Factors Influencing Consumer Forgiveness

A comparative study of two generational cohorts in a Swedish cultural context
Abstract

Purpose - Forgiveness is a well-established research area within psychology, however, forgiveness is relatively unexplored in a business context. Thus, this paper aims to explore what factors influence consumers in Baby Boomers and Generation Y to forgive a company after a service failure in a Swedish cultural context. Furthermore, this study aims to identify whether there are similarities and differences between what factors influence the generational cohorts when forgiving a company.

Methodology - The nature of this paper is exploratory and follows an interpretivism philosophy. A qualitative strategy was used to gather empirical data, which was done through focus groups with participants raised in a Swedish cultural setting from Baby Boomers and Generation Y. This study followed a deductive research approach with inductive influences.

Findings - The findings revealed that history of relationship, social influences, switching cost, word of mouth, brand relationship, the severity of a service failure, service recovery strategies and the market structure are factors that influence consumers in both Baby Boomers and Generation Y to forgive a company after a service failure. Furthermore, the results indicate that Baby Boomers and Generation Y are more similar than suggested by previous research, as no significant differences were found in relation to consumer forgiveness. This study also found a relationship between caring treatment, compensation and the severity of a service failure. Thus, this paper suggests that practitioners can use the same strategies following a service failure for both Baby Boomers and Generation Y, as they are influenced by the same factors when reaching forgiveness.

Research limitations and future research - The empirical findings of this paper are limited due to the qualitative research strategy, and should therefore be confirmed by a quantitative study in a Swedish cultural context. In addition, the suggested relationship between caring treatment, compensation, and the severity of a service failure needs to be tested to establish whether the proposed relationship can be generalised across Swedish generational cohorts.
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Introduction

This section presents the background of service failures, forgiveness and generational cohorts. This is followed by research problem, purpose, research questions and delimitations.

1.1 Background

In today’s society, companies operate in highly competitive markets and consumers often have high expectations on services (Yagil & Luria, 2016). Due to this competitiveness, service failures are inevitable and demonstrate a focal challenge for firms (Riaz & Khan, 2016). A service failure occurs when a company offers a service that does not meet the expectations of consumers (Casidy & Shin, 2015), and consequences include reduced consumer satisfaction and loss of customers (Keiningham, Morgeson, Aksoy & Williams, 2014; Wong, Newton & Newton, 2016). In order to restore the consumer relationship after a service failure, companies must understand what influences consumers when deciding whether or not to forgive a company (Tsarenko & Tojib, 2011).

Forgiveness is a phenomenon that is relevant for many types of disciplines. Historically, forgiveness origins from the field of theology and today it also plays an important role in social, philosophy and psychology studies (Tsarenko & Tojib, 2015; Lawler-Row, Scott, Raines, Edlis-Mattiyahou & Moore, 2007). The concept has several definitions, which makes forgiveness difficult to conceptualise (Lawler-Row et al., 2007). However, numerous scholars agree that forgiveness is a process that starts with an active decision to forgive, followed by a gradual release of resentment and a decline in motivation to retaliate (Kurzynski, 1998; Leach, Greer & Gaughf, 2010; Riaz & Khan, 2016; Yagil & Luria, 2016). In a business context, forgiveness can be described as consumer’s deliberate action to pardon a company (Xie & Peng, 2009).

Consumer forgiveness has been investigated by previous scholars in different contexts. For example, Tsarenko and Tojib (2011) propose a transactional model, which includes situational and contingent factors that can either hinder or facilitate consumer forgiveness. Casidy and Shin (2015) also suggest that spreading information i.e. word of mouth affects a company’s reputation and it is therefore valuable for companies to have knowledge about how to manage this in order to be forgiven. Nyffenegger, Krohmer, Hoyer and Malaer (2015) propose that consumers that have a strong relationship with a brand are more likely to forgive a company after a service failure. Additionally, Riaz and Khan (2016) state that if a service failure is more severe, the consumer will experience more negative feelings. Furthermore, Grönroos (2015) and Hazée, Vaerenbergh and Armirotto (2017) propose different service recovery strategies that can be implemented to repair customer satisfaction after a service failure.

In the context of consumer behaviour, the impact of generational cohorts has been the focus in a variety of studies, but is despite this argued to be one of the least understood marketing dynamics (Bruwer, Buller, Saliba and Li, 2014). A generational cohort refers to

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1 In this paper, the terms consumer and customer will be used interchangeably. The reason for this is that the customer is the person who purchases a product or a service, whereas the consumer is the one consuming the product or service and therefore both of them are exposed to service failure.
people born in a specific period of time that has as a result of that experienced the same societal events (Valentine & Powers, 2013; Ting, Cyril de Run & Ling Liew, 2016), and it has been found that values shaped in this period of time remain relatively stable throughout a person’s life (Parment, 2012). Scholars argue that age is an important customer segmentation variable (Ngobo & Devallet-Ezanno, 2010), however, a person’s age does not alone explain the motivation behind a consumer’s behaviour in a given situation (Parment, 2012). It is therefore important to take into account the overall values that are shared throughout a consumer’s generational cohort (Ngobo & Devallet-Ezanno, 2010).

This paper will focus on consumers in the two cohorts known as Baby Boomers and Generation Y due to their proximity in size and purchasing power, as well as their differences in values and behaviour (Parment, 2012; Valentine & Powers, 2013; Gardiner, Grace & King, 2013). Baby Boomers refers to people born between 1946 and 1964, and Generation Y to people born between 1977 and 1994 (Opal & Kunz, 2012; Rahulan, Troynikova, Watsona, Jantab & Senerb 2013; Gardiner et al., 2013; Wuest, Welkey, Mogab & Nicols, 2008). Even though several scholars have conducted research regarding factors that influence forgiveness, the differences in generational cohorts has been overlooked in existing literature. Thus, consumer forgiveness needs to be further investigated in regards to what factors influence generational cohorts when deciding whether or not to forgive a company after a service failure.

1.2 Problem

Forgiveness is a complex phenomenon since it is not always clear why people forgive (Tsarenko & Tojib, 2011; Koutsos, Wertheim, & Kornblum, 2007). Forgiveness is also perceived differently across cultures (Zourrig, Chebat & Toffoli, 2009), which poses a challenge for future research. Lawler-Row et al. (2007) state that it is being argued whether forgiveness is an interpersonal process, which is a process between the one forgiving and the one seeking forgiveness, or if it is an intrapersonal experience, meaning that forgiveness takes place within the individual. This further means that it is important to be aware of how scholars have viewed forgiveness when conducting research (Lawler-Row et al., 2007).

The fact that consumer behaviour differs between generational cohorts proposes a challenge when discussing consumer forgiveness, and recognising these differences is important in order to understand consumer behaviour in different generational cohorts (Wuest et al., 2008). It has for example been stated that Baby Boomers are more loyal than Generation Y (Bednarz Beauchamp & Barnes, 2015; Ngobo & Devallet-Ezanno, 2010) and that Generation Y is more materialistic than other generational cohorts (Valentine & Powers, 2013; Gardiner et al., 2013). However, these characteristics may vary as the societal events that shape the values and behaviours associated with a generational cohort differ depending on the country (Ting et al., 2016). Previous scholars have investigated different factors regarding consumer forgiveness, however, the effect of the consumer’s generational cohort remains unexplored.

Furthermore, the authors acknowledge that differences may exist between individuals from the same generational cohorts due to differences in values and behaviours. However, the aim of this paper is not to investigate specific individuals, but rather to explore the general behaviours that are associated with the two generational cohorts and how it might influence forgiveness after a service failure. Hence, taking the aspect of generational cohorts into account in cases of service failure will contribute with significant information to the literature on consumer forgiveness.
1.3 Purpose

The purpose of this paper is to investigate what factors influence consumers in Baby Boomers and Generation Y to forgive a company after a service failure. This paper will therefore bridge the gap and contribute with new information to existing literature on consumer forgiveness. Research will gain from this as it provides insight into how Baby Boomers and Generation Y reason when deciding whether or not to forgive, which can be beneficial for companies when developing service recovery strategies in order to successfully cope with service failures. Furthermore, this study aims to identify potential similarities and differences between the factors influencing Baby Boomers and Generation Y when forgiving a company. Due to cultural differences concerning forgiveness, this study will be conducted in a Swedish cultural context since there is a lack of research in this area.

1.4 Research questions

To fulfil the purpose of this paper, the following research questions will be answered:

1. What factors influence consumers in Baby Boomers and Generation Y to forgive a company after a service failure?
2. Are there similarities and differences between what factors influence Baby Boomers and Generation Y when forgiving a company?

1.5 Delimitations

As forgiveness is a broad subject, thoroughly looking at it from both a consumer and company perspective would not fit the scope of this paper. Thus, this research explores forgiveness solely from a consumer perspective and hence leaving out the company perspective. Furthermore, this paper focuses on Baby Boomers and Generation Y raised in a Swedish cultural context, since forgiveness is perceived differently across cultures, and since generational cohorts differ depending on the country. However, despite the mentioned delimitations, this study was able to contribute with new and useful information to the existing literature on consumer forgiveness and generational cohorts.

2 Frame of reference

This section introduces the frame of reference and includes current research within the areas of generational cohorts, consumer behaviour, service failure, forgiveness, and factors influencing consumer forgiveness. The section ends with a figure that summarises the frame of reference.
2.1 Generational cohorts

A generational cohort refers to a group of people born within a specific time span that share similar values and behaviours as a result of specific events that occurred as these people were coming of age (Valentine & Powers, 2013; Ting et al., 2016; Ngobo & Devallet-Ezanno, 2010). War, economic changes, and technological advancements are common events that can shape values (Sudbury-Riley, Kohlbacher & Hofmeister, 2015; Parment, 2012). Ting et al. (2016) emphasise that it is not the age or the life stage people are in that affects generational cohorts, but how people were affected by experiences and societal events during their formative years. Furthermore, the values shaped by individuals are also influenced by social norms (Ting et al., 2016).

2.1.1 Baby Boomers

2.1.1.1 Time frame

The literature on Baby Boomers is in conflict regarding what years the people in this cohort are born in. Ting et al. (2013) argue that it is difficult to determine a universal time frame for a generational cohort as countries face different events at different times. This study defines Baby Boomers as individuals born between 1946 and 1964, as this is the most frequently occurring time frame presented in the literature on Baby Boomers (Wuest et al., 2013; Bednarz Beauchamp & Barnes, 2015; Opal & Kunz, 2012; Gardiner et al., 2013; Ngobo & Devallet-Ezanno, 2010).

2.1.1.2 Characteristics

Several scholars agree that Baby Boomers came to age in a post war time where there was economic growth, prosperity and job security (Gardiner et al., 2013; Ngobo & Devallet-Ezanno, 2010), which led to a strong sense of optimism and a need for personal gratification (Andert, 2011). It was a time of travelling and exploring new countries, which led to that Baby Boomers are more travelled than generational cohorts before them and thereby valuing mobility and having high aspirations in life (Parment, 2012).

Gardiner et al. (2013) state that Baby Boomers grew up with traditional values in traditional families meaning that they respect authority and value honesty. From a consumer behaviour perspective, this means that Baby Boomers generally buy brands they know and trust (Gardiner et al., 2013). However, the Baby Boomers was also the first generational cohort to grow up with television and mass media, which weakened their need for traditions and enhanced self-indulgent values (Sudbury-Riley, 2015; Opal & Kunz, 2012). Furthermore, Wuest et al. (2013) state that Baby Boomers have a desire to make their life as easy as possible. Other values associated with Baby Boomers are dedication and loyalty (Gibson, Greenwood & Murphy, 2009). Gibson et al. (2009) further describe Baby Boomers as tech conservatives who are self-absorbed and wary with authority.

Additionally, some scholars describe Baby Boomers as more loyal than other generational cohorts (Bednarz Beauchamp & Barnes, 2015; Gibson et al., 2009), which is in line with the general belief (Patterson, 2007). However, other researchers state that brand loyalty is declining in all cohorts (Reisenwitz & Rajesh, 2007; Ngobo & Devallet-Ezanno, 2010). Furthermore, Reisenwitz and Rajesh (2007) argue that Baby Boomers are experienced buyers and will as a result of this not hesitate to switch brand if a stated brand cannot fulfill their wants and needs.
2.1.2 Generation Y

2.1.2.1 Time frame

The exact birth years that define Generation Y is also a debated topic in the literature, however, scholars generally discuss a time span ranging from early 80’s to mid 90’s (Rahulan et al., 2013; Ngobo & Devallet-Ezanno, 2010; Opal & Kunz, 2012). This paper will use the definitions most frequently occurring in the literature and hence defines Generation Y as individuals born between 1977 and 1994 (Opal & Kunz, 2012; Rahulan et al., 2013; Gardiner et al., 2013; Wuest et al., 2008).

2.1.2.2 Characteristics

Companies have invested greatly in trying to understand the complex behaviour of Generation Y, as they possess great purchasing power (Parment, 2012; Valentine & Powers, 2013; Gardiner et al., 2013). What makes Generation Y differ from other generational cohorts is the fact that they grew up in an age of rapid technological advancement (Rahulan, et al. 2013) and learnt how to use it from an early age (Valentine & Powers, 2013; Opal & Kunz, 2012). As a result of this, they not only turn to family and friends to find information but they complement this by using the internet to make informed decisions (Bilgihan, Peng & Kandampully, 2014).

People in Generation Y are stated to be the most value- and emotion driven cohort (Chuah, Marimuthu, Kandampully & Bilgihan, 2017). Andert (2011) states that some of the core values of Generation Y are informality and diverse global thinking. This means that Generation Y is likely to trust and associate with socially responsible companies (Valentine & Powers, 2013). Other traits that have been associated with Generation Y are trustful, tolerant, and achievement focused (Valentine & Powers, 2013; Andert, 2011).

It has been found that people in Generation Y have a stronger need to express their identity and do this by supporting brands that represent their own values (Valentine & Powers, 2013). As a result of this, Generation Y is argued to be brand loyal (Wuest et al., 2008). However, it has also been stated that Generation Y is generally not a loyal cohort compared to other generational cohorts (Bednarz Beauchamp & Barnes, 2015; Valentine & Powers, 2013; Chuah et al., 2017), which means that they are more likely to change company in case of service failure (Patterson, 2007). Furthermore, Generation Y has been characterised as more materialistic than other generational cohorts (Valentine & Powers, 2013; Gardiner et al., 2013).

2.2 Consumer behaviour

Consumer behaviour is defined as the study of individuals selecting and using products to satisfy their needs (Mothersbaugh & Hawkins, 2016; Schiffman & Kanuk, 2010). In recent decades, changes in society, economy and technology have led to extensive and diverse research on consumer behaviour by previous scholars (Peighambari, Sattari, Kordestani & Oghazi, 2016). It can be concluded that consumer behaviour is a complex concept with many subfields (Mothersbaugh & Hawkins, 2016) and consumer forgiveness is one of them. De-cheng and Li-ying (2013) furthermore state that consumers are social and complex in their nature and this means that their decisions are influenced by social and personality factors. Understanding consumer behaviour allows companies to more accurately target a specific segment and thereby providing better service (Mothersbaugh & Hawkins, 2016; Szmigin & Piacentini, 2015). Schiffman and Kanuk (2010) argue that in today’s society companies must know as much as possible about their consumers and their
behaviour in order to stay in business. For example, it is found that materialism influences consumer behaviour as it makes a consumer spend a disproportionate amount of their resources on obtaining goods (Goldsmith & Clark, 2012).

2.3 Service failure

A service failure occurs when a company cannot meet customers’ expectations and as a result, customers feel dissatisfied and the customer-firm relationship becomes unstable (Sengupta, Balaji & Krishnan, 2015; Tsarenko & Tojib, 2011). Whether the service failure is a result of a system breakdown or an employee mistake, it is important to have a good recovery in order to increase customer satisfaction (Grönroos, 2015). Some individuals will respond to a service failure with revengeful motivation, anger, or avoidance of the offender, whilst others will show their negative feelings towards the service provider. This implies that consumers will behave differently when they encounter service failures (Tsarenko & Tojib, 2012). Furthermore, consumers have high expectations on services and products to be flawless and service failures occur if these expectations are not met (Yagil & Luria, 2016). Thus, service failures represent a crucial challenge for companies since these tend to disrupt the relationship (Tsarenko & Tojib, 2012).

2.4 Forgiveness

Forgiveness is a concept that is important in several disciplines, such as psychology, theology and philosophy. All these disciplines differ in how they define the concept, which makes forgiveness difficult to grasp (Lawler-Row et al., 2007; Xie & Peng, 2009; Tsarenko & Tojib, 2015). Riaz and Khan (2016) state that forgiveness has previously been seen as an interpersonal process, however, they also state that recent research has found that it is more of an intrapersonal experience. The latter illustrates the importance of understanding the factors that influence a consumer when deciding whether or not to forgive. As a result, this study will draw from the psychological meaning of forgiveness. Mccullough, Fincham, and Tsang (2003, pp. 540) define forgiveness as:

“... the set of motivational changes whereby one becomes (a) decreasingly motivated to retaliate against an offending relationship partner; (b) decreasingly motivated to maintain estrangement from the offender; and (c) increasingly motivated by conciliation and goodwill for the offender, despite the offender’s hurtful actions."

This definition is based upon behavioural intentions to decrease revenge, retaliation and increase conciliation (Yagil & Luria, 2016). However, studies have shown that individuals consider forgiveness differently as a result of differences in cultural values and religion (Zourrig et al., 2009). This implies that forgiveness needs to be investigated in a specific culture.

2.4.1 Consumer forgiveness

Previous scholars who have investigated consumer forgiveness have used the definition of forgiveness to understand the phenomenon, rather than defining consumer forgiveness as a separate concept (Yagil & Luria, 2016; Joireman, Grégorie & Tripp, 2016; Riaz & Khan, 2016). Hence, this paper argues that the definition of consumer forgiveness is similar to the definition of forgiveness. Zourrig et al. (2009) describe consumer forgiveness as a process that occurs after a service failure, and it involves letting go of blame and negative emotions. Consumer forgiveness becomes relevant after service failures that arise between a customer and a company (Joireman et al., 2016), and if companies can understand consumer forgiveness, it can assist them in developing actions to restore the relationship
(Yagil & Luria, 2016). Furthermore, Tsarenko and Tojib (2015) view repurchase intentions as a sign of reaching consumer forgiveness. Hence, this paper argues that consumer forgiveness is reached when a consumer repurchases a product at the same company after experiencing a service failure.

2.5 Factors influencing consumer forgiveness

The following section presents factors in the existing literature that could influence consumer forgiveness after a service failure.

2.5.1 Transactional model of consumer forgiveness

![Transactional model of consumer forgiveness](image)

Few studies have been conducted within the topic of consumer forgiveness (Tsarenko & Tojib, 2011), and thus there is a limited amount of theories and models within the field. However, to this date, it can be argued that Tsarenko and Tojib (2011; 2012; 2015) have contributed significantly to the field of consumer forgiveness. Hence, the transactional model by Tsarenko and Tojib (2011) will be used. The model builds on factors that affect consumer behaviour in the event of a service failure and it integrates situational and contingent factors that can either facilitate or hinder consumer forgiveness. This study will use the situational and contingent factors, as these display a significant role in the research of consumer forgiveness. Furthermore, the model also includes five stages (figure 1) that consumers pass through before reaching forgiveness. These stages depend on emotional states that are related to personal characteristics such as beliefs, attitudes, and commitments. However, the model does not present personal characteristics as a factor, but instead as a part of the process (Tsarenko & Tojib, 2011). This study will not incorporate these stages of the process, since the purpose is to examine factors that influence consumer forgiveness and not the process of how people forgive.

2.5.1.1 Situational factors
The situational factors that Tsarenko and Tojib (2011) propose are novelty, outcome uncertainty, and temporal factors. **Novelty** is related to a service incident that a consumer has not previously experienced. Consumers are, however, generally aware of the variety of service failures due to the easy access of new information. Despite having access to such information, a consumer might still feel confused when experiencing the new service incident. **Outcome uncertainty** refers to consumer’s expectations and anticipated results. The higher the degree of outcome uncertainty, the better the consumer will understand the service failure. However, Tsarenko and Tojib (2011) also state that higher levels of uncertainty generates ambiguous outcomes, which can result in negative emotions that are hard to handle. **Temporal factors** are correlated with time and length during which the incident occurs. The length plays an important role in reducing the intensity of a conflict as it allows the consumer to reevaluate their first dissatisfaction.

### 2.5.1.2 Contingent factors

In addition to situational factors, Tsarenko and Tojib (2011) present contingent factors, which include history of relationship, social influences, competitor density, and switching costs. **History of relationship** between a customer and service provider is a key indicator of customer satisfaction. When a service failure occurs, the relationship becomes imbalanced and the customer might recall how previous incidents were handled. The way in which a previous incident was managed affects the likelihood of a customer to stay with the same provider. **Social influences** include elements such as family, reference groups, norms, and culture that impact a person's interaction and experience in all relationships. These factors influence a consumer's attitude in conflict and their behaviour, including consumption and purchasing decisions (Tsarenko & Tojib, 2011). **Competitor density** is related to the fact that consumers compare themselves to each other based on status and received values. These in turn, influence how a consumer evaluates a service provider. When there is a disconfirmation in the relationship, the customer will evaluate the trade-off between the outcome and their input. As a result, complaint behaviour might increase and it is less likely that the relationship will continue. **Switching costs** presents four categories of economics that consumers use to evaluate whether to continue or end the relationships with a provider. The categories include risk perceptions, economic costs of new products, search for substitute products, and transfer and time expenditure. If these are managed properly they may ease consumer forgiveness (Tsarenko & Tojib, 2011).

### 2.5.2 Word of mouth

Word of mouth (WOM) means sharing an evaluation between consumers after a service experience (Casidy & Shin, 2015). Bruwer et al. (2014) state that WOM is seen as a credible source since the person telling the message is impartial in the sense that the person spreading WOM has not experienced the service failure himself. If the expectations of a purchase are unmet, the credibility of a company will decline and results in a loss of consumer trust (Dall’Olmo Riley & De Chernatony, 2000). Thus, WOM has an important role since it can spread both positive and negative publicity (Bruwer et al., 2014). It has been found that negative WOM can be diminished by an effective strategy and it is therefore valuable for companies to have knowledge about how to counter negative publicity in order to reach consumer forgiveness (Casidy & Shin, 2015). For example, improving consumer satisfaction engenders favorable WOM and this enforces a positive image of the company in consumers’ minds (Dall’Olmo Riley & De Chernatony, 2000; Grönroos, 2015).
2.5.3 Brand relationship

It has been found that a consumer-brand relationship can influence customer behaviour in various ways (Zhang, Li, Wang & Wang, 2016). A relationship is likely to be formed when the consumer receives benefits from the brand (Dall’Olmo Riley & De Chernatony, 2000). If a strong relationship is formed, it has been found that consumers are more likely to forgive the brand after experiencing a service failure (Nyffenegger et al., 2015). Previous scholars argue that in order to create a long-lasting relationship between consumers and brands, trust is an important component (Dall’Olmo Riley & De Chernatony, 2000). Xie and Peng (2009) argue that consumer trust decreases after a service failure. They also argue that recovering the company’s image and gaining consumer forgiveness is important in order to repair trust. It is also found that the level of brand loyalty affects consumer forgiveness (Guido & Peluso, 2014) and influences the desire to remain in a long-term relationship with the company (Khan, 2013). Brand loyalty refers to the commitment by a consumer to repeat a purchase of a branded product (Khan, 2013; Guido & Peluso, 2014), however, consumers are not always aware that they are brand loyal (Khan, 2013). Furthermore, Ahluwalia, Unnava & Burnkrant (1999) state that with a strong brand loyalty, consumers are willing to stay loyal to a brand and not switch to a different one in case of a service failure. This in turn influences the willingness of a consumer to forgive a brand (Ahluwalia et al. 1999).

2.5.4 Severity of service failure

The severity of a service failure explains the degree of potential harm and lost benefits that a customer experiences following a service failure (Tsarenko & Tojib, 2012). There is a strong correlation between the severity of a service failure and the discontent experienced by the consumer, which means that the greater the severity of the service failure, the greater will the amount of negative emotions experienced by the consumer be (Tsarenko & Tojib, 2015; Riaz & Khan, 2016). The severity of a service failure can also influence which type of recovery strategy that is the most appropriate to decrease dissatisfaction (Craighead, Karwan & Miller, 2004). If the customers perceive a service failure to be severe, they are less likely to develop commitment and trust for the company, and might instead engage in negative WOM (Zourrig et al., 2014). Zourrig et al. (2014) furthermore state that the perceptions of severity vary across cultures due to differences in cultural values.

2.5.5 Service recovery strategies

Service recovery is defined as the action that a service provider takes in order to restore the situation that occurs after a service failure (Grönnroos, 1988). The primary intention of service recovery is to increase satisfaction, decrease negative WOM, and maintain long-term relationship quality (Grönnroos, 2015). Hazée et al. (2017) suggest various alternatives that can be used to repair and rebuild customer satisfaction, including offering explanations, giving fair compensations and showing empathy. Furthermore, Chou and Hsu (2009) state that the way companies recover a service failure and the speed of their actions have a clear effect on consumer reactions. It is also found that the timing of a service recovery is essential and the quicker the recovery can be done, the better the consumer response will be (Grönnroos, 2015).

Grönnroos (2015) proposes different strategies that companies could use to restore and retain customer relationships after a service failure. One strategy is caring treatment, which means that the service provider shows empathy, apologises in person and treats the customer as an individual by focusing on emotional issues. Perceived fairness is another
strategy, which includes three different fairness dimensions that need to be fulfilled in order to make consumers feel that they are treated fairly. The first dimension is distributive fairness, which refers to the extent to which consumers feel that the service recovery equal their needs. This can be achieved by apologizing and different levels of compensation. The second dimension that needs to be fulfilled is procedural fairness, which refers to a consumer’s ability to influence the recovery, including timeliness and convenience of the process. The last dimension is interactional fairness. It refers to the degree by which the consumer perceives the interpersonal interaction to be honest and empathic, including fair behaviour and communication (Grönroos, 2015).

2.6 Summary of frame of reference

A generational cohort refers to people born in the same time span that have experienced the same societal events as young adults. This paper focuses on consumers in Baby Boomers and Generation Y because of their differences in values and behaviours. Understanding consumer behaviour enables companies to better target specific segments and thereby providing better service. In today’s competitive markets, service failures are inevitable and it is important for a company to be forgiven by its consumers’ in order to restore the relationship. However, it is not always clear why people forgive and thus forgiveness is a complex phenomenon. Furthermore, consumer forgiveness is influenced by a number of different factors. In the frame of reference, these factors are treated as separate influencers on consumer forgiveness, however, these are to some extent related to each other. For example, a successful service recovery strategy is likely to create benefits associated with positive WOM.
3 Methodology

The choice of research philosophy, research purpose, research approach and research strategy are presented in this section. In addition, the methods of collecting and analysing data are illustrated. This section ends with establishing the trustworthiness of the research and a figure summarising the methods.

3.1 Research philosophy

Research philosophy includes assumptions and beliefs that guide the nature and development of knowledge (Saunders, Lewis & Thornhill, 2009). Saunders et al. (2009) further state that the choice of research strategy and methods will depend on those assumptions. The choice of paradigm ultimately explains how the researcher views knowledge and themselves in relation to the process being developed (Saunders et al., 2009). Different disciplines follow different paradigms, however, the two most common ones in business research are positivism and interpretivism (Collis & Hussey, 2014). Whilst a positivistic researcher believes that reality is independent of the author, interpretivism is underpinned by the belief that the social reality is highly subjective as it is shaped by the author’s perception (Collis & Hussey, 2014). This paper follows an interpretivism paradigm, as the research emphasises the understanding of humans as social
actors in society (Saunders et al., 2009). This is a suitable approach for the purpose of this paper since it allows the research to place more authority on data collected by attitudes and feelings.

The paradigms are furthermore underpinned by philosophical assumptions, whereas the common ones used in business research includes ontology, epistemology, and axiology (Collis & Hussey, 2014). Since forgiveness is a social phenomenon and is created from perceptions, this study will pursue the subjective view of ontology. This means that it is important to examine the subjective meanings of social actors and what motivates them (Saunders et al., 2009). Regarding the epistemological assumptions, the authors believe that valid knowledge constitutes of participants’ subjective views, which is suitable when studying consumer forgiveness. Furthermore, the axiological assumptions following an interpretivism perspective, is legitimate for this research because it allows the researchers to acknowledge that the research is subjective and value-laden (Collis & Hussey, 2014).

3.2 Research purpose

To successfully fulfil the purpose of this paper, it is important to understand what type of research the research questions require. Clarifying the research type enables the authors to develop the research method accordingly. There are four main research types: exploratory, descriptive, explanatory and causal studies (Bajpal, 2011; Saunders et al., 2009). However, the three last mentioned research types are not relevant for this study as they would instead be useful in a later stage when the problem is clearly defined and when trying to understand “why” things are the way they are. Since the concept of consumer forgiveness is still a relatively new topic, there are a number of unexplored angles (Casidy & Shin, 2015). This makes an exploratory study most suitable for the purpose of the paper, as this type of study focuses on exploring different dimensions of a stated problem in order get a clearer understanding of its framework (Bajpal, 2011).

The purpose of this paper is to explore what factors influence consumers Baby Boomers and Generation Y to forgive a company after a service failure. Therefore, a quantitative research method will not be used, as this study is not concerned with numerical measurements (Saunders et al., 2009). In order to answer the research questions of this study, a qualitative research method will instead be used, as this is useful when conducting an exploratory study (Bajpal, 2011). A qualitative research method allows interaction with the people that are being studied (Kirk & Miller, 1986), which enables flexibility when exploring the problem (Bajpal, 2011).

3.3 Research approach

The two main research approaches when investigating the relationship between theory and research are deductive and inductive approach (Bryman & Bell, 2011). A deductive approach refers to developing a theory or hypothesis based on previous research, prior to collecting data, to either confirm or falsify the hypothesis. Contrary, an inductive approach develops a theory based on the results from collected data. For this paper, a deductive theory is suitable as the paper builds on previous theories related to consumer forgiveness. However, this study has influences of an inductive approach since the researchers are open to finding new factors that affects consumer forgiveness. Furthermore, quantitative studies are commonly used when testing a predetermined theory or hypothesis, however, a qualitative study may also be used (Saunders et al., 2009). In this paper, a qualitative
approach was chosen to explore generational cohorts in relation to predetermined theories regarding consumer forgiveness.

3.4 Research strategy

There are a number of different research strategies to use when conducting research and the most common ones are: survey, action research, grounded theory, case study, and experiment. When deciding upon a research strategy, one must consider the research questions and whether the chosen research strategy can assist in answering the questions (Saunders et al., 2009; Stake, 1995). For the purpose of this paper, there is no clear strategy that would assist in answering the research questions. This paper uses an exploratory approach as there is no hypothesis to be tested and thus, it can be concluded that a qualitative research strategy would be of most use. However, the label of a strategy is not the most substantial aspect, but rather that the strategy used allows the authors to answer the research question (Saunders et al., 2009).

3.4.1 Focus groups

Focus groups are used to collect in-depth qualitative data and are suitable when the researchers aim to obtain a deeper understanding of a particular issue or topic. This is done through group interactions, where participants collaboratively discuss a specific issue. Participants are selected based on common characteristics and they are encouraged to freely discuss different views and opinions (Saunders et al., 2009). Using focus groups was therefore appropriate for this study, since the purpose is to gain a wider understanding of consumer forgiveness within Baby Boomers and Generation Y in a service failure context. This enabled the authors to generate knowledge of individuals’ feelings and thoughts regarding specific subjects.

3.4.1.1 Criticism of the use of focus groups

Morgan (1993) argues that the use of focus groups can be criticised by the fact that the empirical results are likely to be influenced by the biases of the people running the focus group. For example, the participants might answer questions in such a way that it pleases the moderator. Saunders et al. (2009) state that the complexity of the topic that is being researched also puts demands on the moderator, and Morgan (1993) adds that this can affect the quality of the collected data if the moderator lacks experience. Furthermore, Morgan (1993) states that the use of focus groups as a strategy to collect empirical data poses a number of threats of the validity of the study. For example, the general dynamic of the focus group can affect the empirical data gathered from the group. Participants might be reluctant to having opinions that are not in line with the group opinion and therefore not express their true opinion (Morgan, 1993). The authors were, however, aware of these challenges and therefore put great emphasis on overcoming them, by for example asking open-ended questions and taking the group dynamic into consideration when forming the focus groups.

3.5 Time horizon

The time horizon of a research is based upon the research design and purpose (Saunders et al., 2009). This paper conducted a cross-sectional study, which is suitable when studying a particular phenomenon at a specific time. This was also appropriate as this paper had a strict time boundary of four months and thus the empirical data collection was limited.

3.6 Data collection

3.6.1 Sampling
As this study is qualitative, a non-probability sampling technique was used. This study used convenience and purposive sampling to meet its objectives. Saunders et al. (2009) state that convenience sampling is used to enable the selection of the most accessible participants. This method is likely to be biased as researchers often make use of their network, but is despite this commonly used due to the ease of attaining participants (Saunders et al., 2009). Due to the time limitation of approximately four months for this paper, this method was the most appropriate in order to answer the research questions.

Purposive sampling is used to select participants that will best answer the research questions based on the researcher's judgement (Saunders et al. 2009). Saunders et al. (2009) further state that this sampling method is often adopted when the investigation uses a small sample, for example in qualitative research where particular information is desired. Hence, purposive sampling was suitable for this study. The participants were chosen based on two conditions. The first condition was that the participants for this investigation had to be born between 1946 and 1964 or between 1977 and 1994 since this study compares Baby Boomers and Generation Y. Secondly, the participants had to be raised in a Swedish cultural setting, since forgiveness is perceived differently across cultures.

Several channels were used in order to contact participants for the focus groups, such as personal contact and sending messages. The aim was to have six focus groups with four to five participants in each focus group with the ambition to have an equal amount of men and women. In order to obtain approximately 30 participants, 21 women and 17 men were contacted, as several of the people contacted were not able to participate. Ultimately, 19 individuals were able to participate in the focus groups whereof 13 were women and six were men. Out of these, nine were Baby Boomers and ten were Generation Y. The individuals were spread out within the generational cohorts agewise, but due to the limited number of participants, not all ages within the generational cohorts were represented. However, this did not affect the results as the participants were found to represent their generational cohorts. Furthermore, neither of these reasons influenced the information gathered from the focus groups negatively, as the participants were able to have insightful discussions with each other.

### 3.6.1.2 Primary data

The data gathered from the focus groups construct the core of the research presented in this paper. Four focus groups were held, two groups with participants from Baby Boomers and two groups with participants from Generation Y. This created sufficient data to develop a comprehensive analysis of consumer forgiveness amongst Baby Boomers and Generation Y. The focus groups consisted of four to five people which can be argued to be a small number of participants (Gavin, 2008), however, the low number enabled the participants to get their voice heard and thereby contribute with input to the discussion. During the different focus groups, it was found that some had better group dynamics. The reason for this could be that some of the participants knew each other and therefore felt more comfortable to share thoughts and opinions. In the focus group where the participants did not know each other, the moderator had to play a bigger part by interacting and asking follow up questions that in other groups came naturally. However, this did not prevent the authors to obtain sufficient and useful data.

The four focus groups were held at Jönköping University as this was the most convenient location for all participants. The three authors of this paper were present during the sessions where one acted as moderator and the other two took notes on what was being
discussed. The focus groups lasted roughly one hour, and great emphasis was put on comfort in order to obtain as much information as possible. Therefore, the participants were offered refreshments in the beginning of the discussion to create a relaxed environment. The focus groups were held in Swedish as this was the native language of the participants, which prevented language barriers to limit the discussion. At the beginning of the focus groups, a questionnaire (appendix 1 & 2) was handed out that the participants were asked to fill out. After that, the moderator opened up for discussion (appendix 3), which was recorded with the permission from the participants. The last part of the focus groups included a hypothetical case (appendix 4) that the participants were asked to read. The moderator then asked six questions (appendix 5) that the participants discussed. The recorded material was later transcribed and translated into English to support the analysis of this paper.

3.6.1.2.1 Part 1 – questionnaire

In order to confirm that the chosen participants represented the generational cohorts Baby Boomers and Generation Y according to existing literature, a questionnaire was constructed based on information in the frame of reference. The questionnaire consisted of 20 values (appendix 1) that the participants had to rank in accordance to their importance. The participants could choose numbers from one to five, where one was the least important and five the most important value. However, the participants could only choose five values for each number, i.e. maximum five values could be regarded as “most important”, which forced the participant to rank the values. Furthermore, in the questionnaire, the participants also had to take a stance on six different statements (appendix 2) using a five-point Likert scale. These statements were based on the general behaviours of the generational cohorts stated by previous scholars in the frame of reference. In order to confirm the that the participants were suitable to represent their generational cohort, the median and mode of the answers from both parts of the questionnaire was calculated. These were appropriate measurements as they enabled the authors to identify the central tendencies of a relatively small sample (Collis & Hussey, 2014).

3.6.1.2.2 Part 2 - Case

In order to generate a discussion and thereby gain more knowledge about Baby Boomers and Generation Y, questions for the opening discussion (appendix 3) and the hypothetical case (appendix 4) were constructed. The questions were outlined in regards to the factors that influence consumer forgiveness discovered in previous literature presented in the frame of reference. However, the authors deliberately created questions that did not explicitly mention factors found in the literature, in order to not influence the participants’ answers. Instead, the questions were asked to enable an open discussion that could potentially generate new information.

The questions in the opening discussion were asked in order to explore the participants reasoning when choosing which companies they shop at, as well as their logic when deciding whether or not to forgive a company after a service failure. The last question introduced them to the consumer electronics industry that the case would later build on. These questions were strategically asked before presenting the case, as the aim was to get a broad discussion that would not be influenced by the information provided in the case. After discussing the opening questions, the participants of the focus groups were given a hypothetical case (appendix 3) to read. The participants were asked to imagine that they were the person that experienced the service failure in the case. The case was based on an
article of a real service failure, however, the article was modified so that no names that participants could relate to were mentioned. This allowed the authors to obtain empirical data that was not influenced by the brand of the company discussed in the original article. This was a deliberate choice by the authors as previous literature state that a close consumer-brand relationship influences the likelihood that the consumer forgives the brand after a service failure (Nyffenegger et al., 2015). By excluding the brand from the case, the authors guaranteed that the participants were not influenced by any brand relationships in order to find other factors influencing consumer forgiveness.

The reason for using an example from the consumer electronics industry was due to the fact that consumers are sensitive when buying products in the retail industry (Wang, Bezewada & Tsai, 2010). Furthermore, Valentine and Powers (2013) state that the magnitude of Generation Y has a significant effect on the retail industry. As it has been found that Generation Y and Baby Boomers are similar in size and possess similar purchasing power (Parment, 2012), it can be argued that both generational cohorts have a significant impact on the retail industry. To further strengthen the choice of industry, statistics from Handelrådet (2016) indicates that out of the total consumption in Sweden, 30% is spent on the retail industry. Thus, the authors argue that the majority of people raised in a Swedish cultural context can relate to a service failure in the retail industry. Using a real article provided the authors with a realistic in-depth story to use as a base for developing the hypothetical case. This was necessary in order for the participants to perceive the case as something that could happen in real life.

After reading the article, six questions related to the case were asked (appendix 5). Most of these questions had a follow-up question that was constructed to be more narrow than the original question, and these were planned to be used if the participants did not engage in the discussion. In order for the authors to stay objective, leading questions were avoided as they could provide the participants with possible answers influenced by the authors. By asking open-ended questions, the participants were instead able to freely discuss relevant topics.

3.6.1.2.3 List of focus groups

The focus groups that provided the empirical data for this paper were held in the beginning of April 2017. The participants are presented anonymously, however, to differentiate them in text, the authors have used abbreviations such as F1 and M1. These abbreviations are in no way related to specific participants.

### Baby Boomers

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Gender</th>
<th>Focus group</th>
<th>Length of focus group</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>F8</td>
<td>Female</td>
<td>3</td>
<td>1:06:11</td>
<td>April 10th, 2017</td>
</tr>
<tr>
<td>F9</td>
<td>Female</td>
<td>3</td>
<td>1:06:11</td>
<td>April 10th, 2017</td>
</tr>
<tr>
<td>F10</td>
<td>Female</td>
<td>3</td>
<td>1:06:11</td>
<td>April 10th, 2017</td>
</tr>
<tr>
<td>M4</td>
<td>Male</td>
<td>3</td>
<td>1:06:11</td>
<td>April 10th, 2017</td>
</tr>
<tr>
<td>M5</td>
<td>Male</td>
<td>4</td>
<td>1:13:54</td>
<td>April 11th, 2017</td>
</tr>
<tr>
<td>M6</td>
<td>Male</td>
<td>4</td>
<td>1:13:54</td>
<td>April 11th, 2017</td>
</tr>
<tr>
<td>F11</td>
<td>Female</td>
<td>4</td>
<td>1:13:54</td>
<td>April 11th, 2017</td>
</tr>
<tr>
<td>F12</td>
<td>Female</td>
<td>4</td>
<td>1:13:54</td>
<td>April 11th, 2017</td>
</tr>
<tr>
<td>F13</td>
<td>Female</td>
<td>4</td>
<td>1:13:54</td>
<td>April 11th, 2017</td>
</tr>
</tbody>
</table>
### Generation Y

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Gender</th>
<th>Focus Group</th>
<th>Length of Focus Group</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1</td>
<td>Female</td>
<td>1</td>
<td>1:14:02</td>
<td>April 5th, 2017</td>
</tr>
<tr>
<td>F2</td>
<td>Female</td>
<td>1</td>
<td>1:14:02</td>
<td>April 5th, 2017</td>
</tr>
<tr>
<td>F3</td>
<td>Female</td>
<td>1</td>
<td>1:14:02</td>
<td>April 5th, 2017</td>
</tr>
<tr>
<td>M1</td>
<td>Male</td>
<td>1</td>
<td>1:14:02</td>
<td>April 5th, 2017</td>
</tr>
<tr>
<td>M2</td>
<td>Male</td>
<td>1</td>
<td>1:14:02</td>
<td>April 10th, 2017</td>
</tr>
<tr>
<td>M3</td>
<td>Male</td>
<td>2</td>
<td>0:49:36</td>
<td>April 10th, 2017</td>
</tr>
<tr>
<td>F4</td>
<td>Female</td>
<td>2</td>
<td>0:49:36</td>
<td>April 10th, 2017</td>
</tr>
<tr>
<td>F5</td>
<td>Female</td>
<td>2</td>
<td>0:49:36</td>
<td>April 10th, 2017</td>
</tr>
<tr>
<td>F6</td>
<td>Female</td>
<td>2</td>
<td>0:49:36</td>
<td>April 10th, 2017</td>
</tr>
<tr>
<td>F7</td>
<td>Female</td>
<td>2</td>
<td>0:49:36</td>
<td>April 10th, 2017</td>
</tr>
</tbody>
</table>

**Table 1. List of focus groups**

### 3.7 Secondary data

Secondary data refers to analysing existing literature that has been collected for a different purpose (Saunders et al., 2009). Saunders et al. (2009) further state that in order for a paper to produce a solid result, it needs to include both primary data and secondary data. Thus, this paper has combined primary and secondary data in order to get dependable results. To collect information for this study, journals and books have been found through databases such as Google Scholar, Jönköping University’s database Primo and Jönköping University’s library. The secondary data in this study was gathered from peer-reviewed articles in relevant journals using keywords such as “consumer forgiveness”, “forgiveness” “Baby Boomers”, “Generation Y”, “generational cohorts”, “service failure”, “consumer behaviour” and “factors influencing forgiveness” in order to find useful information. The aim was to select articles with a high number of citations in order to ensure the credibility of the articles. However, as consumer forgiveness is a relatively unexplored field, most articles on the topic had an arguably low number of citations compared to more common areas of research, such as for example generational cohorts. In order to ensure that the secondary data used in this paper represents the newest findings within the research fields, articles published within the past five years were prioritised. However, due to the scarce amount of research within consumer forgiveness, older articles have also been used. Furthermore, as there is a lack of literature regarding generational cohorts in a Swedish cultural context, a criterion for the chosen articles discussing Baby Boomers and Generation Y was that they had to be written in the context of a country with a culture similar to Sweden. These include the USA, Germany, France and the UK. The authors argue that people in Sweden have experienced similar societal events as people in these countries, and that the literature on generational cohorts from these countries can therefore be applied to a Swedish cultural context.

### 3.8 Analysis of data

There are various ways to analyse data collected through qualitative methods, and the most appropriate analytical method depends on whether the paper has a deductive or inductive approach (Saunders et al., 2009). However, Saunders et al. (2009) also highlight that it is common to combine analytical methods from both approaches in an exploratory study. For example, the theoretical propositions may not completely reflect the views of the
participants and using a theoretically based method to analyse that qualitative data may result in an insufficient analysis. In such a situation, complementing the analysis with an inductive approach would allow for deeper understanding regarding the social reality (Saunders et al., 2009).

The purpose of this paper and its qualitative data collection methods makes pattern matching a suitable analysing approach. This analysing method is appropriate for a deductive study, as it predicts a pattern of possible outcomes based on what researchers have previously found (Saunders et al., 2009). Hence, this is used to explain the findings of this study. This paper has identified a number of different factors that previous scholars have found potentially influential on consumer forgiveness. The transactional model of Tsarenko and Tojib (2011) presented in the frame of reference, discusses a few factors that influence consumer forgiveness. However, additional factors found by other scholars have also been incorporated in this paper and are discussed thoroughly in the frame of reference. A comprehensive overview of these factors is shown in figure 2. By using the pattern matching approach to analyse the empirical data, the data collected in this study will be matched against the existing theory on the subject in order to find explanations to the phenomenon (Saunders et al., 2009).

As this is an exploratory study, previous research on the subject is limited, which means that the empirical data that is used for the pattern matching is also limited. This means that the analysis could be partly complemented with an inductive approach. The analytic induction is mainly an inductive version of the deductive analysis approach known as explanation building (Saunders et al., 2009). However, in this paper it is a useful complement to the pattern matching approach as it allows for a less researched phenomenon to be explored. Saunders et al. (2009) also state that using the analytic induction to analyse data means to redefine an explanation of a phenomenon when new data is found and keep doing so until the researchers believe the explanation of a phenomenon has been found. Due to the scope of this paper and its exploratory nature, this study therefore only uses influences of the analytic induction to analyse data.

3.9 Trustworthiness of research

The trustworthiness of research is an important obstacle that researchers need to address when carrying out a qualitative study (Saunders et al., 2009) and Shenton (2004) proposes triangulation as a method that can assure validity of qualitative research. Triangulation is appropriate when the aim is to obtain a richer analysis of human behaviours from a wide range of viewpoints. This study ensured triangulation by having three authors, with different viewpoints and experiences, analysing the data. This was obtained as each author independently analysed and identified matching patterns in the empirical data. Thereafter, the different analyses were combined to one unified analysis. Besides triangulation Shenton (2004) proposes four criteria: credibility, transferability, dependability and confirmability, and these should all be considered to produce a trustworthy qualitative study.

Credibility is one of the most important components of trustworthiness and it reflects the extent to which the empirical findings represent reality. The researchers must ensure that the participants display honesty when contributing with data, and participants who perceive the interview as relaxed and are willing to participate will contribute with their ideas (Shenton, 2004). This study ensured credibility as each participant was given the opportunity not to participate. Each focus group started with a friendly conversation in
order to make the participants feel comfortable. In addition, the moderator stated at an early stage that there were no wrong answers to the questions and that the participants had the option not to answer.

Transferability refers to which extent findings from a study can be transferred to other situations. Transferability can be questioned since qualitative studies often use small samples. Thus, it can be argued that results of the findings cannot be generalised to other situations. However, even though various cases might be different, the results can show examples of a broader group and transferability should therefore not be completely rejected (Shenton, 2004). In line with the interpretivist philosophy of this paper, the study used a small sample in order to create findings of high validity but low reliability (Collis & Hussey, 2014). Hence, the findings of this paper is transferable to similar settings.

Furthermore, Shenton (2004) states that dependability is achieved by thoroughly demonstrating the process how the study was conducted in order to enable future researchers to repeat the work. This has been done in detail throughout the methodology section of this paper in order to ensure a dependable study for future research. Lastly, confirmability is associated with the importance of ensuring objectivity throughout the process of conducting research. Shenton (2004) recognises that questionnaires and tests created by researchers are inevitable to intrusion of biased angles. It is therefore important to analyse the participants’ experiences and thoughts without taking personal opinions of the researchers in consideration when presenting the findings. In order to reach confirmability, the research process needs to be thoroughly described and reasons should be explained for favouring methods over others (Collis & Hussey, 2014). In order to minimise that biases influenced this paper, methods have been explained thoroughly, and explanations regarding their contribution to this paper have been discussed throughout the methodology section.

3.10 Summary of methods

This paper uses an interpretivism philosophy in order to emphasise the understanding of people’s feelings and attitudes regarding forgiveness. In order to understand the various dimensions of consumer forgiveness and generational cohorts, an exploratory study was conducted using a deductive approach with inductive influences. In line with an exploratory study, focus groups was used as a qualitative strategy in order to collect data. This strategy assisted the researchers to understand a complex phenomenon such as consumer forgiveness, within a real life context. Furthermore, sampling methods such as convenience and purposive sampling were used to select the sample. The data gathered from the empirical investigation was then analysed by a pattern matching method. Finally, the trustworthiness and credibility of this paper was determined by the triangulation of the researchers, and by fulfilling four criteria: credibility, transferability, dependability and confirmability. This summary is illustrated below.
Interpretivism

Exploratory

Qualitative method

Deductive approach with inductive influences

Qualitative strategy

Focus groups with and personal value questionnaire

Trustworthiness test
4 Empirical findings

In this section, the findings from the empirical data collection are presented. First, the empirical findings from the Baby Boomer questionnaires and discussions are presented. This is followed by the empirical findings from Generation Y questionnaires and discussions.

4.1 Baby Boomers

4.1.1 Questionnaire findings

4.1.1.1 Values

Values - Baby Boomers

<table>
<thead>
<tr>
<th>Values</th>
<th>Median</th>
<th>Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedication</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Family &amp; friends</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Risk-taking</td>
<td>2</td>
<td>1,2</td>
</tr>
<tr>
<td>Environmental awareness</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Forgiving attitude</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Prosperity</td>
<td>4</td>
<td>3,4</td>
</tr>
<tr>
<td>Spirituality</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Reliability</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Adaptability</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Religious belonging</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Community involvement</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Loyalty</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Economic stability</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Responsible</td>
<td>5</td>
<td>4,5</td>
</tr>
<tr>
<td>Value</td>
<td>Median</td>
<td>Mode</td>
</tr>
<tr>
<td>---------------</td>
<td>--------</td>
<td>------</td>
</tr>
<tr>
<td>Integrity</td>
<td>4</td>
<td>2,4,5</td>
</tr>
<tr>
<td>Efficiency</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Traditions</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Honesty</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Trustfulness</td>
<td>4</td>
<td>3,4,5</td>
</tr>
<tr>
<td>Justice</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

1: not at all important 2: slightly important 3: moderately important 4: very important 5: extremely important

Table 2. Baby Boomer values

The result from the questionnaire, where the participants were asked to rank values, show that the majority of the participants from the Baby Boomer cohort perceived family and friends as extremely important (table 2). Other values that were perceived as mainly extremely or very important were loyalty, honesty, reliability and justice. Responsibility was also found to be of great importance. Environmental awareness was perceived as moderately to very important, and so were prosperity and efficiency. Dedication was another value that was found to be of importance to this generational cohort whilst traditions was reported to be of less importance. Values that were quite spread out were integrity and trustfulness. The findings additionally show the majority of the Baby Boomers stated that a forgiving attitude was moderately important. Amongst the values that were the least important amongst the participants in this generational cohort were spirituality and religious belonging. Lastly, risk-taking was a value that scored quite low amongst the Baby Boomers.

4.1.1.2 Statements

<table>
<thead>
<tr>
<th>Statement</th>
<th>Baby Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;My family’s and friends’ opinions matter when I make decisions.&quot;</td>
<td>Median 4</td>
</tr>
<tr>
<td></td>
<td>Mode 3,4</td>
</tr>
<tr>
<td>&quot;I think it is important to support companies that engage in corporate social responsibility.&quot;</td>
<td>Median 4</td>
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<tr>
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<td>Mode 4</td>
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<tr>
<td>&quot;I trust authorities such as agencies, institutions and the state.&quot;</td>
<td>Median 3</td>
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<td>&quot;I feel comfortable using consumer electronics.&quot;</td>
<td>Median 4</td>
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<td>Mode 4</td>
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</tbody>
</table>

1: disagree 2: somewhat disagree 3: neither agree nor disagree 4: somewhat agree 5: agree

Table 3. Baby Boomer statements

When asking the Baby Boomers to rank to which degree they agreed with the statement “My family’s and friends’ opinions matter when I make decisions”, the majority agreed to some extent (table 3). The majority also thought it was important to support companies engaging in CSR. However, the degree to which the participants agreed when taking a
stance on trust for authorities, institutions and the state we are spread out. Contrary, all participants somewhat agreed or agreed to the statement “I often use the Internet to find information.”. Opinions were also relatively similar when taking a stance to whether material things were important for oneself or not. The majority stated that they disagreed with the statement. In the last statement “I feel comfortable using consumer electronics.”, the majority of the participants somewhat agreed, however, a few did neither agree nor disagree.

4.1.2 Findings from the opening discussion

In order to get an insight of the behaviour of the Baby Boomer cohort, the participants were asked about their reasoning when deciding which companies to shop at (Q1, appendix 3). In both focus groups, it quickly became clear that supporting the local stores was of great importance and all participants agreed with this statement. F10 highlighted the desire to get good service when shopping, which was another aspect that participants from both focus groups stated was important. Additionally, F10 stated that the type of product influences which store one goes to. Furthermore, many participants also agreed that convenience influences which store they go to, as they are more likely to shop at a store they are familiar with.

Q2 (appendix 3) in the opening discussion asked the participants in the focus groups to reflect on what would influence them to forgive a company after a service failure. What clearly stood out in both focus groups and what became a much discussed topic, was how one was treated when returning to the company that had done something wrong. In the first focus group, the following quotes were stated:

“[It depends on] how I am treated when I return the product.” (F8)
“And if they then admit that they did something wrong.” (F9)
“And that I am taken seriously.” (F8)
“Then I might trust them, if they just try to whitewash the situation then I don’t want to go back.” (F9)

Similar arguments were used in the second focus group. All participants agreed that how they are treated are of utmost importance, and that they want to be heard and taken seriously. However, M5 added that how one is treated when returning the product is not always enough. He argued that a caring treatment needs to be followed by an apology or some type of compensation. Another aspect to such a situation was also discussed in the second focus group, as the severity of the wrongdoing was brought up. It was found to affect what the participants expected from a company afterwards. F12 argued that being treated fairly might be sufficient to forgive a company after a small incident, whilst she expects a company to take responsibility after a bigger incident. Furthermore, F11 reflected on that people generally do not spread positive experiences with a company, but tell several people about service failures.

Q3 (appendix 3) asked the participants to focus on what they, as consumers, regard as important when purchasing products in the consumer electronics industry. The participants discussed the fact that one does not buy consumer electronics often, and therefore quality is of importance. Furthermore, the importance of receiving helpful service in the store was discussed as some participants felt that they did not have the knowledge nor the interest to do the research needed in order to make a good purchase. F12 from the second focus group admitted turning to her teenage children in the matter, as they have more knowledge of that type of products. The relation between price, research and quality was also discussed. F9
further argued that if she would buy a more expensive product with better quality, she would do more research than if she would buy a cheaper product, however, she still values the help received in store.

4.1.3 Findings from the case

The case used in the focus groups concerns a service failure in the retail industry, where several consumers bought new products that later turned out to be used products that had been returned and resold as new. The CEO of the company did not apologise at first but made a public apology a few hours later. The participants were asked to read the case and Q4 (appendix 5) was asked to get a general view of the Baby Boomer participants’ perception of the situation. The following quotes illustrate the general reaction of both focus groups:

“My trust for the company hits rock bottom.” (F9)
“This is fraud, I would not go back to this company.” (M5)

Q5 (appendix 5) shed light on the behaviour of the CEO in the case and with this question, the aim was to gain insight of the participants view on different service recovery strategies. The participants identified the timing of the CEO’s actions and they agreed that the CEO saved the situation by apologising later, however, the apology should have come earlier. The content of the apology was also discussed and it was agreed that the apology was insufficient. The participants further agreed that the first reaction of the CEO indicates that he was not taking the situation seriously. The following statement shows this:

“[The CEO] should directly show that they take the situation seriously, and say something like ‘this should not happen in our system, but I will look it up and get back to you’.” (F8)

Q6 (appendix 5) was also built on service recovery strategies by asking what would make the participant purchase the product at the hypothetical company after experiencing the service failure. In this question, the participants had split opinions. Whilst M4 stated that a price reduction was enough for him to go back to the company, F8 explained that she would require the company to very clearly explain what the problem was and how the company would solve it. However, she agreed that the price could influence whether or not she would go back. F8 also added that she would nonetheless be more cautious towards the company and its products. M5 argued again that a solid excuse and some type of compensation would be sufficient. The following quote by M6 shows another dimension of the situation by highlighting whether a service failure is a result of a mistake or a purposeful act to deceive consumers.

“[In order for me to buy the product again] the company needs to show that they have thoroughly investigated the situation and then fixed all the problems, and that I get a new product. Then I might consider buying the product at the company again, if it is a service failure that is not very severe. However, if they purposely deceive their customers then I think I would never return.” (M6)

As a result of this, M6 brought up the case of Volkswagen and the recent scandal where the company deceived their customers and asked the group whether or not they would still consider buying a car at Volkswagen again. In that case, the participants agreed that they could still consider buying their cars despite the company’s active choice to deceive their
customers. M6 further admitted to not using the previously mentioned logic in this case and defended it by concluding that when buying a hard drive, one has many options and there is little difference between them. Furthermore, M5 stated that Volkswagen is a unique brand that cannot be replaced by another company, as this would technically result in a completely different car, which would be a bigger step. The participants agreed that despite the scandal, the company still make good cars, and they therefore argued that it is not always the products that are causing the service failure, but sometimes it might be top management that is to blame.

With Q7 (appendix 5), the authors wanted to obtain information regarding how a long-term relationship with a company might affect the situation. The participants were told to imagine that they had done their consumer electronics shopping at the same hypothetical company for the last ten years from and were asked if this fact would change the situation. In that scenario, the participants agreed that if they had been customers at the company for so long, there must have been a reason for their loyalty and that they would most likely forgive the company. This is illustrated by the following quote:

“\textit{I think those kinds of things can happen, and I think that the CEO will be replaced every now and then. But the store and their policy, I mean if I have been a customer there for ten years and been satisfied for the whole time, then I think I would return to the company. I’m pretty forgiving in that case, those stores are so large that those things happen sometimes.}” (M4)

In Q8 (appendix 5), the participants were asked how the fact that other people in the case had experienced similar service failures affected the situation. In both focus groups, the participants agreed that this affected their view of the situation negatively. However, the credibility of the people, that were stated in the case to have experienced similar situations, was also questioned. It was discussed that it could be rumours that have been spread, however, it was nonetheless agreed that these rumours have a negative effect, despite questioning the authenticity. Contrary, it was agreed amongst the participants in both focus groups that if they heard the same information from a friend, they would trust it more.

Q9 (appendix 5) was the last question, and it enabled the participants to bring up service failures they had experienced in their own lives. The purpose of this question was to make the participants discuss their feelings and behaviour after service failures outside the case context. M5 recalled a positive experience with how Ryanair had handled previous incidents, and argued that he would fly with them again as a result of this. All participants reflected on his story, and agreed that they would have reacted in similar ways. In addition, the participants agreed that how they were treated when returning to a store and whether they received compensation after a service failure, would be the most important aspects that affect whether or not they would return to a store.
4.2 Generation Y  
4.2.1 Questionnaire findings  
4.2.1.1 Values

The results from the questionnaire where Generation Y ranked the values showed that almost all participants ranked family and friends as extremely important (table 4). Other values that were perceived as extremely important were economic stability, trustfulness, 

<table>
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<tr>
<th>Values</th>
<th>Generation Y</th>
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<tbody>
<tr>
<td></td>
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<tr>
<td>Dedication</td>
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<tr>
<td>Family &amp; friends</td>
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<td>3,5</td>
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</tbody>
</table>

1: not at all important 2: slightly important 3: moderately important 4: very important 5: extremely important

Table 4. Generation Y values
prosperity and reliability. Furthermore, dedication, loyalty, responsibility and honesty were ranked as very important. Values that were distributed across several of the rankings were integrity, efficiency and justice. Religious belonging was the only value that was perceived as not at all important by the whole generational cohort. Other values that were argued to be less important were traditions, spirituality, risk-taking and community involvement.

4.2.1.2 Statements

**Statements - Generation Y**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Gen Y</th>
<th>Median</th>
<th>Mode</th>
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<td>&quot;My family’s and friends’ opinions matter when I make decisions.&quot;</td>
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<tr>
<td>&quot;I feel comfortable using consumer electronics.&quot;</td>
<td></td>
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</tbody>
</table>

1: disagree 2: somewhat disagree 3: neither agree nor disagree 4: somewhat agree 5: agree

**Table 5. Generation Y statements**

Regarding the six statements in the questionnaire, the majority of the participants agreed with the statement “My family’s and friends’ opinions matter when I make decisions” (table 5). The majority of participants also agreed with the statement to support companies engaging in CSR. When it came to the question about trusting authorities, institutions and the state, the majority neither agreed nor disagreed. On the contrary, all participants agreed to the statement “I often use the Internet to find information”. The opinions regarding the importance of material things were relatively spread out amongst the participants. Lastly, almost all participants either agreed or somewhat agreed to the statement “I feel comfortable using consumer electronics”.

4.2.2 Findings from the opening discussion

To better understand the behaviour of Generation Y, the participants were asked to elaborate on how they decide which company to shop at (Q1, appendix 3). The majority of the participants agreed that it depends on the type of product they are buying, and previous history with the company. This is illustrated in the following quotes:

“If I buy a bigger product like a TV, I usually put more time on the process before making a purchase.” (F2)

“I prefer to go to companies that I have been satisfied with before.” (M3)

The participants in both focus groups also agreed that convenience is an important aspect when deciding which store to shop at. Convenience was discussed to depend on the type of product as well, for example it should be a store that is close and has affordable prices.
when buying groceries, whereas choosing a store when buying clothing depends on quality.

Q2 (appendix 3) asked the participants to discuss what would influence them to forgive a company, if the company has done something wrong. In both focus groups, it was found that compensation, apologising, and the size of the failure had an influential impact on forgiveness. This is highlighted in the following quotes:

“If the company gives a caring treatment followed by a compensation, and really show that they want to fix the problem, for me it shows that the company still wants to have me as a customer and focuses on long-term relationships.” (F4)

“If it is a bigger failure, and you contact the company and they say that you will be compensated, then this could make the relationship to the company better than it was before.” (F3)

“I want the company to admit that they did something wrong and apologise.” (M1)

Furthermore, it was discussed that it is important that the company takes responsibility and does not blame the customer for the mistake. It was also brought up that it depends on which industry the failure happens in. For example, F1 argued that within the food industry, one would get physically hurt if eating a bad product but if a company uses child labour the customer would not get physically hurt. However, the thoughts were slightly diverse as M2 argued that if a grocery store does something wrong, they would still go back as there is limited amount of options available. F1 also added that she would go back to the same grocery store after a scandal as it would be inconvenient to switch. This was also discussed in the context of computers:

“I have a Macbook, and if Apple would do something wrong, I would not change to a different brand since I am very comfortable with Apple, but also since Apple is the only company on the market that can offer what I want, and this means that [how I reach forgiveness] depends on which company it concerns.” (F3)

Q3 (appendix 3) was formulated so that the participants could reflect on what they regarded as important when purchasing products in the consumer electronics industry. The majority of the participants in both focus groups stated that the opinions of family and friends played a huge role when deciding which products to buy. Prior to the purchase, all participants stated that they do a thorough research through online reviews. The following quotes illustrate this behaviour:

“I search a lot on the Internet for reviews about different products.” (M3)

“I often listen to my family, and if they say that I should buy something, I simply do that.” (F4)

4.2.3 Findings from the case

In the second part of the focus groups the participants read the hypothetical case where they had to imagine that they were the customer being exposed to a service failure in the consumer electronics industry. Q4 (appendix 5) was asked to enable the focus groups to share their reactions and feelings about the situation. The reactions from the majority of
participants were anger and frustration as they expected a new product and not a used one. This is presented in the quotes below:

“I would get really mad, especially when the company does not admit to the failure.” (F4)
“When you are buying a new product, you expect it to be unused.” (M1)
“The thing that irritates me the most is the fact that it takes two hours for the company to apologise.” (F5)

Q5 (appendix 5) was asked in order to identify the participants’ thoughts regarding the behaviour of the CEO. All participants thought that the CEO took a defensive approach and did not take responsibility for the situation. It was generally agreed that the CEO should have apologised directly and not waited for two hours until doing so.

Q6 (appendix 5) was formulated to determine factors that would influence the likelihood of the participants to buy the product again. The majority of the participants stated that they would buy the product again if they got a decent apology, were compensated and received a new product. They also required evidence showing that the company had taken necessary measures to handle the problem. However, F3 said that even though she got an apology or a new product, she was still not sure whether she would forgive the company and argued that in order to shop at the company again, she would require more time to pass. The following quotes illustrate the participant’s opinions:

“The company needs to send an email to all affected and apologise for the mistake and in some way communicate that they have taken care of the problem.” (M2)
“I would have demanded to get a new product for free and as long as I would get a compensation I would buy the product again.” (F2)
“I would demand that the company made a public statement where they apologised to all involved and stated that they would check the whole chain of employees.” (F4)

What stood out the most among all participants, was that as long as they would get a caring treatment and some type of compensation, they would go back to the same store and buy the product again. This is demonstrated by the following quotes:

“If I had gotten a good treatment but a bad product I would definitely go back. However, if I got a bad treatment I would never have put my foot there again.” (F6)
“If I would go back with the hard drive and get a caring treatment and be compensated somehow, I would certainly go back again. If there would be a problem again, I know that I would get well taken care of.” (F7)

Q7 (appendix 5) asked whether the situation would have changed if the participants had been a customer at the hypothetical company for ten years. The majority of the participants agreed that after ten years, they would probably have a close relationship with the company since they would probably know the staff working there, and this in turn would influence their likelihood to forgive. It was also discussed that it would be easier to forgive, as this was a one-time failure during the ten years of relationship. Furthermore, several participants argued that they were more likely to forgive and return to the company if there would be a limited number of alternatives on the market.
Q8 (appendix 5) asked the participants how the fact that other people in the case had experienced similar service failures affected the situation. The participants in both focus groups agreed that the fact that it is not a one-time issue makes the situation more severe. The participants also discussed that it demonstrates that the company has not taken any necessary measures to manage the problem. Both focus groups argued that it would influence them more, since other customers were affected and would not recommend it to someone else. This is illustrated in the following quotes:

“I take the situation more seriously as it is not a one-time thing” (F3)
“I would questioned whether or not I actually trust the company and would hesitate to buy products there again or even recommend it to my friends.”
(M1)

Q9 (appendix 5) was formulated to enable the participants to share previous experiences where companies had not fulfilled their expectations. F3 reflected on that she has been a faithful customer at SAS airline for a long time, and if the staff would be rude one time, she would still fly with them. This is due to the fact that she has been a customer there for a long time and always got a caring treatment. F2 also stated that the treatment is of greatest importance in order to forgive a company after a service failure, and all participants agreed with this. Furthermore, F2 reflected on when she got tricked into a bad deal when she signed up for a broadband subscription. When she tried to cancel the deal, she read online reviews about the company and realised that other people also had experienced the same things as her and this made her feel even more dissatisfied than before. As a result of this, she stated that she would never purchase anything from the company again.
5 Analysis

This section starts with an analysis of the focus group participants’ suitability to represent their generational cohort. This is followed by an analysis of the different factors influencing generational cohorts when forgiving a company after a service failure, and whether there are differences between the generational cohorts.

5.1 Questionnaire

The values and the statements in the questionnaire were used to confirm that the participants of this study represented what previous literature have stated about Baby Boomers and Generation Y. The following table illustrate the empirical findings from the questionnaire, which will be used to strengthen the participants’ suitability for this study.

### Values

<table>
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<th>Gen Y</th>
<th>Baby Boomers</th>
<th>Gen Y</th>
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1: not at all important 2: slightly important 3: moderately important 4: very important 5: extremely important

Table 6. Values of Baby Boomers and Generation Y
Statements

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<tr>
<th>Statements</th>
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<th>Mode</th>
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</tbody>
</table>

1: disagree 2: somewhat disagree 3: neither agree nor disagree 4: somewhat agree 5: agree

Table 7. Statements of Baby Boomers and Generation Y

5.1.1 Baby Boomers

Gardiner et al. (2013) state that Baby Boomers came to age in a post war time where there was economic growth, prosperity and job security. The empirical results show that the median and the mode for both prosperity and economic stability were very high, which indicates that the Baby Boomers possess these values. Furthermore, Gardiner et al. (2013) state that Baby Boomers value honesty and respect authority. The importance of honesty is confirmed by the empirical results from the Baby Boomers, as they value honesty as extremely important. However, one of the six statements (Appendix 2) asked the participants if they trust authorities and the most common answer was that they neither agreed nor disagreed. The reason for this could be explained by that there was no real life example stated, which could be argued to make the question vague. Therefore, the findings could neither confirm nor contradict previous literature regarding Baby Boomers’ respect for authorities.

Furthermore, according to Gardiner et al. (2013), Baby Boomers was the first generational cohort that grew up with mass media and television and as a result, their need for traditions weakened. This is strengthened by the empirical data as Baby Boomers ranked traditions as less important. Gibson et al. (2009) further describe Baby Boomers as tech conservatives, however, according to the statement “I often use the Internet to find information” (table 7) the mode and the median were high. Although, during the focus group discussion it was revealed that Baby Boomers use the Internet less than Generation Y. Hence, the authors argue that the participants were tech conservative in relation to Generation Y, which is in line with previous literature. Additionally, Gibson et al. (2009) state that Baby Boomers are characterised as loyal and dedicated. This is confirmed by the questionnaire in the empirical data, which shows that both the median and the mode for loyalty and dedication were high for Baby Boomers (table 6). Thus, this paper argues that the chosen sample of Baby Boomers represents their generational cohort and are suitable candidates to provide empirical data to fulfil the purpose of this paper.

5.1.2 Generation Y

It has been stated that Generation Y grew up in an age of rapid technological advancement and learnt how to use it from an early age (Rahulan, et al. 2013). It can therefore be argued
that they are comfortable using consumer electronics, which is in line with the empirical findings (table 7). According to Bilgihan et al., (2014), Generation Y does not only turn to family and friends to find information, but they complement this by using the internet. Both these arguments are confirmed by the empirical findings where participants agreed or somewhat agreed to the statements “My family’s and friends’ opinions matter when I make decisions” and “I often use the Internet to find information”. Furthermore, Bednarz Beauchamp & Barnes (2015) state that Generation Y is generally not as loyal compared to other generational cohorts. The empirical findings of this paper show that Generation Y was as loyal as the Baby Boomers, however, as this paper does not compare any other generational cohort, the authors are unable to neither confirm nor contradict the previous literature regarding loyalty. Furthermore, Valentine and Powers (2013) state that Generation Y is trustful. As the median and mode were high for trustfulness, it can be argued to be in line with previous literature. Andert (2011) on the other hand, argues that individuals in Generation Y are achievement focused and the authors argue that prosperity to some extent represents this characteristic. The empirical data show that Generation Y stated prosperity to be of extreme importance, which can therefore be argued to be in line with the existing literature. Thus, this paper argues that the chosen sample of Generation Y represents their generational cohort and are suitable candidates to provide empirical data to fulfil the purpose of this paper.

5.2 Factors influencing consumer forgiveness in Baby Boomers and Generation Y

5.2.1 Transactional model

5.2.1.1 Temporal factors

Tsarenko and Tojib (2011) argue that time is important to reduce the magnitude of a service failure. This means that if a company gives a consumer time to reevaluate the situation, the initial dissatisfaction may decrease as the consumer might deal with the failure in a more reasonable manner (Tsarenko and Tojib, 2011). This is shown in the empirical findings, where F3 from Generation Y highlighted that an apology or compensation was not enough to forgive the company, and stated that she requires some time to pass before purchasing anything at the company again. As temporal factors were not discussed by the Baby Boomers, the authors are unable to conclude whether there are similarities or differences between the two generational cohorts regarding this factor. However, that does not rule out the possibility of temporal factors influencing consumer forgiveness.

5.2.1.2 History of relationship

As stated in the frame of reference, Tsarenko and Tojib (2011) propose that the history of relationship between a service provider and a customer affects customer satisfaction. After a service failure, the relationship becomes unstable and the customer may recall how previous issues were managed. The likelihood that a customer stays with the same service provider is influenced by how past incidents were handled (Tsarenko and Tojib, 2011). This is illustrated in the empirical findings, where participants from both generational cohorts recalled previous experiences with companies. For example, M5 from Baby Boomers reflected on how previous experiences with Ryanair were handled and stated that he, as a result of this, would fly with them again. In addition, F3 from Generation Y stated that she has been a customer at SAS for a long time and argued that if the staff were to be rude at some point, she would still fly with them again since she has always got a caring
treatment at the company. Hence, history of relationship influences both Baby Boomers and Generation Y to forgive a company after experiencing a service failure.

5.2.1.3 Social influences
As mentioned in the frame of reference, Tsarenko and Tojib (2011) state that social influences affect a consumer’s behaviour when making purchasing decisions. The empirical findings reveal that social influences impact consumer forgiveness in both generational cohorts. For example, the Baby Boomers agreed that they would trust rumours about a company if they heard it from a friend. Furthermore, in Generation Y, the participants brought up social influences when discussing what they thought was important when buying consumer electronics. All participants from Generation Y agreed that they often listen to their family and friend’s opinions when purchasing products. This is line with Bilgihan et al. (2014), who argue that Generation Y often turns to family and friends when making informed decisions. Furthermore, F12 from Baby Boomers stated that she sometimes turns to her children for advice as she values their knowledge. Thus, the empirical findings from both generational cohorts corresponds to the research of Tsarenko and Tojib (2011).

5.2.1.4 Switching cost
Tsarenko and Tojib (2011) categorise switching costs into four groups that consumers evaluate when deciding whether to continue or end a relationship with a provider after a service failure. These include risk perceptions, economic costs of new products, search for substitute products, and transfer and time expenditure. When discussing what would make the participants purchase a product again after a service failure, M4 from Baby Boomers stated that a price reduction would be enough for him to go back to the company, and F8 from Baby Boomers agreed that the price might influence whether or not she would go back. Furthermore, F1 from Generation Y stated that she would still buy groceries at the same store, even if they had a scandal, as she argued that finding another store would be inconvenient. This indicates that the participants from both generational cohorts think that it is too costly to find a substitute product, and as a result of this continues the relationship. Hence, it can be argued that switching cost influences the likelihood to forgive a company amongst both Baby Boomers and Generation Y.

5.2.1.5 Novelty, outcome uncertainty, and competitor density
In addition to the previously mentioned factors, Tsarenko and Tojib (2011) also propose other factors that affect consumer behaviour after a service failure including novelty, outcome uncertainty, and competitor density. The empirical findings of this study are unable to confirm that these factors influence the generational cohorts when forgiving a company. However, that does not rule out the possibility that novelty, outcome uncertainty, and competitor density influence consumer forgiveness.

5.2.2 Word of mouth
Casidy and Shin (2015) state that WOM influences a company’s reputation and Bruwer et al. (2014) further state that WOM can result in both positive and negative outcomes. In line with this, F11 from Baby Boomers stated that one dissatisfied customer often spreads negative WOM and this can result in that the company loses customers. F2 from Generation Y stated that she experienced a service failure and read negative reviews about
the company online afterwards and this influenced her decision to not forgive the company. Furthermore, participants in both Baby Boomers and Generation Y agreed that they trust information more if they hear it from a friend. For example, F4 stated that her family and friends’ opinion influence her decision making when buying products. This is in line with the research of Casidy and Shin (2015) as it indicates that WOM plays an important role as it influences the opinion of others. Thus, the authors argue that depending on if WOM is positive or negative, it can influence whether or not a person from both Baby Boomers and Generation Y forgive a company after a service failure. These findings show that it is important that a company values all customer relationships since all customers are able to spread both positive and negative WOM. Thus, it is of importance for companies to know how to manage negative publicity in order to reach consumer forgiveness in case of a service failure.

5.2.3 Brand relationship

It has been found that brand relationship influences the likelihood of a consumer to forgive a company after experiencing a service failure (Nyffenegger et al., 2015). Brand relationship was discussed when the participants were told to imagine that they had been loyal customers to a company for ten years. As a result of this, the Baby Boomers defended the company despite having limited information to base their decision on. They said that there must be a reason for their loyalty and that they most likely would forgive the company because of this. Furthermore, Generation Y stated that they are likely to have a close relationship with the company if they have been customers for ten years and they further argued that this relationship would probably make it easier to forgive the company after a service failure. Furthermore, Dall’Olmo Riley & De Chernatony (2000) state that in order to create a long-lasting relationship between consumers and brands, trust is an important component. This is illustrated in the empirical findings, which shows that participants from both generational cohorts question the trust they have for a company after hearing about a service failure. F9 from Baby Boomers stated that after reading the hypothetical case, her trust for the company hits rock bottom, and M1 from Generation Y stated that he would question whether or not he actually trusts the company.

Furthermore, Guido and Peluso (2014) state that the level of brand loyalty affects consumer forgiveness, which is illustrated in the empirical findings. M6 from Baby Boomers stated that he would never buy a product from a company that purposely deceives their customers. However, he later brought up the recent Volkswagen scandal and argued that despite the management’s deliberate attempt to deceive their customers, he would still buy a Volkswagen car, which contradicts his previous statement. This can be explained by Khan (2013) who states that consumers are not always aware that they are brand loyal. The empirical findings from Generation Y illustrated a similar situation. F3 from Generation Y concluded that even if Apple were to make a mistake, it would not stop her from buying products from the company and thereby forgive them for the wrongdoing. This indicates that there are no significant differences between the two generational cohorts regarding the effects of a brand relationship. However, it is important to acknowledge that the participants’ relationship to the mentioned brands was not further investigated as the authors did not aim to investigate to what degree a brand relationship might influence forgiveness but rather explore whether or not it influenced the situation at all.

5.2.4 Severity of service failure

...
Previous literature argues that a service failure proposes a threat to a firm, as the risk of losing customers increases (Sengupta et al., 2014). It has also been found that the severity of the service failure explains the degree to which the customer feels dissatisfied (Tsarenko & Tojib, 2012). This is in line with the findings from the empirical data, as participants from both generational cohorts stated that not only does a service failure cause dissatisfaction, but the severity of the service failure also influences what one expects from the company. Thus, it can be argued that to successfully handle a service failure, a company needs to assess the severity of a service failure. This is in line with the research of Craighead et al. (2004), who state that the severity of a service failure influences which type of service recovery strategy that would be most appropriate. F12 from Baby Boomers further confirms this by arguing that an apology might be enough after a smaller incident, however, after a larger service failure the company should take responsibility in order to be forgiven. A similar statement was made by F3 from Generation Y, as she stated that if she experiences a bigger service failure and gets compensated, her relationship with the company might become even better than it was initially. This concludes that for participants in both generational cohorts, the severity of the service failure influences what they expect from a company in order to forgive them. This further implies that customers have high expectations of how a company manages a situation when experiencing a severe service failure.

5.2.5 Service recovery strategies

In the frame of reference, Chou and Hsu (2009) state that the speed of a company’s recovery affects a consumer’s reactions. This statement is confirmed by the empirical findings, as all participants from Baby Boomers and Generation Y agreed that the CEO from the hypothetical case should have apologised directly and not waited two hours until doing so. The fact that the CEO waited two hours to handle the situation irritated several of the participants from both Baby Boomers and Generation Y. Therefore, it can be argued that a quick recovery positively influences both generational cohorts’ likelihood to forgive a company after a service failure.

Furthermore, Grönroos (2015) highlights caring treatment as an important recovery strategy after a service failure. It includes showing empathy, apologising and treating the consumer by focusing on the emotional side. The empirical findings illustrate this as almost all participants from both Baby Boomers and Generation Y agreed that receiving a caring treatment after a service failure would make them return to the same company. As presented earlier in the empirical findings, these quotes illustrate the importance of caring treatment:

“[It depends on] how I am treated when I return the product.” (F8, Baby Boomers)
“If I had gotten a good treatment but a bad product I would definitely go back. However, if I was treated badly, I would never put my foot there again.” (F6, Generation Y)
“If I would go back with the product and get a good response and a fair treatment, I would certainly go back again. If there would be a problem again, I know that I would get well taken care of.” (F7, Generation Y)

The importance of receiving a caring treatment after a service failure was the most frequently discussed topic in all focus groups and is a key finding of this paper. However, it was also revealed that a caring treatment alone was not enough, but should be complemented with some type of compensation. This is illustrated in the empirical
findings, where the participants from both generational cohorts shared their own experiences. For example, M5 from Baby Boomers highlighted that how one is treated when returning the product is not always enough to forgive and argued that a caring treatment needs to be followed by some type of compensation as well as an apology. Furthermore, F4 from Generation Y stated that a caring treatment followed by a compensation would influence the likelihood to forgive the company.

Hazée et al. (2017) state that giving compensation, offering explanations and apologising are different ways to recover a service failure. This is illustrated as both generational cohorts discussed the effect of receiving an explanation after a service failure, and it was concluded that it influences whether or not one decides to forgive a company. The empirical findings further show that the company should take responsibility after a service failure, clearly explain what happened and how to solve it, which corresponds to the research of Hazée et al. (2017). Furthermore, Grönroos (2015) adds that in order to make consumers feel that the service recovery equals their needs, different levels of compensations are required. This paper therefore argues that there is an important relationship between a caring treatment and compensation in both generational cohorts, and this needs to be acknowledged by companies in order to reach consumer forgiveness after a service failure.

5.3 The relationship between caring treatment, compensation, and severity of service failure

As stated previously, the empirical findings of this paper reveal that a caring treatment needs to be followed by some type of compensation in order for Baby Boomers and Generation Y to forgive a company after a service failure. This is in line with Grönroos (2015) who states that a service recovery should consist of a caring treatment, and Hazée et al. (2017) who argue that a service recovery should include some type of compensation. However, several participants in the focus groups from both Baby Boomers and Generation Y also stated that their expectations depend on how severe the service failure in question is. This is in line with Craighead et al. (2004) who, as mentioned previously, state that the severity of a service failure influences which type of recovery strategy that is most appropriate to decrease consumer dissatisfaction. The empirical findings reveal that the more severe a service failure is, the less important caring treatment becomes and instead, a larger amount of compensation is required. Furthermore, if a service failure is less severe, the empirical findings reveal that a caring treatment was sufficient in order to forgive a company. Hence, the authors of this paper argue that the level of caring treatment and compensation varies in relation to the severity of a service failure. This relationship is illustrated and explained in the graph below. Furthermore, the empirical findings show that there are no significant differences between the generational cohorts in regards to what they expect after a service failure, and therefore the proposed relationship is applicable for both generational cohorts.
Figure 4. The relationship between the level of compensation, the level of caring treatment and severity of service failure in the context of forgiving a company after a service failure

At point 1, the severity is in balance, which indicates that equal caring treatment and compensation would be sufficient for the consumer to reach forgiveness. At point 2, the severity is high and therefore, the level of compensation must increase accordingly. A higher compensation means that there is a lower need for a caring treatment in order to reach forgiveness. This implies that when the severity is high, consumers are more concerned about receiving compensation, than receiving a caring treatment. At point 3, the severity is low and this requires a lower level of compensation. This means that when the severity is low, the consumer is more concerned about receiving a caring treatment rather than compensation in order to forgive a company after a service failure.

5.4 Additional findings

5.4.1 Market structure

One topic that was brought up during the empirical data collection that has not been discussed in previous research regarding consumer forgiveness is the market structure. The empirical findings show that both generational cohorts argued that forgiveness after a service failure is influenced by whether or not other options are available. In Generation Y, some of the participants stated that they would still go back to the same grocery store even though the company did something wrong, as there are a limited number of grocery stores one can switch to. The same logic was discussed in the context of computers. As mentioned earlier, F3 from Generation Y stated that even if Apple were to do something wrong, she would still buy their products. The reason for this was that F3 felt that Apple was the only company on the market that fulfilled her needs. Furthermore, M6 from Baby Boomers stated that several options are available when buying a hard drive, which makes it easier to change to another different company after a service failure. Thus, this paper argues that the market structure is an influential factor on consumer forgiveness as it can either facilitate or hinder consumers from choosing an alternative option after a service failure.
6 Conclusion

This chapter answers the research questions of this paper by concluding the findings.

The first research question of this study aimed to explore what factors influence consumers in Baby Boomers and Generation Y to forgive a company after a service failure. The findings reveal that factors influencing both generational cohorts are history of relationship, social influences, switching cost, word of mouth, brand relationship, severity
of a service failure and service recovery strategies. Furthermore, this paper identified market structure as another influential factor, as it can either hinder or facilitate consumers from choosing an alternative option after a service failure. Hence, this influences whether the generational cohorts forgive a company.

The second research question examined whether there are similarities and differences between what factors influence Baby Boomers and Generation Y when forgiving a company after a service failure. The results reveal that Baby Boomers and Generation Y are more similar than suggested by previous research, as both generational cohorts were influenced by all factors mentioned in the findings of the first research question. However, this study was unable to conclude whether there are similarities and differences regarding the influence of temporal factors, as this topic was not discussed by the Baby Boomers. Despite this, the possibility that temporal factors influence consumer forgiveness is not excluded.

Lastly, the findings of the paper imply that for both generational cohorts, caring treatment is an important factor that influences the likelihood to forgive a company after a service failure. Furthermore, the empirical data reveal that a caring treatment alone is not always sufficient in order to reach forgiveness, but needs to be followed by different levels of compensation. However, it is also found that the severity of a service failure influences the level of caring treatment and compensation needed. This is illustrated in figure 4, which shows the relationship between caring treatment, compensation and the severity of a service failure. For example, if the severity is low, a higher level of caring treatment is required and consumers are less concerned about receiving compensation in order to reach forgiveness. On the other hand, if the severity is high, the level of compensation must increase, and consumers are less concerned about receiving caring treatment in order to reach forgiveness. Furthermore, the empirical findings illustrate that there are no significant differences between the generational cohorts in regards to what they expect after a service failure, and therefore the proposed relationship is applicable for both generational cohorts.

### 7 Discussion

This section of the paper includes a discussion about the study, including the implications, limitations and suggestions for further research.

#### 7.1 Implications

The findings from this research present both theoretical and practical implications. This research is the first that combines research areas including consumer forgiveness and
generational cohorts in a Swedish cultural setting. Following this paragraph, this paper discusses several theoretical as well as practical implications.

7.1.1 Theoretical implication

The findings of this study imply that there are several factors that influence consumers from both Baby Boomers and Generation Y when forgiving a company after a service failure. As consumer forgiveness has not been researched taking generational cohorts into consideration before, this study drew from various studies that investigated consumer forgiveness in different contexts. The transactional model by Tsarenko and Tojib (2011) presented a number of factors that influence the likelihood of a consumer to forgive a company. The findings reveal that whilst some of the factors from the model influence consumer forgiveness, there are also a number that seem to have no effect on the generational cohorts. These include novelty, outcome uncertainty, and competitor density. However, this does not exclude the possibility that these factors influence consumer forgiveness in the generational cohorts. Furthermore, a number of factors that are not included in the model by Tsarenko and Tojib (2011) are found to have an impact. These are severity of service failure, service recovery strategies, word of mouth, brand relationship, and market structure. Thus, the transactional model by Tsarenko and Tojib (2011) should be further developed, as the empirical findings reveal additional influential factors.

Another theoretical implication regarding consumer forgiveness and generational cohorts is the proposed relationship between compensation, caring treatment and severity of service failure. However, this relationship has not previously been tested. Furthermore, the findings show that there is no significant difference between what factors influence consumers from the generational cohorts to forgive a company after a service failure. This challenges previous literature on Baby Boomers and Generation Y as it is stated in the frame of reference that these two generational cohorts differ in several ways. Hence, this study argues that there is no significant difference between Baby Boomers and Generation Y in the context of consumer forgiveness.

7.1.2 Practical implications

This paper aims to contribute with new and insightful research to the academic body. It further acts as a normative guide for practitioners, since there is a lack of previous research regarding consumer forgiveness and generational cohorts. Thus, the authors find it relevant to highlight the practical use of the theoretical knowledge presented in this study. The findings of this paper propose that Baby Boomers and Generation Y are influenced by similar factors when reaching forgiveness after a service failure. This implies that the strategies used by practitioners following a service failure can be the same for both generational cohorts as they are influenced by the same factors when reaching forgiveness.

As mentioned earlier, the findings propose that in order for a consumer to reach consumer forgiveness, both a caring treatment and a compensation are needed. The practical implications of this is that practitioners are advised to teach employees how to adopt a caring treatment, and further establish rules regarding what level of compensation that is allowed to be given following a service failure.

7.2 Limitations

What early on limited this study was the lack of previous research on consumer forgiveness. Therefore, this study has drawn from different disciplines in order to obtain a
comprehensive overview. One aspect that is important to take into consideration is that forgiveness is a psychological phenomenon, which requires studying social actors and their opinions. Therefore, this paper used an interpretivist perspective, however, this can result in unintended subjectivity when interpreting findings, which can create biases. In addition, since forgiveness is interpreted differently by individuals, the findings cannot be transferred into a general context. Furthermore, as this study focus on individuals raised in a Swedish cultural context, the use of the result in another culture is limited. The reason for this is that forgiveness is interpreted differently across cultures, and might therefore not be applicable in other countries. Furthermore, generational cohorts are expected to be different from cohorts with similar age in different countries as they have experienced different societal events, and this further limits the ability to generalise the results. Additionally, the focus groups were conducted in the participant's native language. Therefore, when transcribing the collected material and translating it, empirical data might have been lost in the sense that a translation cannot fully reflect what was said in the native language.

This study has a small sample size which is in line with a qualitative study and this further limits the ability to generalise the findings of this paper, however, the results can nonetheless show examples of a broader group. The participants in the focus groups were selected using convenience and purposive sampling. These types of sample selection can be argued to be biased, as the participants were not randomly selected. Furthermore, the reason for the small sample size was due to the authors limited network of Baby Boomers, and the unwillingness of asked people to participate. Furthermore, time is another limitation that affected the sample size as the study had to be conducted in approximately four months. Time also limited the degree to which the authors were able to investigate each factor in depth.

7.3 Suggestions for further research

The future research proposed by the authors are based on the limitations of this paper. Firstly, as the findings of this study cannot be generalised due to its qualitative nature, it is suggested that the findings should be confirmed by a quantitative study in a Swedish cultural context. Secondly, the transactional model by Tsarenko and Tojib (2011) should be revisited in the light of word of mouth, brand relationship, severity of a service failure and service recovery strategies, as these additional factors were found to influence consumer forgiveness. Thirdly, consumer forgiveness should be investigated in the context of a specific industry, as it was stated by the focus group participants that the industry which a service failure occurs in, influences their decision to forgive. Lastly, the suggested relationship presented in figure 4 needs to be tested in a quantitative study in order to establish if the proposed relationship can be generalised amongst different generational cohorts in Sweden.
References:


Appendix 1

Rank the following 20 values depending on how important they are to you as a person. Circle the number that best corresponds to your own values, although maximum five values per number.

<table>
<thead>
<tr>
<th></th>
<th>1: not at all important</th>
<th>2: slightly important</th>
<th>3: moderately important</th>
<th>4: very important</th>
<th>5: extremely important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedication</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Family &amp; friends</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Risk-taking</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Environmental awareness</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Forgiving attitude</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Prosperity</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Spirituality</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Reliability</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Adaptability</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Religious belonging</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Community involvement</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Loyalty</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Economic stability</td>
<td>1</td>
<td>2</td>
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<td>5</td>
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<tr>
<td>Responsible</td>
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<td>2</td>
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<tr>
<td>Integrity</td>
<td>1</td>
<td>2</td>
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<tr>
<td>Efficiency</td>
<td>1</td>
<td>2</td>
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<td>5</td>
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<tr>
<td>Traditions</td>
<td>1</td>
<td>2</td>
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<td>4</td>
<td>5</td>
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<tr>
<td>Honesty</td>
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<td>2</td>
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<td>4</td>
<td>5</td>
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<tr>
<td>Trustfulness</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Justice</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
Appendix 2

Rank the following six statements according to the degree by which you agree with them. Circle the number that is most accurate.

1: disagree  2: somewhat disagree  3: neither agree nor disagree  4: somewhat agree  5: agree

a. My family’s and friends’ opinions matter when I make decisions.

1  2  3  4  5

b. I think it is important to support companies that engage in corporate social responsibility.

1  2  3  4  5

c. I trust authorities such as agencies, institutions and the state.

1  2  3  4  5

d. I often use the Internet to find information.

1  2  3  4  5

e. Material things are important to me.

1  2  3  4  5

f. I feel comfortable using consumer electronics.

1  2  3  4  5
Appendix 3

Opening discussion

Q1. How do you reason when deciding what company to shop at? What do you think is important when buying products?
Q2. If a company does something wrong, what influences you to forgive the company?
Q3. What do you think is important when you buy consumer electronics? What is not as important?
Appendix 4

The case

*Imagine that this situation happens to you and that you are the consumer.*

You think that you have bought a new external hard-drive. Instead you find a whole family’s life in pictures on the clearly used product. The local paper writes about the situation and as a result, the editorial office receives a lot of emails about others who have experienced similar situations. A man named Carl explains when he bought a “new” computer and realized that there were already many programs installed. Another man claims that his mother’s “new” mini-computer was already configured to another consumer, and a woman named Lisa explains that the same thing happened to her when she bought a cell phone last week.

The newspaper tries to reach the company’s CEO for days. When they finally reach him he is on vacation in France and is therefore not completely updated about what has happened during the week. “But these things happen. It would be a lie to state differently”, he says. The CEO denies that the company tries to deceive anyone: “We sell product for five millions Swedish kronas per year. Our ambition is of course not to deceive someone. To say that this has something to do with return policies and commission is completely wrong, and it is a very severe accusation. We have clear routines and if an individual sales man thinks differently, we take a strong distance from it”, he says.

A former employee has told the newspaper about his previous job at the company as a service technician. He says that one of his tasks was to format returned computers and make them “new”. He noted though, that this was not a sanction from the top, but an initiative from individual sales men who wanted to increase their commission.

The CEO says that this is not a large problem but admits that it is an existing problem. “I’ve been in the industry for 15 years, and it happens, yes, and it’s regrettable. But it is nothing that is unique for us at the company. I have also bought a toy for my daughter that later turned out to be used, and I know people that have bought cell phones at phone companies who later turned out to be containing pornographic content”, he says. The CEO adds that the company has no plans to introduce new routines after what happened. “We already have clear routines. This is not a big problem”, he says.

After two hours the CEO calls back. “I would like to add that no matter the extent, this is something that we take seriously. I would also like to apologize to the affected and also the people who have gotten their private life exposed. Like I said, we have a routine system, but I will look over it.
Appendix 5

Questions about the case

Q4. How do you react when reading about the situation? How do you feel? Why?
Q5. What do you think about the CEO’s actions? How could he have acted differently?
   How do you react to the timing of his actions?
Q6. What would make you buy the product again? What would be the optimal solution to
   the situation?
Q7. If you imagine that this is a company that you have shopped at for ten years every time
   you need consumer electronics, would that have changed the situation?
Q8. In the case, it is explained that many other consumers have experienced a similar
   situation. How does that affect what you think about the case?
Q9. Do you have own experiences about similar situations where the company did not
   meet your expectations? How did you feel then? How did the company react to the
   situation and what did you think of that?