○	Interested
Pessimistic	○	○	○	○	○	○	○	Optimistic
Unpleasurable	○	○	○	○	○	○	○	Pleasurable
Meaningless	○	○	○	○	○	○	○	Meaningful
Worthless	○	○	○	○	○	○	○	Valuable
Disgusted	○	○	○	○	○	○	○	Delighted
Unsuccessful	○	○	○	○	○	○	○	Successful
Unimportant	○	○	○	○	○	○	○	Important
Repelling	○	○	○	○	○	○	○	Attractive
Distressing	○	○	○	○	○	○	○	Relaxing
Gloomy	○	○	○	○	○	○	○	Exciting
Unpleasant	○	○	○	○	○	○	○	Pleasant
Negative	○	○	○	○	○	○	○	Positive
Incomplete	○	○	○	○	○	○	○	Complete

If you were to purchase a cruise, the probability that the vacation would be with ABC Cruise Line is:

Very Low   Very High

1	2	3	4	5	6	7	8	9
○	○	○	○	○	○	○	○	○

The likelihood that you would consider purchasing an ABC cruise is:

Very Low   Very High

1	2	3	4	5	6	7	8	9
○	○	○	○	○	○	○	○	○

How many cruises have you taken in your lifetime?

[_____]   Cruise(s)