

# Relationship Fading

## How can data help our understanding of consumer behaviour?

Dr Heiner Evanschitzky, Professor of Marketing  
Programme Director MSc Market Research & Consultancy, Aston Business School  
5. June 2014

# AGENDA

- Background
  - Theoretical background and empirical findings: “marital disaffection”
  - Study 1 (qualitative interviews)
  - Study 2 (diary study)
  - Study 3 (quantitative study with behavior)
  - Discussion & Future Research

## RESEARCH ON FAILURE AND SATISFACTION MISSES THE POINT!

- Defection must be triggered by clearly identifiable negative incidents... really?
- Clearly identifiable service failures are relatively rare occurrences (only up to 20%; e.g., 1.43 customer complaints per 100,000 customers in the airline industry in 2012)
- Even after serious failure, complaint rates are well-below 35% (TARP 1979; 1986)
- Defection rates even among satisfied and very satisfied consumers across different industries range from 65% to 85% (Reichheld 1996).
- In the automobile industry, in which 85% to 95% of consumers report that they are satisfied with their current brand, only 30% to 40% repurchase the same brand (Oliver 1999)
- A case in point: A US company spends \$2 million annually in customer loyalty but about half of the most profitable customers disappear completely after buying large numbers of high margin products in a short time (Reinartz and Kumar 2002).

**100% retention is a myth and regardless of the initiatives taken for customer retention, customers disengage.**

# KEY QUESTIONS

---

Why do consumer relationships gradually and almost “naturally” fade over time?

How do consumer relationships gradually fade over time?

What are the key drivers of relationship fading?

What is a (typical?) relationship trajectory?

Can we predict “movement” between fading stages and – as a consequence – do something about it?

# AGENDA

- Background
- Theoretical background and empirical findings: “marital disaffection”
- Study 1 (qualitative interviews)
- Study 2 (diary study)
- Study 3 (quantitative study with behavior)
- Discussion & Future Research

# THERE'S NOTHING MORE PRACTICAL THAN A GOOD THEORY...

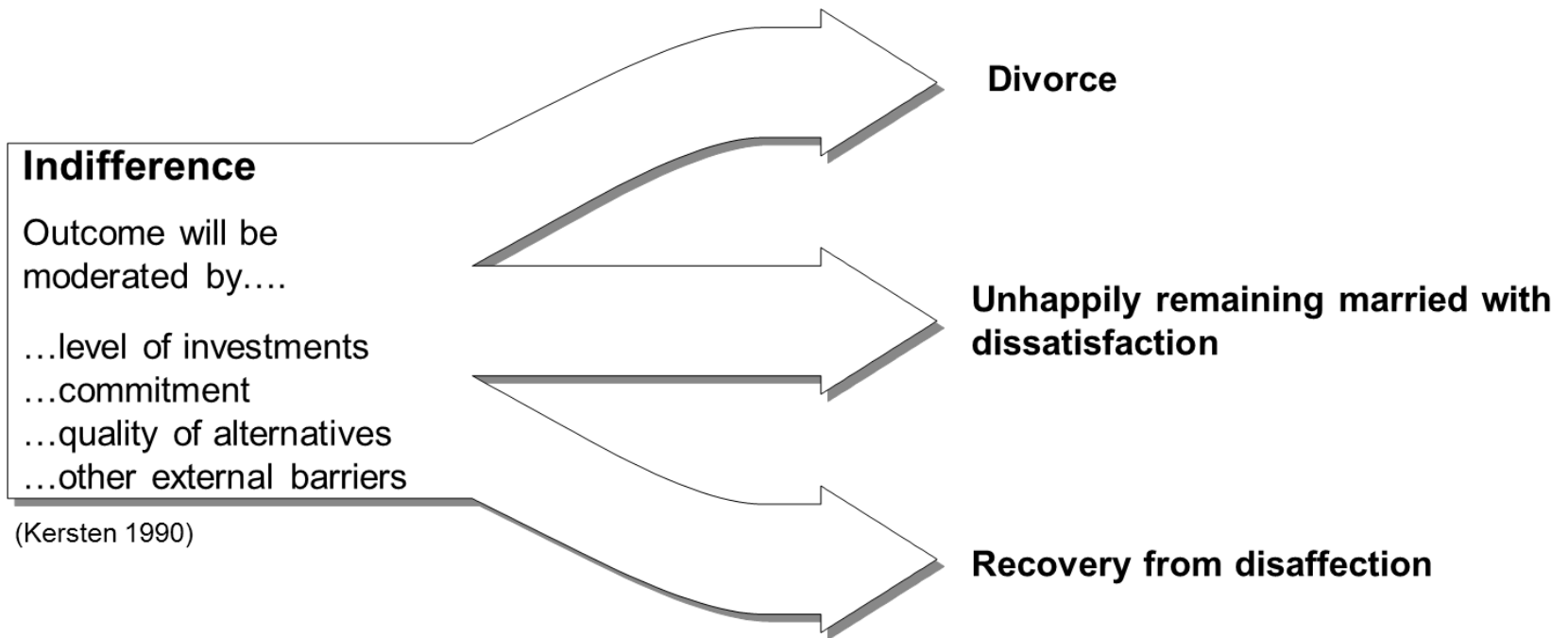
## Process of Marital Disaffection



- Negative disconfirmation of expectations.
  - Partners often experience feeling of surprise and hurt.
  - Partners do not intend to leave the relationship.
- Anger and hurt escalate as conflicts have not been resolved.
  - Attempts to solve the problems are still frequent.
  - Partners are not ready to leave the marriage due to substantive barriers.
- Apathy and indifference are the main feelings partners have.
  - Spouses re-interpret their partners' quality and the relationship that they had.

# MARITAL DISAFFECTION

## Our Metaphor: Process of Marital Disaffection: Outcomes



# AGENDA

- Background
- Theoretical background and empirical findings: “marital disaffection”
- Study 1 (qualitative interviews)
- Study 2 (diary study)
- Study 3 (quantitative study with behavior)
- Discussion & Future Research



# METHODOLOGY

---

- Qualitative approach
- Semi-structured interviews (18 + 14) conducted in Australia and the UK
- Unit of analysis: “fading story” (n=49)
- 100 hours of recording
- More females (23); average age of 31.56 years (24-57 years)

# FINDINGS: THE PHENOMENON

## Consumer Relationship Fading - Phenomenon and Definition

- **Similar to marital relationships**, fading consumers have had an **affective relationship with a brand** but are experiencing a **series of rather minor disappointments**, which affects their cognitive-emotive process negatively and ultimately **lead to a general attitude change**.
- The perception of fading consumers **involves feelings of negative emotions towards the brand or the provider company** due to multiple unfavorable events which induce them to diminish their patronage level and look for alternatives.

# FINDINGS: THE DEFINITION

## Consumer Relationship Fading - Phenomenon and Definition

A process of **gradual decline** in consumers' intention to continue the relationship with a brand (company) manifested in **negative feeling** towards the brand (company), **diminishing** frequency and/or volume of transactions with it and growing **initiation** of switching intention.

# FINDINGS: FADING STAGES

*(...) for the last 12 or so months, they stopped sending me those rewards. (...) I feel like I no longer belong to the company.*

*(...) the quality of service is getting worse. The automated service is really poor – it never understood my request at all. Waiting time is over one hour sometimes. (...) they couldn't solve my problem. (...) lots of small stuff (...) it's just completely frustrating for me.*

*(...) My girl friend was also experiencing network problem but her roommate using different company is not facing any network problems. (...) so we are looking for alternatives. (...) they upset me enough that I am willing to forget about my emotional attachment and I started looking around.*

**Disillusion**



**Disaffection**



**Crossroad**

# SUMMARY 1

## Drivers, Feeling, and Thoughts during in Fading Process

	Disillusion	Disaffection	Crossroad
<b>Drivers</b>	Changing price/value perception (15) Peer Pressure (5) Habituation (3) Incompatible match (3) Personal changes (3) Over-promising (21)	Unsatisfactory encounters (22) Unreliability (14) Lack of personalization (3)	Competitor (marketing) activities (9) Lack of perceived trustworthiness (3) Accusing Consumers (2)
<b>Feelings</b>	Dissatisfaction (8) (Negative) surprise (4)	Frustration (15) Anger (8) Distrust (6) Hatred (3)	Indifference (13) Emotional Separation (3)
<b>Thoughts</b>	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)

# FINDINGS: BOUNDARY CONDITIONS 1/3

## Individual level

*“I’m one of those people who like to get along with everyone and not having any confrontations or not try to make arguments anything like that.”*

*“I just hate being treated like that. If you mess with me, forget it!”*

# FINDINGS: BOUNDARY CONDITIONS 2/3

## Dyadic/relational level:

*„I feel like it's lost that thing we initially clicked on, it's kind of just faded now, it's just disappeared. (...) It's a bit painful for me because the pricing is still the same, they're still marked as slightly above the average but there's nothing distinctive about it any more.”*

*“I just realized it doesn't fit me any more and I don't really know what has changed; it's just that feeling...”*

# FINDINGS: BOUNDARY CONDITIONS 3/3

## Contextual level (environment):

*„I just really had to buy a phone, as soon as possible. So I didn't have much choice and didn't do any research properly to check the prices so I just bought the phone (...) and started using it.”*

*“Also, all my friends were using other providers and some providers have this option – if you call the same network provider, calls are for free. So I was the only one among the people with whom I speak often with this network. So it affected me as well.”*

*“...now it's just not cool any more; you know, technology and style has moved on...”*

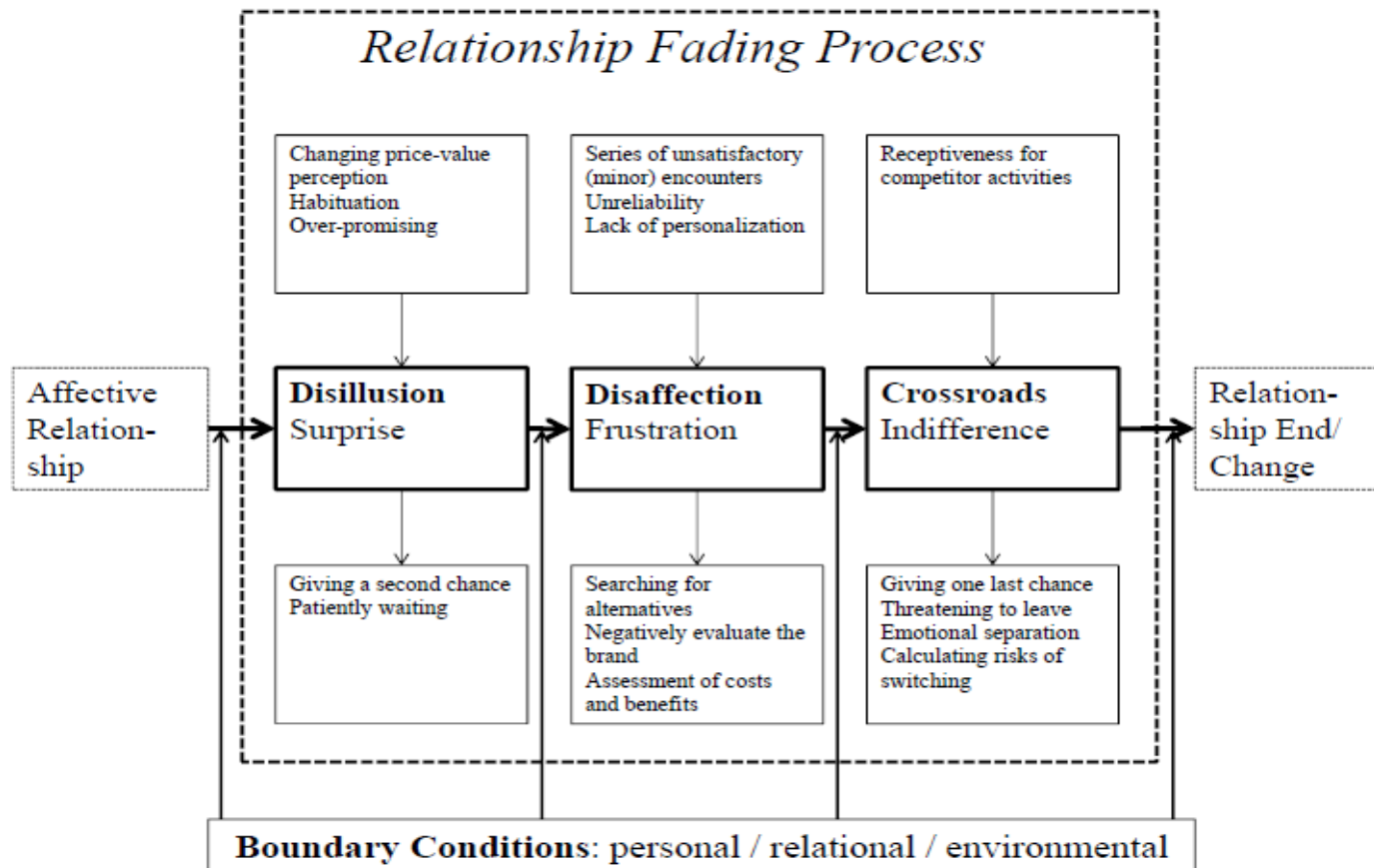


# SUMMARY 2

## Boundary Conditions

Individual Characteristics	Relational Characteristics	Contextual Characteristics
<ul style="list-style-type: none"> <li>• Neuroticism (4)</li> <li>• Voluntary commitment experienced by one “partner” (4)</li> <li>• Impulsiveness (3)</li> <li>• Aggregated life experiences (e.g. low income, previous bad experience, dysfunctional beliefs about a relationship) (2)</li> <li>• Anxiety (2)</li> </ul>	<ul style="list-style-type: none"> <li>• Differences in values, attitudes and beliefs (9)</li> <li>• Incompatibility relating to role preferences (8)</li> <li>• Conflicting interests (4)</li> <li>• Poor conflict resolution (3)</li> <li>• Conflict avoidance (2)</li> <li>• Boredom (1)</li> </ul>	<ul style="list-style-type: none"> <li>• External pressures (e.g. career circumstances, pool of potential “partners,” political and economic circumstances) (7)</li> <li>• Peer pressure – when choosing a brand/company (4)</li> <li>• Short “dating” periods (2)</li> <li>• Poor familiarity with the other “partner” (2)</li> </ul>

# PROPOSED MODEL STUDY 1



# AGENDA

- Background
- Theoretical background and empirical findings: “marital disaffection”
- Study 1 (qualitative interviews)
- Study 2 (diary study)
- Study 3 (quantitative study with behavior)
- Discussion & Future Research

# METHODOLOGY

---

- Diary study (longitudinal)
- 706 UK student participants (50% female; average age 20.40 years)
- Initial duration: 4 month; ongoing for 10+ more month
- 10 entries, 3 “main” entries (so far)
- Self-report of the fading stage
- Attitudes, believes, feelings
- “Incidents”

# METHODOLOGY

## ENTRIES: E1-E10

E1  
„big“ survey

„incidents“

„incidents“

„incidents“

E5  
„big“ survey  
incidents

„incidents“

„incidents“

„incidents“

E10  
„big“ survey  
incidents

1

5

10

time →

# PRILIMINARY FINDINGS

## Fading Stage in Entry 1 (“E1”)

Stage			<i>Total</i>	
1	<b>Honeymoon</b>	→	Fascination	55.08
2			Good Relationship	32.92
3	<b>Disaffection</b>	→	Slight Disappointment	6.00
4			Negativity	2.92
5	<b>Disillusion</b>	→	Re-evaluation	0.77
6	<b>Crossroads</b>	→	Lack of Attachment	2.31
<i>Total</i>				100.00

# PRILIMINARY FINDINGS

## “Relationship Dynamics”

Trajectory	Entry 1 - Entry 5	Entry 1 - Entry 10	Entry 5 - Entry 10
-5	0.6	0.5	0.4
-4	1.1	1.4	1.1
-3	2.9	3.5	2.5
-2	4.2	4.6	2.7
-1	17.5	18.3	12.6
<b>0</b>	<b>57.8</b>	<b>55.7</b>	<b>60.3</b>
1	11.7	12.1	13.9
2	2	1.8	3.8
3	1.5	0.9	1.3
4	0.3	0.9	1.3
5	0.3	0.4	0.2

# PRILIMINARY FINDINGS

## Point of No Return?

Stage	Movement E1-E5											Total
	-5	-4	-3	-2	-1	0	1	2	3	4	5	
1	0.01	0.02	0.04	0.03	0.26	<b>0.64</b>						100
2		0	0.01	0.06	0.07	<b>0.59</b>	0.27					100
3			0.1	0.08	0.1	<b>0.31</b>	0.33	0.08				100
4				0	0.05	<b>0.32</b>	0.16	0.37	0.11			100
5					0.2	<b>0.4</b>	0	0	0.4	0		100
6						<b>0</b>	0.13	0.2	0.4	0.13	0.13	100

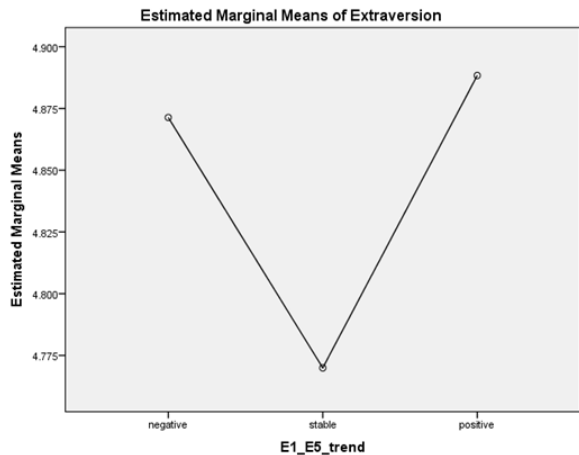
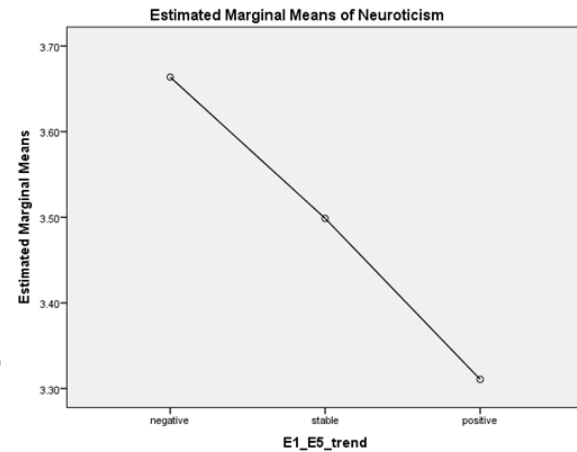
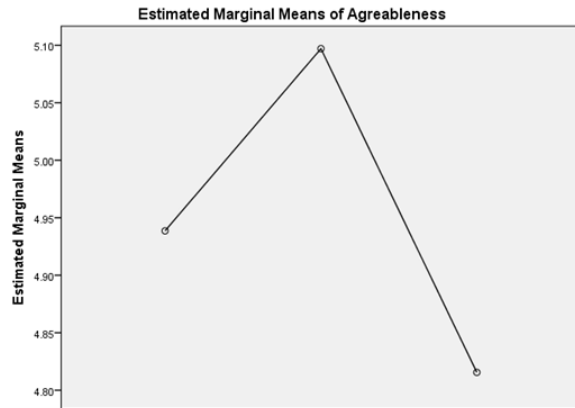


# PRILIMINARY FINDINGS

	Complaint intention	Angry	Frustrated	Annoyed	Disturbed	Sad
<b>Honeymoon</b>						
Fascination	4.98	1.41	1.57	1.62	1.42	1.37
Good relationship	4.76	1.45	1.66	1.79	1.44	1.40
<b>Disillusion</b>						
Slight disappointment	4.60	2.69	2.79	3.64	2.17	1.93
Negative change	4.90	2.45	2.65	3.60	2.20	2.05
<b>Disaffection</b>						
Re-evaluating relationship	5.20	3.60	4.40	4.00	3.00	2.60
<b>Crossroads</b>						
Lack of attachment	4.60	2.93	2.73	3.40	1.87	2.47
<b>F-value (MANOVA)</b>	.876	26.32	19.30	41.95	8.41	12.15

# PRILIMINARY FINDINGS

Who 'moves',  
who 'stays'?



Openness, Conscientiousness: n.s.

# DISCUSSION

- Substantial movement even in a relative short observation period
- Movement in both directions: larger percentage moves in a negative direction (about 25%) than in a positive one (about 15%); early stages seem to be “stickier”
- Negative feelings increase / positive decrease along the fading trajectory  
BUT: highest negative feelings in the disaffection stage
- Indifference in the last stage
- Traits influence trajectory

# AGENDA

- Background
- Theoretical background and empirical findings: “marital disaffection”
- Study 1 (qualitative interviews)
- Study 2 (diary study)
- Study 3 (quantitative study with behavior)
- Discussion & Future Research

# METHODOLOGY

---

- Quantitative survey among 1,208 customers of an online retailer
- Predominantly male (>80%) and older (>55 years)
- Survey: self-reported fading stage, emotions
- Behavioral data

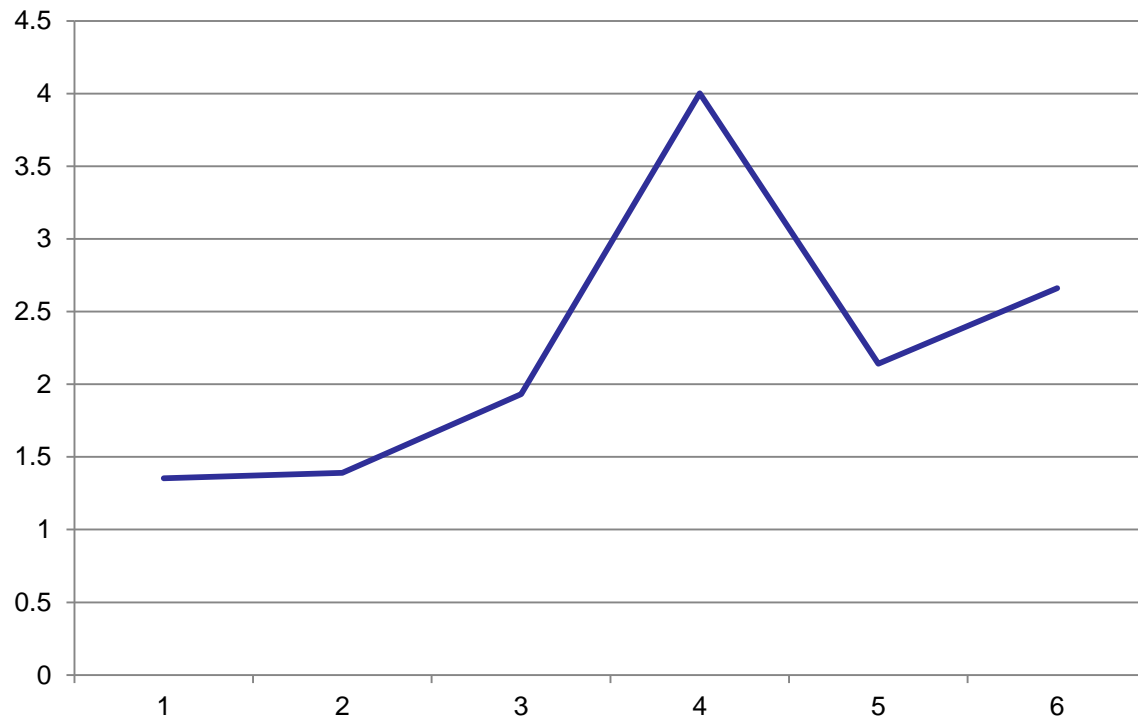
# PRILIMINARY FINDINGS

## Fading stages

	Stage	Percentage
Honeymoon	1	18.3
	2	54.3
Disillusion	3	12.5
	4	7.2
Disaffection	5	6.5
	6	1.2

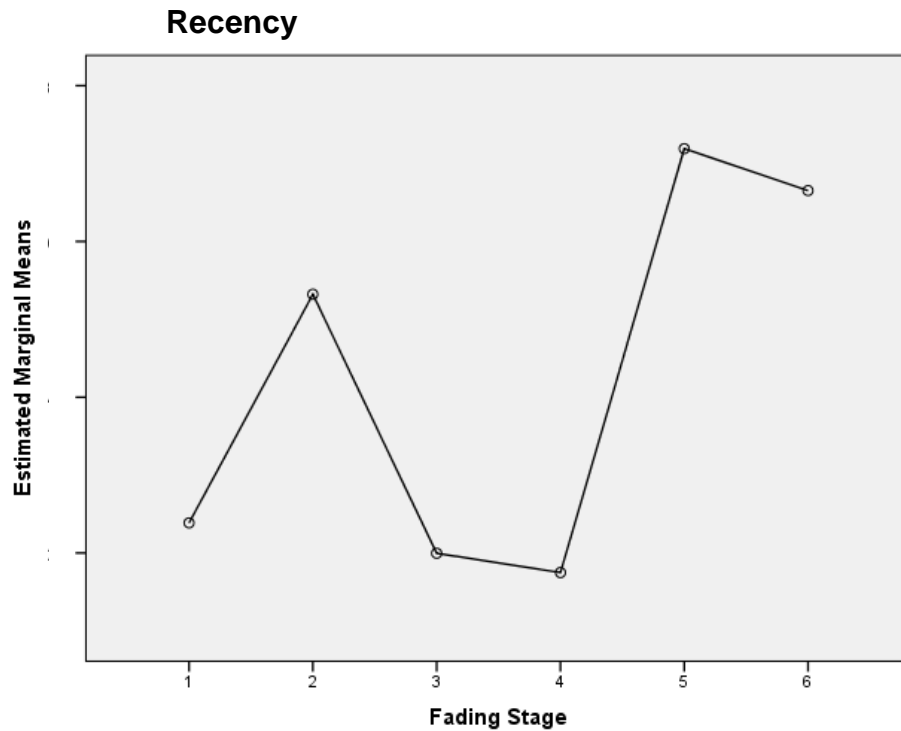
# PRILIMINARY FINDINGS

## Negative emotions



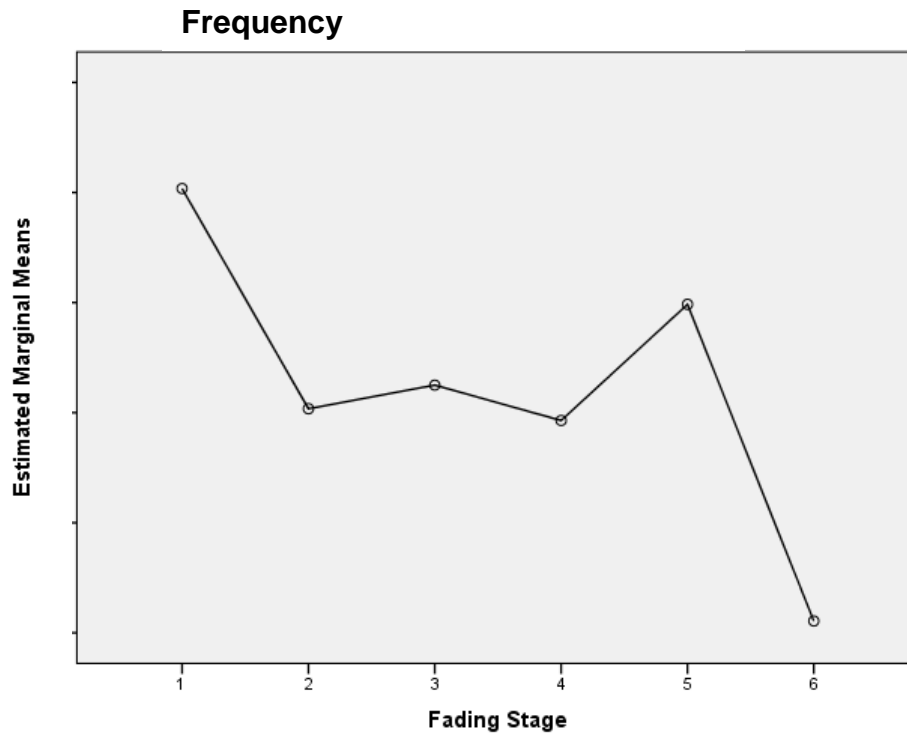
$p < .05$

# PRILIMINARY FINDINGS: BEHAVIORS



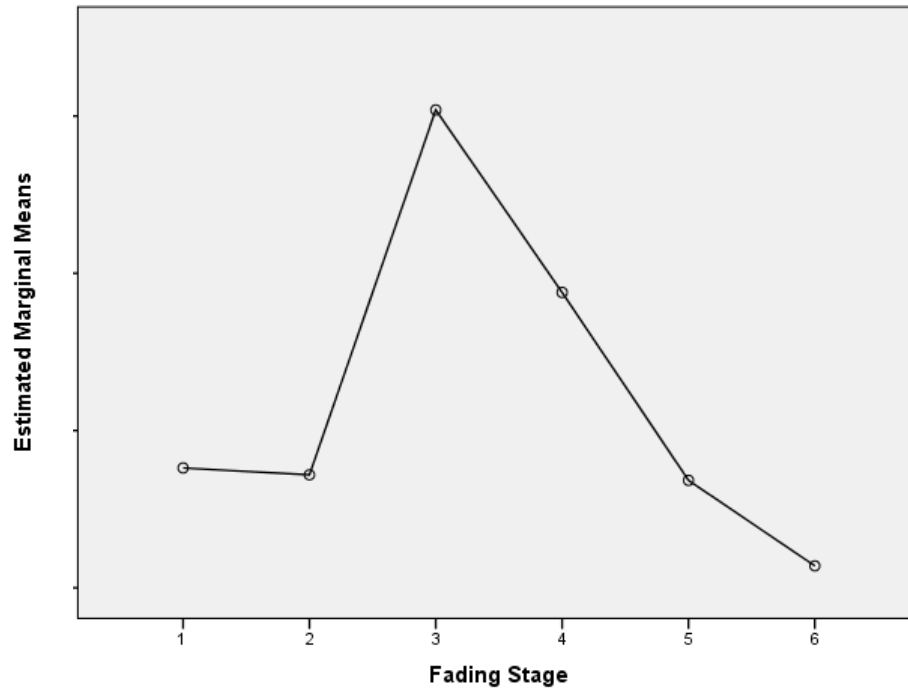


# PRILIMINARY FINDINGS: BEHAVIORS



# PRILIMINARY FINDINGS: BEHAVIORS

Moneyary Value



# DISCUSSION

- Generally confirms previous (qual./quant.) findings
- Behavioral antecedents of fading: early indicators
- High profitability of fading consumers

# AGENDA

- Background
- Theoretical background and empirical findings: “marital disaffection”
- Study 1 (qualitative interviews)
- Study 2 (diary study)
- Study 3 (quantitative study with behavior)
- New Insights

# NEW INSIGHTS

Our findings show that similar to what happens in the process of marital disaffection, fading consumers pass through three stages: disillusion, disaffection, and crossroads.

Stage of disillusion: **over-promising** is the key driver that is likely to transform a committed consumer into a disillusioned

Stage of disaffection: consumers develop feelings of frustration, mainly triggered by the brand's inability to adequately deal with a series of **minor negative events**

Stage of crossroads: Consumers increasingly **loose interest** in the brand

Boundary conditions: personal, dyadic, and environmental factors make fading more (less) likely)

# NEW INSIGHTS

Substantial movement which can go in both direction (more positive / more negative) = not a one-directional trajectory

There does not seem to be a “point of no return,” therefore, relationship can be restored and moved to a higher level

Consumers in “later” fading stages seem to be most profitable

# Any Questions?



# THANK YOU

Dr Heiner Evanschitzky  
Professor of Marketing  
Programme Director MSc Market Research & Consultancy  
[h.evanschitzky@aston.ac.uk](mailto:h.evanschitzky@aston.ac.uk)  
<http://astonmsc.com>



# MSC MARKET RESEARCH & CONSULTANCY: CORE

## **Making sense of turbulent markets**

- Foundations of Market Research

## **Gaining theoretical insights**

- Consumer Behaviour Theory
- Marketing Management Theory

# MSC MARKET RESEARCH & CONSULTANCY: METHODS

## Working with (“big”) data

- Quantitative market research
- Qualitative market research

## Testing marketing activities

- Experimental market research

# MSC MARKET RESEARCH & CONSULTANCY: APPLICATION

## Solving real problems

- Marketing Consultancy
- Dissertation research project

# MSC MARKET RESEARCH & CONSULTANCY: Timetable

MSc MARKET RESEARCH & CONSULTANCY 2013/2014									
PROVISIONAL TIMETABLE SUBJECT TO CHANGE									
	TERM ONE			TERM TWO			TERM THREE		
	AM 9.00 – 12.00	PM 2.00 – 5.00	PPM 6.00 – 9.00	AM 9.00 – 12.00	PM 2.00 – 5.00	PPM 6.00 – 9.00	AM 9.00 – 12.00	PM 2.00 – 5.00	PPM 6.00 – 9.00
M O N	<a href="#">BMM652 Foundations of Marketing Science</a> (15 credits) core module				<a href="#">BMM653 Qualitative Marketing Research</a> (15 credits) core module		ADDITIONAL WORKSHOP SESSIONS WILL BE SCHEDULED IN THE THIRD TERM – DATES/TIMES TO BE CONFIRMED		
T U E S	<a href="#">BMM650 Theories in Marketing Management and Strategy</a> (15 credits) core module BLOCK TAUGHT TUESDAY & THURSDAY WEEKS COMMENCING 21/10/13 & 25/11/13						<a href="#">MSCDISS MSc DISSERTATION</a> (60 credits) dissertation module SUBMISSION DATE: 8 SEPTEMBER 2014		
W E D	<a href="#">BMM657 Proposal for Dissertation Research Management</a> (15 credits) core module			<a href="#">BMM654 Quantitative Marketing Research</a> (15 credits) core module AM & PM WEEKS TBC					
T H U R S	<a href="#">BMM650 Theories in Marketing Management and Strategy</a> (15 credits) core module BLOCK TAUGHT TUESDAY & THURSDAY WEEKS COMMENCING 21/10/13 & 25/11/13				<a href="#">BMM656 Marketing Consultancy</a> (15 credits) core module				
F R I		<a href="#">BMM651 Consumer Behaviour Theories</a> (15 credits) core module		<a href="#">BMM655 Experimental Marketing Research</a> (15 credits) core module					
ALL CORE MODULES									

# MSC MARKET RESEARCH & CONSULTANCY

## Option 1

- Full-time

## Option 2

- Part-time

## Option 3

- “Pay-per-view”