

# Relationship fading in business-to-consumer context

## **Abstract**

The objective of this paper is to explain the phenomenon of relationship fading in a business-to-consumer (B2C) context and to identify the key antecedents and drivers in this process. Fading relates to a gradual decline in consumers' willingness to continue a relationship with a company. Therefore it may help to elucidate 'unexplained' relationship dissolution and customer defection. Led by an assumption that a relationship between a consumer and a brand is like one between individuals, the paper proposes that the trajectory of relationship fading reflects disaffection processes present in marital and romantic relationships between individuals. Stages of the fading process and their characteristics are presented. Academic and practical implications are subsequently presented.

**Key words:** *relationship fading, romantic relationships, relationship trajectory*

**Track:** *Services marketing*

## **1. Introduction**

Customer satisfaction is commonly linked to loyalty (Bolton, 1998; Churchill & Surprenant, 1982; Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994; Szymanski & Henard, 2001). Nevertheless, as many as 60 to 80% of satisfied customers defect from organisations (Reichheld, Markey, & Hopton, 2000). Moreover, defection rates are found to be higher than service failure rates (Neslin, Gupta, Kamakura, Lu, & Mason, 2006), which implies that service failures are not entirely responsible for customer defection.

One possible explanation is relationship fading, “a process of gradual decline in consumers’ intention to continue a relationship with a brand (company) manifested in negative feelings towards the brand (company), diminishing frequency and/or volume of transactions with the brand, and initiation of switching intention” (Evanschitzky, 2011, p. 15). It may be that relationship fading is a process that forms a part of natural relationship dynamics and it may help to elucidate ‘unexplained’ relationship dissolutions and customer defections.

Nevertheless, although relationship fading has been briefly studied in the business-to-business (B2B) literature, application of it to the B2C literature is lacking. According to Akerlund (2005), relationship fading in B2B settings is “(...) the process of a temporal or a permanent weakening in the relationship strength defined as the weakening of relationship strength, where the outcome of the process is not yet known”. Hence, relationship fading involves the weakening of relational ties between entities.

Using extent literature, this study addresses the following research questions:

1. What constitutes the phenomenon of relationship fading and what are its characteristics in the business-to-consumer context?
2. What is the trajectory of relationship fading?
3. What are the antecedents and key drivers in the process of relationship fading?

The findings of this research study will inform academics and practitioners. A greater understanding of relationship fading in the B2C context will allow better understanding of the processes taking place between consumers and companies by taking into account presence of the phenomenon of natural fading. Antecedents and drivers of the relationship dynamics will be presented, which will allow practitioners to better assess the current phase of the relationship with a consumer, leading to more efficient resource allocation and more successful building of long-term relationships.

## **2. Theoretical framework**

Since marketing literature does not discuss the phenomenon of relationship fading in the B2C context, other literature has been consulted to search for suitable explanations.

People engage in relationships with brands in a similar way to how they do with other individuals (Fournier, 1998). Therefore, psychology literature has been investigated in search of analogous phenomenon present in other contexts. Marital and nonmarital literature settings have been found to reflect the patterns in the B2C context and therefore can be analysed in search of deeper understanding of the fading process.

This section is organised in the following way: an overview of the literature is presented, starting with satisfaction and loyalty, and service failure and recovery. Later

sections are dedicated to marital disaffection and nonmarital disengagement literatures. Finally, drawing from the review, a synthesis and initial conceptual diagram is proposed.

### *2.1. Satisfaction and loyalty*

According to the service profit chain, satisfied customers remain loyal to a company (Heskett, et al., 1994) and satisfaction should guarantee a long-term successful relationship between the two parties (Bolton, 1998; Churchill & Surprenant, 1982). It has been observed, however, that satisfied customers still defect from organizations (Bolton, 1998). Some obstacles to loyalty creation are reported as consumers's variety seeking, multiband loyalty or withdrawal from the product category – they all result in 'disloyalty', however they do not equal customer dissatisfaction (Oliver, 1999). One of the prevailing views in literature indicates that direct responsibility to the defection rates should be assigned to service failures.

### *2.2. Service failure and recovery*

Some of the company's actions, such as service encounter failures, employee responses to service failure, service quality failures, unfair prices, and anger incidents, are often blamed for customer switching behaviour (Anton, 2007). Although service failures can lead to major consequences, defection rates are still higher than service failure rates. It is worth noting that experience of service failure does not always have to lead to defection. However, a consumer becomes much more likely to switch, should another transgression occur (Jones, Dacin, & Taylor, 2011).

### *2.3. Marital disaffection*

The marital disaffection process presented in the marital literature provides understanding of how relationships evolve over time, what stages are included in the lifecycle, and provide reasons for disaffection and potential dissolution. It may be that a relationship between a consumer and a brand evolves in a similar manner, including the same elements or phases.

According to Kersten (1990, p. 257) "marital disaffection is the gradual loss of an emotional attachment, a decline in caring about the partner, an emotional estrangement, and an increasing sense of apathy and indifference. By disaffection is meant the replacement of positive affect with neutral affect". Kersten (1990) concludes that there are three main stages in the process. The beginning phase is mostly characterised by disillusionment with the partner. It is not very likely though that partners in this stage think of termination of marriage. Moreover, the first phase, disillusion, is somewhat a natural element of the lifecycle in relationships between individuals (Houston, 2001). If the disillusion stage persists, the relationship may enter the next stage of its lifecycle, namely disaffection. In the middle phase partner(s) mainly feel apathy, which results in increased thoughts about relationship ending. In the final stage, termination of the marriage is the most frequent thought. In this stage, it is most likely that partner(s) will take action to eventually terminate marriage.

In conclusion, the disaffection process can be divided into stages that can be characterised by specific features, behaviours and thoughts. However the disaffection process does not have to lead to dissolution.

### *2.4. Non marital relationship disengagement*

Romantic relationships are “mutually acknowledged on-going voluntary interactions; (...) and typically have a distinctive intensity, commonly marked by expressions of affection (...)” (Collins, Welsh, & Furman, 2009). Due to their less formal character, they may better reflect some of the characteristics of consumer-brand relationships.

Research has been conducted aiming to investigate factors leading to romantic relationship success. The most important factors include: love, referred to as a combination of passion, commitment and intimacy (Hendrick, Hendrick, & Adler, 1988); closeness, being a high level of interdependence between two individuals (Berscheid, Snyder, & Omoto, 1989); and mutual trust, increasing the confidence in a relationship (Rempel, Holmes, & Zanna, 1985). Similarly as in marital literature, nonmarital relationships have greater chances of survival when the number of available alternatives is low and when the level of satisfaction and happiness is high (Berscheid, 1994).

Nonmarital relationships can also be characterised by a number of distinctive stages as they evolve. Lee (1984) presents a framework for romantic break-ups and includes a model built of five stages of dissolution: discovery of dissatisfaction, exposure, negotiation, resolution and transformation. These stages reflect the process of dissolution that begins with one or both individuals experiencing a problem, conflict or dissatisfaction. This is then expressed openly to the other partner (exposure), and later an open discussion follows (negotiation), during which partners may consider repairing the relationship or try, for example, separation. Resolution describes the decision point and finally transformation reflects the actual changes taking place.

In general, shorter, less intense relationships may tend not to include all previously mentioned stages of dissolution. In such cases partners usually avoid discussion, which in turn results in these relationships being less committed and more superficial. Therefore, a lack of communication is one of the important factors in producing strong relationships, whereas lack of communication leads to disengagement (Lee, 1984). Similar to marital relationships, specific feelings can be associated and are experienced during various phases of the process.

### **3. Synthesis and conceptualisation**

Relationship disaffection in interpersonal relationships includes phases during which specific feelings and attitudes can be observed. During the initial stage of disaffection, namely disillusion, individuals often experience feelings of disappointment, anger and hurt. They evaluate costs and rewards of the relationship, but nevertheless stay patient and hopeful. Such situations may occur due to discrepancy between initial expectations, or what the individual wishes for and actual outcomes. Such feeling of disillusionment can also take place in a relationship with a brand or a company. For instance, a consumer purchasing a product or service after the initial excitement and fascination have dispersed. Such a state is somewhat natural and follows the initial feelings of delight and fulfilment.

Should the minor unfavourable events continue to occur in a romantic relationship, negative feelings predominate and lead to further loss of enthusiasm, loss of emotional attachment and commitment, apathy, indifference and frustration. Additionally, in this stage of disaffection, specific behaviours start to occur, such as hypercriticism, search for alternatives and lack of communication. In a consumer's relationship with a company, the individual can similarly feel indifference, helplessness and lack of motivation to continue his or her relationship with a brand. As a result, he or she may look for alternatives, reduce frequency of encounters and spend less money and time with the particular company.

If the unfavourable events persist in a relationship, one of the partners may decide to terminate the relationship, although this does not have to be the case. Some individuals decide

to continue the relationship without a change and some will take actions to restore it. By the same token, in the last phase of relationship fading, consumers become more vulnerable to competitive offerings, they may take final action to terminate a relationship with a brand or, on the other hand, they may take actions to repair it.

By looking at this analogy, relationship fading in the B2C context can be linked to the disaffection process taking place in marital and romantic relationships. Consumers gradually lose their interest and willingness to engage in a relationship with a company due to various events taking place throughout the process. At the same time specific feelings, thoughts and behaviours are distinguishable, making it possible to assess the current stage of the relationship. Since the events that occur in the course of relationship development determine the change in the relationship, it is essential to investigate which actions at specific stages drive the relationship from one stage to another. It may be that, depending on the nature of the relationship with a company (e.g. contractual vs. noncontractual), marital or nonmarital disaffection processes will more closely reflect the stages of development. Knowing how relationship fading is structured and the conditions of its emergence should allow academics and practitioners to draw conclusions on visible indications signifying that a relationship is in a particular phase of fading and facing possible termination.

In Figure 1, the synthesis of findings from the literature is presented in a diagram, in an attempt to demonstrate the antecedents, behaviours and events expected to occur in subsequent phases of relationship fading dynamics. It is these phases that will be investigated in the course of this study.

#### **4. Methodology**

For the first research question, a series of 15-20 semi-structured in-depth interviews will be conducted. The interviews will help to better explain the phenomenon of relationship fading, its characteristics and how the process emerges.

For the second and third questions, a longitudinal diary study will be applied, involving approximately 960 individuals self-reporting weekly on their relationship with a chosen brand for an initial period of 10 weeks. The study will be continued with a subset of the sample in order to gain results over a longer time period. During this study attitudes, feelings and behaviours will be measured. This self-report research instrument gives the advantage of collecting real time data instead of collecting data about retrospective events. In this case, change within cases is one of the main elements sought. Therefore real time data is of particular advantage.

The first element of data collection, namely interviews, will be conducted in early 2013. Data will be coded and analysed simultaneously. A full analysis will be available by mid-2013. For the longitudinal study, due to the prolonged data collection stages, results will be ready in late 2013, although preliminary insight will be ready by mid-2013..

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**Figure 1: The B2C Relationship Fading Process**

