Consumer relationship fading

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CONSUMER RELATIONSHIP FADING

ABSTRACT

This paper explores the phenomenon of consumer relationship fading with a series of three adjacent studies. Analyzing two longitudinal behavioral datasets, Study 1 shows that about 1/3 of the relationships could be described as fading. Drawing on prior work in the marriage disaffection literature, Study 2 defines relationship fading for the consumer marketing context as *a process of gradual decline in consumers' intention to continue their relationship with a brand, generally manifested in negative feelings towards the brand, diminishing frequency and/or volume of transactions with it, and initiation of switching intentions*. It further identifies disillusion, disaffection, and crossroads as three distinct fading stages, and outlines boundary conditions. Study 3 observes relationship fading through a diary study approach and finds attitude movement in both positive and negative directions between the stages. Further, while positive attitudes generally decline over the course of the fading trajectory, negative emotions peak at the penultimate fading stage and then level off at the final, crossroads stage. By defining and analyzing consumer relationship fading, we improve understanding of an under-researched, large segment of consumers.

Keywords: Consumer Relationship Fading; Relationship Marketing; Disaffection; Service Failure; Multi-method Study

It is commonly accepted that building and nurturing strong consumer-brand relationships pays financial dividends for firms in the form of enhanced loyalty (Chang & Chieng 2006; De Wulf, Odekerken-Schröder, & Iacobucci, 2001; Keller, 2012; Sirdeshmukh, Singh, & Sabol, 2002; Thomson, MacInnis, & Whan Park, 2005), increased likelihood of future purchases (Crosby, Evans, & Cowles, 1990; Doney & Cannon, 1997) readiness to pay a price premium (Thomson et al., 2005), and by inducing positive word-of-mouth (Hennig-Thurau, Gwinner, & Gremler, 2002). Consequently, much research has been devoted to investigating how relationships with loyal customers can be maintained (e.g., Antón, Camarero, & Carrero, 2007; Adjei, Griffith, & Noble, 2009; Bendapudi & Berry, 1997; Blut, Beatty, Evanschitzky, & Brock, 2014; Evanschitzky et al., 2012; Fritz, Lorenz, & Kempe 2014; Noble & Phillips, 2004; Schmitt, 2012; Vogel, Evanschitzky, & Ramaseshan, 2008).

Despite efforts by firms to nurture and maintain strong relationships with customers, research reports high defection rates, even from within customer groups that firms would consider satisfied and/or committed (e.g., Bolton, 1998; Kumar, Pozza, & Ganesh, 2013; Thomas, Blattberg, & Fox, 2004). The common assumption in the literature seems to be that defection is triggered by clearly identifiable incidents or certain critical events (e.g., Harmeling, Palmatier, Houston, Arnold, & Samaha, 2015; Keaveney, 1995). Therefore, substantial research has been done to assess consequences of brand failures (Cheng, White, & Chaplin, 2012), as well as finding ways to recover dissatisfied consumers (e.g., Bolton & Mattila, 2015; Brock, Blut, Evanschitzky, & Kenning, 2013; Evanschitzky, Brock, & Blut, 2011; Orsingher, Valentini, & de Angelis, 2010; Roschk, Gelbrich, & A, 2017; Rotte, Chandrashekaran, Tax, & Grewal, 2006; Sembada, Tsarenko, & Tojib, 2016).

Clearly, service failures are important causes for switching, yet, there are other, less well-researched means by which relationships may weaken or dissolve without the presence of clearly identifiable failures. For example, a cross industry study reported that only 20% to 32% of consumers experienced a negative incident within a year (e.g., Lapidus & Pinkerton, 1995; TARP & Program, 1979). Meanwhile, overall defection rates range from 65% to 85%, even among satisfied and very satisfied consumers (Oliver, 1999; Reichheld, 1996). In the automobile industry, in which 85% to 95% of consumers report that they are satisfied with their cars, only 30% to 40% repurchase the same brand (Oliver, 1999). Such data offer evidence for why the customer-base of many service providers turns over every two years (Neslin, Gupta, Kamakura, Lu, & Mason, 2006).

There are many potential reasons for differences between the percentage of dissatisfied customers and customer defection rates. In this research, however, we focus on a key, under-researched reason for the discrepancy: many relationships between consumers and brands[1] naturally fade over time. While the marketing literature acknowledges the fading phenomenon (e.g., Åkerlund, 2004; Fournier, 1998; MacInnis & Folkes, 2017) and the management literature provides insights regarding instability of relationships caused by an interplay between social and market uncertainty (e.g., (Uzzi, 1997), both literatures lack a detailed account of the fading process, including its dynamics, stages, and boundary conditions. Therefore, we draw on the marriage disaffection literature (e.g., Kayser, 1990) to improve our understanding of the phase in which consumers gradually disengage from, or lose interest in, a brand. We term this phase *relationship fading*.

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[1] Our paper assesses relationships between consumers and service providers, firms-as-brands, product brands, or any other provider. Throughout the paper, we use the term "brand" to represent the (non-personal) business partner in the relationship with the consumer.

To deliver on the key contribution, we conducted three adjacent studies. Study 1 utilizes two longitudinal data sets from a retail and a service context, containing actual consumer purchase histories to estimate the size of the fading segment. Informed by insights from the marriage disaffection literature, interview-based Study 2 defines relationship fading in a consumer marketing context, identifies its stages, and outlines important boundary conditions for fading. Study 3 offers novel insights into the fading phenomenon by exploring a longitudinal diary study that observes the dynamics of relationships in real time. By shedding light on the fading process through this approach, we improve our understanding of an under-researched, yet potentially large segment of consumers: those in fading relationships.

THEORETICAL BACKGROUND

The purpose of this section is to assess current understanding of fading relationships. We do so by first consulting the marketing and the management literature and then we broaden the review to include the relationship disaffection literature.

The fading-phenomenon in the marketing and management literature

From a marketing perspective, the fading relationship phenomenon was first introduced by Dwyer and colleagues (1987). Based on their conceptual framework, the authors emphasize that, in contrast to relationship formation, only one party initiates dissolution. Furthermore, the authors note that whereas the formation of relationships has been well-researched, suggesting a four-stage process, the dissolution phase has received little attention, and is typically conceptualized as consisting of just one stage. Since then, a number of studies (e.g., Åkerlund, 2004; Blut et al., 2011; Bock, Folse, & Black, 2016; Coulter & Ligas, 2000; Fajer & Schouten, 1995; Grünhagen, Zheng, & Wang, 2017; Jap & Anderson, 2007; Roos & Strandvik, 1996; Sung

& Choi 2010) have investigated the fading or dissolution of relationships in a more nuanced manner and demonstrate a number of ways in which relationships terminate and what post-exit consumer behavior can be anticipated (Thomson, Whelan, & Johnson, 2012).

Antecedents of fading relationships. Based on a literature review we could identify several antecedents of fading relationships. The majority of research focus on unfavorable incidents that act as transformational events, or turning points, in relationships (e.g. Cambra-Fierro, Melero, & Sese, 2015; Voorhees et al. 2006; Harmeling et al. 2015). These unfavorable incidents are often caused by negative product/service events (e.g. service failures) or relational disconfirmation (Harmeling et al. 2015), which often leads to the dissolution of the relationship toward the provider (e.g. Keaveney 1995).

Further, relationship dynamics such as relationship velocity and emotional arousal during different relationship stages could also play important roles in customer fading (e.g. Palmatier et al. 2013; Reimann et al. 2012). Due to the dynamic nature of a relationship between customers and firms', important elements of the relationship can change over time. For instance, in B2B-relationships, customer commitment tends to change from positive to negative velocity around the fourth year (Palmatier et al. 2013). In a consumer context, the emotional arousal is higher for recently formed brand relationships, but over time, the emotional arousal decreases (Reimann et al. 2012).

Opportunistic behavior, often caused by asymmetrical information distribution between parties, could also result in relationship fading. Economic activities are embedded in social structures and such embeddedness positively impacts efficiency. However, at a certain threshold, embeddedness starts derailing performance due to firms being overly vulnerable to shocks (Dacin, 1999; Jones, Hesterly, & Borgatti, 1997; Romo & Schwartz, 1995; Uzzi, 1997). Jones et

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al. (1997) go as far as claiming that over-embeddedness gives rise to opportunism among network partners. Further, a lack of communicating (Ndubisi, Wah & Ndubisi, 2007; Xie and Peng 2009) in that context would add to a negative relationship trajectory. In the context of fading, the conclusion we can draw is that relationships might fade once one partner realizes its over-reliance on the other partner and recognizes the opportunity for opportunistic behavior, such as betrayal (e.g., Leonidou et al. 2018; Tan 2018). Betrayal in buyer-seller relationships results in negative feelings such as anger, disappointment, and loss of trust among partners, thus damaging the relationship and jeopardizing its future development.

In summary, although prior work provides important insights into relationship dissolution antecedents, they cannot explain why some customers switch without having experienced any clearly identifiable, negative incident.

The process of fading. To the best of our knowledge, only a few studies dive deeper into the process of fading relationship in the consumer context. Findings of these studies show that a relationship often is terminated gradually after a critical incident and that the customer goes through different stages of dissolution (Coulter & Ligas, 2000; Pick et al. 2016; Roos & Strandvik, 1996), typically starting with a negative service encounter, followed by a breakdown phase, and ending with a determinant incident (Coulter & Ligas, 2000). However, a deeper view of the stages, as well as consumer-related issues on different stages, is still missing.

Outcomes of fading. As mentioned above, the majority of prior studies investigated the origins and outcomes of defection and switching behavior (e.g., Athanassopoulos, 2000; Hocutt, 1998; Keaveney, 1995). Most of these studies discuss the outcomes of unfavorable incidents, such as exit, voice and/or loyalty (e.g., Blut et al., 2014; Cambra-Fierro, Melero, & Sese, 2015),

but not the stages before final dissolution. Table 1 gives an overview of relationship fading in the marketing literature.

<center>*--- Table 1 about here ---*</center>

In sum, the studies shown in Table 1 make important contributions toward a better understanding of the fading phenomenon and its outcomes. Prior work also offers some insights into fading antecedents as well as into the view that relationships might end for no apparent reason. However, scant attention has been paid to the process of fading. In particular, existing studies do not explore changes in consumers' attitudes, emotions, and intentions in different stages before the final termination of the relationship; further, they remain largely silent about why and when fading occurs, and for which types of relationships and consumers. It is important to gain an in-depth understanding of the process of fading to help in the formulation of sound consumer-brand relationship strategies.

Fading in the relationship disaffection literature

Because of the gaps in the marketing literature, we reviewed the interpersonal relationship literature, as consumers relate to brands in ways that are analogous to their relationships with people (e.g., marital relationships), even if the brand is concretely associated with an object (MacInnis & Folkes, 2017). When a person treats an object like a human, then it implies that s/he attributes human mental capacities to the object, such as intentions and feelings, or perhaps that the object has intentions and feelings about the person (Waytz, Cacioppo, & Epley, 2010; Waytz, Epley, & Cacioppo, 2010). Thus, when the brand (object) transgresses, consumers may feel betrayed and hence the consumer-brand relationship is susceptible to potential discontinuity (MacInnis & Folkes, 2017).

Given that consumers relate to brands in ways that are similar to their relationships with people (e.g., Fournier & Yao, 1997; Fournier & Alvarez, 2012; Schmid & Huber, 2019), we extend our review to include studies on interpersonal relationships drawn from the marriage disaffection literature[2], as this domain has a long tradition of assessing relationship trajectories among partners. Prior work in this space offers the definition, process, and boundary conditions of disaffection and touches upon the differences between consumer-brand relationships and marital relationships.

Phenomenon and definition of disaffection. The marriage disaffection literature defines relationship disaffection as "the gradual loss of an emotional attachment, including a decline in caring about the partner, an emotional estrangement, and an increasing sense of apathy and indifference towards one's spouse" (Kayser, 1993, p. 6). Disaffection in relationships is a lengthy process, where dissatisfaction, disappointments, and unresolved conflicts push a relationship partner out of love (Kayser, 1990, 1996). It should be noted that, relative to dissatisfaction, disaffection represents the absence of love or affection that usually occurs after a series of (rather minor) dissatisfying events and not as a consequence of a singular (major) event (Kayser, 1993). Disaffection does not necessarily lead to relationship dissolution, but the propensity to separate increases when disaffection is present (Booth, Johnson, & Edwards, 1983).

Process of disaffection. There are several approaches to understanding the fading of strong, interpersonal relationships (e.g., Lee, 1984). For example, Kayser (1990) identifies a three-stage process of disaffection. The *beginning stage* is characterized by a feeling of disillusionment due to the partners' behavior and seemingly unfair treatment. Some degree of disillusion is nearly

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2   The marriage literature uses the term "disaffection," which describes essentially the same phenomenon we refer to as "fading." To avoid confusion, we use the term "disaffection" when referring to the marriage literature and "fading" when referring to person-brand relationships.

inevitable in relationships after the initial honeymoon stage, because the everyday reality of living together might seem quite different from what was expected at the relationship outset (Huston, Caughlin, Houts, Smith, & George, 2001). Indeed, the key reason for a partner's feeling of disillusion during the beginning stage is negative disconfirmation of expectations (Kayser, 1990). Disillusion usually starts with an initial disappointment, followed by a series of further disappointments (Baxter, 1984). It should be noted that the event that initiated the disaffection process might not necessarily be a major incident. For example, a problem may begin when one partner hides certain faults in stages prior to the start of the relationship, which then come to light later (Huston, Houts, & Weiss, 1998). Poor communication and negative interactions, for instance, have been shown to be major reasons for low level of marital happiness, leading to seeking a divorce (Amato & Hohmann-Marriott 2007; Hawkins, Willoughby, & Doherty 2012). Partners often experience feelings of surprise and hurt in this stage, and they tend to reconsider the costs and benefits of the relationship. However, they remain optimistic about the relationship and do not intend to leave it yet.

During the *middle stage* of the disaffection process, anger and hurt escalate as conflicts have not been resolved, nor has the behavior of the partner improved. Attempts to solve the problems are still frequent, yet tend to be perceived as inadequate. The offended partner may experience emotional withdrawal after a series of unsuccessful attempts to solve the problems (Kayser, 1990). Thus, the partners experience a growing sense of anger and disaffection, reducing the feeling of love (Kayser & Rao, 2006). However, they are not ready to leave the relationship due to substantive barriers, such as financial or social pressure, convenience, or comfort.

During the *end stage* of the process, apathy and indifference take over for the more intense negative feelings experienced during the middle stage. The social and emotional needs of the

offended partner are often met through seeking alternative relationships (Buunk, 1987). The threat of terminating a relationship is relatively high because of the perceived advantages of an alternative relationship. The focal thought process is on how to end the current relationship while the hope for saving the relationship significantly declines. While one spouse may already have decided to leave, no action has been taken yet.

The disaffection process of relationships may have three distinct outcomes: break-up, unhappily remaining together with dissatisfaction, or recovery from disaffection. Although spouses are generally unwilling to remain in unhappy relationships, they may do so due to the level of investment in the relationship (Rusbult, 1980), commitment towards the relationship (Kayser, 1993), poor alternatives (Levinger, 1965, 1976; Simpson, 1987), and other external barriers such as feelings of obligation, financial or social pressure (Kayser, 1993).

Boundary conditions of disaffection. The marriage disaffection literature suggests three types of conditions that moderate the disaffection process (Hill, Peplau, & Weiss, 1998; Kelly & Conley, 1987; Kurdek, 1993): *Individual* conditions refer to traits and characteristics of the individuals involved in the relationship; *relational* conditions relate to the dyadic interaction between individuals (spouses); and *contextual* conditions relate to external circumstances, outside the individual's control.

At the *individual* level, personality characteristics have been identified that may predispose a partner to behave in a negative way in response to marital events (Cramer, 1993). In particular, neuroticism seems to be negatively related to marital adjustment and satisfaction (Eysenck, 1980). High levels of neuroticism may become a reason for dysfunctional behavior, such as increased level of punishment towards a spouse. Additionally, interpersonal incompatibility seems to increase marriage instability (Kelly & Conley, 1987).

At the *relational* level, several boundary conditions of disaffection have been identified. For instance, Huston and Houts (1998) found that discrepancies between partners with respect to interests and preferences lead to incompatibility. Such incompatibility tends to be exposed only later in the relationship when partners are less likely to express any concerns over incompatibility. Also, differing interests, boredom, or a partner's desire for independence are associated with higher costs and lower relationship satisfaction, greater likelihood of breakup, and lower probability of marriage (Hill et al., 1998).

At the *contextual* level, the characteristics surrounding both the partners individually and jointly have been shown to affect the marriage disaffection process. For example, short dating periods may not be sufficient to detect incompatibility between partners before making the decision to marry. This could possibly be due to the existence of greater emotional arousal for recently formed relationships (Reimann et al., 2012).

Additionally, friends' approval and their positive perceptions of the partner are known to have contrasting effects on relationships. Friends' approval may increase positive relationship outcomes (Booth & Johnson, 1988), yet external pressures to enter a relationship may lead to negative outcomes (Larson & Holman, 1994).

Research Aims

While the marketing literature has made important contributions towards an initial understanding of relationship fading, the marriage disaffection literature is more explicit about the phenomenon. The purpose of our study is to build on both literature streams and present a more complete picture of the fading phenomenon as it relates to consumer-brand relationships, a prevalent phenomenon in consumer behavior.

STUDY 1

Purpose

Study 1 uses two longitudinal, empirical data sets in an effort to document the evolution of relationships and estimate the proportion of the ones that are fading. Data were derived from two companies, an Internet Service Provider and a home-improvement retailer. Both companies allowed us to access their transaction data to understand consumers' spending histories.

Findings

Internet Service Provider context. The first empirical data set used to study the fading phenomenon is from an Internet Service Provider (ISP). This particular ISP has approximately 16,500 customers in their database and we had access to aggregated annual spending for a random sample of 650 customers over a three-year period. Using spending behavior as a basis, customers were classified into three distinct groups: fading relationships, on-going relationships, and abruptly ending relationships. Classification was done on the basis of our working definition of fading as a gradual disengagement from, or loss of interest in, the brand.

In consultation with the management team in the ISP company, fading relationships in the ISP industry were defined by a decrease in spending of more than 25% over a three-year period. Customers in on-going relationships are those for whom spending fluctuates less than 25% over three years, whereas customers in abruptly ending relationships are those for whom spending has grown or remained stable over two years and then moved to zero in year three.

Based on our sample of 650 customers, we find that 35.8% of customers were in fading relationships, 59.5% were classified as being in on-going relationships, and 4.7% were in abruptly ending relationships.

Retail context. The second data set comes from a home improvement retailer and contains purchase information from 200,000 customers over 26 consecutive months. We further know the date of the first purchase of each customer, even if it fell outside the 26-month period. Of the 200,000 customers, 58,675 (30.5%) had ended the relationship (classified as "dead" per the retailer's definition of not having purchased anything in the past 90 days) whereas the remaining 69.5% remained active.

On average, the active customers purchased goods for 77.73 Euros, whereas the inactive ones spent 64.00 Euros (F=815.78; p<.001) per visit *before* having been classified as active or inactive. Active customers visited the store 39.10 times (14.73 for the inactive ones, F= 23874.19; p<.001) during the same period. When comparing the change in store visits (i.e., at least one product was purchased) over the prior 12 months before having been classified active or inactive, we note an increase of store visits by 125.2% for active customers, while the same indicator drops by 302.5% for inactive customers (F=6594.93; p<.001).

To better understand the relationship trajectory that eventually led to inactivity, we consider the 58,675 (30.5%) inactive customers in more detail. In particular, we assess the change in store visits and note that 75.3% of those customers were in "fading relationships," meaning they had reduced store visits over 12 months, while the remaining 24.7% had increased store visits before eventually becoming inactive. In sum, the data indicate that 23% of customers (30.5% x 75.3%) were in fading relationships, 69.5% were in on-going relationships, and 7.5% (30.5% x 24.7%) of relationships ended abruptly.

Summary

Findings from the two data sets suggest that a significant proportion of relationships (23% to 35% in our samples) are in a state of flux and can be considered "fading" whereby the

relationship is in a downward trajectory, yet has not reached a critical stage where switching occurred. To gain further insights into this group, we conducted a qualitative study to derive a better understanding of the fading phenomenon, its stages and boundary conditions, as well as associated feelings and thoughts from a consumer's point of view.

STUDY 2

Purpose and Method

Study 2 is comprised of qualitative interviews designed to investigate how, why, and when consumer-brand relationships fade over time, for which type of products or services, and among which consumers. In particular, the study was aimed at gaining a better understanding of the process, underlying drivers, and boundary conditions of relationship fading. The disaffection process derived from the marital disaffection literature was used as a grounding framework from which we attempted to explain consumer-brand relationship fading. A semi-structured discussion guide was developed and pre-tested (see Appendix 1) to guide the interviews.

Following Blocker et al. (2012), we began by encouraging interviewees to share their personal background and personalities. When a sense of an interviewee's personal experiences with the brand(s) emerged, we asked her/him to share specific stories, first about her/his preferred brand(s) and then whether she/he is currently planning to change any of her/his previously preferred brands in relation to her/his experience with the brand(s). This allowed the interviewees to move towards the main objective of the interview.

We did not have a priori specified sample size, but ultimately interviewed 32 respondents for a total of 49 fading stories to ensure information saturation (Guest, Bunce, & Johnson, 2006). The respondents were selected using purposive sampling (Miles & Huberman, 1994) from a wide range of backgrounds and demographic segments in order to maximize the likelihood of

uncovering insights on important consumer-brand relationship phenomena (Erlandson, Harris, Skipper, & Allen, 1993). The sample was comprised of 18 females and 14 males. The age of the interviewees ranged from 24 to 60, and there were numerous nationalities and occupations represented. The characteristics of the respondents are presented in Table 2 (interviewees 1-32). The average duration of the interviews was approximately 50 minutes. All the interviews were recorded and transcribed verbatim.

--- Table 2 about here ---

We deployed thematic analysis using deductive coding (Braun & Clarke, 2006) to analyze the data. The labels of the themes were guided by the research problem and existing literature (Saunders, Lewis, & Thornhill, 2009). The interview transcripts were reviewed in a peer debriefing process in order to ensure accuracy of the derived themes. Next, we conducted cross-case analysis (Miles & Huberman, 1994; Yin, 1994) by matching themes across all fading stories. This helped to identify the frequency of repeated themes across all stories, in particular with respect to the definition of relationship fading, key drivers, feelings, and thoughts in each of the fading stages, as well as the boundary conditions of fading at the individual, relational, and contextual levels.

Findings

Definition. Our analysis shows that consumers who experienced fading relationships once had a strong and positive relationship with the brand but have been experiencing disillusionment, which affected their cognitive-emotive process negatively and ultimately led to a general change in attitude towards the brand. As an example of how the fading process unfolds, one of the interviewees had been with an Internet service brand for about four years and was very happy with its performance until a series of negative events disrupted the relationship. As she stated:

(…) they were very reliable and their billing system was excellent. When I needed to change the name (…) and address, there was no problem at all (…) and they were very good with all of that. Recently (…) I noticed some other minor glitches (…). It has been happening for quite some time and I have been patiently waiting, hoping that it would be resolved. I got some work to do for which being online is needed (…). It's annoying, you know. I called them but they said it's due to my equipment. I changed it but still it's dropping. (…) But I can't bear it anymore and I am now looking for alternatives. [Interviewee 6, Female, Age 28]

One of the interviewees had been with a telephone provider for about seven years and was

happy with its performance until several minor events disrupted the relationship:

Actually it was pretty good and was different from other competitors (…) and retail wise they were pretty much everywhere, easy to get to them and their phone service was also good. (…) They used to send me emails containing different offers but I never had anything there that I liked and I did not upgrade my service. (…) They tell that they are giving you so called 'best deals' but I think that are more restrictive on different offers.

(…) One day somebody called me and told me that he will give me a special deal if I want to upgrade. When I asked him things like what other additional services can I get from you (he said) obviously this is not going to cost you a lot and I was really hoping to get another package or some information in this regard. Then the customer service representative talked with his supervisor and told me that this is the best package they have for me. I mean this is for everyone. How can it be personalized? I understand it could be for general customers but you are telling me that this is the best for me although I have been with the company for seven years. It is really nothing special. You are deceiving people to think that. How can you bombard somebody's email and say that this is special to you and in fact it's not? That is just crazy!

(…)I think they were more prompt and had more control earlier; whereas now, I have to wait long and they are not like before. I understand this is due to the call centers they have outsourced now, which made it more difficult for the person on the phone to make a decision. But that's their problem; why would I care for all these when so many alternatives are out there? I am planning to switch and I will start looking around. If I find something attractive in the market, I am going to change. [Interviewee 2, Female, Age 27]

From the above, it is clear that the interviewee passed through several phases in the process

of gradual loss of interest towards the company following a long and happy relationship with the

retail brand. Initially she was disappointed when she did not receive her desired upgrade. Yet,

she stayed with the company without making any formal complaints. She became angry when

the contact employee offered her a deal calling it a "special"; however, she did not perceive the

offer to be special or personalized. At that point, she considered the brand deceptive and started

to reassess her relationship. In addition, she experienced substantial delays in reaching the customer service employee and found the overall customer service to be slow. All of these unfavorable events cumulatively triggered switching intentions and she started looking for alternatives. However, she could not switch, as she did not find anything attractive in the market, although she lost her enthusiasm towards the brand and rated her relationship as boring. This clearly shows that the interviewee is at the brink of switching and the actual switch might take place soon.

In a different context, an interviewee had been visiting a doctor (general practitioner) of a particular clinic for more than three years but recently started considering a change. As he stated:

I started thinking about changing the current doctor after he didn't do a perfect job with my hand and again another doctor of the same clinic performed just ok with my son's ear; nothing major, but not perfect either. (…) It is not a complete switch yet but we are planning for it and it is happening since last year. Currently we are using the new doctor in another clinic and our old one simultaneously. (…) [Interviewee 11, Male, Age 38]

In addition to fading caused by a series of negative incidents, boredom and a desire or readiness to try something new may also increase the likelihood of relationship fading. For example, consider the following extract relating to a relationship with a personal hygiene brand:

On the one hand I was frustrated that it didn't fulfil my needs any more but on the other hand (…) I was just looking for something new… it got a bit boring, (…). No, but it's just sometimes I like to try new things and then if I'm not 100% convinced anymore; it gets easier to try new things. [Interviewee 28, Female, Age 27]

Another respondent recalled her relationship with a mobile phone brand, to which she had been loyal for about 10 years. She indicated that she started to think about switching because she got bored with the provider. As she stated:

(…) I felt a little bored with the company and just wanted to see if there is anything different around (…) [Interviewee 14, Female, Age 27]

Taking the above together, relationship fading can evolve out of a series of relatively minor, negative incidents that ultimately dissolve a once healthy relationship. The fading process might also be prompted without specific, negative encounters, out of boredom with the current brand or an attraction to an alternative brand. The fading concept involves feelings of negative emotions towards the brand, which induce consumers to diminish their patronage level and look for alternatives. On that basis, we define relationship fading as *a process of gradual decline in consumers' intention to continue their relationship with a brand, generally manifested in negative feelings towards the brand, diminishing frequency and/or volume of transactions with it, and initiation of switching intentions.*

Stages of Relationship Fading. We consider one indicative fading story ("John's fading story") to explain the drivers, feelings and thoughts when passing through different stages of the fading trajectory. John[3] is a 29 year-old professional, who has been using a particular mobile phone provider brand for more than five years. He was happy with his provider:

I was a fan of (BRAND) and was loyal. I used to recommend (BRAND) to other people. I think I was emotionally attached to it. When I was given the loyalty card rewards like movie ticket, I felt like I am involved with the company and there was a period when they were sending me things quite regularly.

But John became disillusioned when he noticed that the brand stopped sending him rewards all of a sudden and without any prior notice. As he stated:

(…) for the last 12-18 months, they suddenly stopped sending me those rewards. I never expected those things but they increased my expectations and when they stopped sending me those without any warning, I felt like I no longer belong to the company. Then I thought that's alright and I was staying with the company as a good customer.

Despite not receiving the expected rewards from the brand for an extended period of time, John put up with the sudden disappointments without any complaint and continued his relationship with the brand. However, this was the beginning of the decay. Moving forward, John

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[3]   Name has been changed, but reflects gender.

was experiencing a series of other unfavorable events that frustrated him, yet that he did not classify as "service failures":

First of all, the network is dropping off. So the quality of service is getting worse. Secondly, the automated service is rather poor, it never understood my request. Waiting time is over one hour sometimes. (…) it's no big deal, but it's just frustrating for me.

The series of unfavorable events and inadequate responses by the mobile phone provider brand in handling the issues influenced John to gradually feel disaffected, which then led him to reconsider his relationship with the brand:

I have been through such trouble shooting things before. (…) the person over the phone said that they are building new towers to solve the network issues and everything will be fixed. Then, I asked when? He said soon but could not give any specific date. I can't depend on them anymore.

John was expecting to receive a clear and specific solution or timeline that would address his issues, but the brand did not appear to have recognized the issue or make an effort to handle it properly. Making matters worse, John found that his girlfriend, living in a different location, was also experiencing similar network issues from this company. In contrast, his girlfriend's roommate was using a different mobile phone brand and did not face any network problems. This triggered John's switching intention and influenced him to look for alternatives:

My girlfriend is also experiencing a network problem but her roommate using a different company is not facing any problems. So we were thinking what's the benefit of staying with the company (…) and started to look for alternatives.

Despite intending to switch, John was still considering staying with the brand, hoping to receive specific information about resolving his issues. In effect, he was at a relationship crossroad:

If they could give an accurate date when my reception will improve, I would consider staying even though I may require carrying on such bad reception for a bit longer (…) but I must have some specific date. In fact, I don't trust them anymore due to the network problem, their incapability to fix it, and the poor customer service (…).

In summary, John had a positive relationship with the brand for more than five years, but he gradually lost interest due to the cumulative effects of a variety of minor occurrences. He followed a three-stage fading process: First, he became surprised or disillusioned when the brand stopped sending him small gifts without any notice ("disillusion stage"). However, these disappointments did not make him think about switching; rather, he put up with the situation. Then, he became disaffected and angry when experiencing multiple unfavorable events, such as network problems, long waiting times, and an ineffective automated phone system ("disaffection stage"). These events convinced John to start assessing the cost-benefits of staying with the brand. Nonetheless, he remained unwilling to switch, preferring to see whether his issues eventually would be resolved. Then, his switching intentions were heightened when his girlfriend also experienced similar problems with this mobile phone brand, while her roommate who uses a different mobile phone brand did not have any problems. At this stage, John started to look for alternatives and felt increasingly indifferent towards his mobile phone brand. He lost trust in the firm's capability to deal with his concerns in an adequate manner and hence lost interest in remaining a customer ("crossroads stage").

We conducted cross-case analysis of the themes derived from 49 fading stories. Table 3 (A) summarizes the drivers, feelings, and thoughts that consumers experience during the three-stage fading process, which were assessed based on frequency of appearance across all 49 fading stories.

Boundary conditions for relationship fading. Our in-depth interviews revealed a number of boundary conditions for relationship fading. In particular, we find that *individual, relational,* and *contextual* characteristics influence the likelihood of consumer-brand relationship fading.

Individual characteristics: We find that possessing specific characteristics such as anxiety impulsiveness, and specific life experiences influence the likelihood a relationship will fade. Anxious consumers, for instance, may seek secure situations and if those are not found or if the situation changes during the relationship, fading is more likely. On the other hand, fading is less likely among anxious customers when they experience comforting actions from the brand. For instance, in the context of a mobile service provider, an interviewee recalled a positive, comforting and secure experience, which would make fading less likely:

Sometimes I get scared of technology so I think if I touch it, it will break. They helped me to install the SIM card, they explained everything so I felt like there are people at (BRAND) to help me if I have any problem (…) so I stick with them, whatever happens. [Interviewee 22, Female, Age 26]

Individuals characterized by impulsiveness appear to be making their decisions in a less informed way, making fading more likely. For example, a price- and quality- conscious respondent in the context of retailing stated:

I'm quite a busy person, I have a lot going on in my life which means that I often can be quite impulsive purely and simply because I don't have the time. I'll sometimes do things for convenience and that means I'm not always going to my favorite store. [Interviewee 27, Female, Age group 51-60]

Another set of conditions under which consumers are more likely to fade within a relationship is aggregated life experiences. Those experiences, such as having a history of financial constraints, may impact the perception of a relationship. One of the respondents recalled an experience with a retail brand after having had financial difficulties:

I think I've gone through a period of unemployment and we had actually quite a drastic drop in our income and I'd been really struggling to make ends meet. Then when things got a little bit better I sort of went to (BRAND) because it gave me a bit of a feel good factor that I'd moved slightly upmarket (…) I felt that going to (BRAND) I was almost re-joining the human race. [Interviewee 27, Female, Age group 51-60]

Relational characteristics: In terms of relational characteristics, factors such

dissimilarities in values, attitudes, and beliefs, poor conflict resolution or conflicting interests

were identified as having an impact on the relationship by making it more prone to fading.

One of the frequently reported conditions of fading is conflicting values and beliefs between

the respondent and the brand. This disagreement may arise especially when comparing specific

features of the brand. As one interviewee in the online retailing context pointed out:

I saw them as a trustworthy, reliable thing. I see myself as a relatively trustworthy person, so yes it's very easy for me to get hostile to someone or an organization if they fall short on this value and (BRAND) changed my perception from being trustworthy and reliable, of being basically a friend, to being sort of drain on society, which doesn't fall into where I see myself in terms of values. [Interviewee 32, Male, Age group 26-30]

Another respondent, when referring to her relationship with a phone provider brand,

reported a mismatch of preferences:

"I'd like to do stuff with you but you're just not making it easy for me, you're literally pushing me away and I don't want to go away." That's the way I kind of felt like. "I want you to do this but you won't." I still think that they're incredible when you discover them, (…) kind of good looking phones, kind of dependable software, but yeah they just don't play well with others. (…) When you go into more the smart phones (…) they're slightly non-mainstream and that can be fine, but you've got to want to be non-mainstream all the time, so sometimes it's just easier to be a bit more (mainstream). It's kind of like, I'd imagine, like say I had a friend that I really liked but they couldn't interact with my other friends. [Interviewee 31, Female, Age 33]

The interviews revealed that a mismatch between what a brand offers and the interests of the

consumer created ambivalence and added negative feelings about the relationship, which

influenced the fading process. One interviewee in the context of a fashion retail brand stated:

I don't have a fixed size plus, I'm a petite as well. But the extra small was really fitting well for me. But now they do actual sizes like six, eight, ten, twelve and I feel that's sort of like, I just feel like (BRAND) is telling me, "I no longer want you in my life, I have found a new target market, I have found someone else and I feel like we connect more." It is a bit painful for me, but I feel like it's maybe time for me to move on and to look at different brands. [Interviewee 20, Female, Age Group 26-30]

Another condition that appears to increase the likelihood of fading relates to how the brand deals with conflicts. In the following extract, an interviewee reported on a conflict situation relating to a corporate social responsibility issue that arose between him and an online retailer:

(…) they did not comment on it, they had all these accusations on how they treat their employees. They made a policy of just not commenting; you could hear nothing from (BRAND) officially, except for that they issued a statement, which was a bit of joke. [Interviewee 32, Male, Age group 26-30]

Contextual characteristics: Various contextual factors, largely outside consumers' control, impact how a relationship with a brand evolves. One contextual characteristic, external pressures, was particularly common. Factors such as career circumstances and peer pressure put pressure on a relationship and hence influence relationship fading. For example, one respondent commented on her financial circumstances in the context of a fashion brand:

It was a transition for me, my final year of undergraduate studies to my masters when I started working and earning a lot and became more financially independent and also may be exposed to these other brands like (BRAND1), (BRAND2). [Interviewee 23, Female, Age group 26-30]

It appears that peer-pressure may increase the likelihood of making poor initial brand choices, which makes fading from these relationships more likely. As one interviewee in the fashion retail context pointed out:

So it probably started by association and peer pressure as well. If back as kids, when you were growing up, you would probably talk about stuff you wanted to buy (…). You know, when you're going back to school you want to look nice, you know, after the holidays. So (BRAND) was definitely on the list. Not so much anymore, but (BRAND) used to be one of those brands that you know, when you wear it people would be like oh that's a (BRAND) jersey or that's a (BRAND) sneakers, you know, you looked fresh. [Interviewee 21, Male, Age group 26-30]

Another type of contextual factor relates to the pool of alternatives available to the consumer. As one interviewee pointed out in the context of a mobile phone provider brand:

As much as I liked (BRAND) as a brand, as I much really liked their phones; if I hadn't gone to the smart phones I would have probably stayed with them, but just in terms of the smart phone, their offering just wasn't anywhere near their competitors. I could have probably stayed without the smart phone for a little while longer because I didn't really want to leave (BRAND), until it

was kind of at a point where I absolutely needed a phone where I can easily pick up my emails on and I just don't like the (BRAND) ones for that. [Interviewee 33, Female, Age 33]

Additionally, shorter search periods and limited product familiarity may make fading more likely to occur. Reflecting on her relationship with a phone brand, one interviewee noted:

I think it was just when I moved, I was quite young and I just really had to buy a phone as soon as possible so I didn't have much choice, I didn't do proper research to check the prices so I just bought a phone. There was a local store so I went in and said I needed a SIM card, bought it and so I started using it. [Interviewee 22, Female, Age 26]

Furthermore, the interviews suggest that relationships with certain types of products are more prone to fading. As one interviewee mentioned when talking about a product that was of relatively low monetary value and for which it was relatively easy to find an alternative:

It's a cool brand (…) on the other hand it's just a deodorant it's not worth a lot, I really liked (BRAND) because we've been together for so long or I kind of got committed because I've been using it long and I liked the smell. But it's only a deodorant! [Interviewee 28, Female, Age 27]

Summary

The qualitative interviews of Study 2 revealed that consumers often go through a lengthy process before deserting their preferred brand. The process of fading is typically triggered by a series of unfavorable events and/or a sense of boredom with the current brand. Based on these insights, a formal definition of relationship fading emerged. Our findings also show that fading consumers pass through three stages: disillusion, disaffection, and crossroads. Further, we have identified boundary conditions of fading at the individual, relational, as well as contextual levels. Table 3 (A) summarizes the drivers, feelings, and thoughts consumers experience during the fading process. Table 3 (B) shows the boundary conditions of consumer relationship fading. The conceptual model in Figure 1 visually depicts the process of consumer relationship fading.

--- Table 3(A), Table 3 (B) and Figure 1 about here ---

STUDY 3

Purpose and Method

Study 3 aims to delve further into the relationship stages identified in Study 2. In particular, Study 3 utilizes a new longitudinal data set to examine two key questions about relationship dynamics within and between the three fading stages. First, how do consumers move between different fading stages over time? Second, how do positive and negative attitudes and feelings change as consumers move between stages?

Study 3 utilizes a longitudinal data set of 706 student subjects. Data were collected over a 4-month period. During that period, subjects had to do three comprehensive diary entries, at the beginning (t_1), in the middle (t_2), and at the end (t_3) of the 4-month period. Each entry was only available for one week to complete. Students were awarded course credits to participate.

At the outset of the study, participants were asked to self-select one brand with which they have (or have had) a strong relationship[4]. Subjects were then required to continue reporting on the same relationship with that one brand throughout the duration of the study. Each of the three entries started by asking participants to identify the current stage of the relationship. In line with Study 2 and extant literature (e.g., Jap & Ganesan, 2000), we briefly defined four relationship stages, honeymoon (fading has not started), disillusion, disaffection, and crossroads, and subjects self-selected the stage that best described their current relationship with the brand they chose. Next were a set of items to measure relevant attitudes, intentions, and emotions. In line with our earlier findings that document emotional changes across the fading stages, particular attention was given to the items for the negative emotions scale, which are presented in disaggregated form. Table 4 provides details of the measures and Appendix 2 offers a description of the stages.

--- Table 4 about here ---

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[4] 58% of the chosen brands were retail brands, 33% "classic" service brands, and 9% product brands.

Findings

Given that we asked subjects to report on their stage at three different points in time, we first report the percentages of subjects in each stage at each point in time. As can be seen in Table 5, Panel A, about half of the relationships can be described as very healthy (i.e., in the honeymoon stage), whereas the other half can be considered in a "fading" process.

--- Table 5 about here ---

Next, we consider the movement between stages and find that roughly 60% of subjects did not move between stages during the four months whereas the remaining 40% moved at least one stage. Further, we note that movement occurs in both directions. That is, whereas between 12-15% of participants moved at least one stage in a negative direction, between 13-22% percent moved at least one stage in a positive direction. Thus, fading relationships can be salvaged and, although it only occurred in roughly .5% of the sample, it is possible to bring relationships back from the crossroads stage (see Table 5, Panel B for details).

When assessing conditional movement (i.e., conditional upon the stage a subject is currently in), Table 5, Panel C reaffirms that movement happens in both directions. We further find that the honeymoon and disillusion stages seem to be stickier, with over 60% of subjects staying in those stages. On the contrary, only around 15% of subjects in the disaffection and crossroads stages stay there, whereas the rest moved to a different stage. It is, however, worth noting that the sample sizes for these two stages are small (n=13 and 19).

The next set of analyses is concerned with attitudes and intentions during each of the stages[5]. First, we find significantly different positive attitudes between the four stages. We also note that, as expected, positive attitudes worsen as the fading process progresses. However, whereas positive attitudes generally worsen during the fading process, we consistently find that switching

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[5] We consider attitudes reported in the first diary entry. However, results for entries 2 and 3 are virtually identical.

and negative word of mouth intentions, as well as negative attitudes and emotions are strongest in the penultimate, "disaffection" stage. This finding is in line with theory, suggesting that the crossroads stage is characterized by a feeling of indifference, which suggests a reduction in negative feelings. (Table 6, Panels A-C for details). Interestingly, only 15.1% of subjects engaged in some kind of communication with the company (e.g., complaining) and 2.2% decided to terminate the relationship during the observation period.

--- Table 6 about here ---

Summary

The findings of the longitudinal diary study clearly show that during a 4-months observation period, significant movement between the fading stages occurs. Interestingly, movement happens in both directions with the earlier fading stages being stickier. Further, as indicated by the marriage literature, we find positive attitudes to weaken when consumers move towards crossroads while negative feelings are at their worst in the penultimate stage of "disaffection."

DISCUSSION

Summary of new insights

There is considerable evidence in the literature that supports the importance of building and maintaining strong consumer-brand relationships to enhance firm value. A large proportion of this research relates to service failures and recovery due to the common assumption that customer defection is predominantly triggered by clearly identifiable, negative incidents. While service failure is a significant reason for customer defection, the overall defection rates far exceed the incidence of service failures and customer dissatisfaction. Our research suggests that

many relationships between consumers and brands – about 1/3 – simply fade over time, despite the absence of clearly identifiable service failures, and even among satisfied customers.

Results from qualitative interviews show that consumer-brand relationships tend to go through a lengthy process before eventual defection. More precisely, we find that fading consumers pass through three distinct stages: disillusion, disaffection, and crossroads. In the early stage of fading (the *disillusion* stage), consumers seem to be surprised that the brand is not living up to its promises and are disappointed. At this stage, there are no switching intentions. Instead, the brand often is given a chance and consumers tend to "wait-and-see." Over-promising and unfavorable price/value perceptions were found to be the primary reasons for committed consumers to become disillusioned, thus gradually changing the consumer's perception of the brand and triggering the process of relationship fading. As fading continues (the *disaffection* stage), consumers develop strong negative emotions such as frustration, anger, distrust, and hatred leading to a search for alternatives, yet no definite switching intention has been formed. Moving forward, inadequate response by the brand to disaffected consumers results in feelings of increasing indifference towards the firm; consumers seriously consider switching (the *crossroads* stage) yet they concurrently consider potential losses from switching. Such contemplations are triggered by competitor activities, and a lack of trustworthiness. While the process of emotional separation has already started, consumers often give the brand one last chance to rectify what went wrong before ultimately making the switching decision.

In addition, our study reveals the existence of boundary conditions for relationship fading at the individual, relational, and contextual levels. At the *individual level*, we find that consumers who are impulsive, anxious, experience voluntary as opposed to institutional commitment towards a brand, and whose individual characteristics reflect their aggregated life experiences are

more inclined to fade out of relationships. At the *relational level*, dissimilarity in terms of brands' values, attitudes and beliefs, incompatibility, and deficiency in the brand's ability in conflict resolution were found to be some of the conditions impacting the relationship, making fading more likely to occur. External pressures, peer pressure, and insufficient search time are some of the *contextual level* conditions that intensify consumer-brand relationship fading.

Theoretical implications

Our theoretical frame of reference, the marriage disaffection literature, has proven useful for improving understanding of consumer-brand relationship fading. In light of that, our research intends to make at least four main theoretical contributions. First, while the extant switching and service failure literatures focus on (negative) critical incidents as the key cause for switching, our study shows evidence that switching can neither be fully explained by a negative incident nor by a lack of satisfaction. Further, while recognizing negative incident(s) or service failure(s) to be important causes for relationship dissolution, we extend the current relationship marketing literature by stressing that relationships may weaken or dissolve, even without the presence of clearly identifiable failures/negative incidents. Instead, minor incidents and habituation might lead to a gradual decline in consumer-brand relationships. This is a notable contribution, as it might help to explain why defection rates are considerably higher than service failure rates, and why defection rates even among satisfied and very satisfied consumers are very high.

Second, our findings advance relationship marketing theory by highlighting that consumer-brand relationships do not always dissolve abruptly. Instead, in roughly 1/3 of relationships, consumers go through a lengthy fading process. While prior research in relationship marketing has made cursory attempts to understand the stages before relationship termination, it mostly ignored the affective side of the consumer-brand relationship and did not focus on consumers'

cognitive-emotive state during the process of fading. Drawing on Kayser's (1990) conceptualization of fading of interpersonal relationships and based on the assumption that consumers form emotional and enduring relationships with their preferred brand in much the same way as they form relationships with human beings, our research makes a significant contribution to the relationship marketing literature by identifying and delineating consumer-brand relationship fading into three distinct stages: disillusion, disaffection, and crossroads.

The third contribution of our research is uncovering of the underlying thoughts and feelings of consumers, as well as the prime determinants of the three distinct fading stages. Although there is some prior work on the process aspect of relationship dissolution, research remains largely silent about how consumers behave and feel during the relationship dissolution process. Uncovering consumers' underlying thoughts and feelings as well as the prime determinants of fading specific to the three distinct stages offer opportunities to develop stage-specific mechanisms for restoring fading relationships.

Fourth, our study contributes to the marketing literature by outlining boundary conditions of fading. Exploring individual (intrapersonal), relational (interpersonal), and contextual (environmental) factors, we are able to identify why and when fading is more likely to occur, for which type of relationships, and among whom.

Taken together, these four theoretical contributions are intended to lay a foundation for the development of a more comprehensive theory of relationship fading.

Managerial implications

Given the importance of relationship marketing and the significant resources managers use to retain consumers, a thorough understanding of the nature and reasons for fading relationships should be of particular interest to marketing managers. In addition, as fading relationships are

just the beginning of the decay and may lead to switching, the findings of our study indicate that managers should be proactive by adopting appropriate steps to restore fading relationships. A better understanding of relationship fading could assist managers in classifying consumers into different fading-risk clusters and prioritizing their restoration efforts based on the specific stage and nature of the fading relationship. Such an understanding would assist in improving the effectiveness of retention efforts and in explaining variations in key dashboard metrics. For example, the fading stages uncovered here may correspond with Net Promoter Score categories (Reichheld, 2003), where customers move from Promoters (the honeymoon stage) to Passives (disillusion) to Detractors (disaffection/crossroads). Below we offer different restoration measures and activities specific to each of the three fading stages:

Disillusion. Managers should detect and deal with fading consumers right at the disillusion stage. Any delay in this regard might aggravate the situation and customers may become disaffected towards the firm, when the likelihood of restoring fading relationships might be more challenging. Managers are challenged to turn initial negativity into positive feelings. Over-promising and a changing price/value perception are found to be the main drivers of disillusion. Managers should employ value-oriented communication and price offers for these consumers. Moreover, setting realistic expectations through communication is necessary to avoid disillusion.

As lack of quality communication has long been viewed to be an important factor leading to marital relationship fading (e.g. Kressel et al. 1980; Montgomery 1981), it is essential for couples to engage in appropriate communication in terms of expressing themselves to their partners and talk about the problems to restore fading marital relationships. Thus, considering the similarities between consumer-brand relationships and personal relationships (Fournier & Alvarez, 2012), it is important for firms to proactively initiate and improve communication with

fading consumers to arrest the process of fading and recover relationships. Such communication with fading customers must be aimed at encouraging them to voice their concerns directly to the service provider to remedy the problems in order to preserve the relationship. Lacey (2012) has shown that customer voice, which describes the customer's level of comfort in proactively verbalizing concerns to the service provider, positively and directly influences customer attitudes and purchase behavior.

Disaffection. This is a critical period for reconciliation. At this stage, unsatisfactory and unreliable offerings result in frustration, anger, and distrust. As is evident from our study, consumers expect to receive either a clear solution to their issues or a specific timeline. If hurt and anger intensify and positive changes are not achieved, the disaffected customer will start to lose hope and resentment will build. Therefore, it is crucial for managers to design strategies that increase the frequency of positive behaviors while reducing the frequency of negative, hurtful behaviors. This requires managers to focus on the appropriateness of existing processes, outcomes, and employee-customer communications.

Crossroads. At the final stage, the provider gets one last chance from the consumer. At the same time, the consumer gets more interested in competitor's activities. Measures should therefore focus on communicating the advantages of the existing relationship and the disadvantages of switching. In doing so, managers could offer special treatment or extra incentives as compensation, which a fading consumer would likely consider to be a fair deal. Such special treatment could also be useful to curtail the likelihood of switching.

Managers in general, and frontline employees in particular (Singh, Brady, Arnold, & Brown, 2017), have to be aware of the current fading stage in which consumers find themselves. By doing so, it will be possible for firms to put in place tailored restoration measures to rectify the

situation. Such measures will help revive the relationship and stop the process of fading. Indeed, the Study 3 data indicate that positive movement between stages can occur in up to 20% of fading relationships. Therefore, managers should have mechanisms in place, and develop tools to identify, a consumer's fading stage. Readily available transaction data from loyalty programs could help in finding behavioral proxies for fading stages. Having such detailed information would allow the provider to adequately respond to the vulnerabilities of consumers fading.

Limitations and future research directions

Our findings have to be seen in the light of the study's limitations. First, considering that relationship fading is an under-researched area and an exploratory approach has been adopted, confirmatory studies to examine our proposed conceptual model are recommended. Second, the fading stories on which Study 2 is based are self-reported and therefore could include errors or exaggerations. Further, we did not measure the strength of the relationship. Future studies may focus on investigating fading after measuring the strength of the relationship.

Identifying the stages of the relationship fading process is not an end in itself. It is equally important to identify appropriate restoration efforts and investigate the effectiveness of these efforts in the different stages of the fading process. Future research could focus on developing scenarios that would prompt consumers to move to a more favorable relationship stage. An interesting finding of this research is that there are situations where consumers stay in a relationship with a brand despite being unhappy. Further research might want to uncover potential psychological reasons for this awkward, yet relevant phenomenon.

Future research could also employ field experiments to test specific hypotheses suggested in our conceptual model. For instance, observing real consumer attitudes and behaviors, and

relating them to fading stages in a longitudinal setting might shed further light into the dynamics associated with relationship fading.

Conclusion

Considering that empirical findings across a wide range of consumer contexts and industries show that defection rates are considerably higher than failure rates, this research adds a novel theoretical angle to the relationship marketing literature. Our findings show that relationship fading is an important, yet largely ignored, aspect that helps complement more traditional approaches to understanding consumer switching behavior. In doing so, it lays groundwork for future research intended to manage the causes, processes, and outcomes associated with downward relationship trajectories and customer switching behavior.

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TABLE 1
Relationship Fading in the Marketing Literature: An Overview

Study	Context	Design	Moderators/ Boundaries	Drivers of Consumer Switching/Fading/Relationship Termination	
				External Driver	**Internal (mental) Driver**
Akerlund, 2004	B2C (financial services)	Qualitative and quantitative study	Economic climate, stock market conditions	Negative critical incidents, inadequate interaction between partners, lack of value	Expectations, Decreasing commitment, dissatisfaction, quality perceptions
Athanassopoulos, 2000	B2B and B2C (retail banking services)	Quantitative study	B2B and B2C customers	Inadequate level of services, inconvenient location, customer relocation, Poor pricing conditions	---
Coulter & Ligas, 2000	B2C (5 different services)	In-depth interviews	Sample structure (only women)	Negative service encounter (trigger): market factors, self-related factors	Self-related factors
Dwyer, Schurr, & Oh, 1987	---	Conceptual	Commitment	---	---
Fajer & Schouten, 1995	B2C (product-related)	Conceptual	Level of loyalty	"Appearance of potentially superior alternatives to the brand"	"Unmet expectations for brand performance, changing consumer needs or liking criteria"
Fournier, 1998; 1994	B2C	3 life history case studies (in-depth interviews)		Environmental stresses; partner-oriented stresses	Dyadic/relational stresses
Grønhaug, Henjesand, & Koveland, 1999	B2B	In-depth case study	Long relationships; personal contacts (strong ties)	---	Perceptions of company / sales representatives
Halinen & Tähtinen, 2002	B2B (service industries)	Conceptual	Type of relationship	Predisposing factors and precipitating events	
Hocutt, 1998	B2C (services)	Conceptual	Commitment	Saturated, superior alternative seller	"Reactance to high exit barriers," dissatisfaction

				Relationship Internal Events (Structural and emergent events)	Relationship External Events (Peripheral and environmental events)
Hollmann et al., 2015	B2B	Qualitative study	---	Relationship Internal Events (Structural and emergent events)	Relationship External Events (Peripheral and environmental events)
Keaveney, 1995	B2C (different services)	Critical incident analysis (CIT)	Simple / complex incidents	Pricing, failure, inconvenience, competition, ethical problems, involuntary incidents	---
MacInnis & Folkes, 2017	B2C (brand - product/service)	Conceptual	---	When the brand transgresses, the consumer feels betrayed by the brand and the consumer - brand relationship gets impacted.	---
Leonidou et al. (2018)	Buyers and Sellers	Exploratory/Empirical		Betrayal in buyer–seller relationships	Negative feelings such as anger, disappointment, and loss of trust in their partners, thus damaging the relationship.
Michalski 2004	B2C (financial service)	Switching path analysis technique	Commitment	Changes in life, better conditions, core service failures, dormant account, loan (denial), project aim fulfilled	---
Mittal & Lassar 1998	B2C (health care and car repair)	Quantitative study	Level of satisfaction / level of interpersonal interaction	---	technical and functional quality perception
Monga & Houston 2006	B2C (product)	Experimental design (student sample)	Prior attitude, performance ambiguity	---	expectations change
Perrien, Paradis, & Banting 1995	B2B (commercial banking)	Nominal group technique (NGT; qualitative study),	Account managers point of view	Credit policies, account manager turnover, customer service policies	---
Reimann et al., 2012	B2C (brand - product/service)	Experiments	Usage frequency of the brand	Greater emotional arousal exists for recently formed brand relationships, and over time the emotional arousal decreases in the relationships.	---
Roos 1999	B2C (product)	Switching path analysis technique	Irrevocable / revocable switching paths	Price, range of goods, location, variation, product mix, failure of the system, design, policy,	Anger, distress, shame, stress, and dissatisfaction

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				co-customers	
Roos, Edvardsson, & Gustafsson 2004	B2C (services)	Switching path analysis technique	Competitive / noncompetitive	Situational, influential, and reactional Triggers	---
Stewart 1998	---	Conceptual	---	Alternative suppliers, barriers (financial risks)	Quality decline, barriers (social and psychological risks)
Tan 2018	B2C (clothing and consumer electronics product brands)	Quantitative study	---	Brand betrayal/brand transgression (failure of the brand to deliver the expected products/services and the degree to which the brand is perceived to have had a negative motive concerning the customers) leads to consumers negative behavior toward a brand (e.g. spreading negative word of mouth) and thus hurt the consumer-brand relationship.	---
Tuominen & Kettunen 2003	B2C (airline sector)	Quantitative study	Light/medium user (flyer)	Changing tasks, duties, or profession, retirement, competitor	Evaluations of services

TABLE 2
Sample Respondents

Interviewee #	Age	Gender	Nationality	Profession	Stories Revealed on
01	57	Female	American	Teaching	Hairdresser, airline, cruise
02	25	Female	Malaysian	Post graduate student	Mobile, internet service, airlines, restaurant
03	38	Male	Indian	Teaching	Internet service, retail, automobile
04	48	Male	Indian	Manger	Insurance, auto repair, restaurant
05	25	Male	Australian	Post graduate student	Airline, insurance, mobile
06	28	Female	Australian	Administrative staff	Internet service, hairdresser
07	27	Male	Australian	Teaching	Mobile, airlines
08	48	Male	Australian	Administrative officer	Internet service, insurance
09	28	Female	Australian	Administrative staff	Mobile
10	37	Male	Australian	School manager	Dentist, internet service
11	38	Male	Bangladeshi	Teaching	Doctor (General Practitioner)
12	24	Female	Australian	Post graduate student	Gym
13	24	Female	German	University student	Telecom, jewelry
14	27	Female	Taiwanese	University student	Telecom, coffee-shop
15	25	Female	Greek	University student	Ice tea, cigarette
16	27	Female	German	University student	Telecom, mobile service provider
17	30	Female	Taiwanese	University student	Retail, cosmetics
18	30	Female	German	University student	Retail, fashion
19	27	Male	Indian	Post graduate student	Retail, electronics
20	26-30	Female	British	Post graduate student	Retail, fashion
21	26-30	Male	Nigerian	Post graduate student	Telecom, mobile service provider
22	26	Female	Russian	Post graduate student	Retail, fashion
23	26-30	Female	Serbian	Post graduate student	Train service operator
24	26-30	Male	Indian	Teaching	Retail, fashion
25	25	Female	British	Post graduate student	Electronics, software designer
26	26-30	Male	Turkish	Post graduate student	Retailer, grocery
27	51-60	Female	British	Post graduate student	Personal hygiene product
28	27	Female	German	Post graduate student	Internet service, train operator
29	26-30	Male	Malaysian	Project manager	Retail, fashion
30	39	Male	Greek	Post graduate student	Mobile phones manufacturer
31	33	Female	British	Post graduate student	Online retailer
32	26-30	Male	German	Post graduate student	

TABLE 3
Qualitative Findings

Panel A: Drivers, Feelings, and Thoughts during the Fading Process

	Disillusion	**Disaffection**	**Crossroads**
Drivers	Over-promising (21) Changing price/value perception (15) Peer opinion (5) Habituation (3) Incompatible match (3) Personal changes (3)	Unsatisfactory encounters (22) Unreliability (14) Lack of personalization (3)	Competitor (marketing) activities (9) Lack of perceived trustworthiness (3) Accusing Consumers (2)
Feelings	(Negative) surprise (9) Dissatisfaction (8)	Frustration (15) Anger (8) Distrust (6) Hatred (3)	Indifference (13) Emotional Separation (3)
Thoughts	Giving a second chance (5) Patiently waiting (2)	Searching for alternatives (10) Negatively evaluate the brand (6) Assessment of costs and benefits (2)	Giving one last chance (6) Threatening to leave (4) Perceived risks of switching (2) Complaining (1)

Note: The numbers in parentheses reflect frequency of appearing respective theme across 49 fading stories.

PANEL B: Boundary Conditions of Relationship Fading

Individual Characteristics	**Relational Characteristics**	**Contextual Characteristics**
• Neurotic behavior (4) • Voluntary commitment (4) • Impulsiveness (3) • Aggregated life experiences (e.g. low income, previous divorce, dysfunctional beliefs about a relationship) (2) • Anxiety (2)	• Differences in values, attitudes and beliefs (9) • Incompatibility relating to leisure interests and role preferences (8) • Conflicting interests (4) • Poor conflict resolution (3) • Conflict avoidance (2) • Boredom (1)	• External pressures (e.g. career circumstances, pool of potential brands, political and economic circumstances) (7) • Peer pressure when choosing a brand (4) • Short "dating" periods (2) • Poor familiarity with the brand (2)

Note: The numbers in parentheses reflect frequency of appearing respective theme across 49 fading stories

TABLE 4
Psychometric Properties of Constructs

	Source	#Items	CR	AVE
Brand Attitude	Meyers-Levy and Peracchio (1995)	5	0.85	0.53
Trust	Erdem and Swait (2004)	5	0.90	0.65
Commitment	Coulter, Price, and Feick (2003)	3	0.91	0.76
Loyalty	Algesheimer, Dholakia, and Herrmann (2005)	3	0.83	0.61
Satisfaction	Patterson and Smith (2003)	3	0.96	0.88
Switching	Meuter, Bitner, Ostrom, and Brown (2005)	3	0.90	0.75
WOM Intention	Maxham and Netemeyer (2002)	3	0.94	0.85
Negative Emotions	Moorman, Neijens, and Smit (2002)	5	0.96	0.76

TABLE 5
Relationship Dynamics

Panel A – Subjects in each stage (in %)

	t1	t2	t3
crossroads stage	2.2	1.5	2.4
disaffection stage	3.6	8.5	7.3
disillusion stage	39.5	44.5	45.3
Honeymoon	54.7	45.5	45

Panel B – Movement between stages (in %)

	t1 – t2	t2 – t3	t1 – t3
negative movement by 3 stages	0.3	0.2	0.4
negative movement by 2 stages	1.5	2.3	1.8
negative movement by 1 stage	12	14.6	11.6
no movement	62.2	66.2	59.8
positive movement by 1 stage	19.7	13.2	22.1
positive movement by 2 stage	3.7	3.1	3.9
positive movement by 3 stage	0.6	0.4	0.5

Panel C – Conditional movement between stages (in %)

|	+3	+2	+1	0	-1	-2	-3
Crossroads N=13	15.4	61.5	7.7	15.4			
Disaffection N=19		10.5	57.9	15.8	15.8		
Disillusion N=221			24.4	62.9	10	2.7	
Honeymoon N=316				62	32	5.1	0.9

TABLE 6
Attitudes, Intentions, and Feeling during Fading

Panel A – Positive attitudes

	Brand Attitude	Trust	Commitment	Loyalty	Satisfaction
honeymoon	5.84	5.83	5.08	5.74	6.07
disillusion	5.36	5.33	4.00	5.23	5.42
disaffection	4.81	4.65	3.23	4.65	4.40
crossroads	4.48	4.73	2.71	4.04	3.98
F-value	51.43	27.11	60.31	25.43	55.49
p-value	0.00	0.00	0.00	0.00	0.00

Panel B – Intentions

	Switching Intention	WOM Intention
honeymoon	2.59	6.01
disillusion	3.54	5.27
disaffection	4.52	4.39
crossroads	4.33	3.78
F-value	47.82	45.72
p-value	0.00	0.00

Panel C – Negative feelings/emotions

	Angry	Agitated	Annoyed	Disturbed	Sad
honeymoon	1.54	1.69	1.73	1.47	1.50
disillusion	2.22	2.38	2.73	1.97	2.06
disaffection	3.79	3.91	4.98	2.81	3.91
crossroads	3.11	3.64	4.14	2.57	3.29
F-value	40.59	35.24	49.38	27.29	30.53
p-value	0.00	0.00	0.00	0.00	0.00

FIGURE 1
The Relationship Fading Process
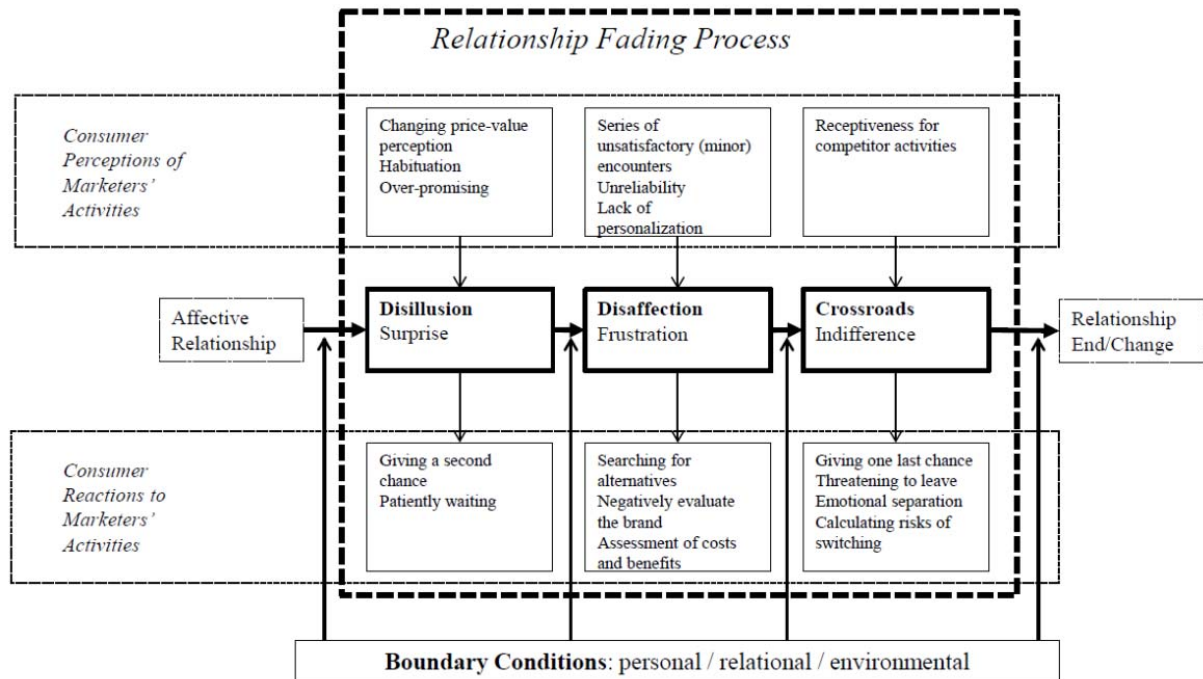
Appendix 1
Semi-Structured Discussion Guide

Tell us about any product/brand/company with which you have (had) a strong relationship but currently intend to change to another brand/product/brand/company.

What made you choose the /product/brand/company in the first place? How did you make this choice?

What things did the product/brand/company do well, and what things did they do poorly?

Comparative scenario of different attributes of the product/brand/company in two different time periods: at the start of the relationship and the present situation.

Key factors driving the respondents toward fading away from the product/brand/company.

What other factors made you lose interest in the product/brand/company?

For how long have you been considering making the change?

How much time did you take to make the change?

Can you describe your personality?

How would you assess the fit between the product/brand/company and you? How did it develop over time?

Do you think the product/brand/company represents associations and values similar to your own?

Comments on your satisfaction, trust, and commitment towards the product/brand/company in two different time periods: at the start of the relationship and the present situation.

Did you experience any problem in changing the provider – emotional or any other?

Steps that the product/brand/company has adopted in order to retain you as a consumer.

Appendix 2
Description of Stages

Relationships typically evolve through a number of phases or stages over time. Which of the following best describes your current relationship with BRAND? (*Check only one*)

Honeymoon
I am fascinated by and excited with the experience I've had with BRAND. I am highly satisfied with and committed to BRAND and intend to use BRAND continuously in the future.

Disillusion
I am disappointed with BRAND because of several minor unfavorable events that occurred over time. I thought BRAND would be better than that. Although I feel I lost my trust for BRAND I will continue using it for the moment.

Disaffection
My relationship with BRAND is now different than how it used to be. Things have changed over time and because of little incidents that have been occurring, I feel a lack of motivation to stay with BRAND and started looking for alternatives. I feel uncomfortable and frustrated. I use BRAND less and less nowadays.

Crossroads
I am hopeless with BRAND; I do not feel attached to it any longer and a sense of indifference towards BRAND emerged. Although I feel I need to change the brand immediately but I am also conscious of the risks of switching.