J. of the Acad. Mark. Sci. (2015) 43:257–278
DOI 10.1007/s11747-014-0385-6

ORIGINAL EMPIRICAL RESEARCH

Reaching the breaking point: a dynamic process theory of business-to-business customer defection

Thomas Hollmann · Cheryl Burke Jarvis · Mary Jo Bitner

Received: 31 May 2013 / Accepted: 1 April 2014 / Published online: 6 May 2014

Abstract Qualitative field research based on long depth interviews with business-to-business customers who defected from a supplier relationship is used to develop an integrated theoretical framework explaining how the defection decision process unfolds over time in business-to-business relationships. The authors develop a taxonomy of events, both internal and external to the relationship, that are proposed to create "defection energy," or the motivation to move a customer from relationship status quo toward a defection decision. The framework illustrates how these internal and external events interact with the organization's and the individual decision maker's goals, practices, and values to engage a dynamic anchoring and updating mechanism based on accumulated defection energy that drives the process toward a decision threshold. The research offers marketers insights to improve defection management, including an understanding of how organizational and individual customer needs shape relationships; that defection decisions build as a result of multiple events over time, requiring a longer-term perspective on defection; and that defection decisions can be influenced by events outside the core product or service delivery process, suggesting that these decisions need to be understood within the broader context of the overall relationship.

T. Hollmann (✉)
North Carolina State University, 2801 Founders Drive, Raleigh, NC 27695, USA
e-mail: thomas_hollmann@ncsu.edu

C. B. Jarvis
Southern Illinois University, 1025 Lincoln Drive, Carbondale, IL 62901, USA
e-mail: cbjarvis@siu.edu

M. J. Bitner
Arizona State University, 400 East Lemon Drive, Tempe, AZ 85287, USA
e-mail: maryjo.bitner@asu.edu

Keywords Customer defection · Business-to-business relationships · Process theory · Customer relationship management

It is well accepted that reducing customer defection provides benefits to firms in terms of profitability, operating efficiencies, and growth; thus customer defection management efforts are critical to corporate vitality (Hogan et al. 2003; Reichheld 1996; Reichheld and Sasser 1990). However, despite more than two decades of research into customer relationships, customer satisfaction, and loyalty, defection rates remain high in most industries (e.g., Cheng 2009; Hoffman and Lowitt 2008). Several calls have been made for increased research on the issue of customer defection (e.g., Dwyer et al. 1987; Oliver 1999; Wilson 1995).

Extant research on defection has focused mainly on identifying antecedents of defection, such as pricing, service failures, loyalty programs, competition, and individual customer differences (e.g., Bolton et al. 2000; Capraro et al. 2003; Dawes 2004; Keaveney 1995; Verhoef 2003). Other literature describes the development of customers' relationships with firms in terms of a relationship lifecycle, that is, as a process consisting of a series of several stages or phases, from initial approach and engagement in a relationship through to a final "dissolution" or "disengagement" stage (Dwyer et al. 1987; Ping and Dwyer 1992). A few studies have looked more specifically at the dissolution phase itself e.g., Coulter and Ligas 2000; Halinen and Tahtinen 2002; Tahtinen 2002). Some have suggested that relationship ending involves different types of "fading" processes (Åkerlund 2005) or "switching" stages (Edvardsson and Roos 2003; Roos 1999; Roos et al. 2004).

However, much of the work in the relationship process literature is conceptual in nature, and the few empirical investigations of the defection process have been conducted almost

exclusively in a business-to-consumer (B2C) context. As a field, we have not yet developed an integrated, process-oriented theory of business-to-business (B2B) customer defection decisions. In order to understand B2B defection, we need a theory that describes the mechanism by which the customer defection decision unfolds over time and that explains what drives the relationship process forward toward defection or continuation in an organizational setting.

This study contributes to our understanding of customer defection by using a discovery-oriented, empirical investigation to develop the first overarching theoretical framework that integrates both the events and processes that form and drive the defection decision in B2B markets. We conduct qualitative field research using long depth interviews with business customers who have defected from relationships with supplier firms in a variety of industries. Using this data, we build on the extant literature to develop a theory that offers several unique insights into the process of B2B defection decisions. We develop a theoretically grounded taxonomy of events (both internal and external to the relationship) that interact in B2B settings with both organizational-level and individual decision maker–level goals, practices, and values. This interaction results in a dynamic anchoring and updating of "defection energy," that is, the motivation for a customer to move from relationship status quo toward a defection decision. This model posits that the defection decision is triggered when the cumulative defection energy reaches a threshold level. This threshold perspective, missing from the defection literature to date, helps explain the "swaying" processes observed in research such as that by Roos (1999) and colleagues. As the cumulative defection energy is built and reduced due to negative and positive relationship events, the energy approaches and retreats from the threshold level needed to trigger the defection decision, causing the customer to sway toward and away from the decision until the defection energy reaches the breaking point.

This research has implications for both marketing theory and marketing practice. It contributes to our emerging understanding of B2B defection by developing a theoretical framework that explicates the process driving the defection decision and illustrates how antecedent events combine to push customers to the decision point. The results of this study will help marketing managers understand how their customers make defection decisions, providing them with a framework for managing customer relationships more successfully. Among the findings relevant for managers, the study illustrates how important it is for the supplier company to successfully meet both individual-level and organizational-level goals, values, and practices. This research thereby contributes to the understanding of how the decision maker's individual-level needs and wants shape B2B relationships (Heide and Wathne 2006; Uzzi 1997). The process and threshold perspective used here also demonstrates the importance of taking a more long-term perspective on defection. The results show that defection decisions are made over many months or even years, in which defection energy builds as a result of many events—often ones the vendor would consider small or overlook entirely—and that the decision is rarely the result of a single focal failure at the end of the relationship. This research also demonstrates that defection decisions can be influenced by events outside the core good/service delivery interactions that may grab the lion's share of the manager's attention, giving marketers a framework from which to identify and monitor the effects of the full array of defection antecedents.

The following research questions provided guidance for the development of our defection process theory: How does the defection decision process in B2B relationships unfold? What is driving this process forward? What mechanism is employed to arrive at defection decisions? To answer these questions, we first review key perspectives on customer defection. We then present the defection process framework and its accompanying propositions as they emerge from an analysis of qualitative field research using long depth interviews about defection decisions from customers' perspectives. We conclude with a discussion of key implications for marketing theory and for managers.

Extant perspectives on customer defection

We define defection through a customer-centric perspective, following the approach used by Rust and Zahorik (1993) and Keaveney (1995), among others. Defection behavior manifests when a customer moves some or all of its spending in a product category away from a supplier. This perspective of defection therefore includes full as well as partial defection, captured as changes in the "share of wallet" percentage (Verhoef 2003). Thus, consistent with previous research, we define customer defection as *the customer-initiated reduction of a business relationship*.

Much of the literature on customer defection has focused on identifying antecedents of defection; however, the majority of these studies have looked at one or a few factors in isolation (e.g., Crosby and Stephens 1987). In addition, more than 85 % of these publications are in a B2C context. However, an insightful group of papers in B2B markets has identified the need to gain a detailed and broad understanding of all the events affecting business relationships, because specific incidents can have a disproportionate influence on customer behavior. For example, Van Doorn and Verhoef (2008) show that specific negative critical incidents influence the nature and magnitude of the relationship between satisfaction and customer share in B2B markets. Furthermore, Bolton et al. (2006) find that a few extremely favorable experiences lead to lower defection than consistent service. In the same vein, Perkins-Munn et al. (2005) point out that it is important to understand

the impact of more detailed attribute levels rather than merely composite overall evaluations expressed in scales when investigating the antecedents of share of wallet and/or repurchase in business markets. Our study attempts to address this need by identifying the breadth of factors that can drive defection decisions.

A smaller literature stream investigates the chronological process of defection decisions, drawn from the notion, well established in the relationship marketing literature, that customer relationships can be understood as a series of events or stages that occur in a natural lifecycle over time. This lifecycle proceeds from the initial relationship establishment through relationship growth and commitment through to eventual dissolution (Dwyer et al. 1987; Grönroos 1980; Gummesson 1979). Table 1 summarizes the process literature focused on relationship dissolution. As can be seen in the table, there is a lack of empirical work in defection processes in the B2B context. It is important to address this gap, because the business context offers challenges that differ from the consumer context, including a potentially different set of drivers as well as the interaction of organizational-level objectives with the individual decision maker's priorities.

Among the studies in the relationship process literature, some investigate the presence and characteristics of the defection (or dissolution or disengagement) stage of the overall relationship process. Dwyer et al. (1987) suggest that the dissolution phase itself has several stages, and they contend that the process of dissolution is one of great importance but is vastly understudied. Ping and Dwyer (1992) establish a framework for relationship termination in the context of marketing channels, suggesting two phases (committed and dissolution) and seven stages (positive, negative, intrapersonal, intracompany, intercompany, public, and aftermath). Halinen and Tahtinen (2002) and Tahtinen (2002) develop a conceptual process model to understand how relationships are dissolved in a professional service context, distinguishing six stages (consideration, communication, restoration, disengagement, enabling, and sense-making). Our study adds to the "stage"

Table 1 Defection process research

Authors	Con vs Emp	B2B vs B2C	Context	Data Source	Key Results
Akerlund (2005)	Emp	B2C	private banking	21 dyads interviewed	develops 4 types of fading processes: crash landing, altitude drop, fizzle out, try out
Coulter and Ligas (2000)	Emp	B2C	hairstylist, telecom, physician, financial services	5 interviews	lengthy dissolution incidents unfold in three stages: dissolution, exit, post-dissolution
Dwyer, Schurr, and Oh (1987)	Con	mainly B2B	NA	NA	contends that marketing relationships evolve through five general phases: awareness, exploration, expansion, commitment, and dissolution
Edvardsson and Roos (2003)	Emp	B2C	telecom	23 interviews	applies Roos SPAT and replicates its findings
Halinen and Tahtinen (2002)	Con	mainly B2B	professional services	NA	develops a stage model distinguishing six stages: assessment, decision making, dyadic communication, disengagement, aftermath, network communication
Ping and Dwyer (1992)	Con	B2B	marketing channels	supported by 15 interviews	develops a stage model suggesting two phases—committed and dissolution – and seven stages: positive, negative, intrapersonal, intracompany, intercompany, public, and aftermath
Reichheld (1996)	Con	Both	NA	NA	describes customer interactions with companies in terms of a customer corridor. The relationship proceeds through this corridor, similar to a lifecycle, with several events and stages
Roos (1999)	Emp	B2C	supermarket	27 interviews	develops switching path analysis (SPAT); switching determinants: pushing, pulling, and swayers
Roos et al. (2004)	Emp	B2C	retailing, retail banking, telecom, insurance, social insurance	summarizes previous studies	reactional triggers are more likely to cause total switching and influential triggers are more likely to cause partial switching
Stewart (1998)	Con	mainly B2C	NA	NA	literature review and model development
Tahtinen (2002)	Emp	B2B	software	case study	builds a stage model distinguishing six stages: consideration, communication, restoration, disengagement, enabling, and sense-making

Con Conceptual, *Emp* Empirical, *NA* Not applicable

perspective by beginning to address a number of key questions that have remained unexplored to date, including what drives the process forward within each stage or across stages, when and how customers make the final decision to defect, and what mechanism leads up to this decision point.

Another set of papers begins to develop a taxonomy of defection process types. For example, Åkerlund (2005) finds that some client relationships end in a turbulent manner while others are dissolved in a smooth or passive fashion. Roos (1999) and Roos et al. (2004) apply a variation of the critical incident technique, using content analysis of interviews with consumers, to understand the path leading from the trigger of an incident to a switching of service providers. Roos (1999) finds that customers sometimes "sway" for some time before they switch, as a series of events puts them into an increasingly switching-inclined state. This extended "breakdown phase" is evident also in the exit process model proposed by Coulter and Ligas (2000). Further support for the "swaying" nature of the customer defection process comes from research showing that defectors have a tendency to change their transaction patterns before their eventual withdrawal (Ahn et al. 2006; Pearson and Gessner 1999).

The process nature of customer defection also can be inferred from research on the dynamic aspects of customer relationships in general. Bolton (1998) describes a continuous updating of customers' subjective expected value of a relationship using an anchoring and adjustment process. This perspective on customer relationships draws on the belief updating literature (Hogarth and Einhorn 1992), in which beliefs are shown to be constantly revised in light of new information. In Bolton's (1998) dynamic relationship model, cumulative satisfaction serves as an anchor that is updated with new information obtained during service experiences. Bolton and Drew (1991) describe this updating as the effect of short-run satisfaction with individual service encounters on more enduring attitudes about quality. Lemon et al. (2002) also view the dynamic updating of expected value as central to relationship management but focus on future considerations, such as expected future usage and anticipated regret. A further perspective on dynamics of relationships is provided by Johnson et al. (2004), who describe how the continuous updating of knowledge about the relationship (so-called relational knowledge stores) influences the development of the relationship. The notion of dynamic updating presented in these papers is crucial for understanding the defection process, as will be shown later.

Therefore, we approach our study with the objective of extending our current understanding of defection antecedents and processes by developing an integrated theoretical framework that explains how the defection process unfolds over time in B2B relationships, specifically, by identifying the mechanism and events that drive the process forward.

Research method

Given the early state of development in the domain of defection decision process theory, we adopt a discovery-oriented approach drawing on qualitative field research and extant literature (Flint et al. 2002; Glaser and Strauss 1967; Morgan et al. 2005; Tuli et al. 2007). Since our study explores an underresearched and complex phenomenon, depth interviews are especially well-suited to the task, because they facilitate a detailed exploration and a probing clarity while allowing for a rich conceptualization of facets not proposed or imagined. Qualitative methods have been shown to be a strong foundation for understanding process phenomena, such as understanding the series of events involved in improvisation for new product development (Moorman and Miner 1998), the development of market charters (Houston et al. 2001), or the creation of a market orientation (Gebhardt et al. 2006; Kohli and Jaworski 1990). Our study also incorporates methods and approaches from life history interviewing (Atkinson 1998). The life history method is extended here to describe business relationships as the focal "life."

Sampling procedure

Nineteen depth interviews were conducted for our study. Each respondent represents a different customer organization, each in a focal B2B relationship with a different supplier. We did not interview representatives from the supplier side in the sense of a dyadic approach. We are only interested in understanding the decision making process of the defection, not in evaluating whether the decision maker misinterpreted signals from the environment as judged by other participants in the relationship.

Although retrospective accounts suffer from drawbacks (Golden 1992), they have been used successfully in a large number and wide variety of studies, including investigations of processes (Bourgeois and Eisenhardt 1988). None of the customers interviewed in this study had any difficulty recalling many small details of their focal relationship, reinforcing the validity of the retrospective approach used here.

To arrive at the final group of respondents, a list of individuals was developed based on the extensive contact list of a university-based research center. Potential respondents were screened to determine that they had defected from a supplier (each respondent identified a different supplier, resulting in multiple supplier industries being included), and that they were the decision maker for the relationship in question. The key informant approach used here has been shown to provide valid and reliable insights into B2B purchasing decisions (Hansen 2004). Theoretical sampling (Glaser and Strauss 1967) was used for the selection of respondents (and thus their corresponding organizations). We deemed our sample size to be sufficient when theoretical saturation was reached, i.e., when additional fieldwork appeared unlikely to change the developed

framework significantly (Glaser and Strauss 1967; Strauss and Corbin 1998). The volume of data used in our study compares favorably with other studies of process phenomena using depth interviewing (e.g., Fournier 1998; Noble and Mokwa 1999) and is consistent with recommendations for exploratory research (McCracken 1988). Our final set of respondents (described in detail in Table 2) represents various levels of managerial positions, and respondents were also purposively diverse in sex, age, customer industries (representing 14 NAICS sectors), supplier industries (representing 11 NAICS sectors), and length of the business relationship (ranging from 5 to 132 months). On average, interviews lasted close to 2 hours.

Data collection and analysis

The long depth interviewing method was used, drawing on the grand tour technique from ethnography (McCracken 1988; Spradley 1979), i.e., as a semi-structured support of a free-flowing conversation. All respondents were interviewed in person, in the office of the respondent whenever possible, to allow the respondent to access documents and electronic data during the interview, if needed. All interviews were tape-recorded and transcribed, resulting in 2,078 pages of interview data. All data were coded in QSR's Nvivo 7 (QSR International Pty Ltd 2006). In the interviews, respondents were asked to explore the overall relationship history with a focal supplier of goods or services, from the start of the relationship to its ultimate demise. During the interview, a written timeline of the entire history of the business relationship was developed by having the respondent recount major and minor events. The interviewer—not the respondent—collected the events of the relationship described by the respondent into the timeline. The respondent did not know during the interview that such a timeline was being constructed, leaving them open to discuss the relationship in any time order that felt natural to them. This approach empowers the application of life history analysis and is one factor that distinguishes the present study from studies applying a critical incident perspective. Finally, the respondents created a graphic representation of the relationship over time by drawing what we have termed a "defection gradient" or DG chart (see Fig. 1). It should be noted that respondents generally

Table 2 Sample description

Customer Name[a]	Supplier Industry	Customer Industry	Rel Length[b]	Bus Length[c]	Respondent Description[d]	Length of interview[e]
Annie	Office Construction	Education	24	36	Facilities Project Coordinator, female, age 40	106
Brad	IT Hardware	Education	18	42	Chief Technology Officer, male, age 55	97
Chris	Printing	Sports Business	132	372	Senior VP Marketing, male, age 52	110
Donna	Advertising	Consumer Products	12	42	Assistant Brand Manager, female, age 27	95
Eric	Software	IT Services	25	25	Director Client Solutions, male, age 45	105
Frank	Medical Supplies	Medical Practice	12	42	Practice Manager, male, age 42	94
Gail	Executive Education	Consulting	60	102	Marketing Associate, female, age 40	115
Heather	Media Planning	Hospitality	42	42	Managing Director Field Marketing, female, age 40	102
Ira	Janitorial Services	Retailing	5	5	General Manager, male, age 45	97
Jim	Construction Hardware	Electronics Equipment	12	120	Director Operations, male, age 39	122
Karl	Public Relations	Energy	10	46	Senior Vice President, male, age 55	95
Len	Marketing Research	Insurance	60	60	Director R&D, male, age 50	104
Mike	Chemical Treatment	Aviation Hardware	61	211	Production Manager, male, age 39	127
Nichole	Retailing	NGO	58	82	Office Manager, female, age 34	134
Olivia	Packaging Supply	FMCG	24	60	Production Manager, female, age 28	108
Peter	Middleware	Enterprise Solutions	50	50	CEO, male, age 47	134
Rick	Transcription Services	Hospital	10	46	Chief Administrator, male, age 49	102
Scott	Managed Care	Health System Admin.	72	72	Chief of Staff, male, age 53	125
Tina	Commercial Landlord	Managed Care Admin.	30	51	Vice President Operations, female, age 42	128

[a] Names are pseudonyms
[b] Rel. Length = Length of the relationship between supplier and respondent at the time of defection in months
[c] Bus. Length = Institutional history between supplier and respondent's company, including prior to the respondent entering the relationship, if any, in months (if identical to Rel. Length: indicates that the respondent started the relationship with the supplier)
[d] Some ages are estimates
[e] In minutes

were very confident and deliberate when drawing the defection gradient chart lines. Some respondents occasionally erased and redrew a short section of the line, noting that the line had turned out a little more or a little less steep than they had intended. Moreover, during the drawing process, the interviewer encouraged "thinking out loud," which aided the respondents in accurately reflecting their experience.

For the development of the defection process framework, the unit of analysis is the "storyline" of an individual business relationship, not each individual incident experienced by the customer. The grand tour method (McCracken 1988) applied in this research lets each customer tell a story that naturally creates the plot for ordering the events and circumstances of the life of the focal business relationship (Atkinson 1998). The relationship story arc was revealed by matching the result of a process of in-vivo-coding (Strauss 1987) with temporal references provided during the interview by the respondent. Each of the story arcs reads like a short story about a particular business relationship, representing a relationship summary from beginning to end. During each interview, the interviewer created a timeline with the help and input of the respondent and verified by the respondent. This timeline is a high-level summary of key incidents and states that make up the story arc. Although the story arc is filled with rich detail and interpretation, the timeline provides only "headlines" to the process as it unfolds.

We developed a new tool for the processual analysis of the interviews, the DG chart (see Fig. 1 for an example of the DG chart created in one interview; Fig. 2 shows the DG charts without the accompanying storyline for three other cases: Chris, Peter, and Scott). The DG chart is an adaptation of growth gradient charts which can be used, for example, to track innovation diffusion by connecting the growth of the numbers of teachers using a particular innovation to events such as training classes (Miles and Huberman 1994). The DG chart in Fig. 1 shows the development of the business relationship between respondent Eric and his supplier over time (all respondents have been given pseudonyms to preserve their anonymity; see Table 2 for the industry context of each relationship). Each respondent is asked to track "how close" he/she was to defecting, mapped at each point in time against the timeline created earlier in the interview. This timeline is shown on the vertical axis in the DG chart. Respondents were asked to consider how each event along the timeline changed the trajectory of the gradient and to evaluate the finished DG chart to verify that it accurately reflects their experience. The chart thus provides information to evaluate the impact specific events have on the total defection process. The DG charts are intended as a tool of qualitative inquiry, to describe the shape of an individual relationship's defection process. Although the line that each respondent drew can be translated into a numerical representation, by measuring the amount of change in the level of the line correlated with each event, these values still are interpreted in a qualitative fashion. The values range from 100, or being as "far away from defecting as one can be" to zero, where the defection *decision* has been made (the actual shifting of business away from the supplier may occur at a later time due to contractual or operational limitations).

Each defection storyline thus consists of the combined information represented by three elements: the relationship story arc, the timeline created during the interview, and the DG chart. The development of the defection process framework is started by analyzing all three elements of the first defection storyline (Annie) to arrive at a rough draft of the defection process framework. The resulting "draft 1" then is used as the pattern against which the next defection storyline (Brad) is compared, thus applying an iterative adaptation of pattern-matching logic (Yin 2003). This step tests whether draft 1 of the defection process framework accurately reflects Brad's storyline. Elements of Brad's defection that are not found in draft 1 are used to create an updated framework. As a result, "draft 2" is developed, which is then compared back to Annie's defection storyline, using again pattern-matching logic, and making refinements to this draft. The next defection storyline (Chris) is then compared to draft 2 and as a result "draft 3" of the framework is developed, and again checked backwards against storylines 1 and 2 in the sense of the constant comparative method (Glaser and Strauss 1967; Mick and Fournier 1998), and following the hermeneutic circle methodology (Thompson 1997) by going from part to whole and from whole to part and from intratext cycles of analysis to intertext cycles of analysis. This process of drafting and reiteration of pattern-matching backwards to previous storylines was repeated until additional fieldwork appeared unlikely to change the developed framework significantly, i.e., until theoretical saturation was achieved and confirmed. As part of this iterative framework development, categories of "images," defined as *informational representations that are specific to decision behavior* (Miller et al. 1960), emerged and were coded through a process of thematic coding (Krippendorff 2004) and open coding (Strauss and Corbin 1998), iteratively tacking back and forth between codes and content themes, as a system of categories was developed (Weber 1985).

We performed member checks of the relationship story arcs with all 19 interviewees to elevate the trustworthiness of the findings (Lincoln and Guba 1985; Riessman 1993). In addition, to further strengthen and confirm credibility and confirmability of the study (Hirschman 1986), 36 students enrolled in an MBA program were asked to assess whether the framework developed here accurately represents the data and is the result of the phenomenon under investigation as opposed to researcher bias. First, the MBA students were trained in the technique described here. Each MBA judge then read and summarized three interviews. As a result, at least six

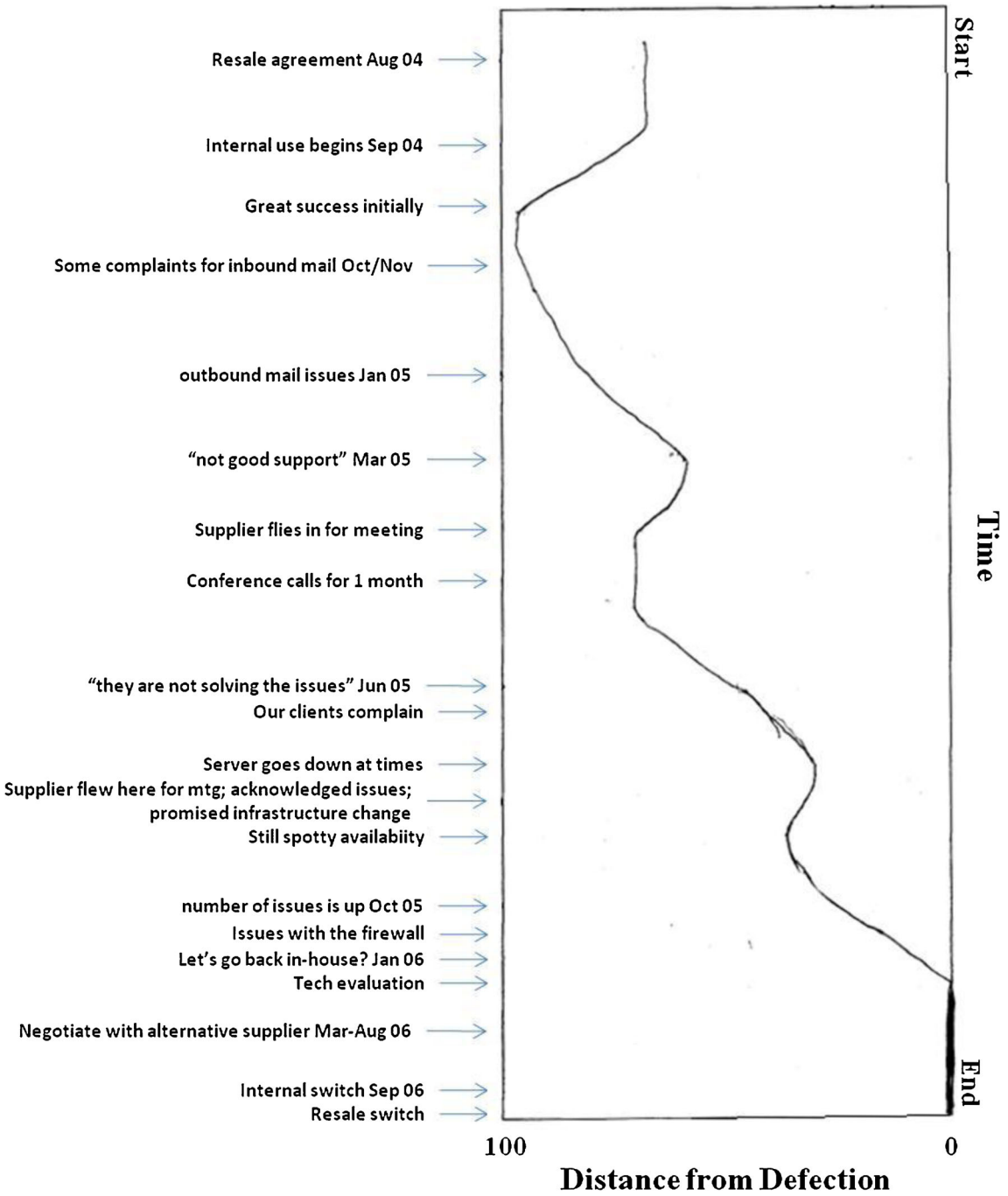

Fig. 1 Defection gradient chart—Eric

judges read and summarized each interview. All judges for a particular case then jointly discussed their summaries and impressions of the focal interview. Disagreements between the summaries were discussed and resolved. The MBA judges also developed a defection theory framework working independently in groups of four. These nine frameworks were compared and contrasted to each other and to the emergent framework presented here. The result of this extensive validation showed that the 36 judges agreed with the categories and defection process reflected in our final framework.

Emergent framework

The rich data from the defected customers provide invaluable insight into the general nature of how defection decisions develop over time. Figure 3 provides a graphical summary of the defection process framework.

This framework provides a high-level understanding of defections—well-grounded in theory and empirical evidence—as processes that are driven forward by interconnected events until a threshold is surpassed, at which time the

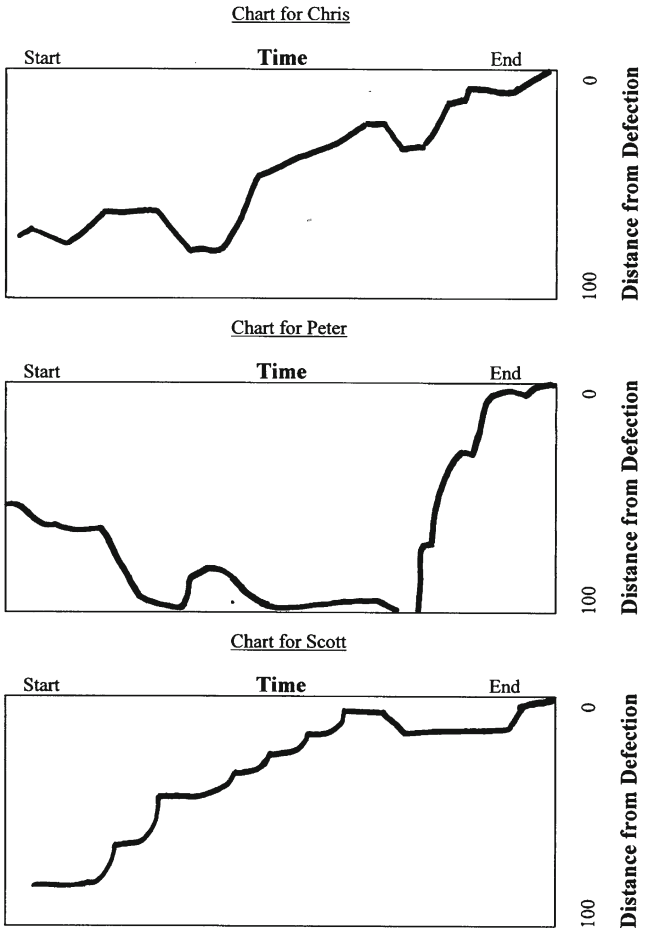

Fig. 2 Defection gradient charts—Chris, Peter, and Scott

decision to defect is made. Later sections provide the evidence supporting this framework in the order (from left to right) in which each element of the framework appears in the defection process, illustrated in Fig. 3. The defection framework described here reveals that defection decisions are the end result of an often lengthy process of interconnected events. The origin of the defection momentum is in all cases clearly visible on the defection gradient chart, and in many cases, the respondent talked about a certain event as the beginning of a spiral. For example, Len recalled how the replacement of his main contact "put a little seed of doubt in my mind," Annie stated that "[this incident] was the first really noticeable black spot on their record," and Brad remarked how until a specific event, "generally, everything seemed to be running fine and a relationship that had previously been very good became very bad." For the customers in our study, the defection process took an average of 16.7 months, or almost a year and a half.

The events that shaped the inter-organizational relationships in the field interviews were numerous and varied. The term Relationship Event is defined here as *any action by a human, mechanical, or technological agent with the result that it is perceived to impact the focal supplier–customer relationship directly or indirectly, as judged by the decision maker*. This definition is consistent with the service and relationship literatures as it encompasses perspectives such as encounters in the sense of personal interactions between customers and employees (Bitner et al. 1990), as well as encounters in the broader sense of interactions with a company (Shostack 1985). The definition also reflects interactions with technical systems such as billing or self-service technologies (Meuter et al. 2000), events outside the company–customer dyad such as a competitor's price move (Roos et al. 2004), and a myriad of other events. The findings from the field interviews suggest that relationship events can be classified by whether they happen within the dealings of the direct business relationship (in the roles of supplier or customer), which we call Relationship Internal Events, or in the vast event space outside of this focal interaction, which we call Relationship External Events. The data suggest furthermore that there are two types of internal events and two types of external events as presented below and shown in Table 3.

We define Relationship Internal Events (RIE) as *events that occur within the realm of the supplier and/or customer's roles, actions, and interactions arising from the focal supply of goods and services*. Most of these events stem from the raison d'être of the relationship, i.e., these events are in direct fulfillment of the ordering, delivery, and administration (for example, billing and warehousing) of the supply of goods or services that forms the basis of the relationship. We call this type of internal event Structural RIE, to connote the fact that they form the structural backbone of the association between the two organizations. Structural events (cf. Bolton et al. 2003) are thus those that evolve from the formal structure of and reason for the relationship. Examples of this type of event include the delivery of laptops in Brad's case, the cleaning of retail store floors in Ira's case, or the provision of a completed medical transcription in Rick's case.

A second type of RIE surfaced in the field interviews: Emergent RIE. These events were perceived by the customer either as unplanned or as by-products of the core structural interaction. The term Emergent RIE is used to connote the fact that these events emerge as a result of the customer–supplier interaction but are not necessary for the operation of the supply relationship. As Eric put it, "We did not become their customer to have more meetings—I have enough of those already." Another example is that of Brad's case, in which several emergency meetings played a pivotal part in the internal workings of the relationship. Likewise, Chris described how a bond was formed with his supplier contact through joint vacations.

We define Relationship External Events (REE) as *actions that are perceived to impact a focal relationship, and that occur outside the realm of the focal supply of goods and services*. Many REE involve one or both of the relationship partners but outside of the focal relationship. We call these events Peripheral REE to denote that they occur on the periphery of the core relationship, as illustrated by the following

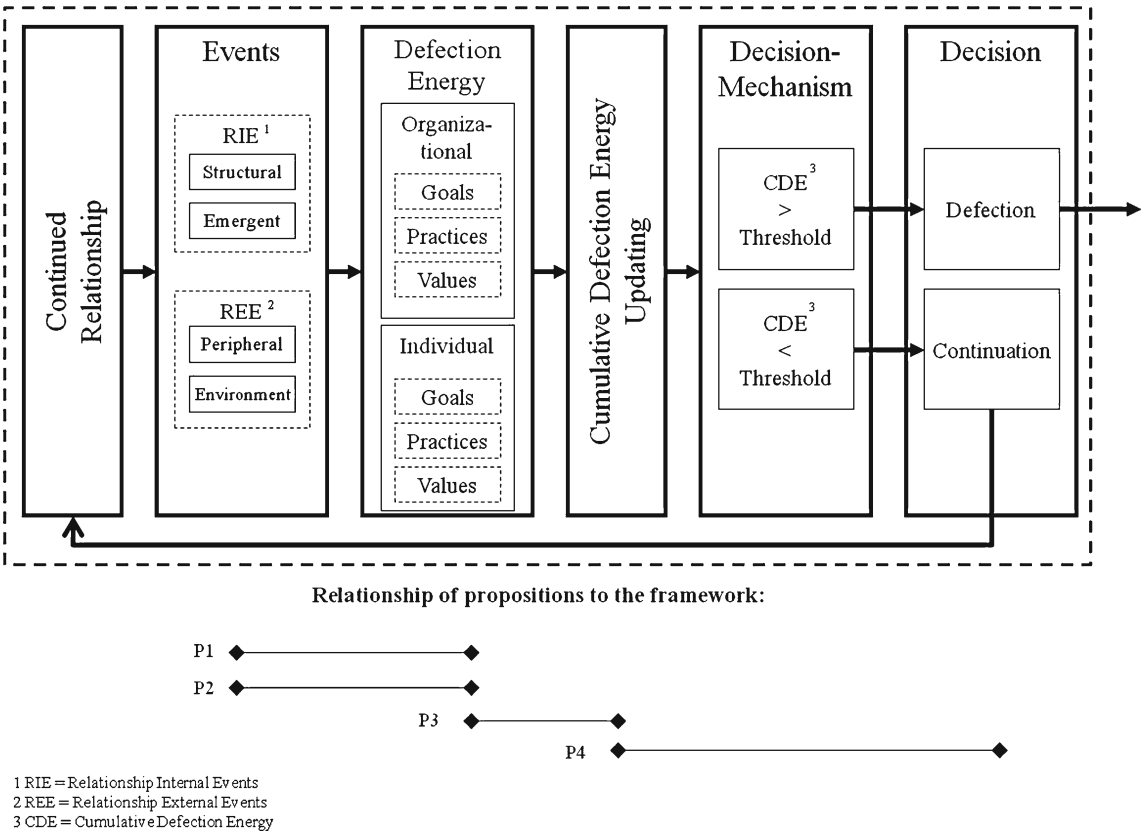

Fig. 3 Defection process framework

two examples. Some Peripheral REE occur within the customer organization, such as in Frank's case, which presented an interesting dynamic as one of his company's frontline personnel was the wife of his firm's owner. This employee's marital relationship is external to the relationship between the two organizations but it had a clear influence on the course of events. It made her complaints about the supplier more salient to Frank than they might otherwise have been. Other Peripheral REE occur within the supplier organization, for example when, in Len's case, the primary customer service person at the marketing research services supplier was promoted and replaced by a more junior research analyst. This promotion clearly occurred outside the supplier-customer relationship, but it provided Len with a "seed of doubt" about the relationship.

In contrast to RIE, REE are not limited to actions taken by either organization's representatives. We call the type of REE that occur outside the supplier–customer dyad altogether Environmental REE. The possibilities for events in the outside environment to influence a focal relationship are practically limitless. Two prominent sources of Environmental REE surfaced in the customer stories. First, every customer reported events involving competitors of the supplier; in fact, in many cases these events were instrumental and pivotal. Take the case of Donna, where the emergence of a competitor that made "my face light up" changed the perception of the incumbent supplier and led to a quick demise when the incumbent failed miserably at an important project. The role of competitor REE has been investigated extensively in the marketing literature for existing (Kumar 2005) as well as for new competitors (Mahajan et al. 1993). Also prevalent in our field research was the impact of events in the technological, competitive (here the competitors of the customer, not those of the supplier), or economic environment, such as when Jim's defection decision was heavily influenced by his supplier's missing a crucial turning point in its industry's technology and product standards.

The emergent classification of REE as both Peripheral REE and Environmental REE is consistent with Webster and Wind's (1972) model for organizational buying behavior, in which they show that relationship-relevant events can occur in the sphere of the competitors, the larger environment (e.g., government or business networks), the customer organization, or the supplier organization.

Defection energy

The mechanism that translates relationship events into defections emerges from an analysis of the DG charts. Recall that the DG charts (see Fig. 1) measure how "close" to defection each customer was throughout the lifetime of the relationship. The DG charts show that changes in the level of closeness occur at clearly identifiable points in time, which are always associated with specific, identifiable events in the relationship. For example,

Table 3 Relationship event types

Type	Description	Exemplars
Relationship Event	Any action by a human, mechanical, or technological agent with the result that it is perceived to impact the focal supplier-customer relationship directly or indirectly, as judged by the decision maker	
Relationship Internal Events	Relationship events that occur within the realm of the supplier's and/or customer's roles, actions, and interactions arising from the focal supply of goods and services.	
Structural RIE	RIE that stem from the raison d'être of the relationship, i.e., these events are in direct fulfillment of the ordering, delivery and administration (e.g., billing and warehousing) of the supply of the goods or services that forms the basis of the relationship	• The Swiss Cheese incident (Annie) • Supplier's material causes a production line interruption (Olivia) • Cleanliness of the janitorial service not meeting standards (Ira) • Product specifications information is not readily accessible for ordering (Jim) • Advertising campaign completely misses the mark (Donna) • Turnaround time for transcriptions keeps getting worse (Rick)
Emergent RIE	RIE that emerge as a result of the structural interaction but are unplanned or merely by-products of the core structural interaction	• Supplier's mindset of 'minimal performance' becomes evident (Scott) • Account is moved to a local office from corporate (Heather) • Supplier is not listening and not communicating (Karl) • Respondent's main contact gets replaced (Len) • A series of ad-hoc meetings (Eric) • Respondent and supplier's key contact closely align in their philosophy of business (Peter)
Relationship External Events	Relationship events that occur outside the realm of the focal supply of goods and services	
Peripheral REE	REE that occur within the supplier-customer dyad but outside of the focal relationship	• Supplier gets acquired by a competitor (Brad) • Customer organization merges with another firm (Peter) • A colleague's comments are more important because she is married to the respondent's boss (Frank) • Respondent's boss has a special personal relationship with the supplier's key personnel (Heather) • Respondent's firm changes a key internal policy (Len)
Environmental REE	REE that occur outside the supplier-customer dyad	• An increase in Internet virus activity (Eric) • A new industry standard develops (Jim) • Industry experiences a massive expansion (Mike) • Competitor's employees are 'grumpy' (Nichole) • Customer firm needs to comply with its accreditation (Rick) • Direct performance comparison with supplier's competitor (Scott)

not a single case experienced a shift in defection "closeness" on the DG chart without an event that was associated with this change. Furthermore, the effect of subsequent events appears to add to this momentum until enough momentum has accumulated to defect, as evidenced by the fairly monotonic rise of "closeness" to the point of defection in the DG charts. This cumulative momentum was reflected in the respondents' use of language and overall story arc. For example, respondents used phrases such as "kind of a gradual growing concern," "it went from one thing to the next," and "it was something that built up." It was even evident in their body language—respondents were observed to become more and more physically engaged the closer their story came to the defection decision, using more and bigger hand gestures, sitting up straighter and moving forward in their seats, speaking with more energy and volume, and rolling their eyes and showing more animated expressions. Cumulative momentum is similar to the concept of configuration energy as used by Roos et al. (2004) to describe the potential of a factor combination to cause behavioral change.

We define defection energy as *the embedded potential of a relationship event to cause the behavioral response of defection*. Defection energy is the momentum that drives the defection process forward. Interview after interview reveals how the continuation of the relationship represents the "normal" course of (in) action. This behavior is consistent with the status quo bias that is well established in decision theory (Samuelson and

Zeckhauser 1988). Energy is defined in physics as the ability to do work; thus, defection energy is the ability to overcome the status quo threshold of relationship continuation. The use of the term "potential" here denotes the storage and later release of this energy, similar to the concept of potential energy in the realm of physics attributed to William Rankine (Smith 1998). The status quo bias means that the default for customers is to continue the relationship (Van Doorn and Verhoef 2008), i.e., that "something" (an event) must occur to move customers past the defection threshold. The notion that event after event creates and propagates a momentum toward defection is evident, for example, in Karl's explanation that "there may have been small points along the way that said, 'Hey, I just found out they're still doing the same thing' or I'm now thinking about them and wonder why they didn't call and ask for another meeting, that sort of thing, but all of those are just little incremental effects."

It is self-evident that events can be relationship strengthening, relationship neutral, or relationship weakening. Relationship-strengthening events are called "positive events," whereas situations that are relationship-neutral are termed "neutral events." We call events that are relationship weakening "negative events." It can be assumed that neutral and positive events are unlikely to provide the impetus to defect. Figure 3 therefore shows that the relationship continues in a loop as long as only non-negative events occur, because no defection energy is being created. Respondents talked about the effects of events in terms of three distinct infractions: violation of goals, violation of values, and violation of business practices. Each of these categories reflects violations of an image that the decision maker holds about how a supplier should behave in the context of the relationship. "Images" are defined in the decision theory literature as *informational representations that are specific to decision behavior* (Miller et al. 1960). Image theory defines violations of these informational representations as *any form of interference with the realization of one of the images' constituents* (Beach and Mitchell 1987). In other words, events create defection energy by violating the image the customer holds about goals, practices, and values. The interviews suggest that defection energy is generated based on the compatibility between the relationship events and the three images. Moreover, goals, practices, and values (GPV) were present in the interview data at two distinct levels: the organization and the individual. We thus propose that when events violate GPV at either the organizational or the individual level, they create defection energy. In the following sections, we first explore the organizational level of each image category and then explicate the influence of the individual-level GPV. We then discuss the updating and anchoring of defection energy, including the defection energy reducing properties of positive events. We conclude with a discussion of the threshold effect.

The role of organizational-level violations Consistent with Huffman and Houston (1993), we define the organizational goals image as *benefits that are available to the organization through the abstract or concrete features of a product category*. In simple terms, at the organizational level, the customers in this study wanted the right product or service quality delivered in the right quantity at the right time at the right cost. This finding is consistent with the supply chain literature (Weber et al. 1991) and is reflected in the quality concept established in the services quality literature (Parasuraman et al. 1988). For example, Annie wanted precision work in the installation of office systems, but the supplier's mistaken drilling of multiple holes in the side of a desk inspired the following comment (name of supplier is disguised without changing the meaning of the quote):

> I said, well, it's kind of ironic; their name is [Meticulous Construction] - this doesn't look very [meticulous]. And I joked with the people there. I said, "Wonder if I could take a picture? I'll hold their business card near the Swiss cheese, take a picture, and I'll send it to Jay Leno for his Monday night sketch about, you know, names that don't match."

All interviewees described events that negatively affected a variety of goals that their firm pursued. Consider Gail's description of how her supplier's decision to add a competitor of Gail's firm in a prominent position at an executive education event disrupted her organization's goal of achieving exposure to important potential clients: "We paid sponsorship and you didn't tell us there was going to be another [competing event] on the same day and you're going to drain off [participants]. It was a bit frustrating." Tina described how her supplier's actions affected the organizational goal of employee retention: "We may lose employees because they don't want to do this [off-site parking]. Parking is a big issue for them, they look for maybe better working conditions elsewhere." The severity of many of these failures to deliver on the customer's goals becomes clear in the following passage by Eric:

> [Supplier's] actions would have forced our clients [to where] maybe they would have gone then and done business with somebody else. I become more and more concerned. I mean, we live or die on [this product].

The violation of these and other organizational goals played a strong role in customers' relationship stories, not surprisingly, as organizational researchers have established the importance of goals for defining and understanding organizations and their behaviors (Simon 1964). The goals pursued by parties in interorganizational relationships have been shown to be strong determinants of their behavior in the relationship (Pondy 1967). These findings suggest:

P1a: Negative (positive) relationship events create (reduce) defection energy by violating (supporting) the organizational goals image.

We define the organizational practices image as *the various rules and actions that have been agreed to (explicitly or implicitly) by the supplier and customer in support of the goals image*. Many customers emphasized that what matters is not just achieving the goals, but what is just as important is the *way* in which the goals are pursued. To customers, the goals image and the business practices image have a connected yet separate nature. Customers in this study perceived goals as the fundamental reason for entering into the supply relationship; business practices were viewed as supporting the goal but were not sufficient to motivate the customer organization to become a client. Annie, for example, had clear desires for adherence to certain practices: "Having set procedures that are predictable, perhaps repetitive, established procedures that I know what to expect, and therefore you know how to react in certain situations." Scott described how he changed his organization's practices in response to the supplier's behavior:

> At that point, I realized that we probably would have to do business with these guys in a slightly different way than we do business with the other guys. The way we have to do business with them is: let's get out the details of the contract—let's document: here's what you're not doing, and we're going to have to be much more formal here. They're not going to do it out of the goodness of their heart, if you will. They're going to do it when forced to.

The establishment of business practices is a characteristic of non-transactional marketing relationships (Webster 1992), because relational exchanges are characterized by some degree of cooperation reflected in various activities such as joint planning and collaboration (Morgan and Hunt 1994). These types of practices and many others were present in the customers' stories. The long list of activities present in these customers' cases is reflected in the extant literature in marketing (Fontenot and Wilson 1997) and in supplier evaluation (Simpson et al. 2002). The basis for a taxonomy of business practices emerges from the interviews. First, operational practices include practices centered closely on the goals image such as order processing procedures, invoicing and payment procedures, use of EDI, and delivery notifications. Second, resolution practices include return procedures, complaint management systems, and conflict resolution procedures. Third, cooperation practices comprise joint product development activities, joint continuous improvement projects, joint training, joint staff performance reviews, and joint sales calls to the customer's customers. Finally, communication practices consist of regular site visits, frequency and quality of interactions (e.g., form and length of interaction), and performance reviews.

When practices are violated, customers are moved outside their comfort zones, as illustrated in Peter's comments, when he explained that adhering to a certain process of going to market was established, but then "when they started saying how we're going to change how we work with you, but they didn't even actually tell me—they just started making these decisions [on] how to proceed. So then, that's when [faith] really dropped down." These findings suggest:

P1b: Negative (positive) relationship events create (reduce) defection energy by violating (supporting) the organizational practices image.

In addition to outcomes (goals) and methods (practices), respondents also pointed out that it was important how the supplier *behaved*, i.e., expecting a certain mode of conduct reflected in the organizational values of the customer firm. The organization's values are carried in the fabric of the organization's culture (Schwartz and Davis 1981; Wilkins 1983), which can be defined as the pattern of shared values and beliefs that provide individuals with norms for behavior (Deshpande and Webster 1989). We define the organizational values image as *essential and enduring tenets that are intrinsic to the firm's mission*, consistent with Collins and Porras (1996). Organizational values includes concepts such as a belief in the importance of people as individuals, valuing informality, a culture of innovation, or striving for superior quality (Dunn et al. 1994; Peters and Waterman 1982).

Organizational values emerge as a factor in shaping the perceptions and behaviors of customers, consistent with the organizational behavior literature (Deal and Kennedy 1982), such as when Chris talked about the norm of reciprocity that was expected from suppliers: "We expect you to buy something from us, since we're buying from you. We expect you to invest in us." Olivia explained how her organization's values include a desire to create a pleasant work environment for employees working in the production line with her supplier's plastic cups. The supplier's poor adherence to agreed-upon cup dimensions created additional work for her employees, thus jeopardizing that organizational value:

> Folks who were running the equipment were really happy when we got to a lot of cups that ran well. I was more focused on getting the problem fixed so my folks aren't having to deal with it—you know, like the effort and the frustration on their part.

Heather recounted how the supplier proved to be "politically not savvy" when it violated her organization's values of diversity and respect of individuals by producing an offensive ad campaign, which sent Heather's boss "over the edge." These findings are consistent with the relationship marketing literature around relational norms (Heide and John 1992) and suggest:

P1c: Negative (positive) relationship events create (reduce) defection energy by violating (supporting) the organizational values image.

The role of individual-level violations B2B relationships are seen first and foremost as relationships between two organizations (e.g., Cannon and Perreault 1999). The goals, practices, and values that emerged from our depth interviews reflected this perspective, but the understanding of the relationship stories in these cases would be incomplete if one were to ignore the fact that organizations are made up of individuals. Understanding the role of individuals within organizational behavior is crucial (Nonaka and Takeuchi 1995). In fact, Dunn et al. (1994), p. 132 note that "regardless of the procedures, the systems, or the available information, it is people who make decisions." These individuals have their own goals, practices, and values—many of these not necessarily in line with the organizational GPV. In fact, our interviews show that individual-level issues play a surprisingly large role in defection decisions in B2B relationships; that is, the violation of individual-level GPV creates defection energy that can even surpass the energy created by the violation of the organizational-level GPV. Among the three images, the individual-level goals image is particularly underexplored in our literature.

Consistent with Austin and Vancouver (1996), we define the individual goals image as *internal states representing desired shapes of outcomes, events, or processes as they relate to the customer's professional life*. This perspective contrasts with the meaning of goals in the consumer behavior literature. In B2B relationships, the goals of individuals are not related to the personal consumption-oriented goal structures as explicated in consumer behavior research. The individual's goals here are instead job related, reflected well in the human resource management literature (Maier and Brunstein 2001). In addition, they extend to sets of personal goals that are facilitated through work such as personal growth, physical well-being, social relationships, and self-confidence (Doest et al. 2006). For example, a key individual-level goal that decision makers may pursue within B2B relationships is that they would like suppliers to make their work life easier and more enjoyable. The effect of meeting this goal (or missing it) goes beyond concerns for productivity to the notion of personal fulfillment and even physical well-being. Consider how Donna was affected when things did not go well with the supplier: "I just get this sick feeling, literally, I just froze like 2 days—it was like deep in my stomach." This feeling is also reflected in Mike's comments, as when he asked: "Why are they [causing] me more work? It gave me a headache, I would just get completely burned out."

The effect that poor supplier performance can have on the career of a customer emerged as another facet of the defection decision process. Suppliers can help customers look good, such as when Annie felt that early on in her new position, "I was definitely glad they had that [expertise], because I sure didn't." On the other hand, poor supplier performance can have a negative impact for the customer within his/her organization, such as when Gail observed that her supplier "would have made me look like an idiot." The same career angle is evident when Eric explained how switching suppliers can be a good career move: "You know, nobody ever got fired for going with [Big Name Supplier]—that was part of it, too." These findings suggest:

P2a: Negative (positive) relationship events create (reduce) defection energy by violating (supporting) the individual goals image.

We defined the practices image earlier as the various rules and actions that have been agreed to (explicitly or implicitly) by the supplier and customer in support of the goals image. Our interviews revealed examples of individual-level practices in addition to practices established for and by the customer organization. All individuals possess idiosyncratic ways of working that lead to expectations of business practices to which they want their suppliers to adhere. Examples of these in our data include when Frank established a "heads-up" routine with his supplier to stay abreast of any delivery delays, or when Brad instituted a "fix first, then we meet" rule with his poorly performing supplier. Karl expressed his unease when his supplier failed to meet his preference for how he wanted to stay on top of things: "I think there should have been at least biweekly meetings to say, 'Are we doing what you want? What is it that we are focused on this week? Where are we spending the time?" These findings suggest:

P2b: Negative (positive) relationship events create (reduce) defection energy by violating (supporting) the individual practices image.

Consistent with Rokeach (1973) we define the individual values image as *an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to alternative states*. Examples of situations involving individual values include when Jim believed that a supplier should think of the individual customer as "important" and when Eric presented his reaction to the supplier going back on his word: "Now, what is this? You said you'd do this. Again, you didn't! Well, by the third [meeting], I was feeling a bit, you know, I believe I'm being lied to." These findings are similar to Vitell, Rallapalli, and Singhapakdi's (1993) research showing that both personal values and organizational values influence individual decision makers in organizations. The issue of individual values also is reflected in the established notion that the presence or absence of personal friendship

influences behavior in B2B settings (Heide and Wathne 2006; Uzzi 1997). For example, Peter's reaction when his supplier "was going around me" was heightened by the strong personal bond that he had formed with the supplier's CEO. These findings suggest:

P2c: Negative (positive) relationship events create (reduce) defection energy by violating (supporting) the individual values image.

Energy updating As presented earlier, the defection process framework in Fig. 3 presents a continuous loop in which defection energy builds up over time. In none of the customer–supplier relationships studied here did the defection decision process occur as the result of an instantaneous catastrophic situation. In fact, as Karl put it: "It was kind of a gradual growing concern." Consistently, the process was seen to be lengthy and slow to unfold. Brad described it thusly: "Probably started to consider it about a year ago. And really moved in that direction probably about 6, 7 months ago—it went from one thing to the next." This research demonstrates that the defection process often takes months or even a few years to build to the final conclusion. In some cases, the process can take even longer, as Chris's testimony illustrated: "It became evident, over time, it was something that built up. You know, over time, it took 10 years for [the relationship] to ultimately be severed."

The service literature provides further perspective to this cumulative build-up notion as Roos (1999) finds that customers sometimes "sway" for some time before they defect, as a series of events puts them into a more and more defection-inclined state. Consistent with belief updating theory (Hogarth and Einhorn 1992) and with research into the effects of critical incidents on relationship histories (Van Doorn and Verhoef 2008), the previous relationship event's energy is still active (anchoring the defection potential) and the current event's energy is added to it, updating the defection potential. This is expressed, for example, in Ira's experience of "a thousand nicks up to that point" of defection. The functional form of this updating process is an empirical question for future research (for example, are the energies linearly additive?). Bolton (1998) points out that previous negative events influence subsequent defection decisions, that is, an event does not get "discarded" even if a successful recovery was made, supporting the anchoring and adjustment process described above.

The rates of changes in defection energy present in the DG charts show an interchange of short step-like changes and longer gradual changes in defection energy. Most cases show evidence of both, step and gradual, changes. Five cases (Gail, Nichole, Peter, Rick, Tina) only exhibit step-wise changes. Reductions in defection energy, if they occur, are usually the result of step-wise changes caused by specific events, while gradual decreases in defection energy are a more rare occurrence as the result of several positive experiences over a given period. Recall that the line that each respondent drew on the DG chart can be translated into a numerical representation on a scale of 0–100 points. The vast majority of changes (both step and gradual) are changes of 30 points or less, with a majority of these under 20 points.82 % of energy changes are 30 points or fewer while those that are more than 30-point swings constitute 18 % of all changes in energy levels.

This evaluation shows that defection processes are dominated by small step-wise changes rather than large catastrophic events. Most individual events in relationships result in small changes in defection energy of 15 points or less, and the majority of these create less than 10 points of defection energy. Cumulatively, these small events can at times lead to relatively large changes, but in a gradual fashion, as, for example, in the case of Olivia where a series of not dramatic but continued quality issues and employee complaints creates a continuous 52-point change in energy, while each individual incident in this phase has only minor repercussions.

Although it appears that negative events do not get discarded, the cumulative level of defection energy was seen to decrease when positive events reduced the defection energy by supporting the individual or organizational GPV. This effect has been studied extensively in the research stream on service recovery. Service recovery studies have reported that successful service recovery can increase the likelihood of repatronage (e.g., Gilly and Gelb 1982; Kelley et al. 1993). This effect can be explained through a lowering of the defection energy due to a successful recovery effort. In other words, a good recovery has the potential to reduce the cumulative defection energy that the original service failure creates. In service recovery, the positive event directly relates to a specific identified negative event and the supplier consciously attempts to mitigate the effects of that negative event. However, we also observed that the reduction of defection energy may occur through positive events that are not specifically designed to reduce the effects of a negative event. For example, a succession of on-time deliveries can make a prior late delivery less salient (Miller and Gunasegaram 1990) and thus reduce the stored defection energy. This defection energy reduction updates the anchored defection potential as described above.

Although intended as a tool of qualitative analysis, the defection gradient charts also can be translated into numerical descriptions that provide additional insights. Across our cases, the respondents indicated in 84% of events an upwards movement of defection energy on the DG charts, i.e., negative relationship events, and in 16% of events downward movement of the gradient, i.e., positive relationship events. The ratio of negative to positive events implied by this is thus a little over 5-to-1.

Structural events account for 31% of events (both negative and positive), emergent events for 33%, peripheral events for 24%, and environmental events for 12%. Focusing only on structural events would result in a substantial theory and managerial blind spot. Furthermore, internal events account for 64% and external events for 36%, i.e., relationship external events account for over one-third of the relationship picture. The average absolute change in defection energy for structural events is 19.57, for emergent events 18.26, for peripheral events 20.54, and for environmental events 17.29. Individual events of all four event types thus have similar strength of impact on B2B relationships. Therefore, we propose that the total defection energy is a function of the energy of all relationship events to date. It is this Cumulative Defection Energy that is then subjected to the defection decision mechanism. The field evidence also shows that defection energy does not simply degrade or get discounted merely by the passage of time. In fact, a pure passage-of-time effect was not present in any of the cases in this study. This suggests that only specific actions or patterns of actions have the ability to reduce defection energy. In other words, defection energy is not perishable. A reduction of defection energy in business relationships is the result of specific positive events in each relationship. These findings suggest:

P3: Defection energy is subject to an anchoring and updating process following positive, neutral, and negative events.

The threshold effect Given the lengthy build-up with many and varied relationship events, what triggers the ultimate defection decision? The interviews elicited strong evidence of a threshold effect, that is, a trigger point is achieved when the cumulative defection energy surpasses a certain level. Respondents again and again described that a certain "breaking point" or level was reached at the time that the defection decision was made, for example when Jim explained that the defection decision "was a given at that point." This is reflected when Annie mentioned the term "the last straw" several times to describe the situation right at the moment of decision making. Ira described reaching a threshold when he stated that "there is some threshold of pain that leads up to not continuing the service contract." Frank's story also reflected the threshold phenomenon well:

> It was okay but it wasn't where we needed it to be, it just—at that point, it was more just resignation—you know how you kind of hit a point and you say, okay, I've had enough to deal with, I just don't want to deal with it anymore.

Several categories of constituents of the threshold were reflected in the respondents' relationship histories. Established goodwill is a very strong element of the threshold as conveyed particularly in the case of Chris, who described that "so, difficult as it was after almost 30 years, at some point I had to go in and sever the relationship altogether; the change in ownership erased a lot of those years of loyalty." The threshold creating property of goodwill comes out clearly in this statement as Olivia described that "I still wasn't eager for them to leave, because I appreciated the effort that they were putting in."

The theme of switching costs and switching effort played a role in almost all relationships, consistent with extant research into this domain (e.g., Burnham et al. 2003). As Donna explained: "It's so much time and energy to go with a new firm and get them up to speed; it's just really time consuming and it's easier to just work with someone who already has everything in one place." Tina added: "Moving about 200 people, it's just such a pain; your files all become disjointed, yeah it's costly, there are a lot of expenses associated with moving so that's kind of why you live through a situation like we have with [supplier]." And Brad explained, after listing several examples of the amount of effort required to use a different supplier, that "that's a significant switching cost; that's part of our initial inertia in wanting to really stay with [supplier]."

These stories and many more like them emphasize the hurdle that needs to be overcome when an alternative is clear. Other passages offer a glimpse of the role that availability and attractiveness of alternatives plays. For example, Brad remembered that "our expectations weren't high that we were going to find better ones than we had historically had when we went out in the market; so in a way, we were forced to [stay with supplier]." The role of perceived availability and attractiveness in the field data is well supported in the literature (e.g., Capraro et al. 2003).

While norms of reciprocity did not appear in many of these relationships, they played a tremendous role when they did. Chris explained that "[having a reciprocal supply arrangement] is a giant extenuating circumstance, I felt like my hands were a little tied," and when the reciprocity agreement was not renewed, he said to his supplier, "we're not going to feel bound to you as we have been when you had the [reciprocity]" and "I felt less committed to him because of the [reciprocity disappearing]." This effect is consistent with the literature on commitment and trust (e.g., Anderson and Weitz 1992; Morgan and Hunt 1994).

Personal relationships with the respondent or with someone in his/her organization, especially when they extend outside of the business interaction, also constitute a clear element within the domain of the threshold. For example, Heather explained that her firm's "president had a relationship with these people. At that point it wasn't opportune to move the business away from them, I was managing the political nuances." The role of personal relationships evident in these cases echoes the findings in the literature on the role friendships plays in business relationships (e.g., Price and Arnould 1999; Grayson 2007).

Similar to the threshold effect of reciprocity, contractual or regulatory barriers played a very large role in the cases where they occurred. Consider how Scott was restricted in his options as "part of the acquisition rules and regulations, the processes which we were bound to, raised a little bit of a complicating factor; [to defect at that point] would have taken extraordinary cause to make that happen, it would have required total default or something like that." This threshold element can arise as part of "contractor bureaucracy," as Rick put it.

The needs of the customer's own clients can also become part of the threshold. This customer-driven threshold is evident when Jim needed to continue the relationship with his supplier to fulfill his own customers' legacy continuation needs, or when Mike explained that "the company has to be certified by your [customers]; this process takes months; you can't just switch suppliers like that."

The stronger the presence of these elements, the higher is the defection threshold. These elements are not static, but instead they can and do change over the lifetime of the relationship, i.e., the threshold level can rise and fall as a result of relationship events. For example, when switching costs are removed, like the ending of the reciprocity agreement in Chris' case, the threshold is lowered. Conversely, when switching costs are introduced, the threshold is increased, like in Jim's case when his customers' demands for a particular legacy solution made it harder to replace the incumbent supplier. The interview data suggest that defection energy, once created, has the potential, but only the potential, to cause the behavioral response of defection. Respondents again and again described how that certain point, a threshold, needs to be reached in order to actually result in a decision to defect. Consider how Annie emphasized that it was not the failing of the last project but the sum of all projects that had led to the defection: "The decision to not use them anymore didn't start the first time they cancelled [this] project; we were already pretty far along the road." In the same vein, Peter described how multiple issues combined to reach the defection decision: "It's highly likely that if they only would have screwed up [this] deal and could have kept our other relationship intact, that we would have kept the relationship." Eric described that things added up to a level of seriousness: "The cumulative impact of what [we] were dealing with was becoming very serious."

The passages above, and many like them, present evidence of an energy build-up that customers compare to a threshold level and, as Chris explained, once the threshold has been breached, "Was there something that at that point in time, if only this or that happened, I would probably still continue? No, I don't think there was anything." The cumulative effect of the defection energy had become severe enough, or as Brad put it: "I think at some point we said, these problems are bad enough."

The defection threshold is thus conceptualized as the point beyond which the decision maker regards the supplier as incompatible with the organization's and/or the individual's goals, practices, or values. This perspective is consistent with Seidl and Traub's (1998) "rejection threshold," which posits that a decision option is rejected when the option's incompatibility with a decision maker's images reaches a threshold level. The extant defection literature has postulated the potential presence of threshold effects in defection decisions implicitly, for example by using tobit models (Bolton and Lemon 1999). In combination, the literature and our findings suggest:

P4: When defection energy surpasses a threshold, defection occurs, otherwise the relationship continues.

Discussion and implications

Nineteen long depth interviews provide the empirical foundation for an emergent framework of customer defection in B2B relationships, highlighting its gestalt as a process phenomenon. We first posed three key research questions: How does the defection decision process in B2B relationships unfold? What is driving the process forward? What mechanism is employed to arrive at a defection decision? The defection process framework (Fig. 3) and the propositions presented here help answer these questions by showing that customer defections develop as a result of what is often a very lengthy interplay of events. We outline the steps of the decision process and identify a specific typology of drivers that create defection energy that impels the customer toward a defection decision threshold.

The framework we have proposed here illustrates that relationships continue unless some impetus creates a change in the buyer–supplier association. This status quo tendency requires the gathering of a momentum to overcome the inertia created by the default state of "continued relationship." We posit that this momentum is provided when relationship events create defection energy by violating the goals, practices, or values of either the individual or the organization on the customer side. We have introduced defection energy as the embedded potential of a relationship event to cause the behavioral response of defection. Our model suggests that defection energy is stored and accumulated over the course of multiple events as the result of an anchoring and updating process. The business relationship continues until the cumulative defection energy reaches a threshold level, resulting in the decision to defect.

Implications for marketing theory

Our framework contributes to our understanding of B2B defection behavior by developing an integrated process-oriented theory of customer defection decisions. Our

framework explicates how specific, identifiable events create defection energy, i.e., the mechanism that drives the defection process forward, by violating organizational and individual goals, practices, and values. Thus we have explicated the process, the drivers, and the mechanism of the decision, as identified in our initial research questions. The framework that has emerged from our fieldwork explicates the "how" of defections by showing that the interplay of a dynamic updating and anchoring of defection energy with a threshold perspective results in defection decisions.

Defection as a process has begun to be investigated only recently (Halinen and Tahtinen 2002; Roos 1999). We contribute to this emerging literature by moving beyond its dominant emphasis on the phase/stage nature of defection to add an important explication of the defection decision point itself, by providing an understanding of what drives the process forward, and by gathering information on the entire relationship rather than just the relationship-ending aspect. By beginning to address these gaps, our work moves the defection process field toward a more holistic understanding of how B2B defection decisions are made and how this eventual decision unfolds over a relatively long period of time. In fact, across the 19 interviews, the defection gradient charts and timelines indicated that the average length of the defection decision process was over 16 months, illustrating clearly that defection decisions are not occurring at one point in time and thus require a process-oriented, time dimension to understand them fully.

A theoretically grounded taxonomy of relationship events emerged from our field data that shows how structural, emergent, peripheral, and environmental events shape the development of business relationships. This taxonomy provides a foundation for understanding the entire range of complex influences on customer–supplier relationships. The understanding of not only customer defections, but customer relationships in all phases, is enhanced by casting a wide net to capture and categorize the myriad of events that affect customers' perceptions of suppliers. While prior research in B2B relationships tends to emphasize the organizational and core product/service elements at play in relationship maintenance and defection, the taxonomy illustrates a full range of types of events that underlie these relationships. By expanding our understanding of meaningful relationship events, we enrich the overall theory of B2B relationship maintenance and defection.

Beyond the taxonomy of relationship events, our findings identify the individual decision maker's goals, practices, and values and shed a new light on the role that they play in B2B relationship decisions. The focus of B2B research and theory is usually at the organizational level of abstraction, focusing, for example, on organizational-level connectors (Cannon and Perreault 1999) such as legal bonds and operational linkages. However, some researchers (e.g., Heide and Wathne 2006) have argued that both individual-level considerations ("friend") and organizational-level identities ("businessperson") coexist and are activated at different points in time. Our findings contribute to the relationship marketing literature by indicating that more attention to the goals, practices, and values of the individuals within B2B relationships will be a useful avenue for understanding business markets. Our findings directly add to the theory of B2B relationships by introducing the constructs of goal, practice, and values images and violations into our lexicon of theoretical explanations for B2B relationship development (Beach and Mitchell 1987). Furthermore, we uncover the importance of these constructs at *both* the individual and organizational level, further enhancing B2B relationship theory.

Furthermore, our framework introduces a threshold perspective on defections. This extension of current thought on defections provides a new understanding of the interplay of relationship events with the defection process and builds on the implicit use of a threshold perspective in Bolton and Lemon's (1999) analysis of the role that exchange fairness plays in future usage decisions. Decision thresholds are generally understudied and often ignored when investigating a wide variety of marketing outcomes, yet it is clear from our interviews and the defection gradient charts that they play a very important role in extending the time dimension of defection decisions as well as in the ultimate decision to defect. As decision makers draw closer and closer to the threshold through the accumulation of defection energy, the decision to defect becomes increasingly likely. However, it is not until the threshold is surpassed, which can take months or even years, that the defection actually occurs.

Finally, this study demonstrates a methodological approach for investigating marketing processes by showing how a pattern-matching logic reveals core features of processes. We introduce the new tool of defection gradient charts to assist with this goal. This research shows how an increased understanding of process issues leads to a stronger theory and lays the groundwork for better prediction of customer behavior and organizational outcomes. Although intended as a tool of qualitative analysis, the defection gradient charts also can be translated into numerical descriptions that provide additional insights, as illustrated in our analysis. This tool can be applied to other marketing processes, such as customer acquisition, product development, or strategy development and implementation. As such, this research opens the door for enhancing our understanding of process phenomena, building on the tradition of process research (Pettigrew 1990) and life history analysis (Atkinson 1998).

Implications for marketing practice

Customer defection has direct and significant consequences for any organization's growth and profitability (Hogan et al.

2003; Reichheld 1996; Reichheld and Sasser 1990). This study therefore makes a contribution to practice by helping managers understand the underlying process through which their customers make defection decisions. The results of this study can encourage managers to broaden the scope of their defection management radar in five important ways.

Beyond goals All customers pursue specific goals when they enter into business relationships, and it is important to understand each customer's goals and deliver on them. However, consistent with image theory (Beach 1998), our study shows the importance of going beyond goals by attempting to understand and fulfill organizational and individual values and practices as well. By engaging in a deeper understanding of the values and practices of their organizational partners, managers can potentially avoid the accumulation of defection energy that leads ultimately to a defection decision. For example, in Peter's case, the supplier not only met the customer's business goals very well, but switching to the alternative supplier would create substantial financial and operational problems. From a goals perspective, the supplier should have been very safe. Only by analyzing the violations to Peter's practices and values can we understand the decision to defect.

Beyond 90-day cycles Practitioners often acquire a 90-day cycle mentality driven by quarterly financial reporting requirements (Graham et al. 2006). The findings of this research show that customers do not follow that same perspective. Instead, they easily recall and interconnect events that are years apart, and transgressions from long ago continue to shape present-day relationship developments. Suppliers can benefit from taking a more long-term perspective on customer relationship management. They should realize that what might appear to be a minor transgression at one point in time might be remembered and factored in to a longer-term perspective on the relationship for years to come. For example, in Scott's case, the supplier failed to live up to the "spirit of the contract" repeatedly over many years. Each transgression was often rather minor, but the customer kept a "mental record" of these incidents and they continued to build up over many 90-day cycles, painting a picture of the supplier over time.

Beyond major incidents It is all too easy to focus on the biggest of incidents and try to manage customer impressions related to these events. However, our findings show that seemingly small incidents can change the course of relationships, and they can also add up quickly to major effect, especially if these events are unusual in their nature (Gavanski and Wells 1989). Thus, a consciousness of the "little things" and their importance to long-term relationships is important for managers. For example, in Annie's case, the "Swiss Cheese" incident happened 18 months before the defection. The incident represented one small installation glitch in a project of a dozen installations in one of dozens of projects. And yet, this singular small incident completely changed how Annie viewed the supplier and she kept referring back to this one incident as a key moment in the relationship.

Beyond organizational issues Our study shows the importance to the success of relationships of investigating and addressing the individual-level customer goals, practices, and values. Although delivering on the customer organization's goals, practices, and values is important, managers who ignore the individuals within the customer organization may do so at their own peril. Most organizations assume that it is enough to "do as promised" and fulfill contractual and informal agreements in a quality manner. However, our interviews clearly point to the importance of knowing that the individual decision maker's goals, values, and practices can be equally important. For example, Annie described how the supplier's competence helped her in her personal career goals. Eric echoed this feeling when he described that the choice of supplier had a tangible effect on his own job security.

Beyond the last straw When customers have defected, a "lost customer" research program needs to go deeper than uncovering the last trigger event had occurred before the defection. Miller and Gunasegaram (1990) show that such last triggers are often perceived as key causes. Our findings clearly show that "last straw" events are often only a minor cog in the entire process of defection. The specific combination of events over time and the accumulation of defection energy based on violations of goals, values, and practices are what drive the relationship forward and move it toward maintenance, growth, or defection. To narrowly focus on the one last event or trigger is thus very short sighted and could lead to the wrong response. For example, Chris explained how the momentum towards defection had been building for a very long time. The last event in the relationship, a change in contact person, was at that point only a minor additional push, but at that point, the relationship was beyond reparable already and the trajectory could not be changed.

By appreciating the full picture of defection decisions as processes that occurs over time, managers will gain deeper understanding and a greater ability to shape strong B2B relationships. Further, by deepening their knowledge of defection in the five specific ways noted above, managers will be able to look more holistically at the true picture of each relationship and thus be better able to target investments to "at risk" relationships with higher payoffs.

Limitations and future research directions

Limitations of our study should be noted. Deeper insights into the defection phenomenon might have been achieved had we

been able to observe entire business relationships unfold in real time. Given the length of most of the investigated relationships, that type of approach requires a true long-term embedding of one or more researchers within a limited number of contexts, but such a technique might suffer from unique drawbacks of its own. Also, the analysis here rests on interviews with key informants. We deliberately identified and included cases in which a single individual was the key decision maker in the relationship. This approach leaves unexplored the question of how a decision group, such as a buying center, would arrive at defection decisions. Future research studying the added complexity of group decision making could offer fruitful insights regarding contextual boundary conditions affecting the framework. In addition, cause-and-effect evaluations were based on the retrospective account of temporal ordering and interconnections. Cleaner cause-effect evaluation is a difficult goal to achieve in qualitative studies in general, but future quantitative work can help in mitigating this issue.

Despite these limitations, the framework developed here provides clear implications for marketing theory and practice. Addressing these limitations is one avenue for broadening our understanding of the defection phenomenon. A further fertile area for future work is to investigate the defection threshold. We have established the importance of the threshold in defections, but much work remains to be done to explore the elements that combine to form the threshold and their relative effects in setting and adjusting its level. Another promising area for future research is the issue of the creation and impact of positive events on defection energy. Although our study showed evidence of only a small and temporary impact of positive events, research that further investigates the role of positive events in reducing defection energy would add to our understanding of this phenomenon.

Another area of fruitful future research might include a deeper investigation of how differences in the origination of these business relationships may affect the eventual process of defection. In the cases in our study, although slightly more than 50 % of customers reported starting out the relationship with little to no defection energy, almost a third reported substantial defection energy at the beginning of the relationships. Although we didn't focus on the initial establishment of the relationships in this study, future research could investigate the causes of these differences. For example, customers may begin a relationship with very different expectations of the vendors for a variety of reasons—perhaps based on word of mouth from other customers, or because the purchase involves a service with high levels of credence qualities making the supplier difficult to evaluate in advance. These factors might result in a different "starting point" on the defection gradient chart for those relationships. Or, in some cases, a customer may "inherit" a vendor from a predecessor in the same purchasing position. Would that customer's lack of involvement in the original hiring decision affect their initial and subsequent evaluations of the supplier? We believe deeper investigation of the status of the relationship at its start may provide predictive insights as to its eventual resolution. This study focused solely on B2B settings. Although we believe that much of the typology of relationship events and the basic decision process framework would likely hold true in B2C contexts, it will be necessary to evaluate the framework for consumer decisions through additional targeted research. B2C settings also can involve contracts and group decisions, similar to B2B contexts, so those topics may provide interesting relevant avenues for investigation in a consumer decision process, too.

Finally, the focus of our research was the development of theory rather than theory testing. Much work remains to be done to empirically test the propositions developed in this study. The intention of this research was to open a window onto the vast and mostly uncharted territory of processual approaches to understanding defection. We believe that process-based research will be essential to moving the defection research field forward into its next phase, away from static to dynamic perspectives of business relationships. We want to encourage a program of research that pursues this goal.

Conclusion

Despite the widely acknowledged importance of customer defection to firm profitability and success, and despite decades of academic research on the topic, defection rates remain high in most industries. Clearly, there are still significant gaps in what marketing theorists and practitioners know about the process of customer defection, particularly in B2B markets, as evidenced by continued calls in the marketing literature for additional investigation of the issue.

This study begins to fill some of these gaps in our understanding of the defection decision by developing the first overarching theoretical framework detailing the elements and processes that explain how the B2B defection decision unfolds over (sometimes long periods of) time. By doing so, it helps move marketing theory and practice toward a more holistic understanding of defection as a dynamic anchoring and updating decision phenomenon.

We first posed three key research questions: How does the defection decision process in B2B relationships unfold? What is driving the process forward? What mechanism is employed to arrive at a defection decision? By building on the extant defection and decision theory literatures, we have uncovered answers for these questions and developed a process theory of B2B defection. Qualitative field research was used to identify a taxonomy of events both internal and external to the relationship that interact with both organizational-level and

individual decision maker–level goals, practices and values in order to push customers both toward and away from the "breaking point" of the defection decision threshold. The results of this study help both marketing researchers and managers by providing a richer understanding of not only the antecedents to defection, but even more importantly, the underlying process by which customers make the ultimate decision to leave. The process theory of B2B defection developed here not only provides a strong basis from which additional empirical testing and theoretical extensions can be derived, it also provides insights and clear recommendations for marketers on how to manage customer relationships more successfully.

References

Ahn, J.-H., Han, S.-P., & Lee, Y.-S. (2006). Customer churn analysis: churn determinants and mediation effects of partial defection in the Korean mobile telecommunications service industry. *Telecommunications Policy, 30*(10/11), 552–68.

Åkerlund, H. (2005). Fading customer relationships in professional services. *Managing Service Quality, 15*(2), 156–71.

Anderson, E., & Weitz B. (1992). "The use of pledges to build and sustain commitment in distribution channels,". *Journal of Marketing Research, 29*(1), 18–34.

Atkinson, R. (1998). *The life story interview*. Thousand Oaks: Sage.

Austin, J. T., & Vancouver, J. B. (1996). Goal constructs in psychology: structure, process, and content. *Psychological Bulletin, 120*(3), 338–75.

Beach, L. R. (1998). *Image Theory: Theoretical and Empirical Foundations*. Mahwah: Lawrence Erlbaum Associates.

Beach, L. R., & Mitchell, T. R. (1987). Image theory: principles, goals and plans in decision making. *Acta Psychologica, 66*, 201–20.

Bitner, M. J., Booms, B. H., & Tetreault, M. S. (1990). The service encounter: diagnosing favorable and unfavorable incidents. *Journal of Marketing, 54*(1), 71–84.

Bolton, R. N. (1998). A dynamic model of the duration of the customer's relationship with a continuous service provider: the role of satisfaction. *Marketing Science, 17*(1), 45–65.

Bolton, R. N., & Drew, J. H. (1991). A longitudinal analysis of the impact of service changes on customer attitudes. *Journal of Marketing, 55*(1), 1–9.

Bolton, R. N., & Lemon, K. N. (1999). A dynamic model of customers' usage of services: usage as an antecedent and consequence of satisfaction. *Journal of Marketing Research, 36*(2), 171–86.

Bolton, R. N., Kannan, P. K., & Bramlett, M. D. (2000). Implications of loyalty program membership and service experiences for customer retention and value. *Journal of the Academy of Marketing Science, 28*(1), 95–108.

Bolton, R. N., Smith A. K., & Wagner J. (2003). "Striking the right balance: designing service to enhance business-to-business relationships,". *Journal of Service Research, 5*(4), 271–91.

Bolton, R. N., Lemon, K. N., & Bramlett, M. D. (2006). The effect of service experiences over time on a supplier's retention of business customers. *Management Science, 52*(12), 1811–23.

Bourgeois, L. J., III, & Eisenhardt, K. M. (1988). Strategic decision processes in high velocity environments:. *Management Science, 34*(7), 816–35.

Burnham, T. A., Frels, J. K. & Mahajan, V. (2003). "Consumer switching costs: a typology, antecedents, and consequences,". *Journal of the Academy of Marketing Science, 31*(2), (Spring), 109–126.

Cannon, J. P., & Perreault, W. D., Jr. (1999). Buyer-seller relationships in business markets. *Journal of Marketing Research, 36*(4), 439–60.

Capraro, A. J., Broniarczyk, S., & Srivastava, R. K. (2003). Factors influencing the likelihood of customer defection: the role of consumer knowledge. *Journal of the Academy of Marketing Science, 31*(2), 164–75.

Cheng, R. (2009). Sprint sets release of new palm. *Wall Street Journal, May, 20*, B7.

Collins, J. C., & Porras, J. I. (1996). Building your company's vision. *Harvard Business Review, 74*(5), 65–77.

Coulter, R. A., & Ligas, M. (2000). The long good-bye: the dissolution of customer-service provider relationships. *Psychology & Marketing, 17*(8), 669–95.

Crosby, L. A., & Stephens, N. (1987). Effects of relationship marketing on satisfaction, retention, and prices in the life insurance industry. *Journal of Marketing Research, 24*(4), 404–11.

Dawes, J. (2004). Price changes and defection levels in a subscription-type market: can an estimation model really predict defection levels? *The Journal of Services Marketing, 18*(1), 35–44.

Deal, T. E., & Kennedy, A. A. (1982). *Corporate Culture*. Reading: Addison-Wesley.

Deshpande, R., & Webster, F. E., Jr. (1989). Organizational culture and marketing: defining the research. *Journal of Marketing, 53*(1), 3–15.

Doest, T., Laura, S. M., Gebhardt, W. A., & Koelewijn, H. (2006). Personal goal facilitation through work: implications for employee satisfaction and well-being. *Applied Psychology, 55*(2), 192–219.

Dunn, M. G., Norburn, D., & Birley, S. (1994). The impact of organizational values, goals, and climate on marketing effectiveness. *Journal of Business Research, 30*(2), 131.

Dwyer, F. R., Schurr, P. H., & Sejo, O. (1987). Developing buyer-seller relationships. *Journal of Marketing, 51*(2), 11–27.

Edvardsson, B., & Roos, I. (2003). Customer complaints and switching behavior - a study of relationship dynamics in a telecommunication company. *Journal of Relationship Marketing, 2*(1–2), 43–68.

Flint, D. J., Woodruff, R. B., & Gardial, S. F. (2002). Exploring the phenomenon of customers' desired value change in a business-to-business context. *Journal of Marketing, 66*(4), 102–17.

Fontenot, R. J., & Wilson, E. J. (1997). Relational exchange: a review of selected models for a prediction matrix of relationship activities. *Journal of Business Research, 39*(1), 5–12.

Fournier, S. (1998). Consumers and their brands: developing relationship theory in consumer research. *Journal of Consumer Research, 24*(4), 343–73.

Gavanski, I., & Wells, L. G. (1989). Counterfactual processing of normal and exceptional events. *Journal of Experimental Social Psychology, 25*(4), 314–25.

Gebhardt, G. F., Carpenter, G. S., & Sherry, J. F., Jr. (2006). Creating a market orientation: a longitudinal, multifirm, grounded analysis of cultural transformation. *Journal of Marketing, 70*(4), 37–55.

Gilly, M. C., & Gelb, B. D. (1982). Post-purchase consumer processes and the complaining consumer. *Journal of Consumer Research, 9*(3), 323–328.

Glaser, B., & Strauss, A. (1967). *The Discovery of Grounded Theory*. Chicago: Aldine.

Golden, B. R. (1992). The past is the past – or is it? the use of retrospective accounts as indicators of past strategy. *Academy of Management Journal, 35*(4), 848–60.

Graham, J. R., Harvey, C. R., & Rajgopal, S. (2006). Value destruction and financial reporting decisions. *Financial Analysts Journal, 62*(6), 27–39.

Grayson, K. (2007). "Friendship Versus Business in Marketing Relationships,". *Journal of Marketing, 71*(4), 121–139.

Grönroos, C. (1980). Designing a long range marketing strategy for services. *Long Range Planning, 13*(2), 36–42.
Gummesson, E. (1979). *Models of Professional Services Marketing*. Stockholm: Marknadsteknist Centrum.
Halinen, A., & Tahtinen, J. (2002). A process theory of relationship ending. *International Journal of Service Industry Management, 13*(2), 163–80.
Hansen, D. E. (2004). Assessing industrial buyer preferences: using the swait-louviere test to test the key informant assumption. *Marketing Letters, 15*(4), 223–36.
Heide, J. B., & John G. (1992). "Do Norms Matter in Marketing Relationships?". *Journal of Marketing, 56*(2), 32–44.
Heide, J. B., & Wathne, K. H. (2006). Friends, businesspeople, and relationship roles: a conceptual framework and a research agenda. *Journal of Marketing, 70*(3), 90–103.
Hirschman, E. C. (1986). Humanistic inquiry in marketing research: philosophy, method, and criteria. *Journal of Marketing Research, 23*(3), 237–49.
Hoffman, J. L., & Lowitt, E. M. (2008). A better way to design loyalty programs. *Strategy & Leadership, 36*(4), 44–47.
Hogan, J. E., Lemon, K. N., & Libai, B. (2003). What is the true value of a lost customer? *Journal of Service Research, 5*(3), 196–209.
Hogarth, R. M., & Einhorn, H. J. (1992). Order effects in belief updating: the belief-adjustment model. *Cognitive Psychology, 24*(6), 1–55.
Houston, M. B., Walker, B. A., Hutt, M. D., & Reingen, P. H. (2001). Cross-unit competition for a market charter: the enduring influence of structure. *Journal of Marketing, 65*(2), 19–34.
Huffman, C., & Houston, M. J. (1993). Goal-oriented experiences and the development of knowledge. *Journal of Consumer Research, 20*(2), 190–207.
Johnson, J. L., Sohi, R. S., & Grewal, R. (2004). The role of relational knowledge stores in interfirm partnering. *Journal of Marketing, 68*(3), 21–36.
Keaveney, S. M. (1995). Customer switching behavior in service industries: an exploratory study. *Journal of Marketing, 59*(2), 71–92.
Kelley, S. W., Douglas Hoffman, K., & Davis, M. A. (1993). A typology of retail failures and recoveries. *Journal of Retailing, 69*(4), 429–52.
Kohli, A. K., & Jaworski, B. J. (1990). Market orientation: the construct, research propositions, and managerial implications. *Journal of Marketing, 54*(2), 1–18.
Krippendorff, K. (2004). *Content Analysis: An Introduction to its Methodology*. Thousand Oaks: Sage.
Kumar, P. (2005). "The competitive impact of service process improvement: examining customers' waiting experiences in retail markets,". *Journal of Retailing, 81*(3), 171–80.
Lemon, K. N., White, T. B., & Winer, R. S. (2002). "Dynamic customer relationship management: incorporating future considerations into the service retention decision", *Journal of Marketing, 66*(1), 1–14.
Lincoln, Y. S., & Guba, E. G. (1985). *Naturalistic Inquiry*. Beverly Hills: Sage.
Maier, G. W., & Brunstein, J. C. (2001). The role of personal work goals in newcomers' job satisfaction and organizational commitment: a longitudinal analysis. *Journal of Applied Psychology, 86*(5), 1034–42.
Mahajan, V., Sharma, S., & Buzzell, R. D. (1993). "Assessing the impact of competitive entry on market expansion and incumbent sales,". *Journal of Marketing, 57*(3), 39–52.
McCracken, G. (1988). *The Long Interview*. Newbury Park: Sage.
Meuter, M. L., Ostrom, A. L., Roundtree, R. I., & Bitner, M. J. (2000). Self-service technologies: understanding customer satisfaction with technology-based service encounters. *Journal of Marketing, 64*(3), 50–64.
Mick, D. G., & Fournier, S. (1998). Paradoxes of technology: consumer cognizance, emotions, and coping strategies. *Journal of Consumer Research, 25*(2), 123–43.
Miles, M. B., & Huberman, A. M. (1994). *Qualitative Data Analysis: An Expanded Sourcebook*. Thousand Oaks: Sage.
Miller, D. T., & Gunasegaram, S. (1990). Temporal order and the perceived mutability of events: implications for blame assignment. *Journal of Personality and Social Psychology, 59*(6), 1111–18.
Miller, G. A., Galanter, E., & Pribram, K. H. (1960). *Plans and the Structure of Behavior*. New York: Holt, Rinehart, and Winston.
Moorman, C., & Miner, A. S. (1998). The convergence of planning and execution: improvisation in new product development. *Journal of Marketing, 62*(3), 1–20.
Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing, 58*(3), 20–38.
Morgan, N. A., Anderson, E. W., & Mittal, V. (2005). Understanding Firms' customer satisfaction information usage. *Journal of Marketing, 69*(3), 131–51.
Noble, C. H., & Mokwa, M. P. (1999). Implementing marketing strategies: developing and testing a managerial theory. *Journal of Marketing, 63*(4), 57–73.
Nonaka, I., & Takeuchi, H. (1995). *The Knowledge-Creating Company*. New York: Oxford University Press.
Oliver, R. L. (1999). Whence consumer loyalty? *Journal of Marketing, 63*(Special Issue), 33–44.
Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). Servqual: a multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing, 64*(1), 12–40.
Pearson, M. M., & Gessner, G. H. (1999). Transactional segmentation to slow customer defections. *Marketing Management, 8*(2), 16–23.
Perkins-Munn, T., Aksoy, L., Keiningham, T. L., & Estrin, D. (2005). Actual purchase as a proxy for share of wallet. *Journal of Service Research, 7*(3), 245–56.
Peters, T. J., & Waterman, R. H., Jr. (1982). *In Search of Excellence*. New York: Harper and Row.
Pettigrew, A. M. (1990). Longitudinal field research on change: theory and practice. *Organization Science, 1*(3), 267–92.
Ping, R. A., Jr., & Dwyer, F. R. (1992). "A Preliminary Model of Relationship Termination in Marketing Channels,". In G. L. Frazier (Ed.), *Advances in Distribution Channel Research* (Vol. 1, pp. 215–33). Greenwich: CT: JAI Press.
Pondy, L. R. (1967). Organizational conflict: concepts and models. *Administrative Science Quarterly, 12*(September), 296–320.
Price, L. L., & Arnould E. J. (1999). "Commercial friendships: service provider–client relationships in context,". *Journal of Marketing, 63*(4), 38–56.
QSR International Pty Ltd. (2006). *QSR NVivo 7*. Melbourne: Qualitative Solutions & Research Pty Ltd.
Reichheld, F. F. (1996). Learning from customer defections. *Harvard Business Review, 74*, 56–67.
Reichheld, F. F., & Sasser, W. E., Jr. (1990). Zero defections: quality comes to services. *Harvard Business Review, 68*(5), 105–11.
Riessman, C. K. (1993). *Narrative Analysis*. Thousand Oaks: Sage.
Rokeach, M. J. (1973). *The Nature of Human Values*. New York: The Free Press.
Roos, I. (1999). Switching processes in customer relationships. *Journal of Service Research, 2*(1), 68–85.
Roos, I., Edvardsson, B., & Gustafsson, A. (2004). Customer switching patterns in competitive and noncompetitive service industries. *Journal of Service Research, 6*(3), 256.
Rust, R. T., & Zahorik, A. J. (1993). Customer satisfaction, customer retention, and market share. *Journal of Retailing, 69*(2), 193–215.
Samuelson, W., & Zeckhauser, R. J. (1988). "Status quo bias in decision making,". *Journal of Risk and Uncertainty, 1*(1), 7–59.
Schwartz, H., & Davis, S. M. (1981). Matching corporate culture and business strategy. *Organizational Dynamics, 10*(1), 30–48.

Seidl, C., & Traub, S. (1998). A new test of image theory. *Organizational Behavior and Human Decision Processes, 75*(2), 93–116.

Shostack, G. L. (1985). "Planning the Service Encounter,". In J. A. Czepiel, M. R. Solomon, & C. F. Surprenant (Eds.), *The Service Encounter* (pp. 243–54). Lexington: Lexington Books.

Simon, H. A. (1964). On the concept of organizational goals. *Administrative Science Quarterly, 9*, 1–22.

Simpson, P. M., Siguaw, J. A., & White, S. C. (2002). Measuring the performance of suppliers: an analysis of evaluation processes. *Journal of Supply Chain Management, 38*(1), 29–41.

Smith, C. (1998). *The Science of Energy*. Chicago: The University of Chicago Press.

Spradley, J. P. (1979). *The Ethnographic Interview*. New York: Holt, Rinehart & Winston.

Strauss, A. (1987). *Qualitative Analysis for Social Scientists*. Cambridge: Cambridge University Press.

Strauss, A. L., & Corbin, J. M. (1998). *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*. Thousand Oakes: Sage.

Tahtinen, J. (2002). The process of business relationship ending - its stages and actors. *Journal of Market - Focused Management, 5*(4), 331–53.

Thompson, C. J. (1997). Interpreting consumers: a hermeneutical framework for deriving marketing insights from the texts of consumer consumption stories. *Journal of Marketing Research, 34*(4), 438–55.

Tuli, K. R., Kohli, A. K., & Bharadwaj, S. G. (2007). Rethinking customer solutions: from product bundles to relational processes. *Journal of Marketing, 71*(3), 1–17.

Uzzi, B. (1997). Social structure and competition in interfirm networks: the paradox of embeddedness. *Administrative Science Quarterly, 42*(March), 35–67.

Van Doorn, J., & Verhoef, P. C. (2008). "Critical incidents and the impact of satisfaction on customer share,". *Journal of Marketing, 72*(3), 124–42.

Verhoef, P. C. (2003). Understanding the effect of customer relationship management efforts on customer retention and customer share development. *Journal of Marketing, 67*(4), 30–45.

Vitell, S. J., Rallapalli, K. C., & Singhapakdi, A. (1993). Marketing norms: the influence of personal moral philosophies and organizational ethical culture. *Journal of the Academy of Marketing Science, 21*(4), 331–37.

Weber, R. P. (1985). *Basic Content Analysis*. Newbury Park: Sage.

Weber, C. A., Current, J. R., & Benton, W. C. (1991). Vendor selection criteria and methods. *European Journal of Operational Research, 50*(1), 2–18.

Webster, F. E., Jr., & Wind, Y. (1972). "A general model for understanding organizational buying behavior,". *Journal of Marketing, 36*(2), 12–19.

Webster, F. E., Jr. (1992). The changing role of marketing in the corporation. *Journal of Marketing, 56*(4), 1–17.

Wilkins, A. L. (1983). The culture audit: a tool for understanding organizations. *Organizational Dynamics, 12*(2), 24–38.

Wilson, D. T. (1995). An integrated model of buyer-seller relationships. *Journal of the Academy of Marketing Science, 23*(4), 335–45.

Yin, R. K. (2003). *Case Study Research*. Thousand Oaks: Sage.