A Narrative Investigation of Consumer Non-Exit in Problematic Irish Retail Financial Service Relationships

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A Narrative Investigation of Consumer Non-Exit in Problematic Irish Retail Financial Service Relationships

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In fulfilment of the requirements on the programme of study leading to the award of Doctor of Philosophy

Dublin Institute of Technology

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School of Marketing

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Volume I of II
Abstract
This study aims to provide understanding as to how customers remain in Irish banking relationships which they acknowledge to be problematic. While the banking industry asserts that inertia is the reason underpinning consumer inaction, the question remains as to how consumers rationalise the decision not to exit when dissatisfied. To this end, the literature review presents a synthesis of consumer relationship theory, dissolution theory and the role of inertia on consumer inaction.

The methodology took an interpretative perspective applying a Narrative Analysis approach of fifteen varied participants in Dublin. In semi-structured life history interviews participants outlined their past experiences with financial institutions. The interviews generated a variety of stories and narrative excerpts that evidenced widespread influences on inaction behaviour.

The first contribution is the identification of a neutral process operating within Irish banking relationships. Neutral interactions comprise of inert like behaviour but also includes the more complex behaviour of disaffection. Four levels of banking neutrality were identified; Choice Based Inertia, Constraint Based Inertia, Out of Mind Inertia and Disaffection. The study finds that these are mutually exclusive with unique motivations for engagement. However, it does formulate a link between Constraint Based Inertia and Disaffection.

The second contribution is that disaffection provides a fresh theoretical explanation for consumer inaction. Disaffection is a permanent state of psychological distancing resulting in a decision to continue a relationship but remain detached. It is more valuable as a theory than dissatisfaction as the latter fails to explain why those who readily admit to on-going problems in their relationships fail to take the expected action, which is to move their business.

Finally, the findings evidence the presence of a normative consumption effect in Irish consumer banking. This force exerts a mass inertial influence on consumer behaviour and is reinforced through experiences transmitted by way of socially traded stories. The narrative landscape aids feelings of regret minimisation, justification for inaction and provides consumers with a shared understanding of how to behave in financial relationships. This research shows that not only do stories provide a framework to defuse consumer anger, but their widespread influence generates an acceptance of inaction as a normal and justifiable behaviour, thus supporting inactivity and neutrality.

The study substantiates the importance of neutrality, disaffection and socially traded stories to relationship marketing theory and demonstrates how they have implications for practitioners who wish to penetrate ‘inert’ customers. The prevailing banking narrative evidenced in this study is constructed, engendered and preserved by consumers. It undermines the effectiveness of marketing efforts to encourage loyalty and build long term sustainable relationships with customers. To counterbalance its effects equally powerful stories will be required by industry.
Declaration

I certify that this thesis which I now submit for examination for the award of ___________________, is entirely my own work and has not been taken from the work of others, save and to the extent that such work has been cited and acknowledged within the text of my work.

This thesis was prepared according to the regulations for postgraduate study by research of the Dublin Institute of Technology and has not been submitted in whole or in part for another award in any other third level institution.

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Candidate
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Chapter 1: Introduction
1. Introduction
Theory tends to focus mainly on the positive aspects and benefits of relationship marketing. However, conflicting opinions and comparisons within the theory pose a number of unresolved problems for research to explore. One particular issue which remains under researched is that of the negative, dissatisfied, hostage or captive relationship. This decidedly more negative side of relationship marketing is one which researchers generally tend to avoid.

Relationships can exist in a dissatisfied state (Gummesson 2008) and can be engineered to engender a culture of forced retention (Donaldson and O’Toole 2007, Egan 2008). Consumers can remain in relationships in a non-committed state for extended periods of time (McMahon 1996, Colgate and Stewart 1998, Stewart 1998, Dawes and Swailes 1999) and ultimately may not want to engage in relationships (O’Malley and Tynan 2000, Payne 2000) considering them to be mere exchanges (Fournier 1998).

This study seeks to explore these relationships which are long term and enduring even if they may be in a non-committed apathetic state. While little is formally known about inertia from a theoretical perspective, certain industries such as retail banking continue to reference it as the explanation for high levels of retention in their sector. Theory is limited regarding how inert behaviour develops within relationships; the factors that influence its development and the ultimate impact it has both on the success and quality of relationships in the longterm.

This thesis will investigate inertia specifically in the context of consumer Irish retail financial services relationships. Using relationship marketing theory as its theoretical basis, the present study will seek to unravel the limited theory available on inert behaviour in an attempt to shed light on this elusive and ill-defined theoretical
construct. It will aim to understand more fully the development of inert behaviour and will look for theoretical explanations as to why less-than-satisfied consumers continue in their relationships. More specifically it will examine the role of inertia within that kind of relationship.

1.1 Contextualising the Study- Inertia in Irish Financial Services

Inertia is a term liberally applied in banking to explain why consumers choose to apathetically remain in, but not necessarily commit to, long term financial relationships (McMahon 1996, Colgate and Stewart 1998, Stewart 1998, Daniel 1999, Dawes and Swailes 1999). In this industry consumers can build high levels of resistance to change and maintain their relationships over extended periods of time. Therefore inertia is important to marketing strategy because it makes a competitor’s consumer acquisition efforts harder by increasing switching barriers (Colgate 1999).

It is a well-established fact that inertia dominates the Irish financial landscape. A 2006 Mintel report on the Irish current account market evidences high levels of apathy amongst Irish consumers. According to the report customer levels of interaction and mental engagement in financial relationships are typically very low and do not extend beyond the day-to-day functions of checking balances and withdrawing money. This Mintel Report (Customer Retention – To Switch or Not to Switch) further highlights the importance of inertia and apathy as a factor in relationship retention, where it states that only 10% of the Irish population had switched current accounts within a three year period. Indeed, Bank of Scotland proclaimed in 2006 when entering the Irish market that overcoming inertia was in fact their biggest challenge (Duffy 2007). The Mintel report also states that changing current accounts is low on the list of priorities for Irish financial customers. This suggests that financial relationships may merely be regarded
as a functional necessity for consumers and may explain why they are apathetically maintained in the absence of loyalty.

In 2005 The Code of Practice on Switching Accounts, was introduced by the Irish Banking Federation (IBF) in order to make switching current accounts easier for financial customers. The hope was to encourage customer mobility leading to greater competitiveness in the Irish market. This initiative, established by the Financial Regulator, was based on the assumption that high barriers to exit were the real drivers of inertia. In 2007 the IBF reported that since the introduction of the Personal Account Switching Code it was estimated that a total of 37,200 current accounts had been switched (IBF 2007) or just under 19,000 a year. This may seem significant but we should remember that in 2005 there were approximately 3.9 million current accounts in Ireland (IBF Statistics 2010). That represents a current account switching rate of less than 0.5% per annum. In a recent consumer survey conducted in June 2012, the National Consumer Agency reported that over the previous five years only 6% of consumers with current accounts had switched provider. In 2011-2012 the switching figure had fallen to 2%.

These data question the success of the code as a means to increasing customer mobility and raise the question as to why more consumers have not opted to avail of the scheme. One of the reasons cited is that awareness of the switching code remains very low at 31% (NCA 2013).

Recent research conducted by Amarach Consulting (2012) shows that as few as 32% of customers in Ireland had switched any product or service provider in 2012. Of the product categories identified in the research, switching has been consistently lowest in banking, mortgages, utilities providers, savings/investments and life assurance products.
Patterns of switching in retail banking have reduced from a high in 2008-9 where as many as 12% of customers had moved accounts in the previous 12 months to as few as 2-4% in more recent iterations of the survey of the National Consumer Agency (2012, 2013).

The present financial crisis is likely to have reduced consumer mobility and in the future no return to the earlier high levels of switching is expected. Within the current economic climate banks are consolidating giving less rather than more service to consumers. The Irish Banking Federation (2010) blamed external recessionary factors on consumer propensity to decline a switch. In March 2010, concerns were also raised by the CEO of the National Consumer Agency, Ann Fitzgerald, who stated that the financial crisis would result in reduced choice for consumers. This appears to be happening at present and the switching levels for changing banks has indeed diminished. Despite the loss of free charges on current accounts and withdrawals of services, the most recent evidence suggests that rather than switching banks consumers are changing their consumption behaviour by withdrawing more cash and using debit cards less in order to avoid paying higher banking charges (Irish Independent Research 2013). Amarach Research (2013) also notes an increase in consumer complaining suggesting a preference for vocalising dissatisfaction rather than actually exiting. Inertia as a form of hassle has been cited by the National Consumer Agency as the main reason for consumers not choosing to switch (NCA 2013). In an editorial entitled “Hard to Say Goodbye; No matter how badly banks treat us, we won’t leave them”, the Irish Times Consumer Affairs Editor, Conor Pope, sums the situation up; even with a decrease in services, repeated services failures (such as that of Ulster Bank in July 2012), negative press and higher prices, we still choose to remain with the current supplier.
1.2 Thesis Overview

Chapter Two examines how relationships develop (see Ford 1980, Levitt 1983, Dwyer, Schurr and Oh 1987, Brhun 2003) and the factors that influence that development (see Morgan and Hunt 1994, Gruen 1995, Swan and Nolan 1995, Bejou and Palmer 1998). This is important in building an understanding of inertia theory as it may isolate those conditions under which inertia might be deployed by consumers in order to maintain a relationship. Its primary focus is situated in the process of relationship maintenance and development of an understanding of what happens when consumers have low levels of trust, commitment and satisfaction but fail to exit. Chapter two therefore highlights relationship marketing as the theoretical background from which this thesis will build a new understanding of inertia.

Chapter three builds on the relationship theme of chapter two and considers the dissolution process in consumer and interpersonal relationships. Relationship marketing theory is inadequate in satisfactorily explaining why individuals might choose to remain in a long term relationship to which they have little commitment or where they have experienced repeated episodes of dissatisfaction. An understanding of such negative behaviour is missing from marketing theory in general. Social psychology refers to this type of behaviour as disaffection, however as a concept it has yet to be considered in the relationship marketing literature.

Current theory tends to review the threat of dissolution as dual outcome process resulting in either recovery or exit. The current study is interested in the demise of consumer relationships but will specifically consider those instances where individuals decline eventual exit but may not positively reengage with the relationship. Or more specifically, it looks at possible dissolutions that result in an attitudinal shift in feelings towards the interaction but where behavioural consistency is maintained.
Chapter four considers the existing literature on inertia in consumer markets. In doing so it attempts to shed light on current perspectives within marketing regarding the inert behaviour of consumers. Different types of inertia and the factors that influence them are examined. The chapter also explores other theories that are similar to inertia such as non-conscious consumption (Kirshnan and Trappey 1999, Huang and Yu 1999), inaction inertia (see Tykocinski and Pittman 2001), spurious loyalty and habit in an attempt to unravel the differences between inertia and such theories. In doing so, the chapter will present the possible role and signatures of inertia as a mode of inaction in relationship maintenance.

Chapter five provides an overview of the methodology. The general research problem identified in this study is: to understand how and why consumers remain long term in problematic relationships.

Research into dissatisfaction focuses on one-off episodes of dissatisfaction and the subsequent process of either recovery or exit. It does not consider the effect of multiple and repeated episodes of dissatisfaction over the lifetime of a relationship. Neither has current research really addressed the situation where an individual decides to exit, but for some reason or other, fails to carry through on this expressed intention. An individual may mentally engage with such a process but never bring it to completion. This dissertation aims to advance our understanding into such a process by exploring repeated episodes of relationship dissatisfaction.

The study is interpretative in nature and takes a narrative approach as it was felt that the financial landscape may provide fertile ground for rich descriptions and stories.
In total 14 in-depth interviews from a purposive sample were conducted with follow up interviews pursued where it was deemed necessary. The principle of saturation was used to judge when sufficient data had been gathered.

**Chapter six** provides a concise and detailed analysis of the data collected. It details the type of stories collected and the specific units of analysis that were extracted from the data. It also presents stories and excerpts relating to typical banking relationships, which progress through the stages of positive beginnings through early difficulties, the initial breakdowns and then the strategies employed to manage these changes. Descriptions of the participants’ reactions to these problems and details of why they chose to remain after dissatisfactory experiences are also provided. It is shown that participant non-exit is facilitated by various strategies and supported by grand banking narrative, which underpins and perpetuates inaction.

**Chapter seven** theorises on these findings in relation to inertia and disaffection. The chapter addresses the research questions by theorising around the problems identified. It provides potential explanations into the development of inert behaviour, offers a typology of inert behaviour in consumer relationships, and a detailed examination of the factors that might encourage inertia in consumer relationships. It also considers the potential in acknowledging disaffection as viable consumer state.

Chapter seven presents a theoretical avenue to explore and explain disaffected relationships in consumer marketing. So, rather than proposing the presence of another dysfunctional type of consumer relationship, this thesis offers a real explanation into the mechanisms and behaviour behind the maintenance of such relationships and highlights the strategic potential of such a concept for marketers.
Finally chapter eights offers a number of conclusions which are based on the overall findings of the study. These are based on an assessment of the conclusion itself and the implication of this conclusion on marketing practice and theory. It contains a discussion of the relevance of inertia and disaffect to current economic and market trends and the relevance and implications of disaffect theory for consumer marketing.

The following chapter begins with an assessment of relationship marketing theory.
Chapter 2: Relationship Marketing
2. Introduction

This chapter looks at the shortcomings in relationship marketing which are relevant to the present study. Chief among these weaknesses is the fact that most of the literature is overly optimistic. Relationship marketing is presented as being desired by both supplier and consumer and being beneficial and rewarding to each party. An onward and upward path is presented whereby the bonds between the parties grow ever stronger with the passage of time. Typical of this view is the loyalty ladder (Payne, Christopher and Peck 1995) where customers move through various stages from being just prospects to eventually becoming partners with the supplier. Within such standard theory, problems that arise are portrayed as minor relationship malfunctions, which can and should be overcome through relationship recovery tactics. Thereafter, such problems are even seen as leading to stronger and deeper bonds. Furthermore, according to the existing theory, the only alternative to this benign view of relationships is the situation where a total and complete failure occurs, in which case termination of the link is the inevitable outcome. The general theory is fairly silent on what might happen between these extremes of total success and complete failure.

The present understanding of relationship formation and development is presented in this chapter and gaps in understanding are identified. In trying to understand the failure of relationships, which is at the heart of the present study, factors that have been shown to be central to relationship formation and maintenance are examined. Attention is given to issues such as trust, commitment and satisfaction, which are pivotal to establishing positive relational bonds. This is to better understand the dynamics of relationships that fail.

Later sections of the present chapter provide context to the study by exploring how
inaction in relationships might develop. To achieve this end, factors said to contribute to relationship maintenance and development are evaluated. The chapter also considers why individuals choose to remain in long term interactions which they find to be dissatisfactory and it highlights the current theoretical deficit in this area.

2.1 Relationship Marketing
Historically, it is clear that the traditional application of the "4P's" and transactional marketing has moved towards an era of relationships (Coviello, Brodie and Munro 1997). This development has been welcomed as the solution to the limitations of traditional marketing. Suggestions have been made that such an approach gives a theoretical framework through which marketing philosophies can be amalgamated into a unified whole (Sheth and Parvatiyar 2000).

However, the 'paradigm shift' towards relationship marketing (RM) (Gummesson 1995, 1996, Gronroos 1994, 1997, Morgan and Hunt 1994) has been criticised for its inability to function effectively across all settings (consumer, industrial and services) (Payne, Christopher, Clark and Peck 1995, Sheth and Parvatiyar 1995 a/b, Bennett 1996). Indeed some of the claims made by its enthusiasts appear to be almost 'messianic in nature' (Egan 2008, p 4).

It is fair to conclude from this literature that there is an argument for being critical of relationship marketing theory as it has not delivered on many of its promises, particularly in consumer settings. Much relationship marketing theory remains under researched with many issues unresolved. This is particularly true of relationship inaction where consumers do not exit after unresolved problems or dissatisfactory experiences. The trajectory of such problematic consumer relationships, how they develop and how they function remain unclear.
2.2 Criticisms of Relationship Marketing
The paradox of relationship marketing lies in the principles of a one-to-one personalized approach to relationships being applied in a mass marketing context (Brown 2001, Payne 2000). Existing theories are complicated and can make practical assessments of relationships difficult. As a result it is often difficult to judge which exchanges best suit a relationship marketing agenda (O’Malley and Tynan 2000). The result is that relationship marketing is often applied as a marketing strategy to situations where it may be inappropriate. Strategy often fails to acknowledge that consumers may actually neither engage nor want to engage in any relationships.

Relationship marketing has been described by many observers as a management fad and as a smoke-screen for insincere marketing (Brown 2001, Tzokas and Saren 1999, Fournier, Dobscha and Mick 1998, Palmer 1996, Barnes 1994). It has been considered too fragmented to be coherent as a body of theory and some feel that it looks better on paper than in practice (Godson 2009). All such views put a question mark over the authenticity of genuine relationship marketing as a theory to the point that the focus must shift to prevent its premature demise as a concept (Fernandes and Proença 2008).

Of course relationship marketing has many benefits when correctly applied. But its appropriateness as a general strategy is brought into question when interactions are shown to be maintained in the absence of affective loyalty, satisfaction or commitment. Such situations clearly contravene accepted and prevailing relationship marketing assumptions.

It is true that relationships can exist with consumers who are dissatisfied (Gummesson 2008) and sometimes consumers can and do remain in relationships that are noncommittal (McMahon 1996, Colgate and Stewart 1998, Stewart 1998, Daniel 1999,
Dawes and Swailes 1999). This has been suggested to be particularly true within the financial, telecommunications and utilities sectors (Donaldson and O’Toole 2007, Egan 2008). In such situations consumers can be highly resistant to change and can continue in relationships for extraordinary periods of time, even lifetimes, but without ever being fully committed. It is not implausible to suggest that consumers can and do engage in exchanges over long periods of time without ever believing they are in a relationship. This is seldom highlighted within the literature and limited research has dealt with this facet of the consumer relationship. Fernandes and Proença (2008) argue that such inconsistencies in relationship marketing theory is a “new kind of marketing myopia” whereby large suppliers are fooling themselves by believing they are engendering committed relationships (p. 156).

Theory needs to understand why these poor quality relationships grow and how they are maintained over long periods of time. Rather than taking a managerial view, relationships need to be assessed from the perspective of the consumer in order to gain a better understanding of what they expect from their consumer ‘relationships’ (Pressey and Tzokas 2006).

The crux of the issue is that ‘relationship’ is an emotive word evoking concepts such as attachment, care, trust, commitment and loyalty. However the proponents of relationship marketing appear to have forgotten that consumers may not always want to engage with businesses at such a level of intimacy (O’Malley and Tynan 2000, Payne 2000, Fournier 1998, Fournier et al 1998, Payne 1994, Heide and John 1988). This obviously limits the application of its principles to the formulation of strategy in many circumstances.

Relationships have been described as nostalgic and ‘retrospective’ as they are concerned
with establishing the kind of one-to-one contacts that characterised a previous era. Such contact has only become a strategic possibility in recent times through the use of computer technology which can easily produce personalised communication with individuals. The reality is that many consumers remain dubious regarding the sincerity of businesses purporting to have a relationship agenda (Brown 2001, p 17). Furthermore, the effectiveness of a relational strategy is heavily dependent on a consumer’s propensity, desire, and willingness to engage in any relationship in the first place (Sheth and Parvatiyar 1995, O’Malley and Tynan 1999). Most relationship marketing theories presume that these feelings of attachment are present and simply ignore the possibility that such exchanges might be viewed by consumers as mere transactions (Fournier 1998). Alternatively, as Grönroos (2008) suggests, consumers may choose to alternate between relational and transactional modes to achieve their desired outcomes.

Overall, Palmer (1996) presents the best summary of the situation and concludes that relationship marketing has failed to assert itself as a unified theory. Too many diverse elements have been gathered together under the umbrella term ‘relationship marketing’ and so it lacks coherence. It can be interpreted in different ways ranging from the mere use of CRM (Customer Relations Management) technology to the development of deep and committed relationships, resulting in a fragmented and theoretically bloated concept that is difficult to assess.

Evidence for this view is apparent in the fact that there is no unified or universally accepted definition of relationship marketing (Buttle 1996, Colgate and Stewart 1998, Groonroos 1997, Hunt 1997, O’Malley and Tynan 1999, Sheth and Parvatiyar 2000, Egan 2008). This lack of consensus obviously makes comparisons difficult (Blois 1996,
O’Malley and Tynan 2000). Definitional issues are further complicated by the blurred boundaries between relationship marketing and some of its associated spin-off theories such as CRM, One-to-One Marketing and Targeted Marketing.

Egan (2008) suggests that finding a universally accepted definition may be impractical, as many of its assumptions and ideas are loose. The lack of a coherent definition is only one symptom of the inadequacies of relationship marketing theory. Because its concepts are so fluid, one suggestion is that it might maintain a broad definitional focus (Gronroos 1994, Sheth and Parvatiyar 2000) which would allow concepts and theories to emerge and develop. A narrow focus, which is mostly concerned with technology and tactics for retaining customers (see: Bickert 1992, Vavra 1992) limits this ability (Palmer 1994, p, 572). However, broad definitions which merely outline the development stages of relationships (see: Morgan and Hunt 1994, Gummesson 1987, Grönroos 1990) are not without problems, and have led to the term ‘relationship marketing’ being overly and inappropriately applied in many consumer markets (Coviello et al 1997, p, 502).

The best approach is to think of relationship marketing in the context of a continuum (see below) which moves consumers from an exchange mode to a relational mode.

**Figure 2-1 The Relationship Marketing Continuum (Grönroos 1994)**

![Relationship Marketing Continuum](image_url)
At one end of the continuum, transactional marketing focuses on managing one-off consumer exchanges. Time dedicated to forming consumer bonds is not considered and so relationship building is unimportant (Grönroos 1997). At the other end of the continuum, relationship marketing is focused on building long-term and lasting interactions. While Parvatiyar and Sheth (1997), Webster (1992) and Sheth, Gardner and Garrett (1988) all espouse the movement from transactional to relationship marketing as a paradigm shift, it is the case that not all products or services will suit a relationship agenda. In many instance, they will fall somewhere in between the two poles, lending credence to the need for fluidity in applying relationship marketing in different markets.

In order to understand how a poorly satisfied relationship might be successfully maintained in a consumer context, a background to relationship marketing in the business to consumer context will first be considered. This will then be followed by a concise appraisal of factors affecting both the development of consumer relationships and their maintenance.

### 2.3 Relationship Desirability

It is widely acknowledged that, unlike typical business to business relationships, many consumer exchanges are merely discrete transactions and may not develop the level of closeness that often is deemed to be a theoretical requirement of consumer relationships (O’Malley and Tynan 1999, Fournier et al 1998). The kinds of interactions that occur in industrial and services markets are not typical of many other consumer markets. The reality seems to be that ‘relationships’ as a theory is more attractive to suppliers and little attention has been given to the consumer’s perspective on such matters. Ultimately customers can be indifferent to relationships and even hostile to attempts by suppliers to build relationships (Godfrey, Seiders and Voss 2011).
Christopher, Payne and Ballantyne (2002) recognise this gap and suggest that the conventional approach to how consumer relationships develop needs refinement and adjustment (p. 29). Appreciating the need to determine whether or not a customer desires to be in a relationship is now essential to building a lasting relationship marketing theory (Keller and Lehmann 2006). If relationships are to be effectively managed in mass-market situations, then a greater understanding of such issues is required.

Fernandes and Proença (2008) went some way to addressing some of these concerns and consider the context and ‘proneness’ of the consumer to engage in a relationship. Similarly to Barnes (1997) approach, they base ‘proneness’ on the view that different consumers will have varying propensities for relationship engagement. Understanding which consumers seek relationships means that resources can be allocated to such customers leading to greater success (Palmatier 2008). In the Fernandes and Proença study, retail banking proved to be the most complex sphere as consumers’ experiences were based on perceived worth. Consumers who had negative experiences seemed to be engaging in “forced relationships” (p. 163). This was due to environmental factors which prevented easy switching, placed the power with the bank and produced low levels of competition. Ultimately they conclude that while some consumers are looking for close relationships, others have little or no desire and in general, most consumers will act out of self-interest. This has far reaching implications for theory and as of yet remains unaddressed. Similar conclusions have been reached by Mende, Bolton and Bitner (2013), who emphasise the importance of recognising levels of customer motivation to engage in relationships. They conclude that consumers have many unique ways to develop closeness in relationships. This, they contend, is of significance as marketers need to identify those customers who desire a relationship from those who
actively wish to avoid one.

2.3.1 Traditional Relationship Development

Relationships are known to pass through various stages of development, with a beginning, middle and an end (Dwyer et al 1987, Palmer and Bejou 1994, Heide 1994, Reichheld 1996). Many models adopt a ladder approach where the consumer climbs or rises through the stages of the relationship typically from being a prospect to eventually being a partner and even an advocate in the relationship (Payne, Christopher, Clark and Peck 1995, Kotler 1997). However the easy application of such models to consumer mass-markets is over simplistic and may be incorrect as ultimately it is the consumer who defines the relationship and their progress through it (Egan 2008 p 83).

Traditional models of relationship development are also misleading as they focus narrowly on the positive outcomes and benefits of relationships without questioning their appropriateness. Models such as those of Ford (1980) and Levitt’s (1983) marriage analogy do little to expand people’s thinking of developmental processes as they offer little in terms of strategic insight regarding the individual stages of the relationship.

While sequential relationship models move consumers logically from one stage to another (Egan 2008), such an approach is inadequate because while relationships may evolve through stages, it must be remembered that they also may regress or stagnate. Theoretically, this is another significant gap in understanding which needs attention. It is not well appreciated that momentum within a relationship does not always have to be sequential, as it may even display erratic and regressive behaviour. In addition,

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1 Ford (1980) identifies the pre-relationship stage, the early stage, the development stage, the long-term stage, and the final stage. He argues that relationship building reduces uncertainty, reduces the distance between partners, increases commitment, investments and savings.
relationships may remain fixed at one particular stage and may never progress beyond it. This suggests that varying strategic approaches are required at different stages within the process (Donaldson and O’Toole 2007, Payne 2000).

Sequential approaches, such as Wilson’s (1995) model, are arguably too simplistic and need revision. To reflect reality more fully, the predominant process view of relationship development needs to be reviewed to become more flexible, adaptable and fluid. It is clear that the various stages of a relationship lifecycle need a variety of strategies in order to be successful, (Sheth and Parvatiyar 2000, Tzokas and Saren 1999, Payne 2000).

All the above issues suggest that a more dynamic approach to relationship development is required.

2.4 Stages of Relationship Development
Broadly speaking, the various relationship models tend to follow similar approaches to development. As mentioned above, customers move stage by stage from pre-initiation to meaningful relationship. For instance, the Loyalty Ladder (Payne et al 1995) shows customers moving from prospect to eventual partner by using a ladder as a metaphor for this progression. Wilson (1995) builds on models by Dwyer et al (1987) and the organisational hybrid model of Borys and Jemison (1989) and moves partners through various stages from initial selection to the maintenance stage of the relationship.

The model of Dwyer et al (1987) is particularly useful because, in addition to the five stages approach, they also explore the development of relationships along a continuum from discrete transactions to relational exchanges.
Table 2-1 Dwyer et al (1987) Relationship Development

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Awareness:</strong></td>
<td><strong>Exploration:</strong></td>
</tr>
<tr>
<td>Recognition,</td>
<td>Trial, Negotiations</td>
</tr>
<tr>
<td>Flexibility of</td>
<td></td>
</tr>
<tr>
<td>Exchange</td>
<td></td>
</tr>
<tr>
<td><strong>Expansion:</strong></td>
<td><strong>Commitment:</strong></td>
</tr>
<tr>
<td>Mutual Benefits</td>
<td>Investments</td>
</tr>
<tr>
<td><strong>Dissolution:</strong></td>
<td>Disengagement,</td>
</tr>
<tr>
<td></td>
<td>Withdrawal</td>
</tr>
</tbody>
</table>

This model has been selected as the main focus in this thesis for two reasons: it is both transferable to consumer markets and has had great influence on the developmental models of other authors. What is common to all such models is a movement of consumers/partners from mere transaction or exchange to a phase entailing significant commitment and mutual benefit.

In brief, awareness is the pre transaction stage and involves each partner recognizing that the other may be suitable for an exchange to take place. Exploration is a simple affair in the case of consumer goods market. But for highly complex relationships such as financial services, the nature of the service does not facilitate a trial period and so the consumer must rely on external search cues from the surrounding environment (Bruhn 2003) as well as explicit and implicit service promises (for example, good quality service) (Zeithaml, Berry and Parasuraman 1996).

The relationship process of expansion assumes that the existence of a relationship creates benefits for both parties, and that these mutual benefits will increase over time. At this stage, each partner becomes acutely aware of the role that they must perform within the relationship; a role which has been learned over time (Solomon, Suprenant, Czepiel and Gutman 1985). Such interdependence is a key indicator of an authentic relational exchange (Sheth and Parvatiyar 2000) and as such is the goal of the entire process. However, while that is the position in theory, it differs from the general
experience of consumers. In particular, the equality of benefits received is in doubt. While equal (or near equal) benefit is always the goal of a successful RM strategy, the existence of true mutuality in consumer markets has been questioned (Barnes 1994). It is often the case that with the passage of time the benefits increase disproportionately in favour of the business rather than the consumer (Fournier 1998, Bruhn 2003) and so this imbalance naturally drives the direction of the relationship. It obviously has a negative effect on the desirability of the arrangement for the consumer (Gummesson 1994), while the business is usually quite happy to drive the relationship forward.

Increased benefits should in theory provide both parties with an incentive to sustain the relationship and as the relationship evolves both consumer and supplier become more familiar with their roles. As more and more interactions occur, a set of norms for maintenance develops and this should naturally lead to a more committed phase of the relationship for each party. Donaldson and O’Toole (2007) refer to this as “institutionalising the relationship”.

This is the part of relationship development that is of most interest for this study. The evidence is that imbalance in the exchanges frequently occurs and so consumer relationships do not always result in equal benefits. The consumer is then likely to become disappointed and disillusioned at the unfairness they experience. Recently in the channel literature, Samaha, Palmatier and Dant (2011) have lent credence to this outcome by demonstrating the negative impact of perceived unfairness on relationships. They even go so far as to suggest that it acts as “relationship poison” (p. 99). So, while the evidence is that such relationships may endure, they are likely to be in a perpetual state of non-fulfilment (See Chapter Three).

Theory has yet to consider the norms surrounding the development and continuance of
relationships under such circumstances. The key area on which to focus is the mature stage of the relationship where the emotional links have been broken. What now enables the partners to continue with an association that has lost its original rationale?

Like loyalty, the Commitment phase is regarded as another key driver of relationships. Dwyer et al’s commitment phase is considered by most authors to be crucial to relational exchanges as it signifies intent to continue the relationship in the long term (Blomer, Ruyter and Peeters 1998, Bateman and Strasser 1984, Rusbult and Buunk 1993, Rusbult and Farrell 1983, Morgan and Hunt 1994). Intent is influenced by the level of commitment present, i.e. affective or calculative commitment (see section 2.6.3).

However, because commitment has been applied to RM theory in both a uni and multidimensional capacity, cross comparisons are very difficult. Little attention has been given to situations where affective commitment has declined or is totally absent. So it is clear that both the expansion and commitment phases of relationship development need greater investigation in order to establish how relationships are maintained in the absence of affective commitment. One key question to be answered is how relationships can endure in the presence of dissatisfaction.

Finally, Dwyer et al (1987) introduce the process of Dissolution and assess the manner in which a customer might terminate the relationship in its entirety. As part of this process they also discuss partial withdrawal and disengagement – a fact that is not so well known. This is important because while withdrawal behaviour has been widely researched in the employee literature (Adler and Golan 1981, Ferris 1985, Sheridan 1985, Mowday, Koberg, McAuthur 1984), it has received little attention in a consumer context (for a complete review see chapter four). Here it signals a disinterest in the
relationship which might be compared to inert behaviour. Furthermore, because withdrawal may be either behavioural or cognitive, the relationship can continue even though the commitment level may be low. Dwyer et al (1987) are conscious of this and suggest that this situation is most likely to arise when the relationship is restrictive and/or difficult to terminate - a situation that is typical of financial services.

Gummesson (1999) also refers to this situation which he describes as R10, the monopolistic relationship. Where exit is perceived as difficult, withdrawal then might become a preferred maintenance strategy, because commitment does not necessarily have to be given. Rather than a literal termination, this withdrawal involves a type of emotional dissolution of the relationship while a complete exit is perceived to be very difficult.

So while there clearly is some acknowledgement in the existing literature that such a state can exist, little consideration has been given to how it might be maintained or how such a state of withdrawal might even reduce a consumer’s intention to switch. This significant gap needs to be explored further within RM theory. So while relationship dissolution theory sheds some light on these issues, it is quite limited2.

The above literature shows that we do not truly understand dissatisfactory relationships that do not culminate in a termination but are maintained in a less than satisfactory state. Theory needs to recognize the reality that not all relationships evolve in a simple linear manner to become deeper and more rewarding for both parties. There are unresolved complexities in relationship development such as the lack of consideration of dissatisfied or indifferent forms of maintenance, whereby consumers can exist in a state from which they have become emotionally detached. Such an uncommitted but on-

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2 See chapter three for an in-depth review of the relationship dissolution literature.
going relational state needs to be explored more fully and a more developed understanding of relationships is necessary to accommodate such behaviour. Explaining it through the lens of dissatisfaction theory is simply inadequate.

2.5 Need for a Flexible Stage Approach
Bruhn (2003) is particularly important in that he recognises that flexibility is required in relationship development theory, and that success is not pre-determined. He highlights this through his inclusion of a recovery stage within the RM development process.

Figure 2-2 Customer Relationship Lifecycle Phases (Bruhn 2003, p 47)

His ‘Customer Recovery’ stage is concerned with relationship deterioration and involves three possible alternatives which might occur at Point A when problems arise:

- Imperilment is likely to occur when the consumer is involved in an incident which causes them to re-evaluate the company’s services and product offering. This may or may not lead to termination. So it is an in-between stage.
Dissolution may be the outcome where a consumer decides to cease using the company’s products and services. Brunh refers to this as the “customer openly cancels the relationship especially in the case of membership, or just gives up quietly” (2003, p. 49). Such a concept has an expansive theoretical background and has been widely acknowledged in the literature. (See chapter three for a complete discussion)

Abstinence results from dissolution and theoretically is similar to the concept of withdrawal discussed in the previous section. It is where the consumer refrains from using the seller’s products or services. Bruhn states that the relationship can recommence at this stage due to the consumer reevaluating the situation or because of supplier initiated recovery tactics.

Bruhn’s view of relationship problems is somewhat of an advance on other approaches in that it faces the reality that difficulties occur within relationships by incorporating consumer’s emotional withdrawal from the relationships development. Based on Roos and Strandvik’s (1997) research, he also acknowledges that the process of deterioration can be long or short and so the duration of the phases identified can not be precisely defined. The model does not however adequately explain the psychological mechanisms that facilitate such outcomes.

Difficulties also arise because Bruhn’s model is not totally realistic and some of the terminology used is misleading. For instance, dissolution does not signify a complete severing of the relationship but rather “leads to the abstinence phase” which can later result in recovery (p. 49). This re-initiation of the relationship is made possible through what he calls an ‘Occurrence Stage’. There are problems with this concept as it suggests that the consumer can re-start the relationship after termination without having to pass
through any of the earlier stages. This does not match the reality that in many relationships, once termination has occurred, re-initiation may be difficult and pointless as the customer is likely to lose the benefits and privileges they had previously accrued (Colgate, Nguyen and Lee 2003). In addition, feelings of regret (see: Kahneman and Tversky 1982, Tykocinski & Pittman, 1998, 2001) and other factors such as exit fatigue (Hirschman 1970, 1974), also play a large psychological role in post exit behaviour.3 The loss of benefit (for example, the ‘no claims’ bonuses for various insurance products) and the investments made in establishing the relationship are important factors to consider. This type of evaluation may push consumers back from the brink of exit and lead them to succumb to inaction. So, while they may feel forced to opt for continued use of the product or service, it is in the absence of loyalty (Tykocinski et al 1998), because they judge this to be their best option. The question that theory, to date, has failed to answer (or indeed ask) is why this might happen and what mechanisms support it. It is important to fill this gap in understanding as the consequences of consumers withdrawing from relationships in whole or in part is highly relevant to relationship marketing theory.

Bruhn’s conclusion is beneficial in that it acknowledges the reality that some consumer relationships can exist in a perpetual stage of imperilment and re-evaluation, without ever reaching full termination and still may function successfully over long periods of time. Moreover the decision to switch does not always mean a complete cessation of exchange as in many instances it can be achieved by a long-term but partial withdrawal of custom (Zeithmal et al 1996).

This aside, Bruhn’s approach to the evolution of relationships displays a greater fluidity

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3 For a review of Hirschman’s Exit, Voice and Loyalty Model and Loss Aversion Theory refer to chapter three and chapter four.
compared to other models in the literature. It suggests that at one point at least, the possibility exists for the relationship to move backward as well as forward or even to remain stationary, indicating flexibly between stages. This is in contrast to the standard linear approach which only presents two choices in relationship development; ongoing success or complete failure. It hints at a complexity to consumer relationships and highlights areas that are as of yet poorly researched. So while it is true that relationship imperilment, abstinence and emotional disengagement have been acknowledged within the literature, as of yet they have been given too little attention.

2.6 The Factors Influencing the Development of Consumer Relationships

In order to understand the root causes which may contribute to relationship disengagement, an evaluation of the general factors which contribute to the cementing of such relationships is necessary. These factors are also revisited in chapter four in the context of inert relationship drivers.

There is a contradiction in the literature surrounding these influences. On the one hand, factors such as commitment (Morgan and Hunt 1994, Bennett 1996, Stewart and Colgate 1998), trust (Swan and Nolan 1995) and satisfaction (Bejou and Palmer 1998) are reported to affect the overall development of relationships, perceptions of their quality, their strength and eventually their duration (Gruen 1995).

On the other hand, many empirical results also cast doubt on the significance of these constructs (Covellio et al 1997, Ambler and Styles 2000, O’Malley and Tynan 2000, O’Malley and Tynan 1998, Grayson and Ambler 1999, O’Malley and Tynan 1999, Iacoubcci and Ostrom 1996, Gruen 1995, Shemwell, Cronin and Bullard 1994). The evidence suggests that these factors are of little importance or may be misguided where
consumers are involved (Fournier et al 1998, Barnes 1994).

However, it is true that constructs such as trust and commitment do hold merit. Unfortunately though, the consumer relationship literature mostly reviews these concepts in a uni-dimensional capacity which provides weak understanding. It also presents an overly positive view of their operation within consumer exchanges.

This section will consider the impact of trust and commitment as relational drivers in consumer relationships as they are particularly important to this study. It will show how they are conditions that are integral to the notion of relationships. The literature will then assess other more tactical reasons as to why individuals may decide to engage in consumer relationships in the first place.

### 2.6.1 Trust


While academic interest in trust has increased over the last 20 years, there still remains limited research into its role within the business and marketing literature (Young 2006). Models of trusting behaviour are very varied and naturally this can lead to confusion in understanding. Trust can move from a very basic and almost innate level to an emotionally significant and quite complex level. At a more transactional level (i.e. early relationship development) when the outcome of an experience is either uncertain or negligible, trust may particularly relevant even if it is ‘implicit’ (Egan 2008, p 106). On the other hand, early disappointment in a relationship can create initial levels of distrust.
which can result in an indifferent consumer (p. 441). Ultimately however, “some form of trust is inherent in all relationships” (Sheppard and Sherman 1998, p 422) and it is merely a case of estimating the degree to which it is present.

Most research in business and marketing considers trust as a static construct, which either is or is not present, failing to recognise that trust can and does fluctuate as a relationship evolves, moving through phases where it either grows or diminishes. Rousseau et al (1998) are exceptions in this regard as they refer to such changes as the “ebb and flow of relationships” (p. 396). The type of trust given in business will depend on the type of relational engagement, and the level of dependence of the trustee (Shemwell et al 1994, Sheppard and Sherman 1998).

The interplay of trust and the dissolution of a relationship has been largely ignored in a consumer context. For instance, if a buying relationship is maintained by the consumer and continues with low levels of trust, it is possible that the relationship is being maintained merely by means of some form of indifference rather than through real loyalty and trust (Young 2006). While the literature has acknowledged that such a weak form of relationship can function under low levels of trust, the reasons why and how this can occur have yet to be explored. Nonetheless, one can learn a lot from considering the various kinds of trust that have been identified which are outlined in the following section.

### 2.6.1.1 Types of Trust

Consumer relationships can be initiated or maintained based on any of the levels of trust outlined in the table below. These levels of trust vary depending on the stage of the relationship and the kind of trust present at each stage is an indicator of the health of that relationship.
Table 2-2 Types of Relational Trust based on Existing Literature

<table>
<thead>
<tr>
<th>Type of Trust</th>
<th>Relationship Stage</th>
<th>Characteristics</th>
<th>Evaluation Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculative</td>
<td>Introduction</td>
<td>Opportunism of both parties, Rationalisations</td>
<td>Credibility and Reliability</td>
</tr>
<tr>
<td></td>
<td>Growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deterrence</td>
<td>Introduction</td>
<td>Controls and Bonding Mechanisms</td>
<td>Perceived levels of dependence</td>
</tr>
<tr>
<td>Knowledge-Based</td>
<td>Maintenance</td>
<td>Familiarity and Interaction Prior Knowledge</td>
<td>Predictability</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capability</td>
<td>Maintenance</td>
<td>Loyalty and Satisfaction</td>
<td>Benevolence</td>
</tr>
<tr>
<td>Transference</td>
<td>Acquisition</td>
<td>Acquired</td>
<td>Social Dimension</td>
</tr>
</tbody>
</table>

**Calculative Trust** is one of the most basic forms of trust and usually presents itself early in a relationship (Lewicki and Bunker's 1995, 1996). It is based on the economic assessment of the costs associated with behaving opportunistically in order to satisfy self-interests in the relationship (Doney and Cannon 1997, Rao and Bergen 1992). CT is a ‘rational choice’ based on the principles of exchange (Rousseau et al 1998, p, 399) and so it is unlikely to be associated with a deeply meaningful relationship, given its calculative nature.

As it is the most basic level of trust necessary for an exchange to take place, it is often given on a conditional basis. This conditionality allows customers to strategically evaluate the progress of the association. Therefore it functions as a method of self-preservation and aims to provide protection against negative outcomes (Wooten and Reed II 2004).

While it may be typical at the initial stages of relationship development, it is also true that calculative trust can operate at the maturity stage of a relationship where an individual makes a judgment as to where his or her self-interest lies. Here a consumer
may weigh up the costs of continuing or maintaining a relationship against the costs of terminating it and having either to give it up or to go elsewhere.

**Deterrence-Based Trust** is slightly different, as it is a function of utilitarian factors where the perceived costs of switching prevent a customer from behaving opportunistically within the relationship (Rousseau, Sitkin, Burt and Camerer 1998, p, 398). Because of these judgements, trust may be calculative. So calculative trust and deterrence based trust can be linked. Relationships functioning under shallow levels of dependence develop levels of trust which are based either on calculative motivations or on deterrence based motivations (Rousseau *et al* 1998). These relationships may then develop this form of trust but it will be based on the perceived risks associated with making a switch (Sheppard and Sherman 1998 p, 424) rather than self-interest factors.

**Knowledge Based Trust** as identified by Lewicki and Bunker (1995, 1996) is a form of situational trust (Harris and Dibben 1999) which is present where familiar indicators allow individuals to evaluate, compare and assign situational cues to interactions. So for example, individuals will base their decisions on past experience of interactions between themselves and the supplier or on the experiences of other consumers. It involves degrees of predictability which are based on prior knowledge and experience and is highly dependent on communication effectiveness (Morgan and Hunt 1994). It is what Rousseau *et al* (1998) refer to as relational trust.

**Capability Trust**, also known as competence trust, is based on the assessment of another party's ability to continue to deliver the required service or product and to fulfil their obligations (Doney and Canon 1997, Ahmed, Styles and Patterson 1998, McAllister 1995). Capability based trust can co-exist with a more calculative kind of trust as capability is a basic and fundamental requirement in order to permit
continuance. The assumption here is that in order to have a sufficient level of
calculative trust, an individual must have perceived adequate levels of capability trust in
their partner. Without it, the relationship could be deemed to be an utter failure.

Capability trust also has a second level of meaning which is involves a more benevolent
assessment of one’s partner. This form of trust supersedes the requirements of mere
contractual trust as the expectation is that the supplier will go beyond the required
expectations of the relationship. It is capable of building affective loyalty and largely
present at the maturity stage of a relationship.

**Transference Based Trust** arises from word of mouth or opinions of groups. So trust
building is a function of outside influences (Doney and Canon 1997) which in turn
suggests that there is a social component to trust, existing outside the relationship
(Slenes 1998). As people take a risk in engaging with new suppliers (or consumers),
they will search for all cues as to whether or not this will have a favourable outcome.
An important point in this situation is that not only does this process facilitate the
transference of trust but it may also facilitate the transference of distrust. This
possibility is often ignored within the literature and may be particularly relevant in
certain markets.

The mains conclusions of this section are, firstly, that some form of trust is necessary
for relationships to continue and secondly that trust can exist without full commitment,
because some forms of trust can arise in a calculative way. This is important as it
demonstrates that in consumer relationships continuance is possible, even when
consumers have low levels of trust or self-interested motivations for giving it.
2.6.2 Commitment

‘Commitment’ is the most frequent variable used in assessing the success of buyer-seller relationships, but it also still remains an “ill-defined concept” (Egan 2008, p 122), perhaps because it is often implicit rather than explicit. It has been suggested that commitment will be present when the relationship “is so important as to warrant maximum efforts at maintaining it” (Morgan and Hunt 1994, p 23). Therefore, it is believed necessary to create “an enduring desire to maintain a valued relationship” (Moorman et al 1992 p 316).

Traditionally, the concept of commitment has been considered as a positive influence on relationship maintenance and is often discussed in the context of longevity (Dwyer et al 1987, Rusbult and Buunk 1993) where it represents a high degree of stability within the relationship (Bejou and Palmer 1998). Furthermore, commitment or the desire to continue a relationship, is based on the real or perceived benefits that are derived.

In the previous section the division in the literature between an “attitudinal” versus a “calculative” (emotional versus rational) understanding of ‘trust’ was outlined. Commitment theory also proposes that two specific types of commitment are relevant to consumer relationships - attitudinal (affective) commitment and calculative (instrumental) commitment (Mayo 1924, Roethlisberger & Dickson 1943, Becker 1960, Likert, 1961, Merton 1957, Porter, Steers, Mowday and Bouhan 1974, Angle & Lawson, 1993).

As commitment or steadfastness is both a signal of a relationship’s intent and its continuance it is obviously important to determine the type of commitment present. Again, like trust, commitment can exist at many different levels and can have both a positive or negative impact on the formation and maintenance of relationships. It is
important for this study to assess the different types of commitment that drive relationships, as in so doing one may understand better what might happen when the opposite occurs.

2.6.2.1 Types of Commitment

Calculative Commitment is based on Becker's (1960) view that it is a premeditated and deliberate act which ultimately is based on a calculated balance of costs and benefits. Individuals make inputs which result in a 'self-interest stake' in a relationship. Such investments can take many forms (Becker 1960, Rusbult 1980). They can be direct, involving time, personal sacrifice or emotional input, or indirect, where they take the form of shared benefits or memories or shared activities, for instance working together to resolve a problem. They are also affected by social norms such as family viewpoints, culture or religion.

Whatever the type, such investments are said to act as 'bonding mechanisms', cementing the partner’s together (Gundlach, Achrol and Mentzer 1995 p 79). This positive view of commitment assumes that both parties have comparable levels of input. However, these same mechanisms can also act negatively, where the inputs act as exit barriers and “lock” customers into relationships (Barnes 1994, Bejou and Palmer 1998). Such a captive state may eventually create dissent amongst consumers (Blois 1998) and in some instances consumers can view themselves as hostage to the relationship (Colwell and Hogarth-Scott 2004).

Calculative commitment therefore represents a consumer's evaluation of the potential loss that will be incurred if they terminate the relationship and have to move elsewhere (Gundalch et al 1995, Mathieu and Zajac 1990, Bruhn 2003). The more recent work of Yamandran and White (2012) identify perceived loss of privilege as a moderator in
relationship continuance but through calculative intentions. This however related to a business to business context. They conclude that calculative commitment is related to perceptions of dependence and sunken costs. Decisions regarding such a loss may be heavily influenced by the unavailability of alternatives, which increase the perceived cost and risk associated with leaving (Meyer, Allen, and Gellatly 1990). So in many cases it is clear that continuance is a calculated and self-serving decision. Indeed, Gilliland and Bello (2002) go so far as to suggest that all commitment is in fact calculative.

**Attitudinal or Affective Commitment** is an important predictor of future intentions (Allen and Meyer 1990, Meyer et al 1990, Shemwell et al 1994, Gundlach et al 1995) because it signifies the desire of both parties to maintain the relationship over time through interactive bonding mechanisms (Egan 2004).

It involves an emotional component (Bruhn 2003) where individuals remain with a partner because they want to as opposed to having to stay (as may often be the case with calculative commitment) (Meyer et al 1990). It is therefore considered to be more stable because it is closely associated with other emotional constructs such as loyalty (Gundlach et al 1995). While commitment has always been considered the ultimate achievement of marketing relationships this can only be true where affective commitment is achieved.

The relationship between both kinds of commitment is complicated as they are not wholly different concepts and the presence of one may involve an element of the other. Initially relationships are likely to be based on simple exchange requirements, reflecting a calculative commitment. However, over time, this can develop into real affective commitment and a deep and lasting bond.
Overall therefore, we note that both trust and commitment have twin dimensions –
calculative and affective. While they often merge together and operate in unison, they
also may exist independently. This fact is likely to be very pertinent where inert or
apathetic behaviour is found because in such a situation calculative considerations
operate in the absence of emotional attachment.

2.7 Tactical Drivers of Consumer Relationships

The following section will consider the tactical signifiers of consumer relationships
which may also be relevant to relational situations where apathy is a factor. These
drivers are the tangible or structural mechanisms of the relationship. It should be noted
that many of these drivers are also known antecedents of commitment and trust and so
will expand on many of the issues raised in the previous section.

2.7.1 Duration

A common consensus within the literature is that duration, or the length of time one has
been with the same supplier is an important correlate of relationship strength and quality
1997, Fournier et al 1998). This is based on the two premises (1) that a meaningful
relationship can only be attained over a significant time period (Hunt 1997) and (2) it is
highly likely that if the relationship is mutually satisfactory, it will endure.

Relationship marketing takes the view that suppliers estimate the economic benefits that
can be derived from a relationship over time (Blois 1996, p, 162). So the positive
benefits of duration are based on continuous delivery which separates a relationship
from one-off, discrete or casual transactions. It is clear then that long established and
regular customers are inherently more significant and meaningful for a firm (Palmer
1994).
On its own, however, the duration of a relationship is insufficient to determine whether or not it is positive. For example, the interpersonal literature has shown that detachment in relationships is something that also can evolve over time (Kayser and Rao-Ketler 2006), so a long standing relationship is no indication of it being successful. Arguably then, if the only benchmark to be used is a relationships duration, then no conclusions can be reached regarding its status. Continuous patronage is no guarantee that the consumer values the relationship (Blois 1996) as it must be remembered that long duration on its own may indicate nothing more than an inability to exit. This of course can further result in ever increasing resentfulness (Blois 1997). So in that case, longer duration can also be an indicator of greater decline.

2.7.2 Alternatives

It is also obvious that the level of commitment consumers feel will be influenced by the competitive context in which they find themselves. Bejou and Plamer (1998) have examined this area and suggest that a lack of alternatives in the marketplace can actually erode customer commitment, even though they may remain with the same supplier. This ‘locking-in’ of the customer to the relationship (Barnes 1994) will lead the consumers to feel trapped because control has been taken from them. Often referred to as a ‘hostage relationship’ (Colwell and Hogarth-Scott 2004) it leaves the customer feeling victimised (Schneider and Bowen 1999) and produces feelings of antipathy which can result in the formation of grudges (Aron et al 2007). There is general support in the literature that these relationships can then become bitter and negative as a consequence.

So when considering the availability of alternatives, one must include a number of factors. Not only must the availability and attractiveness of the competition be considered but also whether or not there are significant barriers to exit. Eligibility to
defect, ease of moving and the costs of exiting are very important and so when faced with customers who fail to exit, these factor must be taken into account.

2.7.3 Dependence Levels

Rusbult and Buunk (1993) highlight yet another aspect of the decision where they contend that ending a relationship is directly affected by perceptions of how much one depends on it.

Dependence can be both positive and negative. It is positive in that it can keep partners together because they want to remain together. But it also can be negative in that it forces or binds people together, preventing one side or other from exiting.

One must not assume that dependence impacts equally on both parties. Partnership asymmetry and inequality in size or power is particularly known to act negatively in relation to dependence (Ross, Anderson and Weitz 1997). Grocery retailers, retail banks, telecommunications companies and computer companies, for example, are larger in size and relative power to a single consumer and so low commitment may evolve between them and their customers (Ross et al 1997). The less committed a partner is to the relationship the less likely they are to reciprocate the inputs made by the other party (Anderson and Weitz 1992). So, consumers seeing themselves as insignificant in the broader context, may decide to give that relationship less commitment on the assumption that their individual inputs are not viewed as sizeable and important by the supplier and therefore they are not valued.

2.7.4 Satisfaction

In addition to having trust in a partner and being committed to a relationship, it is obvious that we remain in relationships that give us some measure of satisfaction. The
more satisfied we are, the more we want to stay and the less likely we are to exit. Such is the common belief. The assumption in marketing practice is that a satisfied customer will not just remain with a provider but may even act as an advocate, thus increasing market share (Morgan, Anderson and Mittal 2005).

However, this positive association between retention and satisfaction has frequently been questioned and the logic that a customer remains because they are satisfied is probably an over-simplification of the situation. As discussed earlier, other factors such as trust and switching barriers have been shown to influence retention (Ranaweera and Prabhu 2003, Danesh, Nasab and Ling 2012). Furthermore, Rego, Morgan and Fornell (2013) argue that the simple measurement of customer satisfaction is insufficient and to be more accurate should also incorporate a measurement of perceived satisfaction with a company’s nearest competitor. So for instance, market information which indicates that a company delivers low levels of satisfaction to its customers is only really pertinent in situations where it is perceived that higher satisfaction can be gained elsewhere. In situations where this is not the case, customers who are not satisfied may decline to switch. 4

They also add that satisfaction in markets with high levels of heterogeneity is actually quite difficult to maintain and that the more diverse a company’s customer base is the harder it will be to satisfy them all and to grow market share. This argument suggests that businesses with a large and varied consumer base (such as banks) will find it harder to satisfy customers.

These difficulties with delivering satisfaction to a very heterogeneous market is

4 Rego, Morgan and Fornell (2013) base this premise on the work of Colgate, Tong, Lee and Farley’s (2007) Switching Dilemma as discussed in chapter three.
supported by Mittal and Kamakura (2001) who argue that consumers with different characteristics have different satisfaction thresholds. They further argue that customers with the same level of rated satisfaction can actually have different repurchase rates. This suggests that some consumer groups can engage in relationships with lower levels of satisfaction than others which supports the argument that measures of satisfaction can be subjective and quite poor indicators of relationship intent (Fournier and Mick 1998).

Rusbult and Buunk (1993) argue that individuals who have higher levels of satisfaction will have higher levels of commitment to a relationship. Customers understand satisfaction to be a function of rewards and punishments and comparisons of inputs versus outcomes:

'Individuals feel more committed to their relationship in part because they feel more satisfied - because their relationships provide rich and abundant rewards, do not involve serious costs and closely match their mental models of ideal involvement' (1993 p 182).

Many organisations, in particular financial services, while boasting an relationship approach, have focused on transactional approaches to marketing. In such exchanges the satisfaction survey remains the preferred assessment tool for judging their success or failure (Payne and Frow 1997). This is the case even though other studies contradict this assumption and show that satisfied customers frequently exit (Richheld and Sasser 1990, O’Jones and Sasser 1995, Keiningham et al 2005). Simply having satisfied customers is insufficient to ensure repeated patronage (Schneider and Bowen 1999, Gummesson 2002, Ranaweera and Neely 2003). To counteract this weakness in satisfaction theory, research has moved to customer delight as a means to gauging consumer contentment.
Based on this assessment, while it is logical to assume that a satisfied customer will maintain and continue their relationship, it is also clear that the use of satisfaction as the sole predictor of relationship intent and continuance is questionable. Other factors such as such as time and opportunity costs may produce a default loyalty - meaning that satisfaction has played only a small part in the decision to remain (Egan 2008). Noteworthy additional factors are evident in Fournier and Mick’s (1998) study which highlights satisfaction as a dynamic process, incorporating strong social and personal elements.

While the benefits of satisfaction to building strength in relationships are well known, this study notes that satisfaction does not always infer that a customer is loyal (Buttle 1997, O’Malley 1998). The service profit chain states that good service quality will lead to satisfied customers which in turn increases retention, market share and thus profitability. However the theory is not so simple in practice. One argument is that increased satisfaction does not necessarily lead to happier customers or increased profitability because consumers are likely to develop ever higher expectations and so become more demanding in the process (Hutchenson and Moutinho 1998). This is a well-documented and fundamental problem with the service profit chain which has been highlighted as being too simple (Storbacka, Strandvik and Grönroos 1994, Egan 2008).

While feeling satisfaction is essential to fair exchanges (Esch et al 2006), less well documented are those situations where a dissatisfied customer may continue to maintain a relationship even when better opportunities can be gained elsewhere. This is what Gummesson (2008) refers to as R9 (the relationship with the dissatisfied customer) which can prove disastrous given the scope for customer sabotage by way of negative word of mouth (p. 230). This facet of consumer relationships is discussed further in
2.7.5 Exit Costs

An appreciation of the real impact of switching costs is also important to a good understanding of how relationships are maintained. These barriers inhibit a consumer’s ability to switch relationships easily and they are not merely financial but include search costs, learning costs, emotional costs, cognitive effort and the taking of risks (Storbacka, Strandvilt and Grönroos 1994, Morgan and Hunt 1994). All authors agree that termination costs should include all the costs and losses associated with an exit. Furthermore they suggest that the presence of these costs greatly facilitates staying in a relationship. So when these costs are high, consumers will try to adopt any coping strategy to manage the negative situations they encounter (Rothbaum, Weisz and Snyder 1982).

Fournier (1998b) refers to such switching costs as ‘enslavement relationships’ and ‘adversarial relationships’, which she suggests are typical of monopolistic situations. In these situations, consumers can become less likely to exit and tend to cease complaining after experiencing successive response failures, because they eventually conclude that it is pointless.

2.7.6 Inertia

Inertia, which is central to this study, is less understood as a driver of relationships. Egan (2008) describes inertia as “behaviour that would occur anyway, assuming no external stimuli” (p. 135). However, rather than considering inertia as a direct driver of consumer relationships, he considers it to be a driver of customer satisfaction. In his estimation it is a passive form of satisfaction and merely signals intent to remain in the absence of external factors, such as the impact of other more attractive opportunities (p.
So, while he considers it to be a stable behaviour, he suggests that it is not necessarily a positive relationship force. This notion stems from Egan’s assessment that inertia is itself an indicator of some kind of satisfaction based on a realisation that nothing sufficiently bad has happened to warrant exit.

The problem with regard to inertia as a driver of consumer relationships is the confusion and lack of theory supporting this assertion. While Egan (2008) relates it to satisfaction, Godson (2009) defines it as a non-loyal form of commitment born of consumer laziness. In this sense, it is viewed as an outcome, although this is not explicitly stated. He suggests it merely signifies the reality that people cannot be bothered to switch (p. 103). Citing a study by Zurich Bank in 2002 which estimates that inert behaviour cost UK customers between £4 and £5 billion per annum, he concludes that too much choice is to blame. He argues that while banks have always exploited inertia as a form of retention, it has become a competitive problem as it makes attracting new customers difficult. This sits well with theory which suggests that too much choice will require consumers to simplify their decision-making, thereby discouraging switching. Others however view inertia as a switching barrier, preventing exit and increasing retention (Colgate et al 2007).

Unfortunately explanations such as this offer little insight into the reasons for inertia and there is little agreement regarding either the behaviour itself or its effects on relationships. This is discussed further in chapter four.

2.8 Conclusion

The Relationship Marketing literature is one-sided as it tends to focus almost entirely on the positive aspects of relationships with consumers and pays little attention to situations which do not lead to significant levels of commitment. In general, the existing
theory has only produced very linear explanations and simple approaches to the development of relationships. The result is that relational forms such as the dissatisfied or disengaged relationship which may develop in a different ways to the more traditional models, have been largely ignored and remain poorly understood.

In order to explore such negative forms of relationship this chapter has introduced the theoretical underpinnings of positive relationships. It has looked at trust, commitment and satisfaction which are the main relationship drivers in an attempt to understand the various forms they take.

Inertia has been introduced as a cited influencer of consumer relationships. As this under researched concept may explain why consumer relationships exist and endure after dissatisfactory experiences, it will be examined in greater detail in chapter four.

The following chapter of the literature will broadly look at relationship dissolution and the remedies available where difficulties arise in relationships. How can problems be addressed and how can consumers react where the relationship disappoints them? It will also expand on the idea of a disengaged relationship by discussing the concept of disaffect. This theory, which arose in the understanding of interpersonal relationships, has not really been applied to consumer relationships even though it promises to show how individuals can cope with circumstances of repeated dissatisfaction.
Chapter 3: Problems in Relationships:

Dissolution and Disaffect
3. Introduction: Problems in Relationships

Chapter two focused on the development and maintenance of consumer relationships, reviewing factors such as trust, commitment and satisfaction that contribute to relational stability. It also drew attention to the fact that relationship development theory tends to neglect the impact of negative relationships such as forced relationships (Barnes 1994) and coping relationships (Fournier and Yao 1997). Chapter two has shown that the literature is overly optimistic and underemphasises situations where the relationship breaks down.

It is clear that the process of how relationships function under troubled circumstances remains under researched in marketing theory. Colgate and Lang (2001) and Yanamandram and White (2012) argue that investigations into consumers who have considered exiting but failed to do so is lacking and this would offer true insight into the behaviour that underlies consumer inaction. Gummesson (2008) too argues that there are many relationship types other than those with benign outcomes. In addition to highlighting relationships which function in the presence of dissatisfaction, he also discusses the monopolistic relationship where one party has power over another. He holds that many more consumers engage in these types of relationships than has been previously thought and such associations can lead to a type of “captivity” which disempower individuals eventually leading to disenchantment. While on the surface they may even display the characteristics of a committed relationship, the critical issue is that they may be deficient in commitment and trust.

As such dysfunctional, disenchanted or negative relationships merit further investigation, the present chapter aims to redress this balance and will focus on what happens when problems arise.
The first part of the chapter will examine how theorists have dealt with such matters. Typically a person in an unsatisfying relationship will exit and this has been presented in the relationship marketing literature as the expected response of the so-called rational consumer. The dissolution process will be reviewed to understand how relationships might begin this journey to their demise.

Few alternative strategies to exit or recovery have been found in the literature but Hirschman’s (1970, 1974) contribution on dissatisfactory responses in poor relationships is a notable exception. Rather than considering the ultimate step of exiting from a relationship as the sole option in difficult circumstances, he presented a number of other strategies. His Exit, Voice and Loyalty Model is particularly relevant and so will be examined in section two of this chapter.

The third part of the chapter will dwell on disaffection (Kayser and Rao-Ketler, 2006) which has been applied to situations of breakdown in interpersonal relationships e.g. marriage breakdown. It will examine this theory in a bid to appraise its potential for consumer relationship theory. While it was developed within the field of interpersonal relationships it promises practical applications in a consumer context; in particular it may help explain how disenchanted consumers may continue in their relationships.

### 3.1 The Dissolution Process

Relationships end for a variety of reasons which are discussed at length in section 3.4. Traditionally relationship marketing theory views relationship engagement as a positive and models show that consumers move through a number of distinct stages from initiation to termination (see chapter two). Dwyer *et al* (1987) first mention the importance of dissolution as part of the relationship development framework. However the latter phase in this process still remains under researched. While there was a brief
flurry of interest in dissolution in the late 1990’s (see: Keaveny 1995, Roos and Strandvik 1997 and Stewart 1998), most studies conducted at this time focused on how the relationship ended and the factors that influenced termination but conceptualizations remain quite poor and require greater reflection (Halinen-Kaila and Tähtinen 2000). Stewart (1998) defines dissolution as “…the economic phenomenon of a customer ceasing patronage of a particular supplier (p. 235).

Much of the research in the field of dissolution tends to focus on the factors that moderate dissolution (such as having high levels of satisfaction or many alternatives) rather than focusing on the intrinsic factors which drive the process (Yang, Sivadas, Kang and Oh 2012). To date there are still many unanswered questions and research remains largely focused on how to develop relationships rather than considering how they might dissolve (Dwyer and Tanner 2006).

The main categories of dissolution that have been theorised often suggest that the process is a self-fulfilling prophecy with termination the inevitable outcome. This is evident in Pressey and Mathews (2003) typology. They propose four types of dissolution in consumer markets: it may be a bilateral decision to end the relationship, a supplier de-selection decision (which is the most common form of exit), a result of a suppliers customer de-selection process if the customer is considered unprofitable or finally a fading away or ‘fizzling out’ of the relationship due to a lack of interest or importance. This work is comparable that of Hocutt’s (1998) framework which focussed more on who decides to end the interaction rather than how it ends. Pressey and Mathew’s (2003) acknowledge that the latter ‘fizzling out’ type is the most under researched form of dissolution. However they also conclude that this category is the

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5 The most common terms associated with dissolution at this time were exit, switching, detachment and termination.
most salvagable. This type of apathetic and indifferent consumer is the focus of the present research. However it is not an assumption of the current study that because an individual mentally engages in a dissolution process that exit will be the eventual outcome.

Dissolution is best understood as a process rather than an absolute end (Ping and Dwyer 1992). Michalski (2004) points out that research often views the dissolution process as static, involving a single contributory factor resulting in exit (i.e. a service error). This, she contends, is limiting, arguing that dissolution in consumer research requires a process-orientated focus like that in social psychology.

The process of dissolution can be slow or long depending on the individual and the nature of the relationship (Coultar and Ligas 2000). Roos and Strandvik (1997) for instance proposed four types of dissolution each of which is described in the context of how long the relationship dissolution process takes in conjunction with the strength of the consumer’s reaction. This presents four possible combinations of dissolution; short process, strong reaction; long process, short reaction; short process, weak reaction; long process, weak reaction (p. 626). In reality, dissolution is a subsection of relationship development models (see chapter one) and so is best viewed as a failure in the traditional development of a relationship (Dwyer and Tanner 2006). In essence then, it is a process within a process.

### 3.1.1 Models of Relationship Dissolution

From an interpersonal theory perspective, Levinger’s (1983) approach to dissolution includes the stages of *Acquaintance, Build-up, Continuance, Deterioration* and *Ending*. Like relationship marketing theory, the model details the journey of the individual from beginning to end. Levinger’s deterioration stage holds that the individual feelings and
sentiments toward their partner become decidedly more negative. These feelings can then be exchanged with family and friends. This is similar to Duck’s socialisation phase as discussed below and may or may not happen.

While Levinger’s model does suggest that the ending phase may include a rebuilding process, the question of remaining in the relationship when it has not been positively rebuilt remains unanswered. This issue has been addressed to some extent by Fournier (1998) who argues that the relationship has to be reconstituted in the mind of the consumer. Kayser and Rao (2006) go a step further and label this new relationship as disaffected (see section 3.6). Cowell and Hogarth-Scott (2004) argue that in circumstances such as this, consumers remain because they perceive themselves as hostages to the relationship (see chapter two). However, the Cowell and Hogarth-Scott study does not significantly advance the psychological and emotional process behind a consumer’s perception of relationship captivity.

In social psychology, Duck (1982, 1991) takes a more micro view of this process and focuses on all stages from the initial breakdown through to the ending phase. The Breakdown stage involves a general awareness that things are not going well and that the individual is dissatisfied with the relationship. During the Intrapsychic phase an individual will begin to express and vocalise their dissatisfaction to their partner. This provides an opportunity to resolve the issue. The Dyadic stage involves direct confrontation between the individuals involved. But on a positive note, this can provide an environment for reconciliation and so does not mean termination will follow. During the Socialisation stage, the individual expresses the reality of their difficulties to others outside the relationship, for instance family and friends. Finally the ending stage or ‘grave dressing’ sees the termination of the relationship and is sought by both parties.
From a marketing perspective Roos and Strandvik (1997) researched the dissolution process in service relationships amongst retail shoppers. They concluded that the dissolution process involved four phases. Like Duck’s (1982) Breakdown Stage, during Roos and Strandvik’s Initial Phase the consumer becomes aware that a problem exists. For instance, they may perceive a reduced level of commitment from the store. This is followed by a Trigger Phase and is best understood as a stressor in the relationship; an incident or event that creates a level of disharmony pushing the individual toward considering exit. A trigger, as defined by Roos and Strandvik is anything that results in an alteration of the relationship to the extent that exit is considered. Termination sees individuals engage in some form of complaint activity as a means to express feelings of discontent and dissatisfaction. The final stage is Outcome where the consumer decides either to decrease their level of patronage or to simply leave. In this instance, termination does not signal the ned of the relationship but an expression of intent.

It should be noted that evidence suggests that for some individuals this process will be quick, whereas for others it will be a protracted affair. A return to the store at some point in the future is also a possibility for some consumers and this option is a common outcome in relationship dissolution and developmental models, where we commonly recognise it as ‘recovery’. An important point in this particular context is the simplicity with which consumers can move around retail shopping situations. For other market domains such as financial services, this is not such a straightforward affair and in many instances individuals remain in relationships because they have little choice (Johnson 1982, Cowell and Hogarth-Scott 2004, Gummesson 2008).

Other models have suggested a dissolution process corresponding to the developmental phase of the relationship. Beloucif, Donaldson and Wassell (2006) for instance propose
a systems view of agency dissolution, suggesting that dissolution can take place at any stage of the relationship. While there is merit in understanding this process in the latter stages of the relationship, whether an individual is actually engaging in dissolution at the pre-relationship stage and the new business stage of the relationship is highly questionable. An argument exists that some level of duration and affective attachment is required in order for dissolution to be meaningful. Anything prior to an established relationship is technically unsuccessful acquisition rather than dissolution. Again this reinforces the view held in this study that dissolution is a subset of the relationship marketing developmental process and so this chapter develops the fundamentals discussed in chapter two such as the necessary requirements for a relationship (duration, trust and commitment).

Coulter and Ligas (2000) ⁶ build on previous models in interpersonal and marketing theory and identify a somewhat more evolved and complex model of dissolution incorporating three phases. The Dissolution Stage consists of three individual components. The Breakdown Trigger is a service related issue and typically involves a core service failure, poor responses to that failure and ethical problems. These types of triggers were also identified in studies by Stewart (1998) and Keaveny (1995) which are discussed further in the next section. The trigger was followed by a protracted Breakdown stage during which the individual remained with the provider even after the experienced dissatisfaction. During this time individuals can have positive and negative experiences and can also suffer from “periods of inertia” (p. 686). ⁷ Inertia is expressed by Coulter and Ligas as occasionally thinking about the relationship. This particular

⁶ Unlike other dissolution and exiting studies Coulter and Ligas (2000) study specifically deals with long exit processes, they define this as exit which has taken more than six months to complete. This partly explains the expanded stages evident in their conclusions. It should also be mentioned that their study was a qualitative investigation of five participants. In addition, no one service sector was the focus of the research.

⁷ The theory of Inertia as a marketing and relationship behaviour is discussed in detail in chapter four.
stage is of relevance to the current research but it takes the view that termination may not be the outcome nor may recovery be a positive experience. *Exit Costs* are also assessed during this stage. Costs were identified as psychological and linked to an individual’s perceptions of self-worth in the relationship. Other costs were more emotional and based on notions of friendships that had built up between the individual and the service provider. The *Determinant Incident* occurs at the end of the breakdown stage and refers to any other critical event that may occur which finally pushes the individual toward exit.

The second stage is the *Exit Stage*. The conclusions in their study proved to be an amalgamation of previous exit processes whereby individuals exited in one of three ways; through confrontation, the intent to leave in writing or leaving with no notification and so is consistent with other studies. Theory often refers to this ending phase as relationship rupture.

Finally, during the *Post-Dissolution Stage* the findings suggest that individuals can have a permanent exit or weak exit. Permanent essentially means that a return to their former provider is highly unlikely while a weak exit suggest that an individual may consider returning at some stage. These options however may not be relevant in complex service relationships because of what Hirschman (1970, 1974) refers to as exit fatigue. Exiting in some situations may be complicated to the point that an individual will not want to have that experience again meaning that returning would be highly unlikely.

Michalski’s (2004) model presents specific types of “consumer relationship ending processes” (p. 987). Her study of 82 retail banking consumers focuses on people who had recently exited their bank. Data was collected through telephone interviews and was exclusively interested in the ending phase of the relationship. Conclusions drawn
demonstrate an emotionally charged and highly complex process, with multiple interrelated triggers responsible for termination. This fits with Colgate and Hedge’s (2001) description of the switching process as inherently complicated because of multifaceted reasons for defection.

Michalski presents six types of ending, as summarised below:

1. Forced Relationship Ending; involving a change in the wider environment, for example moving house. This type of ending is not as a result of a negative incident.
2. Sudden Relationship Ending; is based on one incident that the consumer deems wholly unacceptable leaving them no option but to exit.
3. Creeping Relationship Ending; is typified by a long history of negative experiences and so is a long ending phase (specifically 6 months to 3 years).
4. Operational Relationship Ending; occurs when the consumer no longer views the relationship as beneficial. The example provided is dormant accounts.
5. Involuntary Relationship Ending; Typified when a customer seeks to build the relationship but is denied the opportunity due to a refusal by the bank to engage. This was typical when a consumer was refused a loan.
6. Planned Relationship Ending; refers to banking arrangements that were established for a set duration as is typical with building projects or plans. It is recognised by both parties that the relationship will end at some point.

Michalski’s study does consider potential opportunities for recovery, or what she labels ‘outcomes’. Her findings suggest that the majority of consumers have no intention of returning to their bank, while a small proportion confess they would under certain circumstances. While informative and progressing a process view of dissolution it is
arguable that some of the dissolution types identified do overlap somewhat. For instance a planned ending could also incorporate a sudden ending or a forced ending process. Unfortunately, Michalski’s dissolution study does not advance our understanding of those situations which set a consumer on the path to exit but which they never complete. Elements of this process might have be found in her “creeping ending” phase but historical triggers for considering dissolution which did not result in exit at the time were not considered.

Taking a different approach, branding theory, discusses dissolution as ‘detachment’ of the consumer from the brand. Again this is viewed as a process, occurring over time and for differing reasons. Branding literature refers to the erosion of the emotional bond with the consumer and so situates the concept as an attitudinal aspect of the overall relationship dissolution process (Perrin-Martinenq 2004). Detachment is often viewed as the desire or need of an individual to maintain some level of distance from others. This is preferred to harbouring feelings of hate (Hornbe 1937, 1945). Like dissolution models, it also involves a trigger or triggers which result in the total or partial loss of commitment. Some argue for a separation of detachment from other concepts such as rejection and indifference (Perrin-Martinenq 2004, Mai and Conti 2008), while others consider it behaviourally akin to indifference (Cohen 1967). This study is of the view that indifference is a separate psychological state that will be discussed at length in chapter four.

Perrin-Martinenq (2004) argues that detachment is not behavioural in character, it is a psychological state which is both affective and cognitive (p. 1007). Detachment occurs when the affective bond which had previously allowed the individual to feel connected to the brand begins to weaken to the point that the individual is no longer interested in
engaging with that brand. Therefore, even though it may impact on repurchase intentions and behaviour, brand detachment is mainly concerned with the severing of the emotional link between the brand and the consumer. Much of the theory relating to brand detachment is based on retail brand experiences where dissolution is simple when compared to service experiences.

3.1.2 Required Dynamic Approaches to Dissolution

Looking at dissolution models two issues are of note. Firstly, theory (interpersonal and marketing) tends to take a wide view of relationships and in doing so, they generally outline comparable stages and processes. Models rarely take into account the contradictions that might be present at a micro level within the relationship or the trajectories that might occur given the context of the relationship, i.e. is it a positive or negative relationship. Secondly, most models take a linear approach, similar to that of consumer relationship development theory as discussed in chapter two. This limits understanding and presents a predetermined process with prescriptive responses to particular categories of problems. It is therefore arguable that a more dynamic approach to dissolution is required.

For a start, according to Baxter (1984) dissolution can be either gradual and incremental, or be the immediate result of a critical incident. A gradual dissolution process may lead to the ‘Long Goodbye’ situation as identified by Coulter and Ligas (2000). Fournier (1994, 1998) has a similar view and refers to two models of dissolution; the entrophy model which sees the relationship breakdown in the absence of any active maintenance and the stress model where the relationship is ruptured forcefully by personal and or environmental stressors. The former is characterised by this slow gradual process of dissolution similar to an incremental effect. This being the
case, it is essential to consider the type of dissolution process that is in operation as it may require different treatments to aid recovery and repair.

Context is also important in understanding termination in relationships. Dissolution comprises of attitudinal (emotion and cognition) and behavioural components (actions of consumers). This is an important dichotomy because instances can arise where individuals may have a silent or “hidden” dissolution process occurring (Perrin-Martinenq 2004, p. 1004). The signature here is the erosion of the attitudinal affect but the continuance of the behavioural component (Mai and Conti 2008). This type of situation is of particular interest to this study as it represents that part of the relationship when attitudes change but behaviour remains the same. Research into hidden dissolution is practically non-existent and in marketing models, tends to be omitted completely. A lack of consumer behavioural change may suggest that continuance without a level of happiness will be the outcome. Sabarra (2006) refers to sadness recovery and anger recovery in interpersonal relationships which suggests different types of resolution after attitudes have changed. Dissolution models need to accommodate this possibility.

Also of note is the fact that very few models make any explicit reference to recovery within the dissolution process that is, the point at which the relationship is retrieved and the final act of exit is avoided (Gillear and Matear 2001, Tähtinen and Havila 2004). The fact that there may be more options for consumers other than exit and recovery is largely ignored. It is important to observe that when references to recovery are made it is meant in the positive re-building context. This study is interested in when the dissolution process is not completed (or hidden) but the outcome is a recovered relationship which is no longer viewed as positive. In this context, the focus of this
study is concentrated in point three below; those situations when an individual eventually decides not to exit but to continue the relationship in an altered state.

In summary, dissolution models whether interpersonal or marketing based have the following common features;

(1) The decision to consider terminating a relationship begins with a negative event. This can be one core failure or an amalgamation of issues;

(2) A trigger is required to progress the termination. But this does not have to be related to the initial negative event but can represent some other incident which pushes the individual over the edge;

(3) The individual involved has two options; they can end the relationship or choose to continue;

(4) Dissolution can involve an attitudinal and/or behavioural component.

3.2 Consumer Exiting

Stewart (1998) states that relationship exit begins with the identification of a Problem within the service. Keaveney (1995) drew similar conclusions, and argues that exit or switching occurs when failure is present either in a number of areas, or in a 'core' service area. The main episodes leading to a switch as identified by Keaveney (1995), involves a failure in the areas of price, inconvenience, core service failures, service encounter failures, failed employee response to service failures, competitive issues, ethical problems, and involuntary factors. Gerrard and Cunningham (2004) support this finding and conclude that 75% of exit in retail consumer banking is based on more than
one incident. So it is clear that in most cases an accumulation of factors is required to trigger exit.

Interestingly, Colgate and Hedge (2001) again in a study of the retail banking sector, found that many consumers do not report problems they are having in their relationships or their intention to exit. They just take the action. These findings are again supported by Gerrard and Cunningham (2004) who estimate that only 7% of consumers engage in voice with staff prior to exiting, indicating that the vast majority of consumers do in fact remain silent in a relationship. This supports dissolution arguments of a hidden exiting process.

In summary, two cross disciplinary reasons have been identified as encouraging an individual to consider exiting; (1) A core relationship failure and (2) Repeated episodes of dissatisfaction in the relationship.

Stewart (1998) also identifies the effort expended as a crucial factor. Not only is the amount of time expended on exiting important, but emotions also play a significant role with two-thirds of her study stating that their experience involved an affective component. The most cited emotions were frustration, anger, embarrassment, and humiliation. While these feelings begin with the development of the problem itself, they become intensified by the response, or lack of response given by the bank. Poor responses heighten negative emotions and vice versa. This is akin to the attitudinal component of dissolution although this connection is not explicitly made in Stewart’s study.

Research suggests that the length of the relationship will increase both the emotion and the reaction to a service failure. Incidents occurring early in a relationship are viewed
with greater disappointment and criticism because the consumer has not been in the relationship long enough to have experienced positive encounters to offset service failures (Boulding et al. 1993).

Stewart’s (1998) exiting model also proposes that a problem is not evaluated in isolation, and that problem analysis is influenced by individual consumer characteristics. The decision to manage a problem in a certain way may be an attempt by individuals to maintain a level of control over the situation. Interpersonal relationship theory refers to this process as self-protection responses (Kayser 1993).

Consumer Exiting models typically conclude with the act of exiting followed by Post-Exit stage whereby they re-evaluate their decision to exit.

This study is not concerned as much with the exit phase as with the phase in between the consumer’s desire to terminate the relationship and the eventual decision to remain. It has identified a gap in the literature centred around the evaluation stage that precedes exit. That is the contemplative space in the mind of the consumer where evaluation of intentions to exit and consideration of reasons not to exit are evaluated; the space that allows the individual to change their attitude toward the relationship but maintain their behaviour of continuance.

3.3 Predictors of Consumer Exiting Behaviour

Most studies, and particularly those within the Social Exchange Theory, agree that the psychological factors which tie an individual to a relationship are levels of satisfaction, perceptions of alternatives and investments size. Applying social exchange theory and relationship marketing theory can offer some explanation as to why individuals choose to remain in relationships by considering the moderating effects of the aforementioned
factors and their role in acting as deterrents to exit. More recently Yang et al (2012) have identified trust as a moderator of dissolution while conflict, goal incongruence and perceptions of unfairness drive dissolution. Yamandram and White (2012) provide support for the importance of switching barriers and calculative commitment on decisions to maintain less than satisfactory relationships.

3.3.1 Alternatives

From a social psychological standpoint, Rusbult, Johnson and Marrow (1986) established that good alternatives are consistent predictors of exit and inhibit the passive effects of loyalty. Individuals will be more inclined to exit where good alternatives are available. This conclusion suggests that an increased availability of alternatives creates an atmosphere where exit is favoured as a response to the declining quality of a relationship. Hocutt (1998) supports this finding arguing that consumers will be less inclined to leave where alternatives are low or where comparisons are difficult.

However relationship marketing theory identifies a paradox in this scenario. While exit becomes attractive with increased choice availability, another effect begins to operate. A type of coping loyalty may be preferred in situations where there are many alternatives. In this scenario, consumers will stay loyal and not move as a means to reduce the need to make a difficult choice in an over-crowded market space (Fournier 1998, Egan 2008). However, the level of true loyalty in this instance is highly questionable and it may just be as easy to stay rather than make a difficult judgment between many competing alternatives (see chapter two). In addition, there is no guarantee that the alternative will produce better outcomes and so the switching process might therefore prove to be quite expensive.
3.3.2 Levels of Investment

Investment size and the investment model have received considerable attention in understanding why people remain in relationships (see Rusbult, Zembrodt and Gunn 1982, Rusbult et al 1986, Ping 1993, Oswald and Clausell 2006). The greater the amount a consumer has invested in the relationship, psychologically or financially, the more likely he or she is to prefer voice or some form of loyalty over exit or neglect and allow the relationship to fall apart (Rusbult et al 1982, 1988).

In consumer relationships investments can present themselves in a variety of ways, each of which may be individual to the consumer. An investment might be the time that a consumer takes to learn the role that they must play in any given consumer environment (Solomon et al 1985). Takala and Uusitalo (1996) agree that consumer investments equate to time, money and effort and further suggest that the contribution of these inputs are usually unequal because of the different availabilities of resources amongst partners. In contrast, Rusbult et al (1986) conclude that the size of an investment is a predictor of loyalty and so it will inhibit exit. Others such as Rusbult and Farrell (1983), Stewart and Colgate (1997) agree with this view, and espouse the view that high investments will increase consumer commitment.

Hirschman (1970) states that if a consumer has exited a previous relationship to enter into a new one they may suffer from exit fatigue and so the level of risk that they initially expended in switching may result in this being regarded as a sizeable investment in the new relationship. So having taken a risk previously, they are less inclined to do so again. The act of switching itself then can, by consequence, become a switching barrier. Bansal, Taylor and James (2005) refer to these types of influencers as “mooring variables” which effectively halt the process and keep the customer from
exiting. This apparent exiting paradox has not been studied in consumer markets and suggests that consumers, having switched, will be much more predisposed to developing some form of loyalty and should be tactically targeted for that reason.

3.3.3 Dissatisfaction

While it has been suggested that satisfaction hinders exit (Ping 1993), Stewart (1998) calls it the “fallacy of prior satisfaction”, suggesting that the relationship between satisfaction and retention is not as linear or as clear cut as we might expect. Well known studies by Reichheld and Sasser (1990), Keaveney (1995) and Hocutt (1998) also support this more complex view of dissatisfaction. It is well documented that dissatisfaction is a trigger or influencer in exiting decisions (Halinen-Kaila and Tannen 2000). Experienced dissatisfaction is known to change attitudes toward the relationship (Bansal, Irving and Taylor 2004) and so sets the consumer on a path to exit. Dissatisfaction does not automatically result in a speedy exit. As discussed in section 3.3.1, the dissolution process is complex and can be interrupted at various stages leaving exit stalled.

The relationship between exiting behaviour as a response mechanism and the availability of alternatives is also affected by complex market forces (Stewart 1998). In certain consumer markets it is the case that consumers are not always free to choose and are subject to varying degrees of constraints, such as location, dissatisfaction, contractual obligations and inertia (Stewart 1998, Dick and Basu 1994, Sheth and Parvatiyar 1995, Gummesson 2008, Egan 2008). Exit is therefore not only a function of relationship barriers, constructed by suppliers or psychological in consumer minds, but also marketplace realities.
Hirschman (1970) identified two types of dissatisfied consumers; alert and inert. Alert consumers will exit a market place when they are dissatisfied and that is what markets typically expect, depending on the level of alternatives available. Inert consumers on the other hand may vocalise their dissatisfaction, stay quiet, postpone their exit decision or simply not exit at all. They will not actually take the decision to exit. This suggests that there are many possible alternatives to exit and that retention as a concept is multifaceted. It seems the decision not to exit may be as complicated, if not more, than the decision to exit. However current theory falls short on addressing this imbalance.

Inert in Hirschman’s estimations, does not necessarily suggest passivity as is common to other conceptualisations of inert behaviour. In fact, what Hirschman is suggesting is that inert consumers are highly active but simply employ different strategies in response to dissatisfaction eventually choosing to continue the relationship rather than exit. This is different from our more traditional understanding of the behaviour. Most of our current understanding of consumer exit is based on the assumption that consumers are alert rather than inert.

3.4 Responses to Dissatisfaction in Consumer Relationships

Hirschman (1970, 1974) brought the conceptualisation of exit, voice and loyalty to the fore with studies which centred on firms' responses to dissatisfying relationships. He suggests that clients of an organisation may engage in a number of responses when relationships are unsatisfactory. Typically exit, voice and loyalty are the main responses.

*Exit* is the decision to discontinue purchasing some or all the products or services from a particular organisation. It may be typified by separation, abuse and threats of termination. This accords with standard relationship marketing theory and is the
dominant response found in the literature. Partial exit is also intimated here, an option which is supported by Stewart’s (1998) findings.

**Voice** involves working through relationship problems in an effort to rectify the situation. It manifests itself through advice seeking, open discussion, changing ones behaviour or seeking a change in a partner’s behaviour. It therefore involves more than simple complaining. According to Hirschman voice should 'complement' and 'supersede' exit as a response to declining levels of satisfaction within a relationship (1974, p 8). However abrupt exiting defies this ideal (Keaveny 1995).

**Loyalty** as a construct is theoretically divergent. Some proponents argue that it should only be considered as a behavioural construct because the way consumers behave in the marketplace is the primary point of interest for marketers (East, Sinclair and Gendall 2000). Others however are of the view that it is a dual concept and can only be assessed based both on the attitudes of individuals and their actual marketplace behaviour (Day 1969, Dick and Basu 1994). Either way, support for each perspective is inconsistent within the literature and different studies have produced different conclusions in different market settings (product versus services markets).

As a concept, loyalty is also somewhat ambiguously defined by Hirschman and in reality there are three levels to the behaviour (Barry 1974). It can either be a moderator of exit and voice, as supported by Rusbult *et al* (1982), or an outcome of factors which tie a person to an organisation or a supportive behaviour.

These concepts differ from the standard preconception of loyalty which Hirschman presents as an inactive state where the individual might do nothing but wait and hope that the situation will improve. What he is purporting is more a kin to Spurious Loyalty
which is present when an individual displays the characteristics of being behaviourally loyal but attitudinally having low levels of loyalty (Dick and Basu 1994) (see section 4.4.5).

Ultimately Hirschman regarded loyalty as a preventative strategy to exit, a promoter of voice and as a standalone response mechanism. Leck and Saunders (1992) also conclude that these perspectives are important to understanding the role of loyalty as a response to dissatisfaction.

*Neglect* was added to Hirschman’s theory by Rusbult and Zembrodt (1983) and involves passively allowing conditions within the relationship to deteriorate. In this state an individual will ignore a partner and simply let things fall apart. They will not engage in discussions, they will be critical of their partner and may even seek an alternative relationship. In this regard, contrary to what the term suggests, neglect is not a passive state even though it is often presented as such.  

3.4.1 Predicting Responses

Rusbult *et al* (1982) argue that the use of Exit, Voice, Loyalty or Neglect can be predicted as a response to consumer dissatisfaction. This assessment is based on (a) the degree of satisfaction with the relationship before problems began to emerge, (b) levels of investment and resources in the relationship, and (c) the comparative quality of alternatives.

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8 Rusbult, Zembrodt and Gunn (1982) acknowledge the contradiction present in the term passive and explicitly state that it does not refer to an individual’s behaviour but rather refers to the relationship itself as it silently creeps toward destruction. This can be attributed to the apathy involved in doing nothing to rescue the relationship. Loyalty and Exit are considered active because there is an attempt to actively resolve the situation. However it can be argued that eventually all strategies result in an altered relationship, some responses are just more drawn out that others.
They conclude that when prior satisfaction is high or where investments are significant, voice and loyalty are the preferred responses. But lower levels of prior satisfaction and low investments are likely to result in exit or neglect responses (see Table 3.1). Again, as might be expected, the more attractive the alternatives the greater the likelihood of exit.

**Table 3-1 Relationship Responses based on Rusbult, Caryl, Zembrodt and Lawanna (1982)**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of Satisfaction</td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Voice and Loyalty</td>
</tr>
<tr>
<td>Low</td>
<td>Exit and Neglect</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Voice and Loyalty</td>
</tr>
<tr>
<td>Low</td>
<td>Exit and Neglect</td>
</tr>
<tr>
<td>Availability of</td>
<td></td>
</tr>
<tr>
<td>Alternatives</td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Exit</td>
</tr>
<tr>
<td>Low</td>
<td>Voice and Loyalty</td>
</tr>
</tbody>
</table>

**3.4.2 Cost-Benefit Evaluation**

According to Hirschman (1970), both exit and voice have associated costs and so the choice of actions must be carefully considered. Voice, by its nature is demanding and so will exhibit costs in the form of (1) the time spent complaining, (2) the level of risk involved in such actions and (3) the personal financial costs in pursuing voice.

Hirschman had originally considered exit to be costless, unless loyalty was present (due to the possible benefits lost on exit). However in later discussions he includes time and money as relevant costs (Hirschman 1974). In addition, he identified other costs

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9 Loss aversion theory partly explains this type of behaviour, suggesting that individuals place greater value on a potential loss rather than a gain (see: Thaler 1980, Knetsch 1989, Kahneman, Knetsch and Thaler 1990). It has also been argued that individuals can experience loss aversion for products/services they never owned, these include items that may have merely been considered as part of the decision making process (Carmon, Wertenbroch and Zeelenberg 2003).
associated with exit such as the risk of making a bad choice, the inconvenience of the switch and the loss of service during the time in which the switch is being made. Overall these exit costs constitute an excellent incentive for the use of voice as a response mechanism and the appropriate response depends on the situation.

3.4.3 Dimensions of Exit, Voice, Loyalty and Neglect

Rusbult et al (1982) suggest that the responses to dissatisfaction differ along two dimensions. A basic representation of these dimensions and their corresponding responses can be found in table 3.2.

Firstly, they identify a constructive/destructive dimension. Constructive responses are voice and loyalty, while exit and neglect are destructive responses. Voice and loyalty are regarded as constructive because they will be activated to maintain and re-establish the harmony of the relationship. Exit and neglect on the other hand, are considered destructive as they seek to disable the relationship. This constructive/destructive dichotomy refers to the impact on the relationship and not on the individual (Rusbult et al 1998). However, Rusbult, Johnson and Marrow (1986) suggest that the four responses (exit, loyalty, voice, neglect) within the constructive/destructive dimension can be equally constructive/destructive.

In a later study, Rusbult et al (1988) evaluate constructiveness/destructiveness dimension in terms of the sources of dissatisfaction in a relationship. Where prior satisfaction levels are high, constructive responses should be preferred and destructive responses avoided (Rusbult, Johnson and Marrow 1986). This theory has been widely supported in the social psychology literature (Rusbult et al 1982, Billings 1979), the employee literature (Spencer 1986, Mobley et al 1979, Porter and Steers 1973), the union literature (Iverson and Kuruvilla 1995) and marketing literature (Ping 1993,
Stewart 1998). However within the marketing literature studies have also shown that prior satisfaction does not affect intentions to exit, and even though exiting consumers can have high levels of satisfaction, they may exit regardless (Reichheld 1996, Stewart 1998, Keaveney 1995).

**Table 3-2 Dimension of Exit, Voice, Loyalty and Neglect.**

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Constructive</th>
<th>Destructive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td>Voice</td>
<td>Exit</td>
</tr>
<tr>
<td>Passivity</td>
<td>Loyalty</td>
<td>Neglect</td>
</tr>
</tbody>
</table>

Along the second dimension of *activity/passivity*, exit and voice are considered to be active responses, while neglect and loyalty are considered passive behaviours. Stewart and Colgate (1997) in a retail banking study highlight that consumers who display greater levels of dissatisfaction are less likely to recommend their bank to friends and family. This suggests that in the absence of satisfaction and in the presence of high exit barriers consumers will advocate the use of voice but in a negative manner, therefore actually making it destructive (Farrell 1983).

The following section turns to interpersonal relationship theory in an attempt to identify a behavioural explanation for individuals deciding not to exit, particularly when disenchanted. It is concerned with the process of non-exit and inaction rather than exit itself and attends to the experience of individuals engaged in such a process.

**3.5 Disaffect as an alternative response to problem relationships**

Within the field of interpersonal relationships, disaffect represents an emotional detachment and estrangement from a partner after which indifference and apathy develops. However crucially it does not signal the end of the relationship.
Kayser and Rao (2006) who are the main proponents of this theory, suggest that as disaffect develops within the relationship positive associations are replaced by a detachment. This evolving emotional disconnect means that the disaffected partner tries to have neither positive nor negative views of the relationship but rather chooses to exist in a state of apathy.

While disaffect may result from dissatisfaction within the relationship, in contrast to marketing theory, interpersonal theory draws a distinction between the two. A relationship which is disaffected involves an emotional detachment while a dissatisfied relationship represents low levels of happiness. Both emotional states can be viewed as interconnected whereby one can indicate the presence of the other. Because of this, people in disaffected relationships are likely to experience dissatisfaction.

Unlike the evolving apathy and indifference associated with disaffect, dissatisfaction is considered to be transitory and temporary and so can be accompanied by intermittent feelings of love (Kayser and Rao 2006). So for instance, an individual may be unhappy with their partner after a particular incident, but they can still love that person and once the dissatisfaction has abated, the relationship can return to an amicable state. This is akin to what Sbarra (2006) calls “sadness recovery” (see chapter four). Because dissatisfaction is temporary and dwindles after a specific outcome (positive or negative) has been achieved, it does not necessarily generate long term feelings of disharmony. So for instance in a consumer context, a person can be dissatisfied with a service provider but may still acknowledge those aspects of the service that benefit them and merit praise such as the service staff or quality of the product. So exit may never materialise as a viable option, when one is dissatisfied.

This suggests that feelings of disaffection may be more enduring and are likely to
replace dissatisfaction where the outcome is repeatedly unsatisfactory or where resolution is unacceptable. Such cases then might offer a tangible explanation for low-quality consumer relationships that endure.

While it is generally agreed that low levels of dissatisfaction contribute to healthy and committed relationships (Rusbult and Buunk 1993), chapter two highlighted that being satisfied does not always equate to more secure and profitable customers (Storbacka et al 1994, Ranaweera and Neely 2003, Egan 2008). This interpersonal conceptualisation of dissatisfaction/disaffection may explain why so many consumer studies show that dissatisfaction is not a good predictor of intent to exit (Richeld and Sasser 1990, Jones and Sasser 1995, Keiningham et al 2005). It may be the case that this type of consumer is disaffected rather than just dissatisfied.

Gummesson (2008) is conscious of the problem of consumer relationships which endure when dissatisfied when he refers to enduring relationships with dissatisfied consumers. So such as a situation is known. However, the behaviour which permits such a relationship to function and continue is inadequately defined, unless the suggestion is that the consumer is in a perpetual state of dissatisfaction. While it has been suggested that inertia is an explanation for such behaviour (Garland and Gendall 2004), this is theoretically unhelpful as the explanation is typically inverted. For instance, Egan (2008) argues that inertia is an antecedent to dissatisfaction rather than its outcome. This understanding is unhelpful and a more comprehensive explanation other than the dissatisfaction association seems to be required.

According to the interpersonal literature, while the two concepts are related, dissatisfaction and disaffection actually represent very different attitudes. They denote different qualities of a relationship and so produce very different behavioural signatures
regarding how it is maintained (Kayser and Rao 2006, p. 202). The authors also point out that because of the behaviour involved, many low quality disaffected relationships continue to function over many years and, while challenging for the relationship, may never result in actual dissolution.

Similarities are evident here between Gummesson’s (2008) R 9 (the relationship with a dissatisfied customer) and R 10 the monopoly relationship where he sees consumers becoming captive within the exchange. Inertia is often regarded as a signature of these types of market based relationships (Godson 2009). This idea of a consumer relationship which can exist in a state of emotional indifference is what most relationship marketing theorists recognise as relationship inertia, yet it remains poorly defined or understood (see chapter four for a comprehensive overview). However, disaffect in personal relationships may offer illumination to this quirk of consumer relationships and so it now will be examined.

3.5.1 The Development of Disaffected Relationships

Kayser and Rao (2006 p 205) outline a model which shows how disaffected personal relationships develop over time. It is based on depth interviews with participants who perceived themselves to be disaffected in their marriages. The selection of individuals and the determination of their level of disaffect was based on Kersten’s (1990) Marital Disaffection Scale (MDS) and on previous studies by Kayser (1993). Participants outlined various factors which turned their relationship to one of disaffect. These included levels of control within the relationship, unilateral decision making, lack of consideration, lack of responsibility, breakdown of relational trust and inequality. Like

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10 Gummesson (2008) incorporates Hirschman’s (1970) model to demonstrate the strategies individuals have to cope with dissatisfactory situations. R 10 is referred to a ‘Power Relationship’ and R9 is a subset of this by consequence.
the dissolution process, turning points typically resulted from a stressful event which caused a reassessment of the relationship and as a result the participants considered themselves to be disaffected. Parallels can be drawn here with the dissolution stressors identified in section 3.1.

Much of this research is based on traditional models of deterioration within interpersonal relationships. Models such as the work of Huston and Houts (1998, 2000) focus on relationship disillusionment and particularly emphasise the influence of personality, anxiety and sociology on relationship deterioration. While these factors provide little application for developing a potential theory of disaffection in a consumer context, the development stages of Kayser and Rao are insightful and shed light on a possible route to understand the consumer situation. These stages are discussed in the following section.

It is important to compare these stages in the context of the developmental stages of a marketing relationship as outlined in chapter one and in particular the dissolution process discussed in the present chapter (section 3.1). *Disaffection can be understood as an alternate outcome after the dissolution process has been completed but where exit is not the eventual outcome.* One particular strength of such an approach is that unlike the traditional process models which are overly positive, Kayser and Rao show how a negative trajectory might unfold. So it offers a thought provoking explanation for relationships which experience negative attitudinal changes but remain behaviourally consistent.

### 3.5.2 Disaffected Relationship Model

Kayser and Rao outlined a number of specific stages relevant to the emergence of an apathetic relationship. These phases can be viewed in the context of the maintenance of
a relationship and so would be most relevant to where it has reached maturity.

### 3.5.2.1 Phase 1: Disillusionment - Beginning Disappointments

During the first phase of disaffected relationships, individuals begin to feel disillusioned. Kayser and Rao describe these feelings as disappointment because the relationship had not delivered on expectations. Because of this, individuals may believe they have been tricked into the relationship with false promises. According to Felmlee (1995), attraction plays a significant part in initiating relationships and these positive relationship attributes are reassessed at intervals after the relationship progresses. If they are not meeting expectations, then the first step to disaffect may be taken.

Feelings associated with this phase tend to be disappointment and disenchantment where individuals are conscious that the relationship is not progressing as anticipated and so begin to question their decision to remain involved with their partner. The model suggests that individuals will try to improve the situation, either by making changes to themselves or by working harder on the relationship.

This kind of behaviour is similar to Parasuraman, Zeithaml and Berry’s (1988) Service Quality/Disconfirmation Model within the services marketing literature\(^\text{11}\) where the quality of the relationship is assessed by comparing the expected/desired service level and actual/adequate service performance. When the actual performance is lower than the level of service that is expected, the consumer has a negative confirmation of experience. In consumer terms, this initial acknowledgement of a disappointment might mirror the interpersonal sphere and so it could signify the beginning of a disaffected...

consumer relationship. Parasuramann et al (1988) also argue that the more important the attribute the narrower the tolerance levels which is similar to the importance of core service failures to relationship outcomes as discussed in sections 3.1 and 3.2.

Kayser and Rao (2006), emphasis that this first disappointment does not necessarily signal that the relationship is disaffected. It merely suggests that there is a problem in the assessment of the relationship quality. Individuals are unlikely to consider terminating the relationship but rather will hope for improvement. Here we can see that disaffected relationships differ from the dissolution models discussed in section 3.1 which tend to view the initial awareness of a problem as the beginning of the dissolution process. Disaffect theory, on the other hand, argues that at this stage the individual is still hopeful that things will improve. While this stage is typified by silence and denial, individuals might seek solace in conversations with their family and friends. This echoes the EVLN theory which suggests that when consumers are dissatisfied they will voice by way of complaints as a strategy. So evidence of a series of complaints might signal the possible emergence of disaffect within a consumer relationship.

### 3.5.2.2 Phase 2: Escalating Anger and Hurt

The feelings of disillusionment which began in phase one may develop into feelings of anger over time as individuals begin to feel hurt by the perception that they are being treated unfairly (Kayser and Rao 2006). Experience begins to reinforce those initial feelings of disappointment and from now on the expectation is that their partner will predictably behave in a negative manner. The effect is that individuals are even pleasantly surprised when their partner is considerate. Again in consumer relationships this could be compared to disconfirmation approaches theory. It also mirrors Samaha et al’s (2011) findings that perceptions of opportunism have a poisonous effect on
relationships. Berry and Parasuraman (1991) argue that if an experience is better than the customer expected and above the tolerance zone then they are pleasantly surprised and this might bolster and improve loyalty. This theory views tolerance as a broad state of existence rather than a pointed scale, therefore an individual may be quite tolerant within that state/zone with the effect being that any alteration in service quality has only a minimal impact on behaviour and attitude. Only if an experience exceeds the individuals accepted threshold will any impact be felt (Strandvik and Liljanders 1994).

The disaffect model further suggests that hurt can develop into feelings of anger with the individual feeling hostile and resentful towards the other party. Expectation of being disappointed does not mean that individuals will be less angry or less distressed if their fears are confirmed. In fact, the intensity of the anger actually increases over time.

Their study took a life-story approach to relationships and showed that there is a cumulative effect over time where one disappointment merely adds to previous disappointments and feelings of deep hurt accompany their anger. As anger increases negative thoughts begin to outweigh the positive ones and trust in the relationship begins to decline.

Unlike the disillusionment phase, individuals start to lose hope for the relationship and express themselves as falling out of love. They view the entire relationship as a sequence of events which has culminated in their current feelings of distress. In the beginning at the disappointments phase, it was easy to dismiss feelings of anger and hurt but now due to the accumulation of these negative issues, such feelings can no longer be buried. It is harder to forgive and forget - a factor that seriously undermines the entire relationship. As a result, apathy and lack of concern become more pronounced. Bohannan and Middleton (1968), in their study of the dissolution process,
describe this as “emotional divorce”, where partners become ambivalent toward each other and no longer share thoughts or feelings.

Because of the build-up of these feelings, participants focus on the negative traits of their partner with the result that these negative aspects now overshadow any positive actions that might occur. Similar to the beginnings of the relationship, the reward-cost ratio is assessed and they begin to keep a mental check list of issues such as finances, domestic dwelling, children, security and any costs associated with exit. The disaffected party begins to feel unimportant in the relationship and feels that he or she is losing out.

Within Relationship Marketing theory, costs versus rewards are assessed positively when the decision to initiate the relationship is taken and the traditional view is that once the relationship has been established the consumers need for ongoing cost-reward assessments diminish. In contrast, disaffected theory suggests that these costs and rewards are reassessed anew and in such circumstances the perceived barriers to ending the relationship might be the only factors that keep it intact.

At this stage the relationship may appear to be intact behaviourally, but attitudinally it must be readjusted to accommodate the decreased feelings of love and emotion. An individual will rationalise the decision to stay by putting their own needs and feelings first. They no longer submit to their partner’s demands and voice becomes the dominant factor in expressing dissatisfaction and asserting their desires. This does not mean termination will occur, as there is a new sense of vocal empowerment within the relationship. Rusbult, Zembrodt, and Gunn's (1982) who have written on EVLN (Exit, Voice, Loyalty and Neglect) in romantic relationships reinforce this idea. In simple terms, they conclude that individuals who are unhappy in their relationships can either exit or discuss the problems and attempt to resolve them.
Indeed the Kayser Rao model suggests that the most common strategy at this stage is that an individual experiencing disaffection will begin to confide in others. This is similar to Duck’s (1982) socialisation phase of dissolution. They attempt to gain support and affirmation for their feelings of neglect and while increasing anger eventually results in direct confrontation, it rarely results in exit.

### 3.5.2.3 Phase 3: Apathy and Ambivalence

Many of the early dissolution models in social psychology regard the process as a linear evolution where one stage is a preparation for a succeeding stage (Bohannan and Middleton 1968, Altman and Taylor 1973, Levinger 1976). Later models such as Duck (1982) reconsider this aspect of dissolution, noting that termination is only one potential outcome of the process. They realised that things may not inevitably result in a single downward spiral as continuance and reconciliation are other possible options to consider.

The option proposed in disaffect theory suggests that there is indeed another possibility – continuance providing that it is given in the absence of emotional attachment. They conclude that in the on-going relationship, emotional indifference takes effect. Participants in the Kayser and Rao study became ambivalent as they weighted up their options. At times they were hopeful, while at other times they saw no future in the relationship. Expressions of anger and feelings of hurt began to decrease while levels of apathy within the relationship increased significantly. Apathy in their view is having feelings of detachment from a partner with neither positive nor negative emotions being felt or expressed. Individuals are willing to remain in this state and appeared to have adequate reasons for doing so. For example, one fifth of the respondents in their study stated they had no intentions of ending their relationship due to their perception of
investments and sunk costs.

The remaining respondents had decided to leave the relationship. Unfortunately the study did not follow up on these expressed intentions to exit but some indicators suggest that not all intentions to leave resulted in termination of the relationship. This was because many of the respondents entered into counselling in an attempt to salvage their marriages.

This raises a very important issue regarding intention to exit and consequent inaction, which are discussed in chapter four.
Table 3-3 Marital Dissolution Process Adapted from Kayser and Rao (2006)

<table>
<thead>
<tr>
<th>Disaffection Phase</th>
<th>Feelings</th>
<th>Thoughts</th>
<th>Behaviour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1: Disillusionment</td>
<td>Disappointment, Disenchantment</td>
<td>Awareness that the relationship is not going as well as expected; doubts developing</td>
<td>Attempts to change oneself; tries harder to please, love, be more attractive.</td>
</tr>
<tr>
<td>Phase 2: Hurt</td>
<td>Feeling treated unfairly and abused; lonely.</td>
<td>Partner does not understand you; rewards and costs of relationship evaluated; awareness that emotional and social needs are not being met; unimportant.</td>
<td>Dissatisfactions are expressed to confidants; attempts made to try to change relationship or partners behaviour; reinforcement from others.</td>
</tr>
<tr>
<td>Phase 3: Anger</td>
<td>Resentment, hostility, indignation, bitterness</td>
<td>Awareness of accumulation of hurts over time; thoughts shift to blaming the partner, negative thoughts now outweigh positive ones; less trust of actions and motives.</td>
<td>Expressing feelings of hurt, anger, disappointment, disgust; confronting partner; avoiding partner to protect oneself from further hurt.</td>
</tr>
<tr>
<td>Phase 4: Ambivalence</td>
<td>Despair, hope, indecision, unresolved decisions</td>
<td>Thoughts about making it work along with giving up; evaluations of costs versus benefits, alternatives and investments.</td>
<td>Initiate counselling, assistance, confide in friends and family, look for alternatives.</td>
</tr>
<tr>
<td>Phase 5: Disaffection</td>
<td>Indifference, detached, alienated, apathetic.</td>
<td>Little desire to be emotionally close; believe partner cannot satisfy needs; changes made by partner now are too late.</td>
<td>Try to avoid contact; no desire for intimacy.</td>
</tr>
</tbody>
</table>
3.5.2.4 Phase 4: Disaffection

After the ambivalent phase, most individuals finally become disaffected. This means that they become indifferent towards their partner and by detaching themselves from the relationship enter a stage of apathy. 12

They no longer have much interest in developing closer emotional ties to their partner as they believe that their partner can no longer satisfy their relationship requirements. Furthermore, any attempts to improve the situation by their partner are dismissed as being too little too late (Kayser Rao 1995) and have no beneficial effect. Their behaviour now switches to avoidance of their partner and a wish to have limited contact with them. The relationship eventually devolves to the levels of formality that are required simply to maintain it. As previously discussed, this stage in the model is what Rusbult et al (1982) label Neglect.

It is important to reiterate at this point that disaffection is not the same as dissatisfaction however the two are closely related. Dissatisfaction suggests a low level of contentment with the relationship at a particular point in time and so the individual may still hold positive feelings for their partner. It is also a non-permanent state and can change with time. An individual can experience disaffection and dissatisfaction simultaneously within a relationship. Heaton & Albrecht (1991) refer to this as the Stable Unhappy Marriage.

In summary, the key issue is that marital dissolution does not necessarily end in actual exit. Other options are available; one of which is disaffect. Disaffection is merely an indication of feelings, it does not predict behaviour. And so, it allows a relationship to

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12 In interpersonal relationships intimacy and love have been cited as the principal indicators of successful relationships (Riehl-Emde, Volker and Willi, 2003). They are important indicators as they contribute to levels of marital disaffection which can lead to either a disaffected relationship or a marital termination. However these particular indicators are not suitable for consumer relationships.
successfully continue even when dissatisfied. Disaffect signals indifference in the relationship and suggests that while thoughts of termination can become more frequent it does not necessarily mean the relationship will end (Kersten 1990). The consumer relationship literature has yet to look beyond measuring dissatisfaction to measuring an alternate but complementary process such as disaffection or to understand the relationship between these two factors and the impact it might have on relationship quality.

Kayser and Rao (2006) point out that many low quality marriages can and do remain intact (p 202). They also suggest that disaffection can lead to instability within the relationship, increasing the propensity to end the relationship. However as it is merely an indicator of feelings toward a relationship and will not necessarily translate into action. Kayser (1993) proposes that these relationships can indeed recover and regain what was once lost (p. 13).

3.6 Conclusion

Consumer research relating to exiting processes remains quite limited. The existing models of dissolution/exiting are linear in their approach offering a generic and systematic process to relationship termination. The tendency is to describe exit from a simple beginning to end phase. Little consideration is given to any transition stages in the dissolution process i.e. how individuals move from one phase to another. This is also reflected in the fact that the focus of much of the research in the consumer arena seems to be directed towards the reasons for exiting rather than any examination of the process and the movement between stages. In addition, current research does not consider the process in the context of relationship specifics and that different relationship situations such as service contexts might have different trajectories for
exiting. Furthermore, research into relationships which have undergone a negative effect in attitudes but no corresponding behavioural change is extremely limited.

This chapter presents the interpersonal disaffection process as an alternative view to dissolution, acknowledging that the process of exit and termination is complicated by the behaviour of inaction and by the decision to remain in a relationship even if dissatisfied. Disaffection is therefore a behavioural alternative to exit once an individual has engaged in the dissolution process. This particular aspect of consumer relationships has been largely ignored; that there are other options other than exit and positive recovery available to consumers.

It is also important to note that these relationship exit models are retrospective. So studies evaluate the process based on narratives and quantitative measure after the process has occurred. No studies consider the process from the perspective of the individual as it is happening in real time. Because narratives tend to be embellished over time (Gabriel 2000) it is therefore likely that reports of the defection process may not necessarily reflect the event as it might have actually occurred. This suggests that a study is required which considers the stories of individuals who are considering exit.
Chapter 4: Exploring Consumer Inertia – where customers do not exit
4. Introduction

Consumer behaviour research now understands that the notion of consumers always consciously making rational decisions and choices is fundamentally flawed. Theory is now emphasising models of consumer behaviour which incorporate an unconscious dimension to decision making (Martin and Moric 2011). Such non-conscious consumption behaviour includes habit, ambivalence and in a consumer context, inertia (Odin, Odin and Valette-Florence 2001). However, little research has been conducted around the clear definition of these concepts in the field of marketing.

As whole industries such as the financial services sector have for many years consistently attributed high levels of retention or loyalty to the phenomenon of inertia (Godson 2009, Mintel 2007, Dawes and Swailes 1999), it is particularly relevant to the field of marketing and consumer relationships. However, according to Egan (2008) its importance as a factor in consumer relationship development and maintenance is underestimated. Unlike behaviours such as loyalty, little is actually known about inertia (Odin, Odin and Vallette-Florence 2001). Definitions remain limited and loose, its drivers are under-researched and measurement is almost non-existent. Furthermore, it shares characteristics that are similar to a number of other behaviours with the result that these terms are often used interchangeably when discussing consumer inaction. So overall, few attempts have focussed on a consumer’s consciousness regarding such matters.

Few studies are dedicated to developing a theoretical understanding of inertia in consumer settings for the following reasons;
a) Little theory relates to inertia in consumer relationship or service situations (White and Yanamandram 2004).  

b) Most existing literature relates to product marketing, where switching is simpler and many alternatives are available (Hallowell 1996, Egan 2008).

c) Few longitudinal studies have attempted to assess the development of the phenomenon.

d) The tendency is to confine inertia to habitual behaviour which is driven by a consumer desire to reduce mental effort in consumption situations (Bawa 1990, Lee and Cunningham 2001, Solomon 2002).

The reality is that consumers make decisions in the absence of any conscious thought most of the time to the point that by adulthood our scripted responses to consumption situations is well formed (Martin and Morich 2011). Inertia is often used as the only explanation for remaining in relationships. It is also often presented as a moderator of customer loyalty specifically in relation to its link with spurious loyalty as defined by Dick and Basu (1994). Much of the research in the loyalty arena focuses on this type of inertial loyalty (Gounaris and Stathakopoulos 2004, White and Yanamandram 2004). Others however warn against drawing direct associations between loyalty and inertia (Kim, Morris and Swait 2008, Ranaweera and Neely 2003).

Chapter four will therefore examine the concept of ‘inertia’ in consumer relationships and will explore its role in relationship maintenance. It will examine comparable concepts of a non-conscious character, such as unconscious consumption itself,

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13For a services context refer to Garling, Gamble and Juliusson (2008).
ambivalence, inaction inertia, habit and spurious loyalty. It will also consider the different types of inertia that have been identified in the literature and examine their role in the development of long term consumer relationships.

4.1 Understanding Inaction

Inaction is at the heart of these concepts and the central point of interest for this thesis is to grapple with the paradox that consumers who are dissatisfied, and even repeatedly dissatisfied, do not change their behaviour and actually exit. This is the converse of trying to solve the mystery of why seemingly satisfied customers do exit (Reichheld and Sasser 1990). Martin (2008) emphasises that marketplace success is built on becoming the unconscious and habitual choice of consumers and this is why companies which produce low quality products remain market dominant. It offers an explanation as to why 80 per cent of new products fail; they simply cannot penetrate the barrier of habit to achieve change.

Colgate, Nguyen and Lee (2003) refer to this as the “switching dilemma”. They argue that there are two possible outcomes to a customer’s desire to switch; one is that they actually exit and the other is inertia. The premise of their study is that at certain points in their lives many consumers become motivated to switch from their provider, but for some reason decide not to.

At this point the customer may evaluate the costs of leaving versus the costs of remaining, as has been discussed in chapter three. They present the following model of the switching dilemma.

The study identifies many reasons for deciding to remain with a provider rather than to exit and each is discussed below.

One of the main reasons for inaction is **Confidence** which encourages continuance because an individual feels reassured and such confidence is based on levels of satisfaction, trust, comfort and familiarity. Even if a customer is not completely happy with their provider, they were likely to remain unless a serious incident was to occur. This fits with much of the thinking regarding dissolution theory as discussed previously in chapter three. The model further highlights **Inertia** as an important reason for staying. This represents the hassle and problems that an individual perceives they will encounter on exiting. So it simply refers to the effort required to exit. Perceptions of **Alternatives**, as one would expect, also act as significant barriers to exit. The fourth category identified was the feeling of being “**locked in**”. Customers highlighted two reasons for remaining in these circumstances. Firstly, they felt they would lose future benefits if they left, while secondly, they appreciated the potential disruption that a switch may cause. As disruptions also contribute to the hassle reported in the Inertia category some theoretical overlap occurs here. **Social Bonds** developed with staff and a good **Service Recovery** also prevent switching but they act as moderators in the relationship. Finally,
and uniquely they identify *Emotional bonds* as a significant factor in the decision to remain. These refer to the negative feelings and emotions that individuals believe they may experience if they were to actually leave.

While these findings are in line with the existing theory discussed earlier in chapters two and three and perhaps mark a step forward in understanding why consumers do not exit, no explanation of the behavioural mechanisms which allow this process to occur is offered. In addition, no real theoretical explanation of ‘inertia’ is provided. It is simply regarded as some form of hassle and therefore is considered as a negative barrier to exit rather than a behavioural state. Furthermore, little attention is given as to how the relationship might progress after the decision to remain rather than exit is made. This is disappointing, given that the authors stress the need for research on inaction theory comparable to that which is available on exiting behaviour.

Colgate *et al* (2007) developed the research advocated by Colgate, Nguyen and Lee (2003) and draw many of the same conclusions. Arguing that understanding the exiting process is only possible by also understanding why customers do not exit, they identify the presence or absence of critical incidents as the single most important factor in the consumers’ decision on which way to go. Barriers, they surmise are key to retaining customers but only tell half the story, because what they refer to as affirmatory factors (confidence, social bonds and service recovery) are also significant. Overall, their research confirms the gap in understanding regarding both sides of the switching process, particularly the decision *not to switch*.

As non-exit is the key focus of the current research, the following sections consider those consumer behaviours which may allow a dissatisfied individual to remain in a long term relationship after they had contemplated exiting. Starting with inertia, the
chapter will then discuss the other types of behaviour that have similar behavioural patterns, even though their motivation may differ.

4.2 What is Inertia?

Inertia represents a resistance to change or a refusal to avail of opportunities elsewhere. It is typified by apathetic behaviour, a reluctance to switch or in some instances, an inability to act on the desire to switch.

Su (2009) argues that consumers exhibit inert behaviour when they have developed a “bias to delay purchases” (p. 365). This means that consumers will wait, even when it might be preferable for them to act immediately. However the present study is not interested in inertia regarding one’s entry into a relationship, but inertia relating to one’s non-exit from the relationship. Its aim is to understand the reluctance to exit rather than any reluctance to enter relationships.

Like disaffected behaviour (see chapter three), inertia over time leads to a detachment from the relationship but without actual termination. It engenders relational inactivity where individuals become emotionally removed and unresponsive to shortcomings in the relationship. This creates a reluctance to exit that is difficult to break, even if better opportunities might be gained by so doing. So inertia is then considered as an antecedent factor to other exchange constructs such as retention (Sheth and Parvatiyar 1995) or satisfaction (Egan 2008) which help maintain the relationship.

Within the literature inertia is discussed in three ways, each driven by its own strategy and motivation. The first view suggests that consumers adopt inertia as a strategy to maintain the status quo in a relationship and that eventually strong loyalty can develop (Sheth and Parvityar 2000, McMahon 1996, Daniel 1999). In this case, inertia is viewed
as a behaviour which over time can lead to a more committed relationship. For instance, Wu (2011) concludes that commitment is much more important than duration and argues that as the number of marketplace alternatives increases, inertia can be broken regardless of the length of the relationship. But, if the stability of inertia is built on strong levels of commitment, it will not be affected even if the number of alternatives increases. Inertia functioning with high levels of commitment is stable and can easily translate into affect-based loyalty. Inertia based solely on the duration of the relationship will become more unstable as marketplaces tend to become more competitive. So this view of inertia is decidedly positive as it related to commitment and loyalty.

A second view is that inertia is driven by negative sentiment. It is seen as a behavioural outcome of a troubled or dysfunctional relationship which operates by “locking-in” consumers who then are likely to regard themselves as hostages to the relationship (Colwell and Hogarth-Scott 2004, Fishman and Rob 2003, Dorsch, Carlson, Raymond and Ranson 2001, Jones & Sasser 1995). This perspective focuses on relationships which exist because of necessity rather than being enthusiastically pursued. People feel that they are captive and have no alternatives. So this view is particularly negative.

A third view of inertia is where the consumer is trying to manage many relationships at once and so will adopt inertia as a coping strategy (Fouriner et al 1998). Shugan (1980) views this type of routinisation or habitual behaviour as a mechanism to reduce the cost of thinking. In this way inertia allows the relationship to continue successfully without having to pledge any conscious loyalty (Engel, Blackwell and Miniard, 1993). As a behaviour, it is often associated with a certain level of laziness and passivity as customers opt to maintain the current situation (Ye 2005). But such stability is only
possible if the relationship produces acceptable satisfaction (Storbacka et al 1994). In theory, it is only when these satisfaction boundaries or thresholds are overstepped that inertia as a strategy may fail and lead a customer to consider defection. However, as discussed in chapter three, being satisfied is neither sufficient as an indicator or as a guarantee that a consumer will remain (Egan 2008, Jones and Sasser 1995, Reiccheld and Sasser 1990, Oliver 1999). This fits with the view that that inertial consumers are somehow acting rationally (Su 2009). This third view is therefore pragmatic.

4.2.1 Types of Inertia

Ultimately being inert in a relationship is more complicated than just understanding the motivation that drives the behaviour as it may be multidimensional or can exist at different levels within a service/relationship context.

White and Yanamandram (2004) offer support for this view, suggesting that inert consumers are not a homogenous segment. Based on a quantitative study of banking they conclude that while some inert consumers are content to be inert, others are discontented, but do nothing and stay within the relationship regardless. They found three categories of inert consumers in their research:

1. **Happily Inert** consumers are aware of their inertia but are unconcerned and choose to remain with the provider even if they consider the situation to be less than ideal.

2. **Unwittingly Inert** are consumers who are not really conscious of their inert state or the fact that they appear to be loyal.

3. **Concerned Inert** consist of those consumers who are aware they are inert and feel that they should be moving their business elsewhere, but for various reasons, such as fear and poor alternatives, are unprepared to do so.
The Happily Inert and Unwittingly inert repurchase by habit and have acceptable levels of satisfaction or at least they have not had significant dissatisfaction to warrant a switch (Griffin and Lowenstein 2002). So, because they are adequately content and do not need to consider alternatives (McMullan and Gilmore 2003), they continue their usual behaviour. Repurchasing in this way simply reduces risk and saves time because they do not have to engage continuously in the consumer decision making process (Bloemer and Kasper 1994).

However, this does not imply that these consumers are loyal. There is a substantial difference between loyalty and inertia and this centres on the level of attachment. Inert consumers have low levels of emotional attachment to the brand but have high levels of repurchasing, while loyal consumers have high levels of attachment coupled with high repeat purchasing on their part (Griffin and Lowenstein 2002 p 22-23). So it is emotional attachment that marks the difference.

Concerned Inert consumers are largely discontent and so are in constant danger of defecting or being lured away by the competition. This group fits with Rowley and Dawes (2000) assessment that inertia represents a “no loyalty” state. According to their Attitude/Behaviour Matrix, inert consumers tend to repurchase even though they hold negative attitudes toward the brand.14 In such instances these consumers are ‘disenchanted’. Buttle and Burton (2001) share this opinion suggesting that inertia can cause consumers to repurchase repeatedly and remain with a service provider, even when dissatisfied.

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14 This is similar to the detachment process discussed in chapter three, where individuals can have a negative attitudinal shift towards a partner or brand but maintain consistent behaviour.
Consumers engaging in this type of behaviour are likely to continue to repurchase even whilst simultaneously holding negative attitudes towards the brand (Chintagunta and Horne 1996). Theory favours the argument that even though they engage in repurchasing, their negative attitudes make them quite inclined to exit if a better opportunity arises. They may be poised to leave, but continue to engage with the supplier nonetheless.

Corstjens and Lal (2000) take a different perspective on inertia by suggesting that consumers can be highly or lowly inert. Consumers with low levels of inertia are willing to switch for small differences in alternative offerings, such as price. Switching is therefore simplified for them by the low levels of habitual association they have formed with the brand. Moreover a recent study by Garling et al (2008) lends support to the argument that price can break through inertia and encourage exit, but in contrast to the Corstjens and Lal study, they found this to be relevant only where the price change is significant.

According to Corstjens and Lal, consumers with high levels of inertia have high levels of habit making them less likely to switch for a lower price or a more attractive offer. This finding is aligned with Bawa’s (1990) assertion that many inert consumers see no utility in switching and so remain consistently inert over time.

It should however be noted that the Corstjens and Lal investigation was product marketing based, specifically in retail stores which are typified by low switching barriers, making exit uncomplicated. So while this contribution is informative and insightful, service situations are more complex and may involve quite different motivations.
Furthermore, their identification of high and low levels of inertia implicitly suggests the possible existence of a continuum. It is arguable that this idea has been presented in the literature earlier with Bawa (1990) referring to states of “pure inertia” (p. 264). His study measured four different behaviours; “pure variety seeking”, “pure inertia”, a hybrid version of both these states and a complete absence of these states. He concludes that consumers routinely move between the two states. While the study did not specifically deal with the concept of inertia, a state of “pure inertia” does suggest other possible levels of inertia may also be present. So while an interesting addition to the theory of consumer behaviour, these arguments do not significantly advance our conceptualisation of inertia but rather generate further questions.

Yadav and Varadarajan (2005) proposed yet another view of inertia. In a departure from regarding inertia as a resistance to change, they consider inertia and the resistance to change to be distinct concepts. In their view inertia represents an *inability* to change (the negative viewpoint), while resistance to change indicates an *unwillingness* to change because people are relatively content (the positive viewpoint). They believe that inertia is forced on people, while resistance is a choice.

Garling *et al* (2008) chose to investigate inertia in a survey using fictitious market information to examine the factors inhibiting switching in the newly deregulated Swedish electricity market. Their conclusion was that what they label “switching inertia” can be counteracted by reducing loyalty, increasing available information and lowering of prices. They do not generalize these results to other markets and acknowledge that low involvement and loss aversion (see section 4.3) may play a part in driving inertia in this case.
In a departure from earlier thinking, Greenfield (2005) suggests that inertia represents the time lag between a consumer’s decision not to continue purchasing at a higher price and the time when they act on that decision. So his view is that inertia represents the period between making the decision and taking action or engaging in inaction. He does not view it as representing a particular ‘state’, i.e. happy, high or low, but rather as the mental ‘space’ in which individuals evaluate situations and make judgments. So it symbolises the interval or pause in decision making.

**Figure 4-2 Time and Inaction Greenfield (2005)**

The length of this interval between decision and action is influenced by the strength of brand loyalty. If a person is very loyal, then they will act quickly. No delay need occur while they weigh up the pros and cons of the case. An absence of loyalty on the other hand will mean that the gap between making a decision and taking action is lengthy as the consumer reconsiders their purchase intentions. This therefore also represents a conscious dimension to inertia.

The presence of a time lag is important as it provides a thinking period during which the exit decision can be reviewed. Perceived risk might then become a powerful force when the decision is reconsidered. Indeed, perceived risk has been identified as the most likely reasons for not switching to a competitor’s brand (Sheth 1981, Sheth and Ram 1987).

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15 Greenfield (2005) takes a macroeconomic perspective of inertia in the context of the individual.
4.2.2 The Inertia and Retention Link

One of the unresolved issues for consumer relationships is understanding why consumers do not exit either when they are dissatisfied or when they can gain better benefits elsewhere (Zeithmal, Bitner and Gremler 2006, Day 1984). This type of behaviour has a positive impact on retention figures but the motivations for remaining may be less that positive. Aldlaigan and Buttle (2005) highlight this pointing out that retail banks paradoxically enjoy high levels of retention even though they report low levels of customer satisfaction (see chapter one). So it is not unusual for consumers to be dissatisfied with a service provider but to remain all the same (Colgate and Lang 2001).

Ranaweera and Neely (2003) dispute this. In a large quantitative study of UK telephone users investigating the impact of price perceptions, quality perceptions, indifference and inertia on service provision, they found a direct link between perceptions of service quality, price and indifference on customer retention. However, they unexpectedly concluded that a linear relationship between high levels of inertia and retention does not exist. This they argue may be as a result of the unstable nature of inertia. They define inertia as a form of non-conscious consumption based on the approach of Huang and Yu (1999) (see section 4.2). What is interesting here is that the findings question the authenticity of the inertia/retention link and so they warn against relying on inertia as an explanation of retention given its poor state of conceptualization. In a later study, Yanamandram and White (2009) do suggest such a link and reinforce the unconscious component of inertia by defining it as a non-conscious form of retention involving passive engagement without affective loyalty.
Two issues are of relevance in the Ranaweera and Neely study. Firstly, it concludes that inertia has little effect on levels of retention. This contradicts studies by Zeithmal et al (2006) and White and Yanamandram (2004), who argue that inertia is a barrier to switching in consumer relationship and so increases retention. Ranaweera and Neely’s findings also show that customer indifference contributes positively to retention. The problem here of course is that consumer indifference may actually mean they are inert. The authors do acknowledge this possible “conceptual overlap” between inertia and switching costs particularly since their results do show a positive correlation between indifference and retention (p. 234). Unfortunately they offer little conceptualisation as to how this overlap may be present other than to highlight lack of consumer research in these areas.

Secondly, the Ranaweera and Neely initial hypothesis for inertia is based on intention to stay or repurchase rather than on actual retention figures. This is dangerous, as research indicates that consumers will and often do contradict their expressed intentions making any such assessments unreliable (Mintel 2006, Semon 2001).16

It then becomes clear that a basic understanding of how inertia behaves in consumer relationships is required. The following section will consider the drivers of inertia and their relevance to this study. The studies cited tend to be stand-alone pieces of research across a variety of different disciplines and to date little consensus has been reached on this matter. This highlights the fragmented nature of inertia theory as found in the marketing and consumer relationship literature.

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16 Support for this can be found in the social psychology literature which has shown that the mere possibility of exiting and being worse off as a result can make individuals stay in a relationship and contradict their stated intentions to leave (Sevdalis, Harvey and Yip 2006, Tykocinski and Pittman 1998).
4.3 The Factors Influencing the Development of Inertia within Relationships

The following table provides an overview of the many factors that encourage consumers to maintain a relationship through inertia.

Table 4-1 Theoretical Factors Influencing the Development of Inertia in Consumer Relationships

<table>
<thead>
<tr>
<th>Authors</th>
<th>Drivers of Inertia</th>
<th>Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheth and Parvatiyar (2000), Solmon (2002), Solomon, Bambossy and Askegaard (2002), Assael (1998)</td>
<td>Low involvement Low motivation</td>
<td>Inertia based on a lack of interest or a lack of stimulation to make a switch or consider alternatives, building resistance to change.</td>
</tr>
<tr>
<td>Battaharya and Bolton (2000), Stanley, Rhodes and Markmann (2006), Yanamandram (2004), Colgate and Lang (2001)</td>
<td>Barriers and constraints</td>
<td>Inertia is due to inability to exit. Restrictions such as contractual obligations, the poor availability of alternatives and exit costs inhibit switching. Assessment is that exit is difficult.</td>
</tr>
<tr>
<td>Donaldson and O'Toole (2007), Egan (2004, 2008)</td>
<td>Adequate Satisfaction</td>
<td>Inertia will develop in relationships where there are adequate levels of satisfaction. The presence of inertia is considered as evidence of satisfaction.</td>
</tr>
</tbody>
</table>

The reader will note that many of these drivers are the same as those discussed in Chapter two in the context of consumer relationships.

4.3.1. Driver 1: Low Motivation and Low Levels of Involvement

One common approach to inertia is that it arises either from low motivation to change or from low involvement with the product category. Sheth and Parvatiyar (2000), while
not explicitly identifying different kinds of inertia, reinforce this view by suggesting that inertia can develop for two specific reasons;

Firstly, consumers can have a low motivation to switch and so are not stimulated to consider alternatives. They are therefore inclined to continue their relationships (p 177). This idea has always been widely supported in the literature (see Solomon 2002, Solomon, Bambossy and Askegaard 2002 and Assael 1998) and is based on the belief that consumers have formed habitual purchase patterns and so repurchase effortlessly, thereby lacking any motivation to consider alternatives. The routinisation of behaviour eventually builds a high resistance to change as the habit becomes embedded, reinforcing apathy.

The second of Sheth and Parvatiyar explanations for inertia is based on level of product involvement. Low levels of involvement increase the tendency to behave apathetically with consumers giving some products little or no attention. The tendency to behave apathetically may in turn have a direct influence on the low motivation to switch and so both Sheth and Parvatiyar’s suggested drivers may be inextricably linked to low involvement products.

4.3.2 Driver 2: Bonds and Barriers

Another common view suggests that inertia develops because of constraints and barriers which increase the effort perceived to be required to end the relationship, thus making exit less likely (Zeithmal et al 2006, White and Yanamandram 2004). The main constraints are the costs involved in switching from one supplier to another (Heide and Weiss 1995) and are typified mainly by both financial costs (Johnson, Bellman and Lohse 2003) and search costs (Murray and Häubl 2003).
Bhattacharya and Bolton (2000) agree that consumers will be more inclined to continue in relationships when other switching costs and risks are perceived to be high. Constraints in this guise take the form of cognitive costs (Payne, Betteman and Johnson 1993) and Johnson et al (2003) refer to this phenomenon as “cognitive lock-in”. Murray and Häubl (2007) further argue that habit itself (rather than habitual actions which denote elements of non-consciousness), and in particular skill-based habits, can act as additional psychological constraints. So switching barriers involve both the mental assessment of the time and effort required to make the switch and the actual constraints which act to prevent the switch or make it difficult (Danesh, Nasab and Ling 2012).

This argument is also supported from a social psychology perspective where inertia is regarded as a negative force in relationships because continuance is based on bonds (Stanley, Rhoades and Markmann 2006). This is described in similar terms from a marketing perspective by White and Yanamandram (2004). People either feel that there is great difficulty is exiting or they feel “locked in”. So if perceived or actual switching barriers are high, the consequence is that retention of suppliers will also be high, but at the cost of having consumers that are not satisfied (Danesh et al 2012). This is a negative form of inertia as these customers are likely to be quite disenchanted.

Looking at this issue from a slightly different perspective, research conducted by Wang (2010) concludes that even where perceived value is low and corporate image poor but the switching costs are high, consumers will still remain with a provider.

Such a state clearly points to a research gap. The question arising from this discussion of bonds is: What cognitive mechanisms might allow relationships to continue under such circumstances?
4.3.3 Driver 3: Satisfaction

A third reason for the widespread maintenance of inert relationships may be adequate satisfaction. Donaldson and O’Toole (2007) argue that inertia requires that the level of satisfaction is at least at an acceptable level and Egan (2008) takes this notion further by suggesting that inertia actually is a type of satisfaction.

More recently, the retention/satisfaction link has become decidedly more multi-faceted. While it has always been regarded as a necessary component of successful exchanges and relationships and as an influencer on higher retention levels (Fornell 1992, Ranawerra and Prabhu 2003), others question this association. For instance, Fournier and Mick (1999) have a different view and see it as a form of resignation and as a passive submission to the restrictions of the relationship. In this context, it represents an acceptance or a tolerance of a situation as merely being satisfied because nothing sufficiently negative has occurred to warrant termination. This particular view is also supported by Assael (1998).

4.3.4 Driver 4: Simplification of Consumption Experience

There has always been an argument that inertia is positive because it allows customers to minimise the cost of thinking (Shugan 1980, Corstjens and Lal 2000). So it is a coping mechanism which operates through routinising behaviour (Fournier et al 1998, Shugan 1980). It allows consumers continue in relationships where they do not have to engage on an emotional level. When engaged in this process, consumers simply like to avoid having to make any new decisions (White and Yanamandram 2004) and also do not want to become involved in learning the new procedures and processes that may be required when switching (Pitta, Franzak and Fowler 2006). So repurchasing may be based on habit with little or no emotional involvement. Individuals in this situation may
not feel strong commitment to the provider as they are not engaged mentally (Huang and Yu 1999). If such inertia is taken to be a spurious form of loyalty as discussed by Dick and Basu (1994), then it is a passive act because elements of non-conscious consumption are included (see section 4.4.1).

It is fair to assume that if consumers are inert because they do not want to ‘think’ about their relationship, then they are at greater risk of exiting that relationship should an opportunity break through their consciousness and present itself. However, in contrast, it has also been suggested that this type of behaviour helps maintain loyalty (Vogle, Evanschitzky and Ramaseshan 2008) and reduces thoughts of switching (Wu 2011). A moderator of this process has to be adequate levels of satisfaction (Storbacka et al 1994), without which the relationship would be in distress.

In conclusion, the drivers outlined in table 4.1 suggest that the development of inertia can be influenced by a number of factors. Some are based on motivations, others arise through restrictions, while yet more are based on the need to have a simplified decision-making process (McMullan and Gilmore 2003, Seetharaman and Chintagunta 1998, Colgate and Lang 2001).

4.4 Seeking a Theory of Inertia

A key requirement to understanding inaction in consumer relationships is the disentanglement of inertia from similar yet different concepts such as unconscious consumption, ambivalent consumption, inaction inertia, spurious loyalty and habitual behaviour. These concepts share theoretical similarities and so overlap to such a degree that it is sometimes difficult to establish any notable conceptual divergence between them. Because of this they are often used interchangeably in marketing to discuss consumer inaction. However, they have quite differing theoretical foundations.
The following section will overview existing concepts which attempt to explain inaction. It will outline various mechanisms of inert behaviour and highlight its complexities in consumer exchanges. It will cover a number of cross-discipline theories to highlight the lack of consistency in our understanding of how inertia operates in a marketing context. The evaluations presented will show that no theoretical consistency exists at present.

A brief synopsis of the concepts is provided below in Table 4.2. What is of note is that while the motivation for each concept differs, the behaviour (on-going or continuous purchasing) is the same.

Table 4-2 A Comparison of Inertia Related Concepts

<table>
<thead>
<tr>
<th>Theory</th>
<th>Definition</th>
<th>Behaviour</th>
<th>Signature</th>
<th>Motivations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Conscious Consumption</strong></td>
<td>An unawareness of external marketing efforts and their effects on repurchasing</td>
<td>Learned</td>
<td>Continuous Purchasing</td>
<td>Non conscious motivations</td>
</tr>
<tr>
<td><strong>Ambivalence</strong></td>
<td>Holding opposing views (i.e. satisfied and dissatisfied) resulting in an in between neutral state</td>
<td>Learned</td>
<td>Continuous Purchasing</td>
<td>Desire to avoid making choices; Minimise conflict</td>
</tr>
<tr>
<td><strong>Inaction Inertia</strong></td>
<td>An evaluation of the consequences of a decision on levels of anticipated/experienced regret</td>
<td>Post Evaluative</td>
<td>Continuous Purchasing</td>
<td>Minimise regret; Avoidance of negative feelings</td>
</tr>
<tr>
<td><strong>Habitual Repurchasing</strong></td>
<td>Repeat purchasing based on routine</td>
<td>Long term cognitive behaviour</td>
<td>Continuous Purchasing</td>
<td>Simplify decision making; Reduce cognitive effort</td>
</tr>
<tr>
<td><strong>Spurious Loyalty</strong></td>
<td>Holding low relative attitude to a brand with high repeat purchasing</td>
<td>Subject to subjective norms</td>
<td>Continuous Repurchasing</td>
<td>High Exit Costs; Convenience; Familiarity; Alternatives</td>
</tr>
</tbody>
</table>
4.4.1 Non-Conscious Consumption

Non-conscious or unconscious consumption is important in order to understand the nature of inertia and the aim of this section is to explore this state.

Freud’s contribution to non-conscious behaviour was to highlight the unconscious component of the human mind and to show the importance of psychological defence mechanisms, such as denial and repression (Kandel 2007, p 55). He suggests that, in many instances, humans are unaware of the reasoning behind their decisions and actions and so can often act in direct opposition to conscious thought. Dichter (1964) also drew attention to a similar mental process in his examination of purchasing and consuming behaviour. Non-conscious consumption is an unawareness of stimuli or their effects when engaged in purchasing or repurchasing. So this view emphasises that individuals can learn how to behave in particular consumption situations without being aware (Kirshnan and Trappey 1999).

In the movement away from the traditional view of the consumer as a rational being who actively makes consumption decisions, theory is now focusing on the importance of an influential unconscious thought process. This demonstrates an enormous need for a theoretical shift in how marketers view consumers (Martin and Morich 2011). Although consumption without conscious thought is now central to marketing theory, it still remains under researched.

According to Martin (2008), 95 per cent of all human thought occurs unconsciously and he holds that whether a business is in electronics, financial services or FMCG’s, it needs to realise that most of its consumers operate by means of unconscious habit. So the prudent course of action for managers is to reduce spending which hopes to influence the conscious mind, referred to as the executive mind, and to redirect that spending to
tap into the unconscious mind, known as the *habit mind*. The executive/habit mind is an evolutionary dual system which made it possible for humankind to hunt, breed, survive and create. In practice, the executive mind is limited and passes many tasks over to the habitual mind, thus freeing it up to perform higher order tasks. For instance, as you travel to work, the executive mind can transfer the task of driving the car over to the habitual mind, freeing up thoughts to consciously address other matters. This makes it invaluable as a foundation for creative and abstract thinking.

Huang and Yu (1999) propose a number of reasons why a distinction between consciousness and non-consciousness in consumer decision making is necessary:

1. Failing to make the distinction between the two can have serious consequences, as repurchasing without consciousness and commitment suggests the presence of inertia, while repurchasing with commitment and consciousness suggests loyalty.

2. This creates additional problems as loyalty and inertia have the same purchasing behaviour, i.e. repeat or ongoing purchasing, but the causes, attitudes and implications of that behaviour can differ greatly. Huang and Yu suggest that previous studies have incorrectly considered loyalty and inertia to be interrelated rather than viewing them as wholly separate constructs. This is also problematic as the motivation for being inert may be entirely different from that of being loyal.

White and Yanamandram (2004) agree with this approach, suggesting that where consumers do not switch when dissatisfied a non-conscious component is in operation. In their view, if consumers were consciously to engage with their negative situation, they would surely act rationally and make the decision to exit. They conclude therefore
that inert consumers do not exit simply because they consume without thinking. In other words, they are not fully engaged with the relationship to begin with and so they either ignore or simply miss the opportunities to exit. However, this frequently made conclusion may be an over simplification (see section 4.4.3 Inaction Inertia).

According to Wheatley and Wegner (2001) a consequence of this behaviour is that repeating the same action over and over again means that it becomes a default reaction and behavioural responses then become stereotyped. So, if consumers have come to realise over time that exiting is difficult, then their unconscious default behaviour renders any conscious action to exit very difficult to implement.

Again it should be noted that the majority of all research in this field and thus the work cited in this chapter, is based on product marketing. Very little research has been conducted from a services perspective although reference to a service context is sometimes made. This is an important feature which might conceivably give rise to different insights.

4.4.2 Ambivalence

Inertia is often associated with consumer ambivalence. But this association tends to be made in the absence of a true understanding of what ambivalence in marketing might mean. Wheeler and Jones (2006) define emotional ambivalence as the “simultaneous holding of contradictory, opposing or mutually exclusive opinions or feelings about an object, idea or situation” (p. 255). Furthermore, they state that where an alternative brand choice (i.e. an opportunity to switch) yields equal value to the consumer’s current brand choice, ambivalence will be high because no additional benefit is perceived from making the switch. So making the switch is less likely from a rational point of view (Priester and Petty 1996).
Ambivalence is also characterised by a detachment from the repurchasing decision indicating that it is an unemotional and unconscious response. If the Ranaweera and Neely (2003, p. 231) perspective of inertia as an “emotional response” is accepted, this suggests that there is a significant emotional difference between being inert and being ambivalent.

Ambivalence is a learned behaviour which manifests itself as apathy (Wheeler and Jones 2002). From a social psychological perspective, its development is thought to be slow and incremental (Stanley et al 2006). This denotes an element of duration and learning which is consistent with the formation of consumer relationships (as described in chapter two). It is therefore not unreasonable to suggest that long term relationships may actually breed ambivalence. Taking Richard’s (1996) view that ambivalence decreases commitment, then the subtext is that some long term relationships may actually erode commitment and trust. Such a condition has been identified in the channel literature in what Grayson and Ambler (1999) refer to as the “dark-side of relationships in marketing services”. Building on previous studies by Moorman et al (1992), their findings support the argument that some long-term relationships may actually have a negative impact on service usage and trust (p. 132).

Zemborain and Johar (2007) demonstrate that highly ambivalent individuals are more open to external persuasion than others because their feelings are neither strong nor weak. In this sense it can reduce levels of consumer commitment, but paradoxically its very presence means that taking action is less likely (Richards 1996). Furthermore they conclude that the higher the levels of ambivalence, the more prone an individual is to agree with the opinions of others. Their research raises the somewhat unexplored question as to what ambivalent consumers will do when they need to construct their
own judgments and opinions. Their findings seem to suggest that they will defer to the opinions of others rather than expend the energy required to form their own beliefs. If this is the case, then there is a strong social component to ambivalence.

According to Coupey, Irwin and Payne (1998) other variables such as the number of alternatives, the structure of the decision task and time factors are the main issues to be taken into account. Similarly, context variables such as the attractiveness of the alternatives, their similarities and their dominance affect the depth of ambivalence that is experienced (p. 459).

In short, the more ambivalent the consumer, the less likely they are to assess trade-offs, the more influenced they are by the behaviour and opinions of others and the less likely they are to switch. While it has been demonstrated that ambivalent people can be open to persuasion and are more willing to compromise than others, they are nonetheless slow to respond or at least they delay their actions (see Boeham 1989, Conner and Sparks 2002).

Because understanding this process is of relevance and would benefit consumer relationship theory, it warrants further research. Overall, it is clear that ambivalence has received scant attention in the consumer relationship literature and this neglect is regretted as it may in part constitute a tentative explanation as to why individuals do not actively engage in relationships.

4.4.3 Inaction Inertia

According to Van et al (2007), decisions are not made in a vacuum and previous decisions often result in similar future actions. So it is misguided to look at consumer
decision making without considering the “temporal embedment” of past decisions (p, 65).

Inaction Inertia is the behaviour where one declines to switch for a more attractive option. More specifically, it demonstrates how past inactions (for example a decision not to exit) may influence current motivations to exit (Tykocinski, Pittman and Tuttle 1995, Godson 2009). It focuses on the consequences of doing nothing; an issue that in the event turns out to be surprisingly complicated. Van Putten and his colleagues (2007) describe an initial missed opportunity to switch as Inaction while a second declined opportunity is characterised as Inertia. Therefore the concept of Inaction Inertia is best understood as a two tiered behaviour where inaction and inertia are actually separate concepts, although linked through time. If this perspective is taken, it lends credence to Greenfield’s idea of the temporality of inertia as discussed in section 4.1.2

Yet again, most of the theory in this field of research is product based where people consider the prices of tangibles over time. For instance, Tykocinski and Pittman (2001) use the example of a consumer who has turned down a ski pass of $40 being more likely to turn down a future offer of a ski pass at $90, even if this price is still $10 below the normal price (i.e. $100). This is because paying $90 will only remind the consumer that he or she could have originally purchased it for $40.

Much inaction inertia research suggests that regret is a significant contributor to the mechanics of inaction (Arkes, Kung, & Hutzel, 2002; Butler & Highhouse, 2000; Tykocinski & Pittman, 1998, 2001; Tykocinski et al 1995). According to Tyocinski and Pittman (2001), assessing previous “forgone opportunities trigger an unpleasant thought process … By rejecting the current action opportunity one is actually attempting to avoid experiencing regret” (p. 149). To avoid feeling such regret it is easier just to
decide simply not to make any purchase, even at a cheaper price. In doing so the consumer is averting any possible feelings of disappointment. So avoiding a switch arises from the desire to minimise regret.

Part of this process involves counter-fractional thoughts which represent ‘what if’ scenarios (Kahneman and Tversky, 1982; Roese and Olson, 1995, 1997), such as “if only I had had stopped at this shop last week, I might have obtained a 50 per cent discount”. These thoughts diverge from reality and represent events that might have taken place but did not. Refusing a later offer may merely represent the desire not to think about the “what if’s” connected with the first opportunity to switch.

Two regret-based theory explanations have been proposed to account for this inaction inertia. Firstly, individuals are thought to believe that purchasing an attractive item may lead to regret, if it will remind them of an original better opportunity they had previously declined. The alternative view suggests that the regret people experience when passing up a bargain results in a subjective devaluation of that item, which in turn leads to future inaction (Sevdalis, Harvey and Yip 2006). Central to both perspectives is the concept of minimising regret - whether it is anticipated or has been experienced.\(^{17}\)

Tykocinski and Pittman (2001) believe that consumers psychologically juxtapose current opportunities with those of the past and the comparison of the two scenarios may trigger the aforementioned “unpleasant thought process” (p. 149). Arkes et al (2002) concur with this view, espousing that inaction inertia is triggered in consumers who wish to avoid the recurrence of regret that has been experienced already. This is a

\(^{17}\) This is the ‘emotional’ view consumers pursue to avoid self-recrimination for poor past decisions (Tyocinski and Pittman 2001).
defence mechanism and is an easy choice where the decision not to purchase, even at a fairly cheap price, prevents any dwelling on missed opportunities of the past.\(^{18}\)

Studies have shown these feelings of regret can last for significant periods of time and apply both to actions that have occurred in the past as well as inactions (Patrick, Lancellotti and Mello 2003, Zeelenberg, van den Bos, van Dijk and Pieters, 2002). Therefore inaction can sometimes contribute to regret as much as it can help avoid regret. Consumers can regret what they have failed to do as well as regretting what they actually have done and these feelings can last long term (Landman 1993). This process is cyclical and consumers become more and more paralyzed by their past.\(^{19}\)

A theory of Loss Aversion also feeds into this process (Kahneman and Tversky 1979). If prospect theory is concerned with what gratifies human nature, then loss aversion argues that losses inflict greater psychological harm on the human psyche than gains (Jervis 2004). It suggests that potential losses through switching are weighed more heavily than any potential gains. This is central to the concept of inaction inertia and may explain why consumers do not always do what they say they will do, i.e. switch (Semon 2001).

The premise of prospect theory is that we do not always act rationally or follow a logical course of action, such as to change a dissatisfactory relationship for a better opportunity. This is because human nature places more value on a potential loss than a

\(^{18}\) An alternative view to the emotional consumer exists which regards inaction inertia as a contrast effect whereby consumers are simply being price sensitive (Jacoby and Olsen 1977). Indeed, research in to the effects of Inaction Inertia on the post promotional dip seems to lend credence to this view as repeated decreases in price results in a devaluation of the brand (Zeelenberg and van Putten 2005).

\(^{19}\) The field of Inaction Inertia is complex some of its considered influencers are; the time between the available offers (Kahneman and Tversky 1982), the attractiveness of the original offer (Tykocinski and Pittman 1998, 2001), the number of options present (Van Putten, Zeelenberg and Van Dijk 2008), the size of the discount (Zeelenberg and Van Putten 2005), the level of information presented, the number of steps required to obtain the opportunity (Van Putten, Zeelenberg and Van Dijk 2007), free gifts and mental accounting (Thaler 1985). This thesis does not suppose to consider all these factors but wishes to highlight the depth of research within the field.
possible gain (Kahneman and Tversky 1979) and because of this, the downside of a particular action holds more weight in our minds than the potential gains that might be achieved. This phenomenon is well known and has been credited as a major cause of reduced transactions occurring in the market place (Knetsch 1989).

To conclude, inaction inertia is an important force which highlights the influence of previous missed opportunities to exit on a future decision not to switch, even for more attractive alternatives.

**4.4.4 Habitual Repurchasing and Inert Behaviour**

Often habit or repeat purchasing is interchangeably labelled as inertia and vice versa. For instance, Campbell (1997) states that inertia is a form of repeat purchasing, based on situational cues, while Corstjens and Lal’ (2000) discussion of store loyalty suggests that inertia is characterised by the same repurchase as occurred previously (p, 283). Griffin (2002) uses the phrase ‘inertia loyalty’ where she describes inertia as being one of four types of loyalty based on habitual repurchasing. Similarly Solomon *et al* (2002) characterise inertia as a low involvement repurchasing decision based on habit entailing a low motivation to switch. They assert that consumers who repurchase the same brands consistently do so because of inertia “where a brand is bought out of habit” (p. 259). All of this conceptual overlapping is confusing and needs greater clarity.

It might be helpful to think of repeat buying as a key behaviour which may have a number of motivations. Habitual rebuying is just one of these and signifies repeat purchasing which is a result of mere routine. It is a cognitive process developed over an extended period of time due to repetitive buying situations. So, repeat purchase behaviour and habitual buying are closely tied. Within the loyalty literature, Sheth (1974) however uses “repeat purchasing” and “habitual buying” interchangeably and
this has contributed to amounts of confusion where some authors separate the constructs (Engle, Blackwell and Miniard 1993), while others discuss them as aspects of an overarching construct such as loyalty (Dick and Basu 1994, Griffin 2002).

The motivations for engaging in habitual repurchasing are threefold; to simplify decision making, to reduce cognitive effort and to avoid involvement. Habit also simplifies the decision making process and provides consumers with a much needed strategy to cope with their many transactions (Engel, Blackwell and Miniard 1990). As discussed in chapter two, consumers are overloaded with propositions to engage in relationships (Fournier and Yao 1997, Fournier, Dobscha, and Mick 1998) and so they need coping strategies to help them manage the many consumption situations they face (O’Shaughnessy 1992). Wright (2006) similarly holds that habituation will occur when individuals become over exposed to information. To cope with this, they erect mental defence mechanisms whereby they either reject or ignore additional information and this results in habit-forming repurchases (p. 134).

Repeat purchasing through habit is also very convenient as it reduces cognitive effort without involving the development of strong brand preferences (Hoyer 1984 p 824). Buying through habit saves time, effort and expense, decreases levels of risk and builds on the wisdom of past experiences (Assael 1992, O’Shaughnessy 1992). It represents a ‘rational consumer’ strategy for dealing with routine problem solving (O’Shaughnessy 1992, p 217).

In defence of this argument, research repeatedly shows that consumers will either avoid making any change or will revert to a previous purchase selection when a market is overloaded with choice (Dhar 1997, Tversky and Shefir 1992, Swait and Adamowicz 2001). Ultimately, they want to avoid complex decision making and so simply make

In the long term, the objective of habitual behaviour is not to deliberate over one’s decisions, but to make acceptable choices based on prior knowledge and experience. It limits the amount of cognitive effort required, thereby rendering the level of involvement quite low (Hoyer 1984) and frequent exposure to the product in question means that a pattern of behaviour can be learned without the consumer really having to get involved (Krugman 1965).

4.4.4.1 Distinguishing Between Inertia and Habitual Buying

Conceptual overlap between habit and inertia is obviously unavoidable given the identical behaviour that is exhibited. But despite their behavioural similarities, they have different motivations. The real difficulty in the existing literature has always been the ease with which these concepts tend to be interchanged. A focus on the real meaning of the concepts themselves is essential as is the necessity to disentangle them.

It may be that “habit” is something that can be easily broken, as it is present due to a desire to reduce cognitive effort and to help to simplify decision-making. So while Solomon et al (2002) refer to “inertia” as “habit”, it must be noted that they discuss it in a product orientated context where individuals are more prone to switch whenever more
attractive offers present themselves. Therefore they suggest that inertia as a habit is easy to break, simply by means of competitor promotions (p. 259).

This view is supported by Hoyer (1984) who states that ‘habitual and brand loyal consumers possess different motivations for the same behaviour (i.e. repeat purchasing), and any effort to change these behaviours would involve a different strategy, e.g. altering habit versus changing brand preference’ (p 824). But while he also suggests that repetitive buying has different causes and consequences depending on the motivation behind the behaviour, he does not make specific reference to ‘inertia’ in this discussion.

The view that habit/inert behaviour is easy to change is contradicted by Godson (2009) who suggests that consumers do not switch to more attractive offers simply because they do not bother to engage in search activities.

It should be noted that Solomon et al’s view has been challenged because they do not consider either the influence of industry institutionalisation and norms (Donaldson and O’Toole 2007) or the fact that many consumers operate within zones of tolerance which makes them indifferent to external influences (Yap and Sweeny 2007).

From the standpoint of inertia, Breivik, Rokkan, Lines and Larsen (1998) state that it is motivated by situational cues, such as familiarity or personal ties (1998 p 642). Amine (1998) takes a different approach and suggests that it is a 'habitual behaviour to reduce both mental (attributes comparison) and physical search efforts (1998 p 308).

Overall the position is unclear and distinctions between habit and inertia are blurred, making assessments of “inertia” difficult. Conclusions from the literature suggest that habit either has an inert-like component or is present as a consequence of being inert. In summary, habit can be said to incorporate elements of non-consciousness in so much as
unconsciousness is the mental process that permits habitual learning. But uniquely habit is preferred in low involvement situations and is a conscious consumer strategy to reduce cognitive effort. It is not the same as ambivalence, although arguably ambivalence can be present in that an individual can hold opposing views of a product/service. Nor does habit fit with situations where consumer repurchases are due to inaction inertia, which entails that they are conscious of possible regret.

The conclusion from all this literature is fairly unsatisfactory, because beyond stating that inertia and habit have different motivations, there is no clear distinction between the two concepts.

4.4.5 Spurious Loyalty and Inert Behaviour

Loyalty is regularly associated with inert behaviour, which is often referred to as a form of loyalty, but without commitment. While it appears that consumers are loyal, no emotional or affective link is involved. Jeuland (1979) for instance, states that inertia is a short-term type of loyalty. However, loyalty is generally thought to entail a degree of consciousness where the consumer actively decides to continue purchasing the same brand or to engage in a relationship (Chaney 1983). Loyal consumers also are expected to hold favourable attitudes and positive feelings toward the brand/relationship (Uncles, Dowling and Hammond 2003). So there is a clear distinction between the two concepts, as inertia is thought to lack both the element of consciousness and that of positive attachment. Solomon et al (2002) agree with this view and hold that the difference between “inertia”, which they believe to be a passive state and “loyalty”, is that loyal consumers are involved to some extent with the brand. They experience some level of emotional attachment to the brand, whereas inert consumers do not.
From a managerial perspective it is imperative for businesses to assess whether consumers are truly loyal, merely repeat purchasers or inert buyers. According to Godson (2009) repeat purchasing might be disguised as loyalty in situations where convenience in purchasing coincides with either a lack of choice, a lack of market information or ignorance (p. 102 – 103). This chapter and the preceding chapters have shown that under all such circumstances, inertia is likely to be given as the explanation for retention.

However, many different forms of loyalty exist and the relationship between retention, satisfaction and loyalty is not simple. It has been argued that loyalty might not be an effective indicator of intent to remain with a supplier and that many consumers may not want to engage in relationships where loyalty has to be pledged (Wright 2006). The problem with using the word “loyalty” is that it has a variety of meanings in the academic literature. Dick and Basu (1994) documented a detailed framework of customer loyalty where they considered four loyalty states based on the relational strength between relative attitude to purchase and behaviour or repeat purchasing. Relative attitude is based on the combined effects of three factors which contribute to the attachment:

1. Cognitive Antecedents which include accessibility, confidence, centrality and clarity.

2. Affective Antecedents which include emotions, feelings and mood states.

3. Conative Antecedents which include exit costs, sunken investments and the perceptions that people have regarding switching costs.

Both repurchase intentions and relative attitudes are also impacted upon by social norms and situational factors. In addition, a customer’s loyalty state will affect their motivation
to search, together with their resistance to counter-persuasion from either competition and/or word of mouth sources. So if a consumer is loyal (i.e, has high repeat purchasing behaviour and a high relative attitude), he or she will consequentially have low motivation to search for alternatives, be less open to competitive persuasion and will likely spread positive word of mouth messages. The reverse also holds true.

Rather than providing a full review of loyalty, this chapter has focussed on the single aspect of the Dick and Basu Matrix that is most comparable to inertial states, namely, their concept of “Spurious Loyalty”. Such a state describes an individual as having a low relative attitude and a lack of commitment to the purchasing situation, even though they have a high repeat purchase rate.

Adding to the confusion, “spuriously loyal” consumers may be subject to situational effects or subjective norms of the purchase situation (Ennew and Binks 1996, Stewart 1998, Assael 1992). This is because the assumption is that they tend to be dissatisfied and may have no other option but to remain in their current purchase arrangements (Egan 2008). This can occur either because exit costs are high or and they feel bound by the investments they have made. So it can be anticipated that spuriously loyal consumers may be constantly open to attractive competitive offers and have motivations to seek alternatives, even if exit costs operate to restrict their movement.

Spurious loyalty can also be linked to habitual decision making and is regarded as loyalty born of convenience and familiarity. It has been suggested that organisations seek to increase inertia as a strategic means of decreasing exit. While this is undoubtedly true, it may have the opposite effect and actually promote relationship development (Sheth and Parvatiyar 1995). However, in circumstances where situational
factors or the 'balance' of the relationship may change, then inert and spuriously loyal customers are likely to exit (Stewart 1998).

The relationship between inertia and loyalty is very difficult to define. On the one hand, inertia is said to prevent exit and to build loyalty. In contrast, it can also represent an intent to terminate a relationship under the right market conditions, such as more attractive prices. Such a complex relationship is not clearly understood by theory.

Studies which attempt to separate the concepts of loyalty and inertia are ‘almost nonexistent in the literature’ (Odin et al. 2001, p.78). Such an apparent lack of interest in differences between the two concepts may explain the relatively few conceptualisations of inertia within the marketing and buyer behaviour literature.

However in this academic literature, it is clear that loyalty and inertia remain closely associated as many loyalty researchers regard inert behaviour as some derivative of loyalty (Dick and Basu 1994, Rowely and Dawes 2000). Others have asserted that the two theories are in fact different (Odin et al. 2001). Indeed, one suggestion is that there is an inverse relationship between the two concepts (Anderson and Srinivasan 2003). So when inertia is high, loyalty will be consequentially low and vice versa.

The key elements distinguishing loyalty and inertia are choice and context. Within the loyalty literature, the possibility of choice is presumed so that, for example, in order to be loyal, one must have the opportunity to be disloyal (Jacoby and Kyner 1973).

Context is also relevant as it has been found consistently that loyalty is more likely to occur in service organisations, where higher costs are associated with switching (Zeithaml 1981). This may also be true of inertia. For instance, Bejou and Palmer (1998) report that ‘Individuals who remain loyal to a company after a long period of
time may be showing signs of inertia because the psychological and financial costs of switching suppliers is perceived as too high’ (p. 16).

4.5 Conclusion

In summary, this chapter has highlighted that contrary to the understanding of the term in relationship theory, inertia is not a single dimension construct. This has implications for industries such as banking, which consider inert consumers to be one homogenous segment. While evidence of inertia as a multi-dimensional construct has been reported in the product marketing arena, little exploration of the concept has been made in a service context.

The literature suggests that at one level inertia can be based on low motivations accompanied by acceptable levels of satisfaction. However this does not suggest that such consumers are loyal. The alternative perspective suggests that it is based on bonds and poor levels of alternatives and is often accompanied with a negative attitude toward the brand.

The chapter also reviewed a number of cross disciplinary theories which offer different perspectives on inertia as a behaviour. But none of these tentative explanations is totally satisfactory. “Unconscious behaviour” is one such theory where lack of awareness is the main explanation for inertia. Consumption is a non-conconscious act signifying detachment from any relationship. Inertia also may encompass elements of “inaction inertia”, which suggests that consumers may decline more attractive offers in order to minimise regret. Ambivalence highlights situations where the inability to make a choice freezes all activity. As the person cannot decide, he or she just does nothing. While habit and spurious loyalty also offer insights into inertia, these distinctions still remain blurred and poorly conceptualised.
The overall result is a fragmented understanding of inert behaviour, particularly within service relationships. This review exposes conflicting views regarding inert behaviour and highlights not only its complexity as a concept but also demonstrates the major gaps and lack of consensus that exist.

The following chapter will highlight the major gaps in understanding and identify the key research issues chosen for the study. It will also describe the methodology in some detail.
Chapter 5: Methodology
5. Introduction

This chapter contains the methodology for the study. Firstly it identifies gaps in existing theory and then outlines the research questions that guide the inquiry. The philosophy of research is then discussed, given its fundament importance in shaping the entire process. Thereafter, each element of the research design is described in some detail.

A narrative and storytelling approach was applied to explore the process of inaction in repeatedly dissatisfied consumer relationships. The inquiry approaches the issue from the perspective of the consumer (Pressey and Tzokas 2006). Methodologically, the study takes the view that we lead storied lives, existing within the boundaries of a storied landscape (Clandinin and Connelly 2000) and the method assumes that in our attempts to construct our world, we relay accounts of our social lives to others through shared stories of experience. It therefore takes the view that we create meaning through narration.

The financial service relationship was chosen as most the suitable context to gain insights as inert behaviour is commonly associated with the industry.

5.1 Purpose of the Inquiry

It has been widely acknowledged that what appears as loyalty in financial services is often just a misinterpretation of inertia or apathy (McMahon 1996, Godson 2009). As discussed in chapter one, a Mintel report (2006) highlighted the influence of inertia in financial relationship retention by stating that only 10% of Irish banking consumers had switched current accounts within a three year period. At the same time only 14% of those surveyed stated that they intended to remain with their provider into the future. More recently, inertia has been blamed for the very low switching rate (4%) amongst
Irish current account banking consumers (National Consumer Agency 2013).

These figures suggest two issues of note: (a) that consumers suffer from high levels of inaction and fail to follow through on intentions to exit and (b) there is a high level of latent dissatisfaction amongst consumers where they express the desire to switch but remain with their bank regardless.

Aldlaigan and Buttle (2005) support these viewpoints by demonstrating that retail banks frequently exhibit low levels of customer satisfaction while continuing to have high levels of retention. As suggested by Colgate et al (2003), it is fair to assume that at some point in the relationship some of these consumers considered exiting but did not follow through on these intentions.

In 2005 the Competition Authority of Ireland reported on a highly concentrated Irish financial services market with low levels of market entry and high levels of consumer inertia. In an attempt to encourage switching a number of recommendations were published, which favoured empowering consumers by improving the switching process. In light of the financial crisis that followed and the subsequent exit of foreign owned banks from Ireland it is true that these issues have not been adequately addressed and in fact have been exacerbated to the point that in February 2014 the Minister for Finance Michael Noonan, publically invited European banks into the Irish market. In a 2012 report on current account switching, the Competition Authority conceded that consumer switching between banks remains stubbornly low and that inertia is widespread in Irish banking. They concluded that this is mostly attributable to low levels of competition. Support for this assertion can be found in the TSB Switching Index by Amarach Consulting (2014) which identifies banking as the sphere of business having both the lowest levels of consumer exit and the lowest levels of overall satisfaction, highlighting
the paradox of retail financial relationships - poorly satisfied consumers who refrain from terminating their relationships.

From a theory perspective, chapters two to four highlight instances where even after repeated episodes of dissatisfaction, individuals decline to exit. Current theory tends to focus on completed exit from dissatisfactory relationships. It consistently fails to address situations where individuals may mentally engage in exit but fail to achieve it behaviourally.

This suggests a theoretical gap in understanding the paradox of relationships that experience repeated episodes of dissatisfaction which set individuals on a path to exit but which is never completed. This type of relationship suffers from consumer inaction, but the mechanisms which enable this behaviour are inadequately explored within the literature. Understanding how these relationships develop and how they are subsequently maintained is the primary focus of this study.

5.2 Elements of Enquiry: Research Philosophy

5.2.1 Research Paradigm: Social Constructionism

According to Chalmers (1992), a paradigm consists of the theoretical assumptions and techniques that a researcher applies to a variety of inquiry situations (p. 90). This study takes the view that reality is socially constructed and that meaning is created through social experience (Denzin and Lincoln 2003). As knowledge does not occur in a void, this paradigmatic choice will influence and frame the approach of this study.20 The inquiry does not seek verifiable proof, but rather looks to provide a useful understanding of inaction in consumer banking (Guba and Lincoln 1989). Nor does it

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20 Burell and Morgan (1979) refer to “meta-theoretical assumptions” which demonstrate the agenda and act as a frame of reference for the research (p. 23). Mertens (2010) discusses similar ideas but refers to them as metaphysical assumptions.
suppose that the social constructionist worldview is superior but rather sees it as a valid and useful path to understanding the nature of the banking world and the individual within it. The aim of the research is therefore to understand and reconstruct consumer experience concerning episodes of inaction and dissatisfaction.

Social Constructionism is part of the wider constructivist paradigm and often these two terms are used interchangeably. For the purposes of this chapter the constructivist paradigm will be referenced when relating to the paradigmatic positioning of social constructionism. The study distinguishes itself from other possible forms of constructivist thinking which view knowledge as being created individually (Young and Colin 2004). The perspective taken here is that individuals enhance their collective understanding by way of transmitted social knowledge and that this understanding takes place through language and other shared social habits. As such, banking experiences do not happen to individuals in isolation but in the context of others (family, friends, media).

Parker (1998) discusses the movement toward discourse and the turning away from investigating an individuals understanding but rather towards a “socially mediated and historically situated study of action and experience” (p. 1). Through this discourse social constructionism helps the researcher understand the individual’s motivations by investigating their social interplay with others. Language is a central component of this as it is the constant discourse between individuals in their social world that builds knowledge and understanding of their world. A banking discourse community allows individuals to interact with each other regarding banking matters, banking artefacts and banking ideas all of which help them to construct meaning.
'Everyday reality’ is ordered with structures and pre-organised procedures which exist externally to our understanding of them (Berger and Luckman1966). While banking procedures and structures may exist independently of individuals, those same individuals also interact with that reality and so reinforce and shape those structures through discourse. Therefore this inquiry is interested in participant beliefs, their understandings of these structures and procedures (Hackley 1999) and how interactions with other people shape and create banking knowledge (Burr 2003).

Furthermore, the study takes the perspective that individuals have many identities each of which is transmitted through discourse. Different identities will appear through different discourses, with some discourses being more dominant than others. How an individual behaves in one situation might contradict their behaviour in another. These discourses change and so constantly create and recreate social cognitive structures. Hopf (2002) suggests that identity is confined within those structures, while Burr (1995) goes so far as to purport that identity does not originate from within us, but externally from the social domain we inhabit. Individuals exist within banking structures and how they behave within that structure is mediated and reinforced through the discourse associated with it.

The research is ideally suited to this paradigm given the many social, technological, competitive and economic changes that have occurred in recent years within this industry. A complete understanding of the consumer banking relationship is simply not possible without a consideration of the wider debates taking place. Social constructionism helps provide the research with a richer analysis of experiences based on these sociological considerations (Jacobs, Kemeny and Manzi 2004).
In summary, by adopting a social constructionist stance the study takes the view that we place structures on our world by thinking of it in a particular way. So for instance, we believe in institutional facts, say for instance in banking processes, because we say they exist. The decision to remain with a bank rather than exit is influenced not only by the structural mechanisms of that relationship but also by the social forces which shape consumer knowledge of action or inaction within the banking industry. So the research seeks to understand the banking world from the perspective of those who live it (Schwandt 2000). It will attempt to understand this world by exploring how participants think about it, what structures they place on it and how these structures affect their action or inaction.

5.2.2 Paradigmatic Positioning and Social Constructionism

Guba and Lincoln (2005) discuss ‘interpretative paradigms’ and situate ‘constructivism’ within that framework. This is largely because of its relativist ontological stance on multiple realities and its subjectivist epistemology. Shankar and Patterson (2001) position ‘relativism’ within the interpretivist paradigm. However, they regard constructivism as an interpretivist epistemology, whereas Lincoln and Guba (1994) and Denzin and Lincoln (2005) afford it paradigmatic status. 21

Andrews (2012), on the other hand, argues for separation stating that while constructivism and hence social constructionism are rooted in the interpretivist approach by way of Mead’s symbolic interactionism, they are theoretically distinct paradigms. Mertens (2010) also makes reference to these blurred lines. Having previously combined social constructivism with interpretivism (Mertens 1998), she does

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21 Morgan (2007) highlights the difficulties present with the Guba and Lincoln approach which over the years has used the terms Naturalistic Inquiry, Constructivism and Interpretivism to represent the same or similar philosophies (p. 57).
not explicitly include the label interpretivism in her 2010 taxonomy and instead presents a slightly altered framework where it is likely that the interpretivist link is implicit. In her 2010 framework, constructivism is positioned as a core research paradigm as shown in Table 5.1 below where she identifies the main terminology used.22

**Table 5-1 Labels Commonly Associated with Research Paradigms (Martens 2010, p 8)**

<table>
<thead>
<tr>
<th>Postpositivism</th>
<th>Constructivist</th>
<th>Transformative</th>
<th>Pragmatic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experimental</td>
<td>Naturalistic</td>
<td>Critical theory</td>
<td>Mixed methods</td>
</tr>
<tr>
<td>Quasi-experimental</td>
<td>Phenomenological</td>
<td>Neo-Marxist</td>
<td>Mixed models</td>
</tr>
<tr>
<td>Correlational</td>
<td>Hermeneutic</td>
<td>Feminist theories</td>
<td>Participatory</td>
</tr>
<tr>
<td>Causal comparative</td>
<td>Symbolic interaction</td>
<td>Critical race theory</td>
<td></td>
</tr>
<tr>
<td>Comparative</td>
<td>Ethnographic</td>
<td>Freirean</td>
<td></td>
</tr>
<tr>
<td>Quantitative</td>
<td>Qualitative</td>
<td>Participatory</td>
<td></td>
</tr>
<tr>
<td>Randomized control trials</td>
<td>Participatory action research</td>
<td>Emancipatory</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Postcolonial/indigenous</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Queer theory</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Disability theories</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Action research</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mixed methods</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mixed models</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Participatory</td>
<td></td>
</tr>
</tbody>
</table>


To support the connection of interpretivism and the constructivist/social constructivist paradigm, Table 5.2 outlines Shankar and Patterson’s (2001) framework which addresses the development of interpretative consumer research. This study fits best with interpretative consumer research given its relativist ontological stance and epistemological assumptions but acknowledges the possibilities present in interpretative

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22 Mertens (2010) adopts Guba and Lincolns (1994) views on Postpositivism and Constructivism as she regards these as central paradigms in research. However, she digresses from their frameworks in columns two and three, opting to replace Guba and Lincoln’s Critical Theory et al with the more current views of the Transformative Paradigm. She also replaces her pervious use of the Emancipatory paradigm with the Pragmatic Paradigm to acknowledge its use in the field of mixed methods.
consumer research (researcher as storyteller, Hermeneutics) and Liminal Space (focus on discourse, language and resistance and the belief in multiple realities which are constructed through discourse).

Rather than engaging in the broader philosophical debates pertaining to constructivism, social constructivism and its grounding within Interpretivism, this study has taken the position that because of its reflexive nature, ontological views, emphasis on discourse and hermeneutic associations, social constructionism is naturally interpretative. The fundamental assumptions that underlie the methodological decisions made later in the chapter are that all meaning is interpretative (Burrell and Morgan 1979, Clegg and Slife 2009).23

23 This study acknowledges the Interpretive link to Social Constructionism and applies interpretative properties to events which have occurred during the lifetime of a participant’s financial relationship to consider how participants make sense of those events (Moran 2000). Szmigin and Carrigan (2001) and Crotty (1998) suggest links to Interpretivism by viewing consumer actions and the rules governing those actions as being part of the social world. Frameworks such as Popper’s (1972), Crotty’s (1998) and Saranaktos (2005) similarly place Social Construction methodologies within the Interpretivist perspective.
Table 5-2 An Interpretation of the Development of Interpretive Consumer Research (Shankar and Patterson 2001, p. 490)

<table>
<thead>
<tr>
<th>Phase</th>
<th>Contribution</th>
<th>Possible Limitations</th>
<th>Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICR1</td>
<td>Naturalistic Inquiry, Ethnography</td>
<td>Quasi-positivistic trustworthiness criteria</td>
<td>Keep Methodological focus on naturalistic inquiry, emergent design and purposive sampling. Rethink assessment criteria.</td>
</tr>
<tr>
<td>ICR3</td>
<td>Empirical contexts Interpretive ethnographies, Phenomenological interviewing, Hermeneutic circle</td>
<td>Researcher as a story teller, Non-naturalistic settings, Individualistic</td>
<td>Methodological pluralism</td>
</tr>
<tr>
<td>Liminal Space</td>
<td>Postmodern Perspectives: Contra-scientific, Relativistic Post-structural perspectives: Focus on language/discourse, power/ideology, conflict/resistance</td>
<td>Anti-empirical therefore little empirical support. Axiological implications</td>
<td>Linguistic construction of reality. There is no truth. Socio-historical construction if reality through language. Multiple competing claims to the truth.</td>
</tr>
<tr>
<td>ICR4</td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
</tbody>
</table>

5.2.3 Central Concepts in Social Constructionism

Berger and Luckmann (1991) present a number of central concepts in social constructivism that are of relevance to this study and these are briefly outlined below.

(1) **Objectivism** refers to the external objectivation of an individual’s subjective reality.

So for instance understanding the role of external/other life commitments (such as
putting food on the table and paying bills) play in an individual’s construction of their banking world is of central importance.

(2) *Institutionalisation* deals with various interactions of individuals in society and how they create meaning. These interactions create patterns in society which result in the normalisation and habitualisation of processes. This then affords people the freedom to engage in other more insightful life experiences and so create levels of institutionalisation within society. These actions then become understood in the context of ‘this is what we have always done’.

(3) *Legitimisation* refers to an individual’s social compliance with the normalised rules of engagement and aids institutionalisation. Berger and Luckmann argue that the significance and legitimisation of institutions can be evidenced in their ability to endure over time as for instance, the legitimisation of banking institutions and banking procedures. To oppose conventions, individuals must develop their own responses to institutionalisation and deviate from the accepted rules. They can then become adept at appearing to comply but without fully acquiescing.

(4) This entire process is progressive and adaptive by way of *Internalisation* which allows individuals to adapt to new systems and processes by undergoing secondary socialisation.

Finally, these concepts are linked together by way of *Reification*, which involves thinking of an abstract concept as something real.

The perspective of this study is that a banking consumer creates a banking reality, and internalises it as a subjective reality. However, they ultimately experience banking as an objective external thing. So consumer banking behaviour is not there waiting to be
discovered by individuals, it is actually created by them through the process outlined above.

The following section addresses the paradigmatic questions associated with Social Constructionism as they apply to this study. An overview is presented in table 5.3.

5.2.4 Ontological Assumptions

Ontology is concerned with the nature of reality (Guba and Lincoln 1994). This reality is understood through the scripts that circulate in society. Social constructionism presents some ontological difficulties, as constructionists do not believe that objective and subjective realities are incompatible. They can hold the simultaneous view that meaning can be constructed while also relating to something in the real world. So some branches of constructionist thinking are not necessarily concerned with ontological issues (Andrews 2012).24

Ultimately social constructivism holds a relativist ontological position and supports the notion of constructed and co-constructed realities around which there is relative agreement (Guba and Lincoln 1994, Denzin and Lincoln 2005). The ontological standpoint is that reality is unknowable but nonetheless holds external validity. Multiple realities exist, can compete and be in conflict with each other. They also can change with time and with the nature of the discourse. In all these processes individuals are active participants, as is the researcher. 25

24 Burningham and Cooper (1999) for instance contrast contextual constructionism with social constructionism suggesting that the former acknowledges an objective reality while the latter assumes multiple realities.

25 The relativist ontological position of Social Constructionism represents one of its main criticisms; that it does not recognise an objective reality and believes in multiple realities (Craib 1997, Schwandt 2003). Therefore some branches of the paradigm will reject something as valid because they believe another reality also exists.
The ontological stance of this thesis is to understand this process of knowledge construction as it relates to banking routines. It lends itself toward the relativist position on social constructivism and so assumes multiple realities. So the perspective taken is that no ultimate truth exists. Rather than seeking to generalise the nature of inaction in banking, the study seeks to shed light on how banking realities relating to inaction are socially constructed. Instead of presenting a definitive view of reality the research will present a specific version of reality in consumer banking (Bryman and Bell 2007).

**Table 5-3 Beliefs Associated with Constructionism**

<table>
<thead>
<tr>
<th>Item</th>
<th>Positivism</th>
<th>Postpositivism</th>
<th>Critical Theory et al</th>
<th>Constructivism -Social Constructivism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontology</td>
<td>Naive Realism – “real reality but apprehendible”</td>
<td>Critical realism – “real” reality but only imperfectly and probabilistically apprehendible</td>
<td>Historical realism – virtual reality shaped by social, political, cultural, economic, ethic and gender values; crystallised over time</td>
<td>Relativism – local and specific constructed and co-constructed realities</td>
</tr>
<tr>
<td>Epistemology</td>
<td>Dualist/objectivist; Findings true</td>
<td>Modified dualist/objectivist; critical tradition/community; findings probably true</td>
<td>Transactional /subjectivist; value mediated findings</td>
<td>Transactional/ subjectivist; created findings</td>
</tr>
<tr>
<td>Axiology</td>
<td>Excluded – influence denied. Extrinsic – tilt toward deception</td>
<td>Included – formative and Intrinsic – tilt toward revelation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.2.5 Axiology

Axiology is concerned with the values, ethics and the aesthetics of research and relates to the worthwhileness and purpose of the research.

Denzin and Lincoln (2005) state that Axiology feeds into the inquiry process through the; “choice of the problem, choice of paradigm to guide the problem, choice of theoretical framework, choice of major data-gathering and data-analytic methods, choice of context, treatment of values already resident within the context, and choice of format(s) for presenting findings” (p197-198). They therefore argue that Axiology is a major point of departure between positivist and interpretive inquiry methods.26

Social constructionism emphasises the deconstruction of social and historical realities. According to Denzin and Lincoln (2005) the values associated with Social Constructionism are intrinsic and formative with an ethical predisposition toward revelation. A balanced view is sought and due to the importance of language and discourse in constructions, an awareness of ‘community rapport’ is also central (Martens 2010, p. 11).

This study acknowledges that research is “value laden and that biases are present” (Creswell 2007, p. 20). As a counterbalance, the researcher openly acknowledges that interpretations stem from internal personal, cultural and historical experiences which have shaped her own perceptions of banking. So her interpretations will be considered in combination with those of the participants. In doing so the research will be trustworthy, honest, reflexive and fair (Guba and Lincoln 1989).

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26 This stance includes Social Constructionism as part of the wider Interpretivist framework.
5.2.6 Epistemological Assumptions

According to Guba and Lincoln (1994) epistemology is fundamentally concerned with the nature of the relationship between the “knower or would-be-knower and what can be known” (p. 108). Social constructionism places greater emphasis on epistemological concerns regarding how realities are constructed (Andrew 2012). The nature of knowledge is that it is social and experimental and therefore is discovered through a process of interaction, trial and error. Knowledge is relative because the individual requires the social community to legitimise that knowledge (as per Berger and Luckmann 1991). It is also subjective because it is dependent on individual life-experiences to frame that knowledge. This is how multiple realities are created because people can inhabit very different social worlds (Blumer 1996). The epistemological stance of constructivist thinking is transactional and subjectivist, based on the notion of “created findings” (Denzin and Lincoln 2005, p.193). This implies that the researcher and the participant are interactively linked and so findings are created as the research is happening.  

The epistemological stance of this study is that reality is understood through the lens of socially-derived personal constructs. These constructs act as an interactive link between the researcher and the participants. The conclusions of this research are therefore made explicit through the findings constructed by the researcher.

5.3 Methodology

The methodology follows the social constructivist path and deals with the deconstruction of ideas and values.

\footnote{As previously stated, this nullifies the ontological position of certain branches of constructivism.}
5.3.1 Statement of the Research Problem

The central problem identified here is that less than satisfactory consumer relationships which do not terminate are not adequately understood within the literature. These relationships are maintained with little understanding of how or why consumers continue to engage with them and what impact they have on both relationship growth and quality.

Theory does not consider instances which push consumers to the brink of exit only for them to decide to decline exit and continue to maintain the interaction but in the absence of any perceived satisfactory recovery process (Tykocinski et al 1998).

The research problem identified in this study is:

To understand how and why consumers remain in long term problematic relationships.

The theoretical problem is that research into dissatisfaction focuses on the examination of one-off dissatisfactory episodes and the subsequent process of recovery or exit. It does not consider the effects of multiple and repeated episodes of dissatisfaction over the lifetime of a service relationship (see chapter four). Theoretically, dissatisfaction has been viewed as a temporary phenomenon rather than a potentially recurring process. Marketing theory supports this narrow view by focusing on relationship repair after a single negative incident. It does not consider repeated episodes of dissatisfaction or the the impact they may have on long-term relationship quality.

This dissertation aims to advance our understanding into such a process by exploring repeated and historical episodes of relationship dissatisfaction. This will involve a reassessment of Bruhn’s (2003) model of consumer relationships.

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As discussed in chapter three, Bruhn presents a model for relationship development that is not as linear as more traditional developmental models. The model acknowledges the need for degrees of flexibility in a relationship by identifying a staged recovery phase which incorporates a number of possible outcomes. The model is re-presented below:

**Figure 5-1 Customer Relationship Lifecycle Phases (Bruhn 2003, p 47)**

At the recovery stage the model identifies three possible outcomes, two of which keep the consumer in the relationship and one which may result in exit but alternatively, if successfully recovered, can result in continuance. The current study is primarily interested in this third phase but from the perspective that in the event of recovery, it does not necessarily denote a positive outcome, as is often implicitly implied. It is concerned with those situations where upon deciding not to exit, an attitudinal shift toward the relationship may occur but behaviourally the consumer remains consistent. It considers an alternative possibility involving levels of consumer disconnect whereby the relationship is maintained but without loyalty. It is also interested in the impact such
a process has on the customer retention phase.

Initially the study considered inertia as the most likely explanation for such behaviour as it is the most commonly cited reason for apathetic engagement in financial relationships (Godson 2009, Mintel 2006, Dawes and Swailes 1999, Bond 1998). However, after initial field work, it became clear that other mechanisms may be at work, most notably the behaviour of disaffect (see chapter three).

As part of this assessment, rather than considering dissatisfaction as something that is pertinent within the recovery phase of relationship development, this study is also interested in what happens if recovery is not successful and the relationship returns to the ‘retention phase’. The impact of such a deteriorating process has yet to be factored into relationship maintenance.

The research will investigate ‘imperilment’ and the impact it has on customer re-evaluations of the partnership. It will also explore ‘dissolution’ intentions and instances where these intentions were not pursued. This is a common theoretical oversight in exiting models which currently do not consider those instances where a person might mentally engage with exit but never behaviourally enact it.

To address the research problem four sub-research questions have been identified:

1. Is inertia the explanation for remaining in problematic consumer relationships?
2. Does disaffect provide an underlying mechanism for choosing to maintain problematic consumer relationships?
3. What alternatives are available to consumers after exit has been rejected?
4. What is the impact of recurrent relationship let-downs on relationship quality?
5.3.2 Research Question 1: Is inertia the underlying mechanism for maintaining problematic consumer relationships?

If inertia is an explanation for low levels of termination within financial markets, then it actively contributes to the maintenance and overall development of such relationships. However, the reasons how and why inert behaviour develops have yet to be appropriately considered within the relationship marketing literature. Indeed, researchers have yet to even agree what inertia is; for instance does it represent an unwillingness to exit or an inability to exit (Yadav and Varadarajan 2005); does it merely suggest habitual behaviour (Huang and Yu 1999); or relationship ambivalence? (Wheeler and Jones 2006).

The study will consider this gap by paying particular attention to the maintenance phase of the relationship according to Bhrun’s Model. Chapter two looked at maintenance as a positive stage where, through the deployment of relationship marketing tactics, loyalty will develop (Peng and Wang 2006). Once again this is an optimistic assessment of consumer interactions. This study will consider two alternative states as a form of maintenance. This is illustrated diagrammatically below:

**Figure 5-2 Inertia in Relationship Maintenance (based on Bhrun’s (2003) model of relationship development and recovery)**
When dissatisfaction occurs within a relationship, theory focuses on two outcomes; the termination or recovery. This view of the dissatisfaction process is rather limited as it assumes the relationship either returns to a positive state or simply is ended (see chapter two). It fails to consider a third possibility which is that the relationship might return to a state of continuance in which loyalty is absent. The study will focus on identifying if and when such an alternative state can exist. So it will investigate inertia and disaffect (as shown above).

It is proposed that to gain a better understanding of the factors that may impact inertia, a particular focus should be placed on the personal current account through which all other products are typically linked and which is usually the primary financial relationship for consumers.

5.3.3 Research Question 2: Is disaffect the underlying mechanism for maintaining problematic consumer relationships?

O’Loughlin and Szmigin (2006) in their typology of financial relationships refer to a “transactional experience” relationship which they define as non-personal because individuals do not consider themselves to be in a relationship of any kind. This research questions how exchanges of this kind can continuously endure and yet not be relational because over time they will display many of the properties of a ‘relationship’ such as duration, levels of trust, familiarity and interaction.

While many authors suggest that these exchanges are not relational (see chapter two), one of the aims of the current research is to establish if they are relationships of a different kind which function in an unidentified and poorly understood state such as disaffect. The justification for pursuing disaffect as a possible state of relationship maintenance for consumers suffering in dissatisfactory partnerships is that it was
identified as a realistic outcome of similar problems in the interpersonal sphere (see chapter four). By examining the history of a participant’s financial relationship the inquiry will explore the possible existence of various levels of disaffect.

So at its core the study seeks to examine long term financial relationships where participants either do not consider themselves to be affectively committed to their lender but decline the possibility of exit or continue to maintain a relationship regardless of past episodes of dissatisfaction and service failures.

5.3.4 Research Question 3: What alternative strategies are available to individuals after the act of exit has been declined?

The relationship development literature suggests that in order for consumer exchanges to be truly relational they must continuously develop in intensity and loyalty. The only other possibility is termination. The study will investigate if this is necessarily the case or if other maintenance states are possible. Following the work of Colgate et al (2007) and Colgate et al (2005) on the switching dilemma (see chapter three), the current study will explore possible alternatives available to individuals who are not prepared to follow through on exiting.

The reasoning underlying such behaviour in consumer relationships also needs greater exploration. The inquiry will investigate the perceived motivations of participants, positive or otherwise, for remaining. This will involve assessing perceived benefits and/or incentives for continuing to engage in the relationship. It will seek to understand the reasons for inaction and the factors influencing a preference for continuation.

This will involve a consideration of how this process is cognitively facilitated by individuals and the mechanisms that allow individuals to contradict their intentions to exit and opt for maintenance.
5.3.5 Research Question 4: How do recurrent relationship disappointments affect relationship quality?

As discussed in chapter three, consumers do not always follow through on intentions or follow the most logical and advantageous course of action (Sevdalis, Harvey and Yip 2006, Tykocinski and Pittman 1998). Therefore the investigation will consider relationships which demonstrate the following:

- an expressed absence of affective associations.
- highlight instances where a more attractive offer can be gained elsewhere but was declined.
- where a participant has expressed dissatisfaction/disenchantment.

Remaining in a relationship characterised by any of the above reasons may be reinforced by some process of rational reasoning. Where participants have experienced dissatisfaction, or declined a more attractive alternative their responses to such experiences will be explored (see chapter four).

As such this investigation is interested in exploring the impact such experiences has on perceptions of relationship quality and what impact instances of this type have on the strength of the relationship.

5.4 The Research Design

This research roadmap is presented in Diagram 5.3 and based on Creswell’s Research Design Model (2002) (see below).
5.4.1 Approach to Research: Qualitative

A qualitative approach was chosen for this investigation as it seeks to explore the financial life histories and behaviour of participants engaging in less than satisfactory financial relationships (Silverman 2001).

5.4.1.1 Justification for a Qualitative Study

Given the complexities of financial relationships and the lack theoretical understanding regarding inaction, the flexibility of qualitative procedures fits with the objectives of this study (Mason 2002).

The poor theoretical conceptualisations of inert behaviour and inaction in consumer relationships means the ‘reliable’ and measurable variables required for a quantitative study do not exist. Open-ended and interactive interpretation techniques provide the best method for exploring the dynamics of the poorly understood concepts central to this study (Birn 2002). The social constructionist nature of the current inquiry requires
deeper levels of exploration which can only be realistically achieved through a qualitative approach (Hackley 2003, Byrman and Burgess 1994).

The research seeks subjective meanings important to people’s lives and attempts to understand or explore those meanings (Crotty 1998). This is best accomplished by securing rich descriptions from which meaning can be derived (Denzin and Lincoln 2003).

The study therefore seeks to assess ‘how things work in particular situations’ (Mason 2002 p1). The reflexivity of a qualitative approach also provides an opportunity to take individual evaluations and deconstructions to “reconcile multiple stories” and arrive at a unified understanding of how things work in reality (McKie 2002 p, 263). This approach is most suited to helping the researcher understand consumer inaction by relating the evidence collected from participants to concepts discussed in the literature (Sarantakos 2005).

5.5 A Narrative Methodology

‘Narrative is profoundly folk art, trading in common beliefs about what people are like and what their world is like’ (Bruner 2002 p89-90).

Narrative is now an accepted methodology within interpretative research (Stern, Thompson and Arnould 1998, Arnould and Price 1993). Its popularity has grown particularly in the fields of organisational literature and strategy (Barry and Elmes 1997, Czarniawska, 1996, Boje, 1995, O’Connor 1995, Rappaport, 1993). However, as of yet there is no unified definition of what constitutes a narrative (Denzin 1994), and the term itself can have varied significance and meaning (Polkinghorne 1995).
Many authors draw a sharp divide between storytelling/stories and narrative/s suggesting that both exist and should be analysed independently of one another. Others such as Gabriel (2000) and Hinchman and Hinchman (1997) do not make this distinction preferring to see the interdependence and interconnectivity of both.

Stories are considered as symbolic coping mechanisms for participants in understanding their financial relationships. Retelling of episodes through stories can help participants understand events that have happened, allowing them to rationalise and legitimise these events in the context of other peoples stories such as family members and friends. Stories make a situation acceptable through understanding gained from their shared stories (Gabriel 2000). Basically, if others experience similar problems, then that is ‘how things are’ and so one’s troubled banking relationship might not be too bad in relation to that of another’s.

Clarity for this research study is essential. In short, narratives can exist as a complete story, part of a story or can culminate in a story through the researchers constructed life history account (Plokinghorne 1995, Polkinghorne 1988, Hatch and Wisniewski 1995, Blumenfeld-Jones 1995). 28

Problems arise when researchers begin to use the term to refer to any form of text (Clandinin and Connelly 2000) or loosely define what they consider a narrative. For instance, Boje (1995) considers a ‘nod’ as sufficient to warrant a storied account of an event, complete with meaning. Chase (2005) on the other hand is of the view that narrative is a term that can be assigned to any piece of text or discourse. Elliott (2005) meanwhile describes a narrative as a sequence of events organised in such a way that

28 Much of the confusion and variety in narrative research can be attributed to the fact that it draws extensively from literary criticism, rhetorical theory, aesthetics, semiotics, and poetics and is concerned with artistry, content and categorisation (Barry and Elmes 1997 p 3).
the significance of one event is only understood through its relationship to another. This is similar to Czarniawska (2004) definition where she defines a narrative as a set of events and actions chronologically linked.

This study takes Skjørshammer (2002) view and considers stories as more than anecdote but as essential to a complete understanding of an entire narrative. It does not take a realist approach to narratives, believing that narratives and stories act as a window to factual and verifiable data but believes that many modes of interpretation are possible through narrative understanding.

Like Gabriel (2000) and Hinchman and Hinchman (1997), this study takes the view that narratives in the form of stories, narrative excerpts and life histories can have a symbiotic relationship. So, within participant narratives, rich, meaningful and complex stories can emerge. In narrative research the object of investigation is the story itself (Reissman 1993).

While the linking of events and the ordering of events through time is unique to all narratives, stories or otherwise, the research agenda draws a clear distinction between what it considers a narrative and a story. The research needs to be cognisant of what “makes something a story rather than, say, an argument or a recipe” (Bruner 2000 p 4).

This study considers a story as what someone tells you regarding a particular event and is complete with a chronological plot and characters. This means that the discourse/text being analysed has a beginning, middle and end to that one unique telling of a specific event. The research considers a story as a unique tale of a specific event and so stories were analysed as individual data sets. Collected stories provided rich snapshots of events at a particular point in time.
*Narratives* (opinions, statements, events, utterances) are texts which link events and happenings together through time into a holistic life history. The researcher compiled a unified account of individually collected events and happenings (opinions, statements and phrases) to gain understanding of a participant’s history regarding a particular issue (Redwood 1999). This took the form of a life history. This type of narrative is based on an investigation of the emplotted ‘stories’ and/or non-emplotted events such as descriptions, opinions and happenings. Any such narrative creation will be chronological, meaningful and social (Elliott 2005, p. 4). 29

The research analysed stories as context free and in isolation. Narratives took a life history form, whereby related events (including stories) can be connected and interwoven across time and circumstance to give a holistic perspective of an individual’s experiences.

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29 Lieblich, Tuval-Mashiach and Zibler (1998) discuss a type of narrative continuum ranging from a holistic versus a categorical approach. The latter dissects narratives and stories looking for single words which will form categories across texts. The former takes excerpts and interprets them based on the context of other parts of the narrative. This study leans toward the holistic approach but does incorporate elements of the categorical methodology.
5.5.1 The Applied Narrative Process

The study adopted a dual narrative process adapted from Webster and Mertova (2007) as outlined in Diagram 5.4.

Figure 5-4 Applied Narrative Research Process

Adapted from: Webster and Mertova (2007) Using Narrative Inquiry as a Research Method, Routledge, p 104

Specifically the study followed Gabriel (2000, 2004) and Skjørs hammer (2002) who advocate a dual approach and do not just necessarily tackle the research solely from a storytelling or narrative perspective.  

30 Some researchers apply narrative analysis to life history accounts (see: Riessman 1993) while others elicit specific storied accounts from individuals (see: Mishler 2000).
Willis (2007) denotes two approaches to narrative; Atomistic, which breaks the data down into segments and codifies it, and the hermeneutic tradition of keeping the text in intact to derive meaning by understanding the context of the story being told. Given the social construction perspective of this study, analysis presented many perspectives and interpretations and therefore also, in part, followed the hermeneutic tradition (for non-storied text). However, initial thematic analysis was conducted at the outset to develop a sense of the data. Evidence of this is provided in the appendix.

The two categories of narrative applied in this study are described in Table 5.4. A comparison is presented based on common elements associated with each genre.

**Table 5-4 A Comparison of Story and Narrative as Applied in the Inquiry**

<table>
<thead>
<tr>
<th>Narrative Analysis</th>
<th>Unique Storied Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>Synthesising data into a developed account by the researcher.</td>
</tr>
<tr>
<td><strong>Collection</strong></td>
<td>Narrative Interview - events, happenings, incidences, utterances and actions.</td>
</tr>
<tr>
<td><strong>Analysis</strong></td>
<td>Narrative analysis - attending, telling and transcription (Reissman 2002).</td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td>Synthesised developed plot line linking events and happenings across time and circumstance.</td>
</tr>
<tr>
<td><strong>Pivotal Elements</strong></td>
<td>Context – holistic approach considering events and happenings in the context of the entire account. Social context is also important.</td>
</tr>
</tbody>
</table>
5.5.3 The Appropriateness Narrative to the Research Agenda

Czarniawska (2004) considers narratives and stories as a natural method of communication and suitable to assist researchers in understanding human actions.

While Narratives have been used in consumer research (see Sayre 1999) it was unsure if financial relationships would be a suitable topic, particular for story production. Given that inaction is a factor in banking relationships and its associations with apathy, disinterest and disengagement, it is reasonable to presume that very few useful stories might emerge. It was decided that where stories presented themselves they would be analysed but that otherwise a wider narrative approach would be applied (i.e. analysis of all other narrative forms). This had a bearing on the number of interviews eventually conducted. Rich story collection generated greater volumes of data requiring fewer interviews and diminishing the need to fall back on just pursuing a broader narrative approach. In the end stories and other narrative forms were successfully collected and analysed (see sections 5.5.2 and 5.6).

Therefore, stories were retained as separate sets of data and analysed individually to produce typologies, characters, plots and themes across collected story sets (See Section 5.6). Other narrative forms were analysed in the context of the entire text.

5.5.4 Applied Narrative Concepts

One of the most important concepts in narrative research is the notion of *temporality*. That is, the location of people and things in time and how they are recalled and reflected upon. An event in time is not considered isolated to when it happened (i.e. in the past), but is an event that will continually evolve with time as an expression of that occurrence.
Temporality is particularly relevant to the current inquiry given its emphasis on narrative. As such participant accounts were allowed to flow in the temporal order the participant chooses to narrate but while requiring them to start at the beginning of their financial relationship. Three issues are of relevance:

1. Understanding the impact of individual historical actions relative to the present.
2. The changing social and cultural role of banking over time in relation to the present.
3. The influence of both issues on meaning creation and understanding.

Narratives were also understood through the connectivity of people, actions (or narrative signs evidencing of something), certainty, context, and the acknowledgment of the tentativeness of interpretation as other possibilities will always exist (Clandinin and Connelly 2000). Depending on the type of narrative, it involved the identification of plots, themes, characters, setting, place, point-of-view, time and language. The principles of experience and continuity within an individual’s life was viewed as representing a ‘narrative unity’ (Clandinin and Connelly 2000). The narrative concept Change was also a central component of the current inquiry as a consequence of temporal elements (Geertz 1995).

In short, this study wanted to understand how banking consumers understand their changing banking world – how they learn, improvise and adapt to those changes though time and how those changes did or did not influence their decision to remain in a financial relationship.

To conclude, a narrative approach was applied from a social constructionist perspective. This involved analysing stories as separate units of analysis and analysing other
narrative formats including opinions and statements. Interpretation followed a hermeneutic approach (see section 5.7).

5.6 Participant Selection – Criterion and Procedures

The next stage of the research process focused on the selection of participants.

Miles and Huberman’s (1994) Typology of Sampling Strategies was used as a sampling guide. Typical Case Sampling (TCS) was adopted as it considers for selection individuals who could be considered ‘normal or average’ (Miles and Huberman 1994, p 28). This meant that the researcher did not exclude those who may have admitted to poor levels of satisfaction, high levels of loyalty or affective commitment as all incidences can be considered typical for Irish Financial Consumers (see chapter four).

Those participants who considered themselves as having good financial relationships were also included for selection. Rationale for this was based on findings from previous studies which demonstrate that positive relationships are rather untypical within the industry and that a good banking experience might merely represent an adequate level of satisfaction (see chapter three).

This study is not an investigation of service failure or breakdown therefore participants who might hold extreme negative attitudes were not included for selection as they may represent extreme deviants and therefore potentially bias the data.

Undergraduate students were also excluded for two reasons. Firstly, they have limited financial experience as working adults and also would not satisfy the duration requirement necessary to develop an enduring relationship and therefore potential inertia/disaffection.
A snowball approach was also incorporated into the sampling procedure, whereby participants were recruited by referral for inclusion in the sample.

5.6.1 Preconditions for Selection

As selection is based on normal financial activities, it was a necessary condition for participants to hold a bank account, or more precisely a Personal Current Account (PCA). The PCA provides several different functions most notable – money deposits, bill payments, wage payments, loan payments, ATM functions etc. A lengthy relationship is required for inert and disaffected behaviour to manifest itself and so the participant had to have held that PCA for minimum of 10 years. In addition, to demonstrate financial maturity and experience, participants were required to hold a mortgage. The selection procedure aimed to identify ‘ordinary’ or ‘typical’ banking customers.

Selection also sought to capture the most demographic variability possible. In addition to young single males and single females, married individuals between the ages of 25 and 55 were included. These participants were sourced to represent a number employment profiles. This was to consider the influence of inaction across a variety of financial customer types. Participants were from both private and public sector employment and mainly sourced from a large organisation which employs the following category of worker:

- Manual Workers and Semi-Skilled Workers
- White Collar – Professional
- Skilled/Trade
Originally, an equal number of males and females were targeted, but, in the event, a slightly greater number of males than females were selected. This was simply because a sampling to repetition approach was adopted.

See Table 5.5 for an overview of selected participants.

5.6.2 Exceptions to Selection

Self-employed participants were not included, as it is likely that they engage in a unique financial relationship separate to the ordinary consumer. Typically, the self-employed customer may hold a business account, which operates under different conditions to a PCA. Furthermore, this category of consumer may engage in different levels of service and may have larger levels of tangible and intangible investments in their financial relationship. These types of financial relationships are more involved and extend beyond the financial commitments of an ‘ordinary’ household. As they can often operate under the direction of accountants and tax advisors, they are required to retain documentation relating to financial activities and operate a sophisticated cash flow system. This process is untypical for ordinary customers.
### Table 5-5  Participant Selection Overview

<table>
<thead>
<tr>
<th>No</th>
<th>Gender</th>
<th>Age</th>
<th>Occupation</th>
<th>Marital Status</th>
<th>Interview Duration</th>
<th>Additional Material</th>
<th>Follow-up’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Male</td>
<td>Early 30’s</td>
<td>Trade</td>
<td>Married</td>
<td>1hr 10 min</td>
<td>None</td>
<td>2 * 15 min</td>
</tr>
<tr>
<td>2</td>
<td>Male</td>
<td>Early 30’s</td>
<td>Computer Programmer</td>
<td>Single</td>
<td>1hr 05 min</td>
<td>None</td>
<td>2 * 15 min</td>
</tr>
<tr>
<td>3</td>
<td>Female</td>
<td>Late 40’s</td>
<td>Secretary</td>
<td>Married</td>
<td>40 min</td>
<td>Narrative</td>
<td>2 * 15 min</td>
</tr>
<tr>
<td>4</td>
<td>Female</td>
<td>Early 40’s</td>
<td>Secretary</td>
<td>Married</td>
<td>1hr 15 min</td>
<td>Photos Narrative</td>
<td>1 * 10 min</td>
</tr>
<tr>
<td>5</td>
<td>Female</td>
<td>Early 50’s</td>
<td>Manager</td>
<td>Married</td>
<td>1hr 10 min</td>
<td>Photos Narrative</td>
<td>1 * 30 min</td>
</tr>
<tr>
<td>6</td>
<td>Female</td>
<td>Early 30’s</td>
<td>Lecturer</td>
<td>Married</td>
<td>1hr 20 min</td>
<td>Narrative</td>
<td>1 * 5 min</td>
</tr>
<tr>
<td>7</td>
<td>Male</td>
<td>Mid 20’s</td>
<td>Engineer</td>
<td>Single</td>
<td>1hr</td>
<td>None</td>
<td>3 * 10 min</td>
</tr>
<tr>
<td>8</td>
<td>Male</td>
<td>Mid 40’s</td>
<td>Buildings Officer</td>
<td>Married</td>
<td>40 mins</td>
<td>Long Post interview dialogue</td>
<td>None</td>
</tr>
<tr>
<td>9</td>
<td>Male</td>
<td>Late 20’s</td>
<td>Operative</td>
<td>Married</td>
<td>1hr 20 mins</td>
<td>None</td>
<td>1 * 20 min</td>
</tr>
<tr>
<td>10</td>
<td>Female</td>
<td>Late 30’s</td>
<td>Admin Staff</td>
<td>Single</td>
<td>1hr</td>
<td>Narrative</td>
<td>None</td>
</tr>
<tr>
<td>11</td>
<td>Male</td>
<td>Late 30’s</td>
<td>Lecturer</td>
<td>Married</td>
<td>1hr</td>
<td>Narrative</td>
<td>None</td>
</tr>
<tr>
<td>12</td>
<td>Male</td>
<td>Late 30’s</td>
<td>Lecturer</td>
<td>Married</td>
<td>1hr</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>13</td>
<td>Female</td>
<td>Late 30’s</td>
<td>Postgrad Student</td>
<td>Married</td>
<td>1hr 20 min</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>14</td>
<td>Male</td>
<td>Early 30’s</td>
<td>Trade</td>
<td>Married</td>
<td>1 hr</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

### 5.7 Methodological Strategies Adopted for Collecting Field Texts

While interviewing was the principal collection method used for this study, a number of other narrative methods were incorporated into the inquiry to give it breadth as well as depth.
5.7.1 Narrative Interviewing

Interviews were in-depth, typically lasting in excess of one-hour or more and related to the participant’s whole financial life, focusing on specific events as they arise during the interview process. They followed a very open-ended approach to encourage narration. Questioning was such that participants were encouraged to “hold the floor” for lengthy episodes of dialogue (Reissman 1993, p. 3). The objective here was to move beyond the tradition question and answer approach and limit researcher interference to illicit meaningful responses. Basically, the participants were informants rather than respondents.

The decision to pursue this approach was based on three initial pilot interviews which incorporated a structured theme sheet. During the pilot it quickly emerged that the structured theme sheet affected the fluidity of the interview process by making it rigid and formulaic. This had a negative impact on the flow of conversation and therefore limited the effectiveness in soliciting stories. Based on this assessment, only a guideline sheet was used in the final interview process (See Appendix 1B). As a result the interviews were allowed progress more naturally.

While 3-5 interviews can be deemed acceptable within some narrative analysis frameworks (Clandinin and Connelly 2000), this was considered too few for this particular mode of research. No pre-determined number of interviews was outlined at the beginning of the process. Instead interviews were conducted until patterns and themes began to recur (Lincon and Guba 1985). In total (aside from the three pilot

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31 Narrative Inquiry also encourages Self-Study. It is most commonly associated with investigations into teaching practice and other forms of professional practice (see; Clandinin and Connelly 2000, LaBoskey 2004).
fourteen interviews were conducted to achieve an appropriate level of ‘saturation’.

All interviews were audio recorded and transcribed verbatim, at first by hand and then word processed (see appendix for examples). This fits with a narrative agenda which is best suited to capturing stories and life experiences from a small number of individuals (Chase 2005).

Re-interviews were conducted with eight of the informants. This arose in situations where an incident remained unresolved on completion of an interview. For instance, where there was an ongoing episode between a participant and their financial lender a second or third interview was conducted at a later date to discuss the outcome of that event and complete the narrative.

Typically these interviews were 15 - 30 minutes in duration. The investigation could have left such events unresolved but it was felt that reconnections with these participants helped complete their banking life-history with greater accuracy.

As a support to the interviews, the researcher also kept in contact with the participants through emails and telephone conversations. This was intended to allow participants to report experiences after the interviewing process had been completed. However, only three participants made use of this approach.

The Interview process followed Kvale’s (1996, p189-190) steps to interviewing and;

- Looked to understand a participant’s description of their financial world.
• Reflected on the participant’s journey of self-discovery during the interview, through which they uncovered new connections between events as they create meaning.

• Considered preliminary interpretations during the interview process.

• Transcribed and structured collected data into narrative forms.

• Followed a re-interviewing process where necessary. This allowed for the completion of unresolved narratives which presented themselves due to an ongoing incident between a participant and their bank. Re-interviewing supplemented missing information necessary to a complete story/narrative. This helped understand why something happened or did not happen and provided explanations and outcomes (Polkinghorne 1988, p 171).32

5.7.2 Journal

A personal journal of experiences, impressions and progress was kept by the researcher. Such journals have long been regarded as an important element in narrative inquiry (Clandinin and Connelly 2000). Their use permitted the researcher to recall moments of insights, feelings and thoughts relating to experiences. The journal was also used to record ideas and possible interpretations and reflections which proved helpful in further interviews. (See Appendix for examples)

5.7.3 Field Notes

Field notes, which are a necessity within narrative inquiry, were kept in relation to specific participants and reflected thoughts which were important to the inquiry at that specific moment in time or noted issues for later discussion within an interview (see

32 Polkinghorne (1988, p 175) recommends re-interviewing where necessary to complete the narrative. Simple chronological ordering is insufficient if partial knowledge is present and inhibits the creation of a complete narrative account.
appendix for examples). This was approached with subtlety to avoid distraction during the interview.

Full notes were recorded after the interview. This was particularly relevant in two cases where participants were uncomfortable with the recording device. As these participants tended to narrate with greater freedom once the audio recorder was switched off, field notes became essential. For other participants they served as a reflective outlet post interviewing.

5.8 Analysing Narrative Forms

Analysis followed the narrative forms outlined in Figure 5.5 which are simplified below. Interviews were transcribed and a number of narrative structures identified as units of analysis. The research categorised these structures as follows:

1. Stories elicited from transcripts for analysis – Level 1 Analysis

3. Narrative Reflections – Level 1 and 2 Analysis

4. Other narrative structures – Level 2 Analysis

Structures were analysed based on two levels of analysis.

Level 1: Analysis of Stories

Stories collected during banking life history interviews were extracted and analysed to reveal familiar themes, plots, and characters, which were then compared and contrasted across all other stories to develop meaning and patterns (Levy 1981, Hatch and Wisniewski 1995, Polkinghorne 1995, Clandinin and Connelly 2000).
In the first step of analysis, stories are the principal units of analysis. The process involved identification and extraction of stories from the larger life history narrative. These then underwent individual analysis and interpretation. This did not make the remaining narratives (i.e. opinions, comments etc.) redundant. The entire narrative text (story and narrative) was retained (Gabriel 2003) for the second stage of analysis.

For the purposes of this investigation a story was regarded as a special form of prose text, which is emplotted (Polkinghorne 1995). Categories and taxonomies are often derived from grand narrative typologies found in Greek or Celtic myth (See Gabriel 2004, Kavanagh and O’Leary 2004). In this case they are based on a modified version of Gabriel’s (2000) method of Poetic Modes (see appendix 1A). It is important to appreciate the guidance that Gabriel’s structure bestows on the findings.

This approach to story analysis not only considered emergent themes, plots, characters, poetic tropes (or metaphors) and emotions, but framed these facets of the story in the context of generic poetic modes for cross comparison. Stories adhered to the universal themes of Tragic, Epic, Comic, and Romantic stories (see Gabriel 2000, 2003, Gergen 1988). They also could have composite secondary plot lines such as tragic-comic and epic-comic (see Gabriel 2000).

Stories were analysed as follows:

The first task was to identify the type of story. The researcher looked for a story classification based on the type of characters in the story, plot lines and themes as outlined by Gabriel (see appendix). She then examined the emotion produced by the story (See appendix). By exploring the fantasies, desires and wishes embedded in the story she sought to understand the meaning and value of the story to the participant.
**Level Two: Narrative Analysis Holistic Principles**

Descriptions collected by way of interviewing were used by the researcher to produce a narrative. The analysis was based on in-depth conversations with participants about their banking life history from the beginning of their financial relationship to the present. This account was unified through the development of a plot (see appendix). It is therefore a largely retrospective event. Interview events, statements and descriptions were analysed to reveal the plot by linking temporal events. This produced an ‘explanatory story’ of an individual case for analysis which can be compared and contrasted with other participant narratives (Soulsby and Clark 2005, p 5).

This level of analysis is concerned with the cohesiveness of the transcribed narrative in its entire form. Analysis looked for a story, a direction and objective, a series of events leading or contributing toward that direction and linkage and association of events through time (Lieblich *et al* 1998 p 89). Like Explanatory Narratives, explanations were based on the reflections of past events and how they link together to produce an outcome (Polkinghorne 1988). Also, reflections on the content, structure and description of the narrative have been made (Stern *et al* 1998).

Hermeneutic principles were adopted to develop understanding based on the belief that we exist in the language to which we are accustomed (Crotty 1998, Kvale 1996, Palmer 1969) (see section 5.9).

**5.8.1 Mode of Interpretation**

Riessman's (2002) Levels of Representation in Research was applied to provide focus and direction to this process.
Applied Framework Concepts

- **Attending** – the researcher reflected on banking experience and acknowledged any pre-judgements and values.

- **Telling** – involved the process of the interview as a means to encourage participants to narrate their financial histories.

- **Transcription** – meant listening for entrance and exit talk, noting where a narrative started and ended. The researcher acknowledged interpretative categories and searched for ambiguities to provide clues to meaning (Reissman 2002).

To complement this process, aspects of Leiblich et al’s (1998) holistic approach to narrative interpretation was also consulted. The researcher looked for themes and plots around which the narrative structure is organised rather than focusing on individual
themes and plots as they occur within a single narrative. This was to produce core plots for comparison across all participants rather than just producing individual themes and plots as they relate to each participant.

Turning-points or crossroads in narratives were also identified. These relate to changes in narrative direction or new courses of action, for instance the decision to exit, complain or seek a new provider.

Specific phrases were given special attention. Leiblich *et al* exemplify these as statements relating to particular events in a participant’s life such as ‘It was the worst time of my life’ (1998 p 91). Comments and utterances of this nature were evaluated in the context of the entire participant narrative in order to derive meaning.

The research was conscious of the importance of gaps, silences, hiatuses in speech and contradictions in the text as clues to meaning and as hints that information was being guarded and concealed or, that emotions were being denied. Given the nature of inaction inertia as discussed in chapter three, trying to understand contradictions within the text was central to understanding.

Participant’s intent, motive and value systems in their recurrent speak was considered to arrive at an understanding (Agar and Hobbs 1982). This involves the removal of irrelevant, repetitious and non-essential information and results in the initial production of codes and then themes across narratives.

Participants were not consulted on the eventual interpretations or constructed stories. Correspondence in this form is recommended by some authors to increase the credibility of narrative research (Lincon and Guba 1985). However others deem it of little benefit as the participant may not agree with the interpretation or take exception to
it (Hackley 2003, Reissman 2002). This is entirely possible in this case as participants may have concealed the truth when explaining why they remained in a financial relationship after expressing a desire to exit. Ultimately the researcher has taken responsibility for the interpretations.

5.9 Theoretical Lens for Narrative Interpretation

Understanding was sought by exploring parts of the narrative in relation its entirety. The meaning of the parts may change the overall meaning of the whole, which ends with a sensible, valid, unbiased and truthful understanding (Kvale 1996). The study takes Heidegger’s view of truth, that the hermeneutic deconstruction of the text is a procession of interpretations rather than disclosures of the truth (in terms of modernist sensibilities) (Thompson’s 1993). Truth was not considered a guarantee and no single interpretation was given preference over another. Interpretations derived are one of many interpretations possible, and do not represent absolute truths (Barry and Elems 1997). This view fits with the social constructionists perspective.

Interview texts were considered retrospective, where events, actions and episodes, which occurred through time, were pulled together to produce a final outcome for each individual (Polkinghorne 1988). Historical accounts (a central tenet of hermeneutics) were used to construct narrative explanations of particular outcomes. This is ‘explanation in terms of meaning’ (Hughes and Sharrock 1997).

5.10 Generalisability and Validity

This research was concerned with context, theory (Miles and Huberman 1994), and thick descriptions and is principally concerned with understanding human behaviour (Schofield 2002, p 173). It is the position of this study that interpretive/qualitative research does not produce generalisable (that is in the context of the wider populace)
conclusions (Denzin and Lincon 2005, Guba and Lincon 1985). However, the researcher accepts that in reality generalisation or ‘transferability’ (unintentional or otherwise) (Lincon and Guba 1981, 1982) does occur to some degree (Cohen, Manion and Morrison 2013, Huberman and Miles 2002, Miles and Huberman 1994).

It is the position of this study that the insights and conclusions developed may be useful in deriving meaning in relation to similar persons in similar situations (Lincon and Guba 1982, Bogdhan and Biklen 1992, Mason 2002, Schofield 2002, Cohen et al 2013). They are intended to contribute to the development of a theory of inaction in financial relationships (Bryman 2001) rather than definitively describe it.

Mason (2002) suggests researchers should focus on the end product and be able to demonstrate how an interpretation was reached (p. 191). To validate ones’ interpretations the researcher should be able to reconstruct the road or path taken to arrive at such an interpretation. Reissman (2002) also suggests that narrative research can be given ‘trustworthiness’ by describing the process of interpretation, evidencing this process and making this data available to others. Validity is based on evidence, substantiation of work done, traceability and transparency (Holloway and Jefferson 2003). This study has attempted to overcome issues of validity through sampling procedures (Silverman 2001) by avoiding biased selection procedures.

The researcher produces evidence in support of interpretations as to why events occurred in light of the entire sequence of events leading to a participant’s particular action. Therefore the study does not provide certainty but represents a ‘likelihood’ (Polkinghorne 1988, p 175).
5.11 Limitations of the Study

Gabriel (2000) cites selectivity as one of the biggest dangers to narrative research. Selecting stories or narrative passages to reinforce pre-existing judgements held by the researcher or to support the overall research agenda, can be problematic. Therefore the researcher constantly queried the decision to incorporate particular texts into the analysis process.

Many interpretations can and do exist and embellishment of story and narrative facts is common. Therefore the researcher has to acknowledge that stories told to her may be a modified or embellished versions of the original events. This is simply a by-product of storytelling and narrative discourse and must be accepted. The adoption hermeneutics helped avoid viewing narrative evidence as definitive representations of reality. The researcher could have disregarded evidence of story embellishment however Gabriel (2000) suggests that this can be equally as destructive. Therefore the study has taken his approach to this problem accepting that, stories in particular, are elaborations of events and everyday experiences.

An additional limitation of the narrative approach is that people can remember things differently. While some studies have shown that this does not impact on the plot, others have shown otherwise (Reissman 2000). To overcome this problem, the inquiry attempted to collect synchronic data (data without reference to historical events) by way of re-interviewing certain participants. This approach focused on a present tense event discussed in the original interview but which was unresolved on completion of the interview. Field notes were also considered a synchronic data to reinforce present facts, settings etc.
The study also accepts that the use of narratives, and in particular stories, is novel and remains limited in the field of consumer research. For this reason, the study chose to adopt a two tiered approach which relied on the more traditional narrative method while allowing rich and meaningful stories to emerge for interpretation (see figure 5.4).

5.12 Conclusion

This chapter has presented the research strategy adopted to investigate and explore the inert and disaffected consumer relationship. The researcher takes the view that we lead storied lives, and exist in a storied landscape (Clandinin and Connelly 2002). As such we relay our experiences through others and derive meaning from those experiences through those of others. A narrative method has been adopted to achieve the objectives of the inquiry.

Banking can be viewed as a storied landscape where consumers share experiences and transmit knowledge and information and so it was decided that inaction in the financial relationship could be best explored through the application of a narrative approach. These narratives were derived from in-depth participant interviews and two narrative forms were presented and justified for analysis.

Stories were analysed using Gabriel (2000) poetic typologies. In addition a narrative analysis was conducted by the researcher on collected texts. In this task the entire interview was interpreted based on the iterative principles of the hermeneutic tradition.

Chapter Six will examine the stories given by the informants and Chapter Seven will concentrate on interpretations based on participant narratives.
Chapter 6: Analysis

Understanding Inaction in Financial Relationships
6. Introduction

The following chapter presents an analysis of consumer relationships by way of stories, narrative reflections, descriptions and other narrative structures. Initially the transcripts were examined and stories were extracted and categorised. Then the entire narrative was deconstructed and the researcher developed overarching plotlines for cross comparison. The chapter is divided into three main sections.

The first group of stories relate to the typical history of a banking relationship over time. As seen in Table 6.2, these stories deal specifically with the first three thematic strands identified in the research. Rich story production was frequent when participants were recounting relationships from their early positive beginnings through early difficulties, the first breakdowns and then the strategies employed to manage these changes.

A combination of stories and narratives have been extracted to illustrate typical reactions to problems as the relationship matures. These narratives demonstrate the manner in which participants spoke about their decisions to remain in a banking relationship after a dissatisfactory experience. Where they articulated their motivation to continue, it was clear that inaction was facilitated by various strategies. In essence, they could justify remaining provided that they could maintain some measure of self-esteem. This discussion relates to thematic strands (4 and 5) as outlined in Table 6.2.

The final section describes the forces supporting such retention and the psychological mechanisms employed by the participants as alternatives to exiting. This section

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33 The analysis takes the view that descriptions are presented as facts for the purposes of providing information. Stories are facts given in the context of experience (Benjamin 1968).
particularly shows the important role played by a socially reinforced financial folklore, which underpins and perpetuates inaction.

6.1 Classifications of Narratives

Story classification was based on Gabriel’s poetic tropes (see appendix 1A) and once the stories were extracted and catalogued, based on story type, the core plots, characters, emotions and themes were then identified.

As was discussed at length in the methodology chapter, Gabriel’s scheme helped the researcher to make sense of the many narratives that were disclosed by the participants.

As seen in Table 6.1, six basic story types were found when the transcripts of the interviews were examined. Each has standard characters: for example, the hero and the villain, the helper or the clumsy member of staff. Because narrative plotlines are universal they tend to follow a fairly predictable story line. So themes or issues appear repeatedly and can be anticipated as can the emotions associated with each archetype (for instance: anger, pity or regret). To acknowledge personal banking experiences, the research evidences solicited emotions which refer to the feelings that stories and narrative accounts generated in the researcher herself.

The six main banking story types identified in this study are diverse and often overlapped. Gabriel (2000) stresses that most stories have just one strong overarching plot, and although composites do exist where a theme associated with another story type can be evident, it appears in a weaker form. This was certainly true of this research where the majority of stories consisted of no more than two thematic types. Most of the stories were found to contain an epic dimension, particularly in the positioning of the protagonist as a hero. This is likely due to the nature of the research which involved
recounting various struggles and battles with banks. The most frequent story types that arose from this research are discussed below.

Table 6-1 Common Banking Story Typologies Evident in the Research

<table>
<thead>
<tr>
<th>Typology</th>
<th>Plot</th>
<th>Theme</th>
<th>Character Types</th>
<th>Emotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tragic/Comic</td>
<td>Misfortune but with comic turns and twists. Ends in an unfavourable result.</td>
<td>Trying to resolve a situation with cunning and wit. Management through manipulation.</td>
<td>(Same as Comic)</td>
<td>Participant emotion: anger, shame, hurt, pity, admiration, and ironic amusement. Solicited emotion: understanding, encouragement, empathy</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------------------------------------------</td>
<td>----------------------------------------------------------------</td>
<td>------------------------</td>
<td>------------------------------------------------------------------</td>
</tr>
<tr>
<td>Epic</td>
<td>Epic sentiments were loosely evident across stories but only in the context of positioning the protagonist in a positive light in otherwise tragic circumstances.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adapted and Developed from Gabriel Yiannis (2000), Story Classifications, Storytelling in Organisations; Factions, Fictions, and Fantasies. Oxford University Press, NY.

### 6.1.1 Epic Stories

Epic stories typically centre around heroic missions which are ultimately resolved and the themes often involve saving or rescuing someone or something, for instance a damsel in distress or a failing business deal. The protagonist is elevated to mythical status and stories are narrated about their achievements. Because most of the stories in this research lacked a successful resolution, no genuine or complete epic stories were found. However some epic traits such as loyalty, honour and audacity were evident but these were incorporated as descriptors of the participant themselves and so not classically epic. Elements of an epic tale were found particularly where participants recounted the kind of problems they faced, or how they viewed engagement with their banks as a quest or as a mission (Gabriel 2000, p. 84). Indeed, they often considered it to be their duty to challenge the bank. Stories were frequently peppered with reference to epic elements such as honour and courage and as a result the emotions associated with these stories often display undertones of pride and self-worth. Gabriel advises

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34 Gabriel (2000) describes an epic hero as someone who is elevated to folklore and myth, someone that others want to emulate and so can also have the emotions of envy and insecurity (p. 74). Kavanagh and O’Leary (2008) present Cú Chulainn, the Irish hero, as a typical epic character.
against relying too much on such accounts as they are open to criticism and can be questioned on the grounds of being over embellished and even arrogant (Gabriel 2000, p. 75). In the context of this study epic undertones seemed to be only employed for effect and to elicit admiration. In reality, most of the accounts deal with participants engaging in battles with their bank and any epic dimensions quickly became weakened by a stronger tragic, romantic or comic plot. No stories that could be defined as classically epic were evident in the research.

6.1.2 Tragic Stories

In this research, tragic stories refer to tales of struggle and misfortune. Typically these tales represent hardship and tribulation where the participant is positioned as the victim while the bank is characterised as the malicious and wicked entity. They deal with battles and struggles between participants and their financial lender. They are tragic because the participant suffered and often lost the struggle with their bank. The result of this was that they felt victimised and having failed to get a successful outcome, eventually became submissive and repressed within the relationship. Gabriel (2008) identifies the defining traits of tragic stories as injustice and punishment.

The unique feature of the tragic story is that even if the participant was partly to blame for their misfortune by way of their own actions or inactions (which they often acknowledged), they still elicit compassion and sadness from the listener. Because these are tales of villains and victims, battles between good and evil, strong emotions are commonplace and include feelings of sorrow, regret and anger. Feelings of shame manifested themselves on occasion where a participant felt they could have done more to gain a better outcome. This often included the regret they felt on choosing not to exit.
Overall, tragic stories were very significant in constructing the inaction scenario as described by banking consumers.

Tragic stories can also have a hero.\textsuperscript{35} But unlike an epic hero, a tragic hero suffers and has to pay in some way for his/her misadventure and they elicit emotions of “pity and awe” in the listener (Gabriel 2004, p. 131). Sometimes, this would lead to a desire for revenge usually expressed through an intention to tackle an issue, exit or sabotage the bank through untruths and deception. Slight epic hero-like qualities were also evident within tragic stories as a consequence.

\textbf{6.1.3 Comic Stories}

Comic stories are more light hearted and self-deprecating and typically may involve elements of trickery and deception. The central plotline places the protagonist in a dilemma and then describes their attempts to resolve such an issue. Often other characters, such as the banking staff were depicted as clumsy, incompetent or dim-witted. The idea of someone getting their comeuppance was also commonplace, for instance, a bank staff member being hoodwinked into believing personal or financial facts that had been falsified. Battles are less about good and evil and more about big versus small, me versus them. Rather than resulting in real hurt like the tragic stories, the outcome was usually annoyance or irritation. The intention is to elicit empathy from the listener through retelling events in an amusing manner. Examples can be seen in stories such as \textit{The Stolen Bank Card} and \textit{I’m Still a Student}. This is not to assume that comic stories are simply about entertaining the listener. At their core they are complicated and typically draw out varied emotions ranging from pity and scorn to

\textsuperscript{35} Typical Tragic Heros include, The Flying Dutchman and Arachne and Minerva.
bitterness and gratitude. In this instance, the comedy often masks deeper feelings and emotions.

6.1.4 Romantic Stories

Romantic tales refer to stories where the participant appreciates some action taken by the lender when dealing with their financial needs, for example being helpful with a loan application or going above and beyond basic service requirements. Such actions gave participants a sense of equality with the bank reinforcing their self-esteem which tended to imbue the relationship with trust. Romantic plots also developed with reference to friends and partners who assisted in financial endeavours and so they did not have to specifically relate to relationships with a bank. These tales represent a real sense of relationship development and so tended to be referenced historically, to when participants discussed the beginnings of their banking relationship. In the context of this research they centred around issues such as reciprocation and recognition (Gabriel p, 84). This fits with the requirements for successful relationship development theory (see chapter two). The emotions most common to this kind of story were feelings of satisfaction and gratitude.

Because these romantic stories were most common when participants discussed the start of their banking relationship, nostalgia which often included a sense of lament for what could have been a good relationship was also evident. Romantic stories relating to other stages of their relationship typically dealt with tokens of reconciliation and in one case gift giving (See the Box of Chocolates story).

Pure romantic tales, which include themes of love and romance and often deal with overcoming adversity through love e.g. “love conquers all”, were not evident in this research.
6.1.5 Hybrid Tragic/Comic Story

The composite Tragic/Comic story arose when participants acknowledged the historic dimension of the story and because it happened some time ago, began to view it with some degree of jest. Typically two of Gabriel’s variants were evident here; (1) The Humours composite, where the participant eventually made light of the situation (see; The Statement Saga) and the (2) Jocular Gripe which witnessed the story turn to reflections of sarcasm and ridicule toward the bank (see: The Stolen Bank Card).36

The tragic comic stories identified in this study also deal with attempted resolutions of conflict together with feelings of overcoming the odds. As a result the participant often becomes the reluctant or unexpected victor. This happened even when the desired outcome was not achieved, but the participant felt they had acted with integrity and assertiveness or had successfully gained some small concession from the bank. These are best described as stories where the war might have been lost, but a small battle was won. Such small victories permit the participant to redefine the relationship as positive and so they can continue to engage with it, through maintaining a positive self-concept.

These story types evidenced how participants tried to beat the system and achieve a moral high ground. However their attempt to actively outsmart the bank typically and ultimately ended in failure. See “The Statement Saga” story.

Comic and Tragic-Comic stories are of immense significance to recovery strategy as they reveal the importance of granting small allowances and making minor compromises to keep consumers sense of integrity within the relationship, thus making continuance more palatable.

36Other Tragic-Comic hybrids identified by Gabriel are ‘Pranks and Tests’ and ‘Sadistic Humour’. Hints of the former were present in the study but not sufficiently to warrant discussion. The latter did not present in any form.
6.1.6 Hybrid Romantic/Tragic Story

These stories have a distinctly tragic undertone and frequently end in disappointment. The participant starts out being optimistic about the outcomes of a particular event. When these outcomes do not happen, they engage with the lender to seek a resolution. The story then takes on a tragic dimension with the bank staff and systems being cast in the roles of villains while the participant is the victim. Two elements made these tales predominately romantic with tragic sentiments; (1) while some resolution might emerge, it was not the desired outcome and only partially satisfies the participant or (2) the participant might have believed they were valued but then discovers that they were mistaken (see The Privileged story). In romantic sensibilities this is similar to having feelings of love either not reciprocated or rejected. Scorn is often the main emotion followed by sadness and a sense of abandonment.

The next task was to examine the content of these stories and other narratives structures to identify the thematic strands that emerged.

6.2 Life History Analysed

Positive Beginnings refers to the start of the relationship when participants historically recounted how their banking relationship began. This often involved retrospective evaluations of a ‘special’ and amicable relationship that was mutually beneficial to both parties. The stories included tones of respect and trust and the most common story type associated with this theme was Romantic.

Early Disappointments identifies stories and narratives where individuals recounted historical episodes which suggested the erosion of the former positive relationships. Typically these recollections would start slowly, but would quickly expand as the participant began to remember more and more details. This process would then create a
spiral effect within the interviews in which other forgotten events would be recalled. It is fair to say, that participants had probably never holistically considered or linked episodes in their financial relationship prior to the interview. Assessments of these ‘disappointments’ evidenced a change of attitude toward the relationship over time and usually created feelings of imprisonment and entrapment. This supports theory on hostage relationships (see chapter two) but adds to understanding by examining the process by which an individual arrived at that feeling.

The next stage identified was when participants reflected on Remaining or Not Remaining. While in nearly all instances the participants expressed an intention to exit, none actually followed through on this intention. Only one participant partially exited from an unrelated product and this account was retold almost as an act of revenge. So even though this participant’s primary difficulty remained unresolved, he retained the product associated with it this was a common practice and choosing repeatedly to continue with a relationship was the norm rather than the exception. This outcome was helped by the fact that banking relationships are not viewed holistically which means that new episodes of dissatisfaction tend not to be connected to other prior dissatisfactory incidents.

Strands four and five expose the strategies participants enacted to help deal with these difficult situations and outline the frequently cited reasons for remaining in the relationship. The research suggests that no single reason dominated a participant’s decision not to exit, rather their inaction was multidimensional.

Finally, the research identified an overarching influencing factor which contributes to the construction of a consumer culture regarding banking, namely - financial folklore. This thematic strand presents the most common beliefs held by participants and deals
with issues like the sociological construction of power, dominance and control in consumer banking relationships.

### Table 6-2 Thematic Strands Identified in the Research

<table>
<thead>
<tr>
<th>Identified Thematic Strands</th>
<th>Characteristics</th>
<th>Stories and Narrative Excerpts</th>
<th>Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Positive Beginnings</td>
<td>Unique/Special Relationship, Privilege, Valued, Healthy Relationship</td>
<td>Romantic (See: “I’m Different”, “Bank Draft for my Daughter”, “The Box of Chocolates”)</td>
<td>Familiarity with staff, Perceptions of equality and superior service, a sense of personalisation.</td>
</tr>
<tr>
<td>2. Early Disappointments</td>
<td>Negative change to the relationship, Disconfirmation of previous positive experiences, Entrapment, Beginning of Disaffect</td>
<td>Romantic/Tragic (See: “You mean I’m like everyone else!”)</td>
<td>Increased bank charges, mortgage changes, poor service, unjust charges, and inflexibility of the bank.</td>
</tr>
<tr>
<td>3. Dealing with Disappointments – Stay or go</td>
<td>Succumbing to increased fees, Dealing with false promises, Managing feelings of betrayal, Holding grievances, Apportioning culpability and blame.</td>
<td>Tragic, Comic, Comic/Tragic (See: “The Statement Saga”, “The Stolen Card”, “Still a Student”)</td>
<td>Attempted resolution deemed sufficient, winning a minor victory, time pressures, ‘better the devil you know’.</td>
</tr>
<tr>
<td>4. Strategies for dealing with problem relationships</td>
<td>Threats, bargaining, deception, trickery, manipulation, psychological plot holes, spreading negative word of mouth, redefining the relationship as a positive.</td>
<td>Comic, Comic/Tragic, Romantic/Tragic (See: “Trapped in a Fixed Mortgage Rate”, “Going to the Police”, “The Machiavellian”)</td>
<td>Personal requirement to attempt to manage the situation and retain a perceive level of control under the circumstances.</td>
</tr>
<tr>
<td>5. Reasons for staying/not exiting</td>
<td>Lazy, poor alternatives, low expectations, familiarity with systems and procedures, sunk</td>
<td>Tragic, Comic, Comic/Tragic (See: “Just GET ME THE LOAN”, “The Gold Card”)</td>
<td>Being overwhelmed by a multidimensional assessment of the reasons identified in column two.</td>
</tr>
</tbody>
</table>
The research suggests that voice is the predominant strategy adopted when long term relationships experience problems and rather than exit, neglect is the most common outcome (Rusbult et al 1982).

The following section explores stories and narratives that were collected from participants.

6.3 Positive Beginnings (Romantic)

Participants began their stories with an account of their first contact with a bank and typically these stories contained very positive recollections. Most participants stated that their relationship started well and was full of hope and promise.

*Story 1: I’m different from the others. I’m unique (Romantic Story)*

The following story is typical as it recounts the beginning of a personal relationship of a customer with her bank. The tale is romantic and it demonstrates a sense of pride and privilege. The participant places herself in a position which was higher in status than a

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37 Stories within the text have been edited for logistical reasons. Complete narratives are produced in the appendix.
typical customer. No evidence of conflict or difficulty is presented as the relationship is one of respect and mutuality. There is a sense of familiarity and almost friendship between the protagonist and other characters in the tale i.e. the bank management and staff. This is evident in the fact that she is recognised and personally known by them. A laugh is employed to both apologise for and to highlight her uniqueness as a consumer. It is also possibly as a request for forgiveness regarding her status while not wanting to undermine the pride she feels at having this perceived benefit.

......Myself personally, I have a bank a/c with the AIB. I bank with the AIB from work here. So when I started working here, I set up a bank a/c for myself. So my wages are paid directly into AIB ......From my point of view, I would have a slightly different relationship with the bank because of the fact that I bank with them from work. And I also have my own bank a/c there......So I would probably be in a unique position where I would have an extremely good relationship with the AIB...... So everybody in the bank would know me.... from the porter in the building (laugh) to the manager in the bank. So I’m in a different position probably than most people...... So, from my own point of view, I have banked with them now, with ... for possibly about ... 15 years.

Story 2: Bank draft for daughter (Romantic Story)

This sense of privilege is emphasised even further when she recounts a recent event which reinforces her perceived uniqueness. This story is also romantic as it involves a display of appreciation by the bank for the protagonist. It is almost symbolic of a gift-giving gesture. It is clear that this incident is a source of pride for the participant, reinforcing her self-concept and reaffirming her perception of having an elevated status. It demonstrates the simplicity and benefit that is possible in relationships where both parties are amicable and co-operative.
……My daughter was buying a car recently and she wanted to get a bank draft and she was busy herself. So I said “I’ll organize it”.. I rang ….. and asked could she (the bank teller) organize the bank draft for me. She organized it and I just walked across the road and picked it up. She let me pick it …….I did have to get authorization to take the money out of her bank a/c. But she had it all organized for me……

Story 3: My designated contact (Romantic Story)

Another respondent’s story reflects similar sentiments. Once again it reinforces the importance to the participant of having a strong relationship. The informant refers to the relationship being kept ‘tight’ and clearly appreciates the efforts of her bank to make sure that it runs smoothly. This is achieved through her being allocated a designated contact person in the branch. This is regarded as a symbol of appreciation and is akin to the concept of gift giving evident in other stories. The participant has put faith in the relationship based on perceptions of reciprocity.

I found that the BoI (Bank of Ireland) treats their customers very well. They work on developing the personal relationship because it benefits them in the long run. …..So they actually have a designated person to deal with each of their customers. So I personally knew someone within the bank that I could deal with for everything. Any issue that I had or anything that I needed, I could deal with one person and it was always only one person. And you became aware if that person was changed, if they moved bank or anything like that. You’d get a call from whoever was replacing them. They kept the relationship tight…..I found in my experience they do whatever they can to go out of their way to help me.
Story 4 Cancel charges (Romantic Excerpt)

This story segment gives an example of the special benefits that accrue to customers who are in good market relationships and shows how generous the bank staff could be in these initial stages. Rather than charging fees for late payment of a credit card bill (as is their right), they were willing to write off these small amounts. As can be seen the participant is naturally very pleased as it enhances his self-concept as a valued customer. This romantic story segment depicts gratitude, respect and unity where both parties benefit from the relationship.

*I also find that when I have interest to pay on it [credit card] for being late, I can ring them up and they can cancel the bill and stuff like that, you know. So I’m happy enough.*

Story 5 Relationship is OK. I have no problems (Romantic)

The following excerpt highlights a recurrent theme that will be discussed further in later stories and narratives. This narrative is romantic and reflects a relationship that is still positive even if it now operates with less enthusiasm. The narrative is less impassioned than previous examples and tentatively points to a neutral type of relationship where the participant seems neither loyal nor disloyal. He alludes to the fact that he cannot adequately comment on how he feels about his financial relationship as it has not been sufficiently tested. This supports the theory that consumers will choose to remain if nothing sufficiently bad has happened to justify a re-evaluation of the relationship (Mittal and Kamakura 2001, Gummesson 2008). He comments that he has not had problems yet, but suggests that this may just be due to the fact that he has never approached them for “money”. This comment seems to point to an underlying perception that bank motivations are profit rather than customer centred. He suggests that, as he has not been in the position to borrow money, maybe he has been spared a
negative experience thus far. Clearly there is a certain wariness evident and he is unwilling to give them wholehearted support.

*I’ve had no problems. I haven’t sort of gone to them looking for any money or anything like that. I haven’t had any overdrafts or anything like that…….*

Such an unemotional relational state is evident across narratives.

Ultimately all the narratives recounted above reflect very positive aspects in the early stages of financial relationship. The stories show that the bank was pleased to have their business, even to the extent of writing off minor fees. Not only were the customers happy with this financial gain, but more particularly they were very pleased with the special status that they were accorded by their bank.

The interactions described above echo all the characteristics of romantic stories as outlined by Gabriel (2000). The various characters interact as colleagues who treat each other as equals and as partners who respect each other’s worth. Basically this reflects relationship theory as it has been classically defined by marketing (see chapter two), where there are mutual benefits for both customer and supplier.

The memory of such good treatment persisted and even though they might currently have problems with their lender, they fondly reminisced on these hopeful beginnings experienced when they first opened these accounts. This often gave rise to a sense of regret that these circumstances had changed and they deeply felt the passing of such a promising relationship.
6.4 Early Disappointments (Romantic/Tragic)

Further stories and narrative structures relate to incidents which disturb the harmonious relationship and these contain themes such as betrayal, lies, deception and threats. These are significant events which may even signal the end of the relationship. Critically, many of the stories associated with disappointments result in a subtle change of attitude and the redefinition of events.

Surprisingly the stories reveal feelings of betrayal within the now mature relationship. The perceived degree of betrayal tends to depend on the longevity of the relationship; the longer its duration, the greater the sense of betrayal. Narrators of tragic stories often presented themselves as victims who were wholly undeserving of such treatment, due their long history of successful interactions which made reciprocity and understanding an expectation rather than an unexpected bonus.

These stories demonstrate that decisions were made unilaterally by the bank and not reversed when challenged. This conclusion gave rise to feelings of dissent, betrayal and hurt, leading to a frequently expressed intention to end the relationship. Understanding how participants experience and manage what they perceive to be undeserved betrayal is a key area of this analysis, as it raises the question as to why and how participants choose to continue in such relationships after such betrayal. Section 6.5 of this chapter will present their coping mechanisms in such circumstances.

Story 6: You mean I’m like everyone else! (Romantic/Tragic Story)

The following excerpt continues the history of the first respondent who had been so delighted by her original privileged relationship within the bank (see story 1). As we see, cracks now appear in her special status. Characteristics of tragic stories are found
throughout the excerpt where the bank is portrayed as engaging in deceitful practices which create dilemmas and predicaments for the participant who perceives herself as an innocent victim. In the face of such misfortune, she displays a degree of sorrow at this change in circumstance.

*I actually just got a letter the other day stating that they are starting to introduce charges (for the PCA). So I’ll be approaching the bank now and asking them about this. Because for instance if I wanted to change money, I get it commission free, because of the fact that I would be attached to the work account. Normally they don’t charge me for using the ATM’s or lodging money or for anything….I’m going to approach them about that and hopefully because I’ve been with them for so long that they won’t. I would be very disappointed if they said that they were going to charge me, because I think the fact that I’ve been a loyal customers for so long. …..I think I’d have to think about it again. And maybe check out other options. But I wouldn’t like to have to do that.*

The customer’s privileged position is under threat as the bank are going to charge her fees for the personal current account, just like other customers. This threatened removal of her “special status” creates feelings of dismay and shock. The control and elitism she felt regarding her financial relationship was probably misplaced and in reality, she is less privileged than she had previously thought, being regarded by her bank as just an ordinary customer. Once she realises this, the relationship begins to show signs of strain as this unfamiliar situation looms on the horizon.

This tragic story portrays the unravelling of a financial relationship in real time. Because the narrator believes that her distinctive relationship with the bank will remedy the situation, she is optimistic that a positive outcome will be reached. This
demonstrates the romantic turn in the story. While the situation has created a sense of puzzlement, she believes that the confusion can only be due to a miscommunication between the bank and herself. The fact that she has been ‘a loyal customer’ reinforces this assumption and she cannot believe that they would knowingly change a relationship that was functioning quite satisfactorily over a long period of time. Being a “special” customer implicitly suggests a legitimacy to negotiate as an equal with the bank in order to reach an amicable solution and she is confident that she can achieve this. She also intimates that she may have to consider leaving, should the bank refuse her request. In her mind, she has remained loyal to the bank and so she is convinced that they should also be loyal to her. Without such reciprocation, there is little point in remaining in the relationship.

In this tale the narrator sees herself as a fixer and a wizard and so it demonstrates a slightly epic dimension (Gabriel 2000). She will contact the bank, point out their mistake and in this way the situation will resolve itself. Therefore the plot focuses on her perceived ability to salvage the situation and return to the status quo.

The story generates emotions more reflective of annoyance and the sense of anxiety she demonstrates is attributable to the undisclosed motivations of the bank and the injustice she attaches to their decision. They have concealed their agenda, lied to her and led her on by not making their intentions explicit and transparent. The sense of the unknown imbues the story with a distinct air of unease and real nervousness can be discerned towards the end of the story. Finally, she rationalises her assessment of the situation by deducing that they must have made a mistake. This tale is akin to affections being rebuked and evidences a developing awareness that the relationship is unravelling. Disbelief is sinking in.
When the participant was re-interviewed four months later to establish the conclusion to the story, it emerged that she had written to her bank who ‘politely informed her that there was nothing they could do’. This effectively blocked further avenues of appeal and extinguished the earlier romanticised notions of hope and amicability. The participant concluded that her commitment to the relationship was not reciprocated and that loyalty on her part was no longer reasonable, given the relational imbalance that had become evident.

Other cracks appeared in the relationship later, when the bank (‘feckers’ as she now refers to them) made several errors with her account. On approaching the bank to discuss these errors, the participant was so irate that she ‘tried not to slap the clerk’ in frustration. The climax of the narrative leaves the participant feeling both betrayed and foolish for having committed to a relationship which has let her down. But, even though the relationship has spiralled downward into a state of disenchantment, she still chose to remain with the bank. Her only response is to relinquish her loyalty, which is symptomatic of disaffection developing within the relationship.

When explaining this decision, her reply was simply ‘I couldn’t be arsed, it’s too much work’. Then, as though she felt that a stronger rationale might be appropriate, she later attempts to justify her continuance by suggesting that exit is ‘not possible as her salary is paid into that account’. However, this is actually untrue as other excerpts from the participant’s interview reveals that she also holds a separate joint current account with her husband in another bank which channels all their important standing orders and direct debits, which would certainly complicate exit. Ironically, there were no such complications with the particular account under discussion, making termination much simpler. However we can see that presenting a rational explanation for remaining helps
this participant to justify her decision, which was most likely based on lethargy and the trouble involved.

The inability to exit the now disappointing relationship resulted in ‘annoyance at herself’ and she confesses that she ‘should have put more effort in’. Having once been emotionally attached, she now feels foolish and there is an air of shameful regret because she retrospectively feels she could have tried harder to achieve change. In a further justification of her failure to exit, she mentions the resistance to switch banks as a widespread phenomenon among Irish consumers. So as her decision to remain is reflected within the wider population, we sense that she extracts comfort from generalising her own situation to other consumers. This has the solace-seeking effect of normalising her resistance to switch. She claims to be ‘shocked that so many people feel that they still want to be with my bank’ and is ‘incapable of explaining’ why she and others choose to continue such relationships. “But that is what people do”.

The final outcome is that the relationship is redefined by the participant into one to which she is now ‘not loyal’. She represents this response as an emotional act of rebellion and, while she is not totally content with this outcome, she can put up with the new situation. The act of retracting her loyalty serves as a minor psychological victory. She is effectively withdrawing her affections and while choosing to remain is denying the bank any loyalty or commitment. Changing her state of mind and withdrawing her allegiance makes the decision to continue in the relationship more tolerable and this justifies her decision. In other words, while her behaviour will remain unchanged, there has been a seismic shift in attitude (as discussed in chapter three on disaffect).

In summary, this demonstrates how a relationship can continue even after a betrayal and while similar incidents are common in interpersonal relationships (Kayser Rao 2006),
the present findings evidence a similar process operating in consumer banking relationships. Her re-defined relationship can now operate in a dormant state with a sense of disinterest and the absence of loyalty and so the participant can retain her self-esteem, a fact that makes her position sustainable.

6.5 Dealing with Disappointments (Tragic/Comic/Hybrid)

Similar feelings of being let down by a bank are described in the following tragic story relating to a mortgage.

**Story 7 Trapped in a fixed rate mortgage (Tragic Story)**

*When we changed house we changed our mortgage ... They advised us to go on a fixed rate for three years...They gave us a fixed rate for five years, & after 3 we could opt out. We were locked-in ......He said ‘This is the way things are going to happen. Things are going to go belly up’. So, we were fine for a while & then the rates came down & then they came down, & they came down, & down, & down, & down ... ...Like we were paying twice what some [other people] were paying! That really sort of got to us, but we waited, and after 3 years we got out of that. Then they started sending us letters about our mortgage, saying that they were giving us attractive offers & all the rest. They were not really attractive at all, because they were actually dearer that everybody else and I was really annoyed.... I just said ‘no, no, no, that’s just it, it’s not going to happen. Our 5 years are up in December of this year. So in December that’s it, we’re out!’*

This story is classically tragic because the narrator suffers. However, it also has slight heroic overtones, as he sees himself standing up to a more powerful adversary. The plot is mainly one in which the protagonist sees himself as the undeserving victim. In good
faith, he had trusted the advice given to him by the bank, only to be disappointed by the outcome. Misinformation and false promises create feelings of misfortune within the narrative. He and his wife had put their faith in the advice of a banking official and in the process feel that they have been misled and duped. The participant believes that they exemplify many other banking customers and so their quest to rectify the situation symbolises the romantic notion of seeking justice on behalf of others. This exemplified the classic hero role. However the central positioning of the protagonist is that of a victim making this a tragic tale of ill-fortune.

Unlike the previous story, which dealt with the removal of privilege by the bank, this story hints at deception on the part of the bank. The narrator casts the bank as the villain and the banking staff as the agents of his misfortune. This undercurrent of deception within the story underscores the sense of entrapment felt by the participant. Blame for the situation is firmly laid with the bank, and the narrator positions himself as the injured party who was undeserving of such trouble. There is a sense that he regards himself as having been preyed upon and tempted by attractive lures, only to be trapped later on by restrictions from which he cannot escape. This exemplifies the misadventure traits associated with a classical tragic hero. So we feel pity for his dilemma and take his story as a cautionary tale about placing your trust in a bank. 38

Toward the end of the story, the listener senses that the informant is trying to take on the role of hero. His intentions to exit and his willingness to challenge a large corporation are presented as celebrating the human spirit. This is similar to Grint’s analysis of the Hercules and the Hydra tale. The participant demonstrates resolve, defiance and fearlessness by refusing to accept what he regards as misleading and

38 Gabriel (2004), states that the tragic hero can inspire “pity and awe” and their plight or curse acts as a warning for others (p. 131). He further comments that these types of tales are evidence of a wider social disharmony representative of our times.
camouflaged terms of the contract. However we later will see that this is merely an attempt to demonstrate control in a situation, where realistically control has been lost.

It is important for the participant that the self-identity that he has constructed is appreciated (Gabriel 2000) and as listeners we are encouraged to see him not the pitiful victim of a tragedy but rather as an injured party who is capable of challenging the situation and fighting back. He wants to be seen as a fighter who will not yield. The narrator is adamant that he will exit once the opportunity arises and to that end declares that he is absolute in his resolve to terminate the relationship once his contract has ended. This is presented as the only action possible to prevent future manipulation.

In an earlier narrative passage he denied that hassle and expense would affect his decision to leave. In this way, he was dissociating himself from exit paralysis, which is perceived to be the norm. But he has cast himself in the role of hero and so dismisses the impact of such obstacles in his own case.

As this incident was on-going during the first interview, the participant was contacted later to determine the outcome. The first call back did not significantly advance the story and although the participant had ‘had it out with the mortgage provider’ in his local branch, he still remained determined to leave. The participant takes care to inflate the significance of this decision by reminding the researcher that his relationship with the bank was complex, incorporating most of his other financial products such as his mortgage and various insurance products. Nonetheless, he maintained that he was prepared to close all his accounts – ‘I’m prepared to leave everything now’.

However a narrative twist presents itself at a later stage where he reveals that regardless of the recent disappointments, he is prepared to remain with the bank. This unexpected
outcome arises because he achieved new and better terms and conditions. Once again, like the tragic hero he is lured by a false promise which seals his fate. So after all the annoyance and hurt he felt because of feeling trapped, he then reported a satisfactory resolution and so the relationship can survive. More importantly, he is at pains to report that he won some concessions, allowing him to retain his self-respect. This demonstrates the importance for banks to make small concessions in consumer relationships.

Story 8: Definitely leaving (Tragic Story)

‘There’s no hold with me and our bank. There’s nothing that can keep me there - bar the expense and the pure hassle of having to change everything, I suppose that would be a factor. Not for me now, but for some people maybe. But for me, it’s nothing. I’d be happy to take the hassle.’

Closure of the above narrative was reached after a second call-back, where it emerged that the participant did not actually terminate the relationship. Regardless of his negative experiences he chose to continue the mortgage even though he ‘wasn’t happy with the treatment he received. They just don’t seem to have that commitment anymore’. This continuance was justified on the basis of price, as his bank had the ‘cheapest mortgage rates at that time’. So the reconciliation was presented as self-serving and financially driven. The reduced cost of his mortgage permitted him to redefine the overall relationship to be favourable. This was viewed as a partial victory by the participant. However the market reality is that all customers had access to the same rates and so he has really gained nothing significant. These findings regarding the importance of partial victories are consistent with those in interpersonal theory (Kayser and Rao 2006, Rollie and Duck 2006).
Without compromising his principles and while still retaining his annoyance, he could then stay with the bank. This new situation allows him to remain, but now under terms acceptable to him. This is a power jostling situation and it is essential that the participant finds some way to reclaim his sense of control within the relationship. While the relationship could continue, it now would be played out emotionally in a neutral state – a feature that satisfies him. Again, this is similar to the previous story whereby by withdrawing his commitment and loyalty, he can continue his rebellion and resistance by becoming emotionally neutral. He will no longer be complicit in aiding banking profit agendas because he realises that the benefits do not accrue in his direction. When the participant is asked later how the now re-defined relationship was functioning he reported that ‘It’s fine at the moment’ and ‘I’m happy to stay’. The emotional angst had been depleted but the positivity that was initially expressed is now absent.

**Story 9 New bank statement saga (Comic Story)**

Another story also relates to bank charges, but unlike the first story the tone is quite determined and unambiguous. This account has a more comic tone in terms of Gabriel’s typology. The tale can be compared to a jocular gripe in the sense that, while it denotes a tone of seriousness, it is witty and almost humorous (Gabriel 2000). The incident is recounted with a dash of mockery toward the villainous characterisation of the bank. It is also slightly contradictory as it jumps from complaining about charges and fees to deprecating the narrator’s own inability to act with resolve and to commit to exit as an appropriate response. This is evidenced by references to laziness and an acknowledgement to the protagonist’s role in the development of the situation.
“Look, listen I ordered statements off you and I have been charged Euro2.50 per sheet – so I want to get a copy of your charges off you just to question what else you might be charging me for. You know it’s a bit dear!” He agreed with me and said “You are right. It is a bit dear. But customers are told to keep copies of their statements”. I said “Yes. But regardless, it shouldn’t be Euro2.50 a page – I mean it is only f****** paper you know! It’s a bit much” It is laziness I guess. I’m content with my life and they haven’t made any major mess-ups. But as I get older, I am finding myself more intolerant of things like this – you know, charging Euro2.50 for a sheet of paper. I am going to shop around – look at what the likes of TSB (Trustee Savings Bank) are charging, and if they are charging less, well then, we’ll see.

As expected with a comic mode, the focus of the plot is mainly one of farce and confrontation, but where the protagonist regards himself as partially culpable in addition to being an undeserving victim. The story is therefore contradictory and paradoxical as the participant is partially responsible for his current circumstance, given his self-admission of laziness.

The reference to laziness is a reflective turning point in the story. It is not an explicit reference to a particular instance of inaction but an unspoken acknowledgement of his general predisposition to inaction. He believes that he both contributed to and exacerbated his predicament. The story is amusingly recounted and infused with pathos for his growing intolerance of inefficiency. Pathos is evident in his self-confessed inability to react to the situation in a speedy manner. Then, in a further turning point, he declares an intention to act and redress the situation by ‘shopping around’, which clearly implies thoughts of exit and as such clearly expresses a threat.
Where the conclusion of this particular incident was collected in a later interview, once again one can see that redefining the relationship permitted it to move forward. However the manner in which it is redefined in this case is unexpected, as it involves a process of selective memory loss. This creates a significant “plot hole” in the story – a topic which is discussed later in section 6.6.

**Story 10: The Stolen Card (Comic/Tragic Story)**

I had my ATM card stolen... They sent it out for a different account that I had instead of the one I wanted. The day it arrived ... ... I didn’t do what I probably should of done which was take the pin & throw it away! I kept the two of them together & would you believe it, we were actually broken into that night!...Of course he (the burglar got the card & the pin number! Now I actually didn’t have them together, but he found them and I suppose, technically I was prob-a-bly wrong in that I didn’t get rid of the thing straight away, but anyway. My account was cleaned out...I threatened to pull everything......They had made a mistake in terms of that they had sent me the wrong ATM card. There had actually been a couple of incidents like that. ...They just weren’t getting it right...It was that time we have 3-4 accounts & that was the difficulty. Say there was 5-6 cards & it just became very confusing. ... I was actually holding onto them to bring it in & sort it at the desk, once & for all, but that was the night this guy decided to break in. So anyway – I wasn’t very happy with that, & their attitude! They paid me €200 but I was actually out of pocket €400! I just felt that their attitude wasn’t good. In the end, we did come to a sort of compromise, because I felt that I shouldn’t have to pay the whole...

This comic/tragic tale arises both by way of a mistake and a crime and is littered with calamitous events which contribute to its complexity. The narrator presents himself as
the undeserving victim who admits to having a sense of blame because he did not dispose of a PIN that accompanied an ATM card, even if it was for the wrong account. He reinforces his self-characterisation as an undeserving victim by repeatedly explaining why he kept the card and PIN together. The story also attributes the construction of misfortune to destiny where the burglar represents ‘fate’ which turned an ordinary banking situation to one of misfortune, error and blame. In a surprising twist the burglar is not cast as the villain and as the agent of the narrator’s misfortune. Rather his ‘out of pocket’ situation is attributed to the bank itself. This adds a curious and insightful dimension to the story and leaves us wondering “who was the real thief - the bank or the burglar?”

As the plot progresses the narrator assumes heroic qualities as he positions himself as the only competent individual involved.

**Story 11 Going to the police (Comic/Tragic Story)**

....This is the other thing. I had to go in & ask them where was the money withdrawn & they checked it out & it was Clondalkin ATM & I asked ‘have you talked to the police!.

‘No. So I was like the middleman between the police and the bank and found that was ridiculous & the police as well didn’t come out of this very well. ... I was giving them information about the ATM machine which they should have been asking the bank about and the bank should have been talking to the police...I didn’t like that whole episode with them.

The plot takes an epic-like turn as the story moves from its tragic beginnings to one in which the narrator embarks on a mission to resolve the situation by taking control and winning a small personal victory without the assistance of either the bank or the police.
As an intermediary he then assumes romantic hero-like qualities, where he portrays himself as a champion and an exemplar of the human spirit who has the ability to triumph over two large authoritarian systems (Gabriel 2004). 39

His conviction to move is so resolute that he tells the bank that he will move all of his business elsewhere should they fail to satisfy him. This threatening behaviour is designed to leverage the situation and turn it in his favour.

Like in previous stories, it emerged that the participant eventually chose not to exit, making it tragic rather than epic in its final construction. While he was not happy with the outcome where he had lost money, he did get something. ‘They (the bank) thought they were making a ‘GREAT’ gesture by giving me half the money that was taken’.

However, even while cynicism is clearly evident here, this small compromise and gesture by the bank was sufficient to prevent exit and as it seemed to be fair under the circumstances (i.e. regarding his own role in not destroying the PIN), he decided to continue the relationship.

The retelling of this event is a self-reflective process through which this participant now reconsiders his actions and explains their importance to the eventual outcome. Such introspection may indicate that he had not previously probed his motivations for not exiting. While admitting that he ‘felt strongly’ about the issue, he questions his inaction by internalising the problem and asking himself ‘why didn’t I leave?’

Such a turnabout highlights the temporality of dissatisfaction in consumer relationships, as his feelings of dissatisfaction evaporated once his decision to stay had been made.

39 Kavanagh and O’Leary (2004) identify Napoleon as exemplifying the classic romantic hero as someone who took on the world and subjugated it with his outstanding strategic abilities. They identify the romantic hero as having the traits of heightened awareness and theatrical emotion.
Similar to other participants, it appears that no further evaluation of events took place after the original outcome had been achieved.

**Story 11: Continued - Effort of moving account**

.....‘If it were something like a doctor I would probably have moved under the same circumstances. But with banking there’s the whole effort you have to make. I mean people get very lazy with the idea, because it is form filling and it’s dealing with accounts and moving accounts and things like that. I think there’s more hassle involved.’

..‘There’s the whole idea of laziness as well, of just not being prepared to move! Particularly with three accounts, and also a savings account! It’s messy, I think. It would have been messy, I think, to move that.’

Based on these reflections, it appears that process and hassle are really significant factors leading to continuance. Like many other participants he makes reference to other people ‘being very lazy also’ – which is a social justification of non-exit. The participant continues to explore his resistance to change by asking himself –‘Would we have left?’ acknowledging that ‘there was definitely a point where I was going to leave and switch’. Finally, he attributes his decision to remain to the partial reimbursement, which was ‘the carrot to stay’. The basic vindication is that ‘If I left, I wouldn’t have got the €200. That’s probably the thing that swung it’. The use of the word “probably” attests to the fact that even he is not really sure as to what kept him in the relationship. However as the story continues it develops even further into a self-reflective exercise and the participant also starts to attribute other factors other than the reimbursement to the decision not to leave.
His negotiation strategy was partially successful and so he is keen to claim it as a victory. This soothed any mental conflict in failing to terminate the relationship and provided him with a sense of achievement. Negotiating an acceptable outcome allowed him to take the high moral ground in this story as he has demonstrated that he could not be manipulated or disadvantaged.

As was common among all the stories, ‘hassle’ was perceived as being an important factor in this case also. But this was quickly dismissed by the informant as the main reason for his decision to remain. He is adamant that he ‘would have left, even though it would have been hassle’- so avoiding any contradiction he may have created by portraying himself with slight hero like qualities. Honour and commitment to the agreement he had made with the assistant manager are presented as a means to reinforce these qualities. So he heightens his self-image and further justifies the decision not to exit (see below).

The pattern of mixed motivation is an important feature of all the stories disclosed to the researcher. It is true that most consumers had a number of interacting reasons for taking decisions or for deciding to do nothing, as was most often the case. Excerpts typically contain several motivations as the participants articulated a series of opinions when considering their past actions.

Story 11: Continued - Being Honourable (Comic Excerpt)

‘There was a sense of honouring the agreement as well, because I was dealing with a lady - the assistant manager And in the end we did come to an agreement. I honoured that and I said ‘right we’ll stay’. .. I could have left after a few weeks or whatever. But no. I decided to leave it.’
Overall, it is clear that his decision is driven by a multitude of factors and the final decision hinged on his overall assessment that while ‘the banks attitude wasn’t good- in the end they did come to a compromise’ and although they have been ‘incompetent’, he has had ‘good and bad experiences with them’. Therefore he decided to remain.

Finally, he redefined the relationship as neither ‘cold nor warm’ having ‘up’s and down’s’. He then considered himself as a customer who is still ‘loyal but in a very sort of functional way’. Similarly to previous stories, this again points to a type of emotional detachment and neutrality in how a relationship is maintained. It also questions what ‘loyalty’ actually means to consumers. The bank now provides for his needs ‘reasonably well’ and they ‘perform a function’. He himself is ‘indifferent’ and ‘wouldn’t feel one way or the other about them’. Believing that there is no ‘huge alternative’, he decided to ‘continue to use them, through indifference’. This is akin to ambivalence as discussed in chapter four. Eventually his conclusion is that his bank simply ‘haven’t done enough to warrant moving’. So we can conclude that the overall outcome is multifaceted arising from a number of judgements and a weighing up of the importance of various factors.

While incorporating themes from previous stories, this tale points to a mundane quality that now governs these mature financial relationships. Rather than demonstrating the strong bonds that one would expect to have been built up over years by banks with their customers, these relationships now operate at level of ‘indifference’ and are devoid of emotional attachment. It should be noted that such a relationship dynamic behaves contrary to the tenets of textbook relationship marketing, where close bonds and mutual benefits are highlighted.
In conclusion, the first section of these findings shows that dissatisfaction which had been felt intensely in various incidents in the past was replaced by a general sense of apathy and emotion neutrality. These stories are mainly dominated by tragic plots because while participants like to present themselves as heroes who do battle with powerful opponents, the small number of successful outcomes confirm that they are not truly heroic plots but are in fact tragic. While they may not have actually withdrawn from using their bank, they are neither more nor less emotionally loyal at the conclusion of these events. Retaining the relationship in a neutral state was adjudged to constitute an acceptable position, given the perception that there was no real alternative.

Section two of this chapter discusses the manner in which participants communicated with their bank when faced with difficulties. They again consist of mainly tragic and romantic stories which show the strategies and tactics used by the participants.

**6.6 Strategies for dealing with problem relationships**

In this second phase of the analysis it became evident that participants shared stories regarding the approaches they took when facing problems with their bank. Such tactics were common across all participants and varied only in the degree to which each was employed. Most initially tried to bargain and while some favoured the use of threats to leave, others tended to use deception. Stories regarding these particular strategies are now examined.

**6.6.1 Making threats**

Participants recounted stories showing how their perception of the competitive environment helped determine their best course of action.
‘Things are more competitive now, & they (other banks) are willing to cut costs just to get your business’.

It was common for participants to actively seek quotations from competitors in order to negotiate better arrangements with their existing provider. The presence of alternatives within the market provided a key to balancing power inequalities between customers and their various banks. The existence of competition within the market empowered participants by giving them more bargaining power, a fact that supports the findings of Meyer et al (1990). So threats to exit gave participants greater control, greater ownership, and improved leverage in their relationships.

The following story describes such a struggle and demonstrates how such a threat helped to resolve the issue.

**Story 12: Don’t leave – we will sort it out (Romantic/Comic)**

*We had problems with our life assurance company. After a lot of ‘too-ing and fro-ing’ we actually said that we were going to leave and not use them anymore. But she (the company representative) said that they would try and sort it out rather than have us leave.*

It is questionable whether or not this threat to leave would have been acted upon, because a succession of errors had been made in the past and their accumulation had failed to trigger termination. Even though this particular incident took considerable time to resolve (months in fact), giving the participant ample opportunity and justification to exit, she did not leave. The participant was accepting of the bank’s declaration that they did not want her to exit and this appeared to satisfy her. Again an apology is an example of winning a small victory. Eventually her case was assigned to another bank official,
who placed the blame onto former colleagues, saying ‘it was bad advice’. In her mind, this admission of blame reaffirmed the bank’s desire for her to remain which bolstered her justification for not exiting. After months of bargaining and wrangling the bank repaid the losses involved in the particular incident and as the participant felt that she had been victorious, she was content to stay with them. It should be mentioned that contextually these losses were not unique to this participant herself as the product was flawed, making it inevitable that on legal grounds, reimbursement to everyone would be forthcoming eventually.

However, such a victory was uncommon and most stories were more confused. While exit was often threatened verbally by participants, in reality, it was rarely acted upon.

‘They (most customers) don’t maybe follow through with the threat to leave!’ ‘There was a bit of, there was a bit of bluff going on, and a bit of bullshit you know? I said I’d push them!’

Threats to leave were frequently mere tactics to express anger and to feel that one was being proactive when faced with an unsatisfactory situation. A threat to terminate the relationship is more of a release valve to vent one’s anger, rather than being a declaration of real intent.

‘It was anger, frustration with them but not to the point that we were considering moving. Having said that, we might have threatened it in a phone call (laugh) .... But I don’t remember at the time thinking we were actually going to move!’ ‘We did threaten to leave for a lower interest rate...The angle is that you have to threaten to leave. You have to say ‘well, we’ve looked around’ .... And they will give it to you!’
However, in some cases the participants were faced with a real choice – would they follow through on their threat and actually move?

**Story 14: You’re too dear (Tragic/Romantic)**

*We got our house insurance & everything through our bank...* Our policy started to go up like everybody’s. So, it was par for the course: happy to do it. ...Then it got out of hand. They sent us a letter out of the blue to say that our premium would be going up and to expect an increase in costs. That was fine – nothing new there. And then we got the premium. It was exorbitant! ...It was twice, it was three times, it was a 300% increase... So we priced around. ...They were looking for was €900.... And we ended up getting insurance from their major competitor for €380 or something .So I rang the bank and said “Listen it’s time for a change”. She said ‘why, why, why!’ I said ... ‘Like your premiums are just crazy, like we’re with you 10 years’ ...‘And you’re just fleecing us for no reason like’. And she said ‘Oh you know you’re a valued customer. Would you not stay with us?’ And I said, ‘No, No, No way, that’s it. We’re out’. So that was fine...And they were happy enough to let us go. They wouldn’t drop their premiums, funnily enough, even though we badgered them.

But, in fairness to the bank, when we first bought a house no one would touch us bar the bank ...So I have to say in fairness that’s why we sort of stuck with them a little bit, because they were fair to us...But I think they sort of showed their true colours towards the end.

I just did everything through the internet... I just called the bank and said ‘Listen, you’re too dear’ & they said to me ‘How dear?’. I told them and they said ‘There’s nothing we can do’. And I said ‘Well it’s a bit much, seeing as I’m with you so long. We’ve sort of stayed with you and all the rest. Is there nothing you can do for us? We
don’t really want to move. But you’ve put the gun to our head’. They said ‘No’... I suppose I was a bit annoyed at the time because they were so expensive, and they weren’t even prepared to negotiate. It was ‘This is what it’s going to cost you & if you don’t like it, that’s it’.

New information (about other prices that were found on the internet) was supposed to act successfully as a bargaining mechanism to confront the bank and gain leverage. The tragic story contains compelling language with the powerful metaphor of the loaded gun suggesting that the narrator is in an uncompromising situation. The language use characterises the bank as both callous and criminal, devoid of emotion and empathy. As the victim he presents the narrative in tragic mode where his loyalty had been betrayed as evidenced by the cold-hearted unwillingness of his bank to compromise. In the narrative the bank is clearly presented as a very powerful and villainous adversary. He wanted some reasonable concession and acknowledgement of his loyalty but received none. This unwillingness to negotiate was then judged as a clear indicator of his lack of worth to them. And so he was faced either with implementing his threat or backing down. In his eyes this is true victimisation, as he is being forced, uncompromisingly, into a lose-lose situation by the bank.

Having positioned himself as a victim, the storyteller also moves through a romantic phase where he laments over the relationship that could have been. That fact that the bank were not prepared to renegotiate came as an additional disappointment and his description of how he ‘badgered’ them to negotiate suggests that he really did not want to exit. In a sharp reflective turn, the participant nostalgically laments the severing of the relationship, recounting how in the past the bank had been such a good partner to him. It suggests that this kind of amicable relationship would be missed. So he ‘stuck
with the bank, by keeping his current account, savings and mortgage account with this lender, and removed only the house insurance. The key issue in this tale is that the incident breached some boundary of annoyance which just forced him to take action. While it marked a serious let down in his relationship, prior positive experiences appear to have built up a sense of loyalty which was only slightly diminished.

His solution was to find a compromise which was achieved by terminating just one account and while let down by their inflexibility, he actually choose to retain all other services with them. The moral victory he gained by following through on this threat is sufficient in maintaining pride and self-respect, in addition to conveying to the bank his autonomy within the relationship. It also reaffirmed a personal confidence to tackle similar instances in the future. In the end the story has slightly heroic sentiments and the relationship can return to the status quo. Partial or incomplete withdrawal proved to be sufficient to justify retention.

It is important to note that in none of the cases investigated in this research did a complete exit occur, which indicates that threats are merely a bargaining chip. In fact this partial exit was the only such example found among all the participants.

6.6.2 Bargaining

Bargaining is the preferred tactic employed to secure a satisfactory outcome and so permit continuance and many participants favoured opening a dialogue with their bank in order to resolve a conflict or rectify an error.

Story 15: The Gold Card (Comic)

.....I did say that I wasn’t happy with that and I should have been told. ‘If you hassle them, they will eventually say “Right, Grand”. I decided to go with MBNA for my VISA
account because of the lower rate of interest In the meantime the bank got onto me and asked ‘Why did I leave?’ ‘Because it was a lower rate of interest’. ‘But did you realise that you could have got a gold card being so many years here?’ ‘No, no-one told me about this!’ and so I said ‘What am I entitled to now?’ They said ‘A GOLD CARD’! (Laugh) So I got the gold card and gave up the MBNA card – but only when I threatened to leave!

In a clear decision to leave, this narrator had actually begun the process of changing his VISA card from his bank to another lender, although it is important to stress that a complete exit never actually occurred. He empowered himself with market knowledge to strengthened his position when the bank contacted him to dissuade him from leaving. The tale is comical because he was unaware that his actions would contribute to a better offer from his bank. He becomes reluctantly triumphant by handling the situation with a certain amount of drollness and satire. The outcome permits the relationship to continue. Interestingly, the fact that the bank had withheld this more attractive offer from him during his relationship did not seem to upset him. The lure of the ‘Gold Card’ seemed very appealing possibly because of its status connotations, as is evident in the tone and inflections used by the narrator to stress the significance of being offered such a card.

The story below illustrates an unusually direct confrontation strategy that proved to be successful.

**Story 16: JUST GET ME THE LOAN (Comic)**

*It was back in the 90’s and it was difficult enough to get loans. But I did have a contact in my local branch. He said ‘Oh no. I can’t, I can’t seem to get this loan for you!’*. I found it very difficult and at this stage I just went on the phone. ‘You ARE getting that*
loan for me (laugh). This is ridiculous’ (Laugh)’. And I didn’t laugh at the counter or at them or anything! I was just raging cause I met all the criteria. It was like I was getting refused and eh I said ‘ You go back there now, and you ring me back WHEN YOU’VE GOT IT’. This is the bank manager! And he comes back to me in a half an hour ‘That’s all fine. It’s all sorted out’ (Laugh)

Recounting this story is personally rewarding for the participant, as it depicts a role reversal where he takes control of the situation by voicing his demands. He positions himself as the hero who takes on the powerful adversary. However, the tale is comical, not only because it is humorous, but because the situation is resolved through wit and cunning. He successfully brings the situation back from the brink of defeat as he determinedly and cleverly attempts to alter the outcome in his favour. There is an undoubted air of smugness at the conclusion of events where the bank yielded, leaving the participant delighted at having secured such success. The unusually positive outcome provides him with the justification required to continue the relationship as an equal, in what is effectively a ‘power relationship’. Without this ability to utilise his voice and gain a victory, the relationship would have become unbalanced and unhealthy. Similar small victories have been discussed in previous stories and seem to be critical in understanding inaction on the part of dissatisfied customers

6.6.3 Deception

Sprezzatura, a term taken from Castiglione’s “The Book of the Courtier” (1528), is defined as “a certain nonchalance, so as to conceal all art and make whatever one does or says appear to be without effort and almost without any thought about it”. In the

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40 Written in Italy over a period of 20 years by Baldassare Castiglione providing insight into court life during the Renaissance.
context of this study, it is viewed as the effortless ability of participants to fake honesty and to artfully deceive when necessary. Such practices appeared to be common for customers in dealing with their banks.

The following comic story highlights such a tactical, artful and somewhat manipulative approach to relationship management. The narrative reveals how a stealth strategy can empower customers to gain positive outcomes. Such a perceived level of control is often sufficient to justify the continuance of a relationship by the customer, even where the final outcome may be unfavourable. By successfully concealing the truth the participant can feel powerful in a relationship structure, even where objectively it is balanced to his disadvantage.

**Story 17: The Machiavellian Protagonist (Comic/Tragic)**

*I did go into the bank last week. They noticed I was getting a draft made up for a large sum of money, and they asked what it was for ‘a house?’ I said that it was, and they said had I applied to them (for a mortgage) and I said ‘No that I hadn’t. They said they had attractive rates and suggested that I see the manager. They led me into a room straight away and she had all my details..... She went out of her way to sell me a mortgage. ‘We’re so much cheaper. Over the course of the mortgage, I could save so much money’..... I listened to her briefly and made it quite clear to her that I would only be interested on the condition that it would be hassle free... She said that it would be ... painless. All I had to do was produce a letter from work, which I had already.*

*Two days later that (requirement) grew to wanting P60’s (i.e. certificates of earnings and tax paid) for the last two years and pay cheques ... all sorts of documentation. So I said to her ‘We’re going down that road that I didn’t want to go down. So you should stop the conversation now’...Again she pressed ...I told them that I had a better offer*
and that two weeks down the line she might tell me that they weren’t actually going to give me approval, so I would be left with nothing.

It is important at the outset to understand that previously in this participant’s narrative he had revealed that he had secured mortgage approval elsewhere, based on documents showing exceptional contract earnings. However due to employment cutbacks, no such earnings could be demonstrated at the time that this meeting with the banker took place. He was therefore aware that it was highly unlikely that he would get mortgage approval, if the bank required documentation detailing his more recent salary.

The story is clearly one of artful deception where significant information is actively concealed from the bank. To engage in half-truths and to intentionally mislead demonstrates a high level of confidence in the narrator’s own self-perception. While the plot may seem heroic, the participant is not approaching the situation with raw courage but with a type of opportunistic cunning which demonstrates his distinctively egotistical qualities suggesting a more comic construction (Kavanagh and O’Leary 2004). He does however fit the archetype of antihero as he cannot resist the temptation to control the situation and so gain benefit.

While there is no struggle here or small victory in this tale as occurred in previous stories, it is a situation that he opportunistically seized upon, just to seek benefit and gain advantage. It is a just self-serving venture that he has embarked on and because we are privy to the context of the story, we can see how he makes the bank manager appear foolish. And although he might appear to be the loser as he ultimately did not dupe the bank into giving him the loan, the context reveals an undisclosed truth - that it is not the narrator who is the focus of misfortune, it is the bank manager herself and the bank who have been fooled. Though the narrator has outwitted officialdom, his tactics are
ultimately unfruitful because at the end of the day he cannot provide the necessary information to gain approval from them. So the banker is both the unwitting victor as well as being the fool.

Reflecting on his story the participant concedes that he would not have been successful in securing mortgage approval as the bank would have eventually ‘seen though the scheme that was being played out behind their backs’ - a manoeuvre he finds both amusing and gratifying. Such game playing and calculated manoeuvring depicts a cunningness and an ability to creatively use discourse to conceal. The context makes the story quite Machiavellian as the narrator deceives in order to secure a personal victory. Being refused mortgage approval by this bank is irrelevant as he has secured it elsewhere, and so the story is one of opportunism, where he deceives in order to try his luck, have fun and most importantly, to impress his listeners with his cunning. Concealment of the truth and contrived lies were common across many other stories and narratives.

Another example of Sprezzatura being used to beat the banking system presented itself when one of the participants recounted a story relating to her brother, who had successfully cheated the bank out of charges for almost a decade, a feat she both admires and applauds. In other circumstances individuals would usually keep such acts of deception hidden from others. However, she is happy to share this particular story because she is aware that given the context – a large bank versus a small customer- the prevailing judgement will be one of admiration and an indirect sense of satisfaction. Essentially, the actions of one individual are regarded as a battle won for all consumers.

**Story 18: Still a student (Comic/Epic)**
My brother had been in college for years previously and it’s only recently that they’ve stopped his student account (Laugh), after ... like I’d say...eight or nine years! (Laugh) He hasn’t been paying fees since that as he had his student account (Laugh). It wasn’t until they reviewed all of their accounts or something that they realized. He’d been lucky to get away with it for so long (Laugh). I don’t think he has a cheque book or anything like that, so he didn’t need to change for any other reasons (Laugh). I’m surprised they didn’t back date it! They could potentially do that (Laugh)

Similarly to the previous story the brother has chosen not to disclose certain information to the bank – in this case the fact that he had not been paying fees for almost a decade. This incident is amusing to the narrator and there is a distinct sense that she really admires her brother for managing to dupe the bank for such an extraordinary length of time. This story is like a David and Goliath struggle to be shared and repeated. In this sense the story does display some elements of an epic tale in that the story is being retold in admiration of her brother’s achievements.

Her amusement bestows approval on her brother’s deception, suggesting as well that she views banking systems as large and powerful structures, which should be outwitted if possible. Even though the bank may have now caught up with him, he clearly had won a minor victory, which she is delighted to recount.

Deception like the above instances is considered normal and even necessary in order to secure beneficial outcomes from a bank. So it is possibly another strategic response to dissatisfaction that is either experienced or anticipated. Previously it was sufficient to have a track record which was known at the local branch, but now where negotiations have become more difficult due to the detachment of decision-making from local
branches to the Head Office, participants believe they have to be both aggressive and tactical.

‘You used to be able to negotiate with them, but now it’s not really negotiable. But, as I say everybody is tarred with the same brush – ‘It’s gonna cost you X amount and that’s it, whether you like it or not’. How long you have been with them is irrelevant. What you do, or whatever, just doesn’t seem to be an issue anymore.’

One participant even admits to ‘making-up figures’ to achieve a loan.

*We did threaten to leave for a lower interest rate... The angle is that you have to threaten to leave. You have to say ‘well, we’ve looked around’. And I’ve made up figures with what they (other providers) offered as the discount (laugh) ..... And they will give it to you!’*

Deceiving the bank in such a manner is regarded as justifiable by participants who believe that their banks consciously and intentionally operate to deceive them. The act of deception has been socially legitimised for consumers and so, in a game of tit for tat, customers believe they are right to deceive their banks, whenever possible.

In summary, the narratives so far have charted participant relationships from positive beginnings through disappointment, negotiation and resolution or partial exit. The stories were evaluated using Gabriel’s poetic tropes and typically had tragic and comic dimensions with slight variations depending on the nature of the story. Many indicate that retelling often involves a degree of embellishment for the sake of effect. The factual basis of a story seemed to be less important than the emotions associated with the various incidents under discussion. Reflections on the after-effects of these incidents also offered insight into the perceptions of customer regarding their on-going
relationships and overall it is clear that these stories exert considerable power in shaping the outlook of the participants.

After a relationship had suffered a let-down or disappointment, the stories suggest that it has to be redefined in a participant’s mind in order to permit continuance. This has to be done in such a way that the participants do not incur feelings of concession. Furthermore, it suggests that feelings of dissatisfaction are temporary and once redefined can be replaced by neutral sentiments.

This second section has described the main tactics that participants employed to manage let-downs in their financial relationships ranging from threats to exit to bargaining to effect a change of circumstance or to minimise a negative outcome. In extreme cases, active deception of a lender might be employed. All such tactics are deemed to be fair, due to the uneven power distribution that is perceived in consumer banking relationships and so these stories were recounted with pleasure. It is clear that minor victories are to be relished and carry considerable weight in enabling customers to remain with their existing supplier and to avoid disrupting their current banking habits.

The final section of the present chapter will examine other significant elements that emerged from the collected narratives. It explores acceptance and submission in financial relationships and in particular highlights the important psychological role that is played by financial folklore.

6.7 Reasons for Staying: Acceptance in Financial Relationships

The texts in this section represent a detailed catalogue of failures to exit that were common to all participants. They provide substantial evidence that on-going negative experiences in financial relationships defy theory as they do not lead to termination, as
might be expected. Even multiple service failures do not to accumulate over time to increase the probability of a termination. On the contrary, the evidence suggests that as the relationship ages and matures a tolerance for errors even appears to increase, with the likelihood of exit actually diminishing.

**Story 19: Once Bitten Twice Shy (Tragic/Romantic)**

_I was happy to trust them and just that they’d look after us and look after everything for us and we’d stay with them! Money was going in, as I say, everything went through the one account. Well, everything is still with them at the moment. But I mean that’s going to change in the morning. I think we’ll keep our.... We don’t have car finance anymore with them. It was easier just to get that elsewhere. But we’ll keep our accounts with them, I suppose._

_But their mortgage is definitely the cheapest & wins at the moment....I’d say we were caught before, but we won’t be caught again. As I say the thing about the house insurance and stuff like that, that sort of showed that they were just suiting themselves. So why should I suit them? ...They see us as a safe bet for business, seeing as we have everything. We’ve been with then so long and we’re just straight forward. We’ve never defaulted... ... I want to call them & say ‘Look you are way over the top’, & they just say ‘we’ll take it or leave it! (the mortgage)’... ... We could just stop tomorrow! It’s pure laziness, I suppose. I mean we haven’t gone down & withdrawn everything. But eh, we have (pause), eh (long pause), we could change tomorrow!_

_But the mortgage governs our account really, because, the direct debits are, most other stuff that comes out of the account are often different things. So you know it’s difficult!
This couple had actually moved only one product from their supplier (car insurance) and obviously struggle to present a rationale for not making this withdrawal complete. The account is a follow-on from the tragic/romantic story 14. The participant reflects on why he and his wife decided to keep the bulk of their business with their main lender after a prolonged dissatisfactory experience (where they were locked into a fixed term mortgage). The tragic narrative demonstrates the conflict involved and moves from threats of exit to reflection and an eventual justification for remaining. Such a complex thought process was typical and informants tended to reveal multi-faceted influences on their decision making.

The subtext suggests that this participant was about to terminate his mortgage account in order to avail of a cheaper offer. To determine the outcome, a further interview was conducted several months later and this revealed that he did not in fact exit the mortgage when its fixed term ended. In fact, he had extended it. When asked to provide a rational for his inaction, price was the main driver.

Similarly to other stories, this narrative is a self-reflective exercise by the participant. It appears that prior to the interview he had not articulated his reasons and may not have given the matter any real consideration beyond having clearly decided to stay or perhaps, as was more likely, failed to move. It is important to note that the researcher was careful to avoid any direct questioning or prompting whatsoever regarding these matters, as that would give rise to producing a defence of their behaviour resulting in a self-justification process on their part. Rather she let the participants tell their stories without comment or question to allow responses to emerge in an honest and spontaneous way.
When the participants reflected on their inaction, ‘laziness’ together with their “inability to follow through” and instigate exit was a common justification. However on reflection, this participant eventually concludes that the complicated nature of his personal current account and the extent to which the participants depended on the one bank for all their needs were the key barriers to exit.

*I say, we had our mortgage, our insurance, life policy, personal accounts - we even had our car loan with them. We had everything, ran through one bank. But because it just seemed easier to deal with the one person rather than having money going from other banks and stuff like that.*

An additional more emotive justification was the trust that was established at the start of the relationship. This is evident in the romantic dimension to Story 14. The participant characterised himself as a model customer who originally had such an amicable relationship and so creates feelings within the listener that his tragic situation is all the more regrettable and his predicament appears to be all the more unjust.

Reflecting on these issues generated strong emotions which drifted from resentment and anger to sorrow and resignation and his conclusion of the overall narrative suggested that non-exit in this relationship is both complicated and emotionally charged.

**Story 21: The Box of Chocolates (Romantic/Comic)**

*I’ve seen the good and the bad in them, I’ve had problems with them & I’ve also experienced their customer service, the good side & the bad side. I’ll give you an example. ...There was a problem, I don’t know how it happened but there was some problem. Anyway....when we wrote a few cheques they actually bounced! It was AIB’s fault and we rang them and basically kind of gave out a bit.....About 2 or 3 days later, I*
presume it was the manager but I don’t know or the assistant manager, it was definitely someone high up in the bank in Naas – arrived at the door with a box of chocolates! … Now, I was surprised – v-e-r-y surprised. And he apologised and... I presume he’s obviously thinking of course you know, what if these two professionals will be for 30 years in my bank, you know ... You tot it up, the amount of money you make, you know it’s, only a box of chocolates. It’s nothing... But it was still - it was customer service & I suppose retention of the customer and whatever. It was a good move and you know it did make an impression - no doubt!

The above story shows how an extremely positive sentiment can be generated, even after a participant has a negative experience. While the specific details of the incident are not remembered, the problem caused and its unusual consequences were acutely recalled. The story resonates with a comic dimension which is omitted in the excerpt above, where the participants details the calamity of himself and his wife living abroad and moving house resulting in banking confusion. It is slightly epic by way an apology from the bank. The romantic tones come from the box of chocolates which can be regarded as a gift giving token by the bank. Additional romance comes from the rank of bank official who called to the house which reinforces the customer’s self-importance and plays to his ego.

While the gift giving generates emotions of gratitude, unlike a classic romantic tale it is viewed with a certain degree of cynicism giving it a comic feel. The gesture is appreciated even though the participant clearly understands the hidden profit motive behind the act. While a subtext of scepticism and suspicion is apparent given the widespread negative sentiment regarding banks, nonetheless, he is wooed by the outcome. An additional subtext is in reference to the comment ‘retention’, which he
dismisses with ‘or whatever’. This tentatively suggests that attempts at retention are not really considered genuine by the participant.

To date the analysis has dealt with various stories that firstly described the hopeful beginnings. After that stories that relate to disappointments and struggles with banks were recounted. The tactics employed in these battles ranged from bargaining to threats and even deceit. In all cases it is clear that consumers used all such mechanisms to affirm their independence and to retain their self-esteem.

The next section of findings will look at the motivation of customers to stay with their current bank.

**6.8 Reasons for Non-exit from a Dissatisfactory Relationship**

One of the main objectives of this research was to examine motivation: why did participants not exit from financial relationships that were less than satisfactory? And what reasons did they give for remaining?

Many narratives referred to such matters and the evidence showed that quite complex mixed motivations were in operation. While many operated in concert, a number of distinct strands of motivation are identified in the table 6.3. Narratives also showed that over the lifetime of a financial relationship, thoughts of exiting were actually very frequent.
Table 6-3 Explanations for staying in dissatisfactory relationships

<table>
<thead>
<tr>
<th>Rationalisation</th>
<th>Perceived Difficulties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason 1</td>
<td>Hassle, Staying is socially acceptable.</td>
</tr>
<tr>
<td>I’m just too lazy</td>
<td>Reason 2</td>
</tr>
<tr>
<td></td>
<td>There are no real alternatives out there No perceived benefit attained by switching</td>
</tr>
<tr>
<td>Reason 3</td>
<td>Ease of Process, Perceptions of hassle and other costs with new suppliers.</td>
</tr>
<tr>
<td>I know the system here</td>
<td>Reason 4</td>
</tr>
<tr>
<td></td>
<td>Necessity of bank facilities, We cannot afford to lose services. Possible negative</td>
</tr>
<tr>
<td></td>
<td>consequences – loss aversion.</td>
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<tr>
<td>Reason 5</td>
<td>Inconvenient to move. Possible negative consequences due to difficulties with new</td>
</tr>
<tr>
<td>It’s very convenient to stay</td>
<td>processes</td>
</tr>
<tr>
<td>Reason 6</td>
<td>Errors are normal, expected and likely to be encountered</td>
</tr>
<tr>
<td>It’s adequate - I don’t expect much more from them</td>
<td>Reason 7</td>
</tr>
<tr>
<td></td>
<td>Inability to manage all the products so passive management is suitable</td>
</tr>
<tr>
<td>I don’t pay any attention to some products</td>
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6.8.1 Explanation 1: I’m too lazy

The most common justification for not terminating a dissatisfactory relationship, even if desired, was simple laziness in the face of hassle, i.e. the perceived trouble involved in making the change.

‘Obviously the hassle and because I don’t see them to be much different to any other bank really, so that’s really it! I wouldn’t see much of a difference in any of the other banks. And there’s just the hassle!’

Again and again the phrase ‘hassle’ recurred, even though at times it was accompanied by other more ‘rational’ justifications. Participants frequently spoke of laziness and hassle in the third person, as if distancing themselves from what they perceived to be their own weakness of character. This is evident in phrases such as “people being lazy”
as is evident in the excerpt below. Empathy and support for this phenomenon is sought, though putting the question ‘you know what I mean?’ to the researcher who is obviously viewed as being aware of such socialisation into banking behaviour. The bar of chocolate reference in the excerpt below, suggests that the service relationship is perceived to be more complicated than a simple product transaction and so this distinction affects outcomes. Note how he justifies his continuation by conceptualising it as a wider social normality, where inaction is common. There is a very clear derived sense of comfort from participants in a shared understanding of banking. This represents a solace seeking effect of trading stories with one another.

‘People are very lazy about banks, the hassle of moving you know what I mean? I think it’s always an issue for people. It’s not like a bar of choc, like ‘I’ll change this to a different bar of chocolate’.

With banks people are lazy. And I would include myself there. The whole hassle of going into a new bank, filling out forms, transferring over money & stuff like that. I think that is an issue for people, you know?’

“Hassle” directly contributes to inhibiting people from seeking new relationships elsewhere. For instance, one participant attributed his decision to open a new VISA account with his own bank rather than with a cheaper competitor basically because he ‘didn’t need any paperwork or documentation’ to do so.

Laziness and “giving in to hassle” were regarded as undesirable personal characteristics and so participants often denied that they just continued a relationship solely because it was easy. ‘We don’t stick with one place, just because we feel like we’ve always been with them’. It is important for them not to represent themselves as individuals who are
weak of character and would refrain from exiting simply because it is too much bother. To avoid framing themselves in this light, there is a tendency to normalise their own behaviour through referring to others.

6.8.2 Explanation 2: No real alternatives

A second reason for continuance is the stated belief that real service benefits cannot be attained through switching banks. Informants regularly claimed that ‘they are all the same’. Even one participant who considers himself a ‘sucker’ for remaining with his bank quickly retracts this weakness by pointing out that all banks are really the same. So he further strengthens his motivation to remain with the view that switching will make little difference to his circumstance.

‘I’m a sucker that’s exactly what I’d say, I’m a s-u-c-k-e-r because they’ve made a lot of money out of a lot of people, me included! All banks are the same. It’s just a different name!’

6.8.3 Explanation 3: I know the system here

Another argument for participants remaining with their provider was their sense of familiarity with the current system. It is simpler to stay than to have the experience of having to become accustomed to new procedures elsewhere. This highlights the fact that the relationship is not maintained out of a sense of loyalty, but rather as a result of other factors such as familiarity and ease with the existing process. The participant weighs up the difficulties in switching against its benefits (see chapter two and three on calculative commitment).

‘I’ve stayed with them only because of the facilities. They were early in with the 24hr banking and I went with them because it was easy for me to go with them. But I’m
probably not particularly loyal! It’s weighing up the hassle of changing your bank to something that’s better down the road.’

Once this ‘hassle tax’ of switching is weighed against the benefits, it is often considered easier to continue in the relationship. So familiarity over a long period of time results in a substantial resistance to change.

Weighing up alternatives arose elsewhere in participant narratives and can be specifically incentive or benefit based. Deciding to be calculatively committed to continuation might be more attractive after weighing the psychological cost of change. So a participant might evaluate the monetary advantage to be less than the personal costs involved. Termination was often judged unfavourably when the monetary advantage as perceived to be fairly low when compared to the bother, disturbance and personal time involved in making the switch. So, substantial savings are viewed as a real reason to switch only when they are substantial.

‘I’d save, might be €50-100 cheaper. That’s what you’d save! It’s not worth the hassle, not really. No, it’s not much money.’

As this participant asserted, ‘Time is money’ and so a saving of €100 over a year might be judged as inadequate, when balanced against the level of personal effort required to terminate a relationship and to begin again. The only exception to this rule was car insurance, where the decision to switch was often judged to be favourable.

6.8.4 Explanation 4: We depend on our bank

Participants appreciate that their level of dependency on banks arose from their need to achieve personal or financial goals (such as a house or a car) and while this reliance is perceived to be regrettable, it is also considered to be necessary. This is evident in the
excerpts which highlighted the power banks exercise on their customers. Some relational ties between banks and participants extend beyond the boundaries of the relationship itself to impact on everyday issues e.g. house mortgage, monthly bills, overdraft, cash tax etc. And so the quality of the relationship is considered to be secondary to the requirement to provide for such necessities.

References to the necessary role of banks to successfully attain life goals and to meet family commitments were common.

‘Banks run the country. They more or less determine how we live, how much money we can afford to live on. They determine how much we can have by credit, borrowing & financing cars, & everything. Everything in your life, bar a few other things, revolve around banks.’

A balance is required where participants acknowledge their dependency and the fact that they are locked into needing these services, but they still seek to rebel as was demonstrated in section 6.3. The reality is that participants are actually engaged in a process where they accept reliance on banking to be normal. But they also recognize that rebellion and deception are legitimate responses to this dependency. As stated earlier, various strategies such as voice, deceit and negotiations are frequently used to demonstrate customer resistance, thus balancing the relationship in some way. The perceived imbalance in this exchange even encouraged one participant to refer to backs as a “necessary evil” often required participants to refer to the banks in religious terms, frequently using the metaphors such as ‘better the devil you know’ and evil, as shown below.
‘It’s a necessary evil. But I mean the banks are there and we all need the banks and stuff, and they make money out of us, but at the end of the day I don’t want them to make too much money out of me’

The following excerpt echoes the views of many, where the participant reflected on the troubled relationship he has experienced. While it begins negatively and remains conflicted throughout, he comes to the conclusion that ultimately the bank has helped him to achieve some of his lifetime ambitions.

‘What have I got out of the relationship? Feck all! What have I made? Well I’ve made a house, made a family, a few loans to pay for things that have been special. But I mean stuff that stays with you I suppose. I’m not saying that making money doesn’t make me happy. But not giving them money makes me happy. It’s...they’ve brought a lot of things to us. They’ve opened a lot of doors. We wouldn’t have been able to start (living) when we did, only for that.’

6.8.5 Explanation 5: It’s convenient

A participant with a self-professed poor relationship with her local branch has remained with her bank for two specific reasons of convenience– one physical and the other psychological.

The first is based on the physical proximity of the branch; ‘Even if it was a competitor down the end of the road, I’d be with them. It makes no difference to me whatsoever’. The local branch is near and even though she does not like the bank, it is retained solely because it is the closest to her. The benefit is that she can ‘pop down’ the road anytime she needs. This single factor is of critical importance to her and has proved to be pivotal in her continued relationship with this bank.
Secondly, convenience also has a psychological aspect;

*I’m only with AIB because I’ve been with them from the day my mother brought me in. It’s just convenient for me to stay with them!*

Familiar forms and processes constitutes such “convenience” on the part of the participants. The reference to her mother also suggests an element of socialisation with her bank through her family’s experiences of the bank.

The next excerpt provides a window into the perception of the substantial difficulties that are involved in exiting a financial relationship. This is hassle as perceived in the mind of the consumer. Note the exaggerated detail, which is intended to emphasise how difficult it might be to exit and how reasonable it is to stay.

‘*You have to close down your account. You’ve to take your funds out – if there are any! Straight away, you have a number of direct debits that could be missed, because you close down the bank account. They could fall due during that period. You’ve to go to another bank with several forms of ID set up your bank account. They have to ensure that you’re not laundering money. Then you open up your account. You deposit some money into it and then you have to get them to set up your direct debits again... Then after that you have to set up your on-line banking. Then you have to put all the direct debits through and possibly set up some other account to do funds transfers through. Set up your credit card as being a profile too. So it’s just hassle and inconvenience... Essentially, these small processes would build up to make changing from one bank to another, essentially a series of inconveniences.*’

The personal current account relationship is at the central of an elaborate web of connections to other financial products, institutions and external commitments and so is...
perceived to be difficult to break. Doing so, invites possible negative consequences and so the tendency is to remain with an existing provider, even if one is dissatisfied. Even though a switching code is in place to simplify the process and to put the onus for a smooth transition onto the new bank, the participant clearly regards it as complicated.

Another participant discussing his intention to switch to a smaller bank has similar perceptions. Even though the switch did not subsequently happen, like most participants, he justifies continuance by both highlighting his familiarity with his existing supplier and his opinion that setting up an alternative would be too time consuming.

‘Switching over just means filling out more application forms, and more bullshit when you’ve got other things to be doing, I mean the days aren’t long enough. Then you have to be dealing with switching over bank accounts! It’s just convenient and it’s what you’re used to.’

It is clear that the switching initiatives introduced by the Irish Financial Regulator in 2005 were justified but this study also offers possible explanations for the continued low levels of switching identified in a follow up report by the Competition Authority in 2012. Putting the onus to facilitate switching onto the banks was a timely change given the widespread perception that switching is very difficult. However as was stated in the introduction (see chapter 1), knowledge of this switching code is at a very low level So people still believe that it very difficult to change their bank.

6.8.6 Explanation 6: Low expectations

Generally, there was an expectation that errors would occur and because of this the levels of annoyance were low as evidenced by the comment that “things run efficiently
only in ‘as much as banks can (laugh) run things smoothly!’ This perception seems to contribute to high acceptance levels amongst participants that minor errors are to be expected and so are tolerated as being normal. According to some participants, most errors were not considered to be sufficiently important to warrant exit. This is surprising given that customers in many other sectors of business are likely to take instant action when they experience poor service.

6.8.7 Explanation 7: I don’t pay attention to some products

Product type was found to have a significant bearing as a justification for remaining in a financial relationship, although in an apathetical state. Low involvement products are commonly characterised by inertia. For instance when discussing his awareness of what was going on regarding his life assurance policies, one participant simply answered that he “hadn’t a clue”, while others said that they would “have to think about the issue” or suggested that their partner might know. Clearly such low involvement products are unlikely to be changed readily.

The analysis showed that there were clear differences in the management of high-involvement products (such as a personal current account or a credit card) and low involvement products (such as insurance, savings accounts or mortgages).

Little knowledge was found regarding insurance products.

‘Eh, car insurance is actually through a broker. It’s through a broker called Gallagher..... Eh (long Pause) Who is it with? I think it’s actually ... (laugh) Eagle
Star!!! But we used a broker! I think its Eagle Star, eh (long Pause). It’s Eagle Star, yeah.  

Another participant was so unaware of their life assurance product that he stated that he did not have any. This was despite the fact that he had previously discussed his mortgage requirements earlier in the interview – ‘Ermmm (Pause) No. No. We don’t have life assurance!’ He had obviously forgotten that life assurance is a necessary requirement when taking out a mortgage.

Yet another participant suggests that his lack of knowledge relating to his life insurance policy is due to his unfamiliarity with the processes and mechanisms of the product. He further justified his forgetfulness by suggesting that life assurance is very complicated and so a lack of knowledge regarding such products is acceptable and normal for most consumers.

Again this lack of knowledge was so complete that one participant who had recently switched providers could not name either his new or his former provider.

‘We’ve just changed and now, and I forget, who it’s with! First Direct or Direct First (laughing) – they all sound the same. But it was with Cornmarket Brokers and they were with Alli, Alliance, or All …’ Allianz? Yes. Allianz I think. Yeah, so I don’t know who we’re with now at the moment…..No, I don’t know if it is Allianz now’ (laugh)

A few points are worth noting. Firstly, categories requiring mandatory annual renewal like car insurance are more prone to switching, even though participants give them very limited or no attention for lengthy periods of time. Secondly, car insurance was found to

41 Please note Eagle Star now operates under the Zurich Financing Services brand. The participant is unaware of this change.
be the exception as its expense and the potential savings that may be achieved are significant and immediate if a switch is made.

Savings accounts also receive little attention and typify an ‘out-of-sight out-of-mind’ type of maintenance. Unlike high involvement product such as current accounts (which are actively monitored) and credit cards (which are regularly reviewed due to the high demand for payment that arrives every month), savings by contrast require little or no surveillance.

‘I don’t really throw an awful lot of money into it (the savings account). I might throw Euro 50 a month into it. I’ve no real reason for the account. I’ve no idea (what’s in it). I know it sounds silly. Maybe with Christmas coming up now, I’ll look at it alright (Laugh). I don’t think I’ve withdrawn anything from that account for nearly 12 months!’

While a mortgage is considered the most important financial commitment ever made by an individual, it actually receives limited attention from many of the participants. Generally it is regarded as a product which operates in the background, which is detached from active monitoring and so is typified by apathy.

‘I mean the mortgage is just paid. So we don’t really have any sort of dealings with them!’ ‘It was very good from the start and it’s just been left there ever since. We haven’t really thought about it!’

Coupled with this, the reality is that reorganising a mortgage is a legal transaction which is not only complicated but costly and so active attention would not be of much benefit.

While all participants maintain many banking products with a complete lack of attention, the personal current account and the credit card were exceptions to this
practice. If people were able to live within their means they paid these little attention to these products. But, as the above stories demonstrated, many participants did not consider themselves to be emotionally loyal but preferred to manage their current account in a passive way. When problems arose that led to annoyance and a need for action, they were dealt with through voice, deceit, and negotiation. Otherwise, a lack of engagement was common and they were maintained in a state of neutrality. They are “just ticking over”.

6.9 The role of ‘plot holes’ in legitimising the decision not to exit

One issue that is central to understanding the acceptance of poor service by consumers is the existence of a “plot hole”. This is an inconsistency in a storyline that contradicts the logic of an established plot. It also can arise from the deliberate omission of information relevant to the development of the story. Analysis of the narratives uncovered different kinds of plot holes.

1. Plots holes that emerged with the passage of time when customers recounted incidents from the past. These were due to forgetfulness where the significance of the incident may have been diminished. Participants in a subsequent call back interview would often recall an incident but omit important details, such as the original cause of their angst. Rather they would refocus the interview on the eventual outcome and the rationalisations for that outcome. This was a successful way for them to minimise their regret and avoid having to reopen a situation they failed to act upon (See: The Bank Statement Saga).

2. A second version arose from the omission of some information. In fact, the blatant suppression of important items of information was common (See: The Machiavellian Protagonist Story 17).
3. Participants also deliberately created plot holes in the stories they tell to banks. This is usually to gain advantage and lead to a better outcome (See: Spezzatura, stories 18 and 19)

The following plot hole is a continuation of the Statement Saga story. The outcome to the incident arose in a follow-up interview which was conducted four months later. Reflecting on the incident the participant’s tone is noticeably calmer and he is less agitated and angry.

O yeah, yeah. But you see they give out, they post out your statements anyway, every half a year, every so often, every once or twice a year. But I just couldn’t find them. But they charge you for a reprint. It was to pay tax, and so I needed to give my accountant my bank statements for the year. She told me that it would cost... I’m not sure actually how much it was --- I’d say it was a Euro. It wouldn’t surprise me if it was a Euro a sheet. And I just kind of said to myself ‘Well that’s kind of very expensive. But I mean, what could I do? I needed it’.

This small narrative structure contrasts with the original story and it seems that the participant has forgotten the intense emotion attached to the original incident (which he actually had forgotten and had to be prompted to recall). The original angst had been completely pushed aside, as if it no longer was worth recalling. Note that the participant cannot even remember the charge of his reprints (€2.50 a page) which had originally triggered such anger and frustration. The vital information which incensed him in his original interview had simply been forgotten, as had the emotion attached to it.
This narrative is crucial to illustrating how dissatisfaction and anger both build and subside in consumer relationships, eventually giving way to apathy. The relationship can move from an active, unpredictable and volatile state to a state of calm and passivity. Crucially, even though the incident has occurred such a short time back (four months), it had been forgotten. No residual negative emotion was present nor was there any question that the incident would contribute to an accumulation of anger against the bank in the future.

The other interesting facet of this excerpt is that plot holes can exist even within the original narrative. It emerged that the original incident was partially his fault, as he was aware that the bank had sent out statement which he had lost. These issues were absent from the first interview, suggesting that he possibly concealed these facts for effect or to absolve himself of blame. Overall, it now appears that the participant gives little or no thought to the relationship and is engaged in a strategy to manage it in an effective but minimal way.

His final rationale is that hassle is his primary justification for inaction.

‘It’s just too tiring complaining and too much effort. We’ve got enough to be doing these days. It’s just so much effort to keep at someone over things’

He was not the only person to mention difficulties in communicating with a bank, as for instance arose in the following story.

Story 23: The Run Around (Comic)

‘I left a message for somebody and they never got back to me, and I got kind of lazy about it! You know? I will talk to them now about it.....People might tend to kind of take it for a quieter life ‘Don’t bother, €15. Sure it’s grand’. .....I didn’t ring a specific
person, I just sort of rang up and & I explained my concern and they kind of put me in touch with somebody. That person happened to be out, so I was talking to someone else, and I said ‘Well that’s the way I feel about it. Will you ring me back?’ And that person never did’

A number of issues bear comment. Firstly, the incident led to personal contact with the bank and the use of voice to express annoyance. However, in this case part of the anger relates to his inability to contact the relevant member of staff. This leads to impressions of personal unimportance which further intensify his feelings of frustration. People feel that they are “being given the run around” in the hope that they will give up. Secondly, the excerpt indirectly suggests that as he has dissociated himself from the wider public whom he believes would not follow up such an incident. But he prefers action, according to himself. However the story is left hanging, as the eventual outcome is omitted.

When the participant was asked about the conclusion of this event, it materialised that this phone call had occurred at least three to four months previous, suggesting that he had simply had not followed up on the unreturned phone call. By loosely concluding the outcome of the event, he has camouflaged the fact that he did not pursue the matter further (so contradicting his self-characterisation as a man of ‘principle’) so evidencing a plot hole on his part.

When he recognised the three/four month time discrepancy, he laughed in acknowledgement of this omitted information, ‘So I’m very lazy!’ He then realigned the inconsistencies in his narrative by stating that not only is he ‘going to phone the bank back now’ but he is going to ‘find out if there are any banks that are not charging’ stating that he ‘would be inclined to go to them’. This is most likely a defensive
response to mask his lack of action and to cover the plot-hole he has created by telling a half truth.

Ultimately we see that plot holes assist in identity creation and the maintenance of self-esteem. They provide a means of self-justification for the participants, who do not want to think that they are just like everyone else, who let things slip.

All the excuses and plot holes presented by the informants tend to reflect commonly-held beliefs which illustrate the fact that all banking takes place within a storied environment, providing a secure context for individual action and inaction.

**6.10 Financial Folklore**

The final section of the research findings outline common beliefs that emerged from narratives in support of what this researcher calls a financial folklore. These tales and beliefs act as a lens to understanding and the stories told within the banking sector appear to transmit a kind of social knowledge. Meaning is produced at a social level by means of the widespread circulation of these stories (Clandinin and Connelly 2000) and while they may or may not be based on personal experience, they are powerful in their effect due to their wide circulation.

This folklore is embedded in public discussion and now embodies the social fabric of banking for most ordinary consumers. It legitimises behaviour in banking and leads to deep levels of institutionalisation for most people (Bergman and Luckmann 1991). Such folklore has wide circulation and supports the explanations for passivity that arose in the previous sections. The following overview of this banking narrative contains these established beliefs together with the emotions they elicit and their consequences:
### Table 6-4 Financial Folklore: Commonly-Held Beliefs

<table>
<thead>
<tr>
<th>Established Belief</th>
<th>Elicited Emotion</th>
<th>Consequence</th>
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</thead>
<tbody>
<tr>
<td>Banks are very powerful</td>
<td>Disconnect, Annoyance,</td>
<td>Negative Perceptions,</td>
</tr>
<tr>
<td></td>
<td>Powerlessness</td>
<td>Resistance to Engage</td>
</tr>
<tr>
<td>Customer insignificance</td>
<td>Compassion, Sympathy,</td>
<td>Social Verification and</td>
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<tr>
<td></td>
<td>Pain</td>
<td>Understanding, Inaction</td>
</tr>
<tr>
<td>You know what I mean</td>
<td>Understanding, Empathy</td>
<td>Social Legitimisation of</td>
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<tr>
<td></td>
<td></td>
<td>negative experience and</td>
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<td></td>
<td></td>
<td>errors.</td>
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<tr>
<td>Inaction is normal</td>
<td>Solace, Comfort, Relief</td>
<td>Reassurance, Social</td>
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<td></td>
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<td>Verification, Pre-</td>
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<td></td>
<td></td>
<td>Understanding, Apathy</td>
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<tr>
<td>Resistance to Change</td>
<td>Annoyance, Anger,</td>
<td>Resistance to Exit, Non-</td>
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<tr>
<td></td>
<td>Comfort</td>
<td>Action, Apathy</td>
</tr>
<tr>
<td>Valued customer</td>
<td>Cynicism, Scorn, Sarcasm</td>
<td>Distrust, Rejection,</td>
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<tr>
<td></td>
<td></td>
<td>Disconnect</td>
</tr>
<tr>
<td>Love hate paradox</td>
<td>Appreciation,</td>
<td>Contradictory feelings</td>
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<td></td>
<td>Annoyance</td>
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### 6.10.1 Commonly-held belief 1: Banks are very powerful

While financial relationships may be primarily driven by individual experiences, they are shaped by the broadly negative perceptions that are widespread.

‘They’re just milking the whole. They’re milking everyone and everyone knows it – I’ve heard it on the news, you read it on the paper. You hear what their profits are I mean – it’s in the news and all the rest’

Participants who have relatively amicable relationships have developed broadly negative perceptions of the larger financial institutions. Even a participant who last dealt with a ‘big bank’ twenty five years previously and so had no recent personal experience of their behaviour, reported deeply negative sentiments
The most important thing to them is making money because they’re very, very concentrated on shareholders, end of year profits, quarterly figures that kind of thing. The local branch system that you had years and years ago seems to be gone. It seems to be big money, big profits. It’s the bottom line rather than personal relations. If it doesn’t cut the bottom line, then just close it and get rid of it!

Evidence of an osmosis effect in the development of a negative banking culture is reflected by reference to the loss of the local branch system, suggesting that the transmission of this social belief and its assimilation by individuals is influenced by the media. Participants believe that personal connections are no longer a factor for large banks and so the narrative exposes a sense of cultural loss. Close personal ties with bank staff, which were once common in financial relationships, have been replaced by detached and more remote transactions.

Most public discourse demonstrates a predisposition to have a negative opinion of banks. The participant references his brother-in-law who recommended a smaller bank over a larger bank as ‘he has never even had to threaten them for instance, that he’ll take his business away’, suggesting that such tactics would be common within the larger banking system.

6.10.2 Commonly-held belief 2: Insignificance

Story trading was found to be exceptionally relevant in the creation of meaning for Irish bank consumers. This is evidenced by an empathetic synchronisation of experience amongst consumers, uniting individuals in a shared understanding of banking relationships and banking behaviour.
The sentiment of individual insignificance against the backdrop of the immense prosperity of their partners is evident.

‘I’m not going to break the bank with the money that I owe them. I think banks are institutions that are so big, they’re making so much. They have such profits that I really don’t think that I make even a jot of difference to them. I don’t think they really care. ‘I wouldn’t think they worry too much about me now, I mean let’s say if a guy who owns a big night club across the road there decides to ring up and complain and says ‘look I’m pulling out’ and then I did it on the same day, who would they ring first to say” stay”? ‘I’m not naïve enough to think that the bank values me as a human being! They value the amount of money I can bring them over a period of 30/40 years. That’s what they value and I understand that’s the game’.

Participants often felt that there was little point in exiting, as their low level of personal value would likely go unnoticed. Not exiting allows the participant to cope with and essentially stop thinking about a relationship within which they feel undervalued. This strategy is further reinforced by the perception there is little point in switching, as “all banks are the same” and so nothing can be gained by a switch.

One participant considered how the bank would react if he exited his twenty year relationship, he felt that his grand gesture would be worthless and go unnoticed and even if it were, they “wouldn’t care a jot”. ‘I don’t think that they could care less, to tell you the truth. Because they’re making so much money, I don’t think they would really worry about it.’

Insignificance as a customer is not confined to one’s financial status or contribution to bank profits. A participant with a ‘relationship’ spanning 25 years is constantly ‘amazed
at the fact that when she goes to the counter in her branch they continue to ask if she is a branch customer’.

So the way staff dealt with participants in the past can lead them to perceive themselves to be of no consequence. Stories of negative experiences are shared amongst groups to reinforce understanding of their low status.

Our cheque is with AIB. When the lads went down initially, they had to bring ID! Now they’re two years going down there, you’re still having certain staff to ask you for ID! And a lot of the lads give out about it on a constant basis. You’d think they’d know a face by now! Some people might just forget it... but this is their customer service! And they’ve often rang here - rang the job to judge if this is a person that works here! Now that’s a very personal thing. I’ve seen lads in the past having rows with them (Laughs).

Clearly this situation has become a talking point within the group and, given the tensions surrounding the matter, has contributed to the negative perceptions of this particular bank. The story characterises the bank as a villainous system, mistrusting of customers and parasitically profiting off cash, wages and cheques on an on-going basis. It reflects the comradeship of the underdog where members of the group can empathise with each other by recounting these incidents, thus normalising their experiences while gaining support and empathy for their plight. The disappointment and annoyance at the situation is lessened through their shared experience and mutual support. Again, this demonstrates social solace seeking amongst individuals.

6.10.3 Commonly-held belief 3: Empathy – You know what I mean

During the interviews there was an unspoken understanding that a social knowledge regarding banking was widespread and would be shared by the researcher. In many
instances participants used the phrases ‘you know what I mean’ or ‘you know the story’. Such statements invited the interviewer to empathise with the participant as a fellow citizen who shares in the widespread negativity concerning the Irish banking history. This evidences a belief by participants that because these shared experiences are so prevalent, an implicit understanding exists between individuals and so others will know what they are saying and so will validate and legitimise these experiences.

6.10.4 Commonly-held belief 4 Barriers

Many participants assimilate other people’s stories and willingly impart them as they seek to reinforce the significance of their own experiences. So these stories act as a kind of experience benchmark. Participants find solace in the encounters of others which validate and justify their own decisions. Inaction on their part is made acceptable, even where significant benefits can be obtained elsewhere. Judgements to stay put and not to switch may be based on ‘soft’ beliefs or social proof as well as on hard-nosed and rational decision-making (Kuran 1993).

I have friends of mine that have endowment mortgages and actually owed crazy amounts. They tried to get out of the endowment and couldn’t do it. Basically, the bank had them so wrapped up & because of the way the endowments work, it’s invented for the - they have to make so much money before they can leave. There was another friend of ours that tried to get out and he had to pay, they were looking for Euro 2000, I think, 2000 pounds at the time, just to break his mortgage!

As demonstrated above, the experience of this participant’s friends creates an expectation of what might happen when breaking a mortgage or severing banking ties. This results in a pre-understanding of what such processes might involve. The story
suggests the existence of an unfair and unbalanced system with the bank characterised as an opportunistic villain, while the friends are seen as unfortunate victims.

The participant referred to ‘the horror stories’ he has heard when customers try to exit from their financial arrangements and how ‘all of a sudden, they hit you with a Euro 3000 bill, or all sorts of hassle’. The assumption is that ‘hassle’ is a normal part of financial relationships and the subtext is that this hassle has been created by the banks in order to hinder exit. While the amounts of money differ (2000 and 3000 euro), these details are not as important as the perception of the negative consequences which he is communicating as support for his resistance to change. Such a trade in horror stories helps to create a perceptual financial prison which reinforces the culture of apathy and inaction. These assimilated tales probably have contributed to the participant’s decision to maintain his own financial relationship, even though he found it dissatisfactory.

6.10.5 Commonly-held belief 5: Resistance to Change

The most powerful belief regarding banking in Ireland is that it is not a good idea to change banks. This takes many forms and was found to circulate within all narratives. Typically, two issues are common to this evaluation. Firstly, it is based on a perception that restrictions have been put in place by banks to make exit difficult and secondly, it arises from a personal assessment of what might be involved in pursuing an exit strategy. These forces work together to deter participants from following up on a decision to exit and so build a substantial resistance to change. This tendency not to act on a desire to exit is often be attributed to ‘hassle’ – ‘Obviously the hassle and because I don’t see them much different to any other bank really, that’s really it!’ (See Section 6.5.5)
Secondary experiences gained through the tales of others, create the belief amongst participants that inaction is the norm rather than the exception. So there is a perceptible comfort in the knowledge that inaction is socially acceptable and a decision not to exit will not incur a negative judgement from others. This justifies the decision to continue the relationship even after very negative experiences. The presumption is that it is wiser to ignore small difficulties and to stay.

**6.10.6 Commonly-held belief 6: The Valued Customer**

Another myth evidenced in the analysis is that of the ‘valued customer’. Marketing tactics were commonly viewed by participants with amusement, if not sarcasm and scepticism. Attempts by banks to generate confidence in customers that they are valued, is consistently undermined by the larger social narrative associated with banking. Due to the intensity of this well established narrative, relational attempts are rejected as false and endeavours to promote the usefulness of having a ‘relationship manager’ and being a ‘valued customer’ are considered to be ‘gimmicky’ and ‘artificial’.

‘Valued’ is a kind of word they use for everybody, but basically I’m a customer. Valued is somebody that is special. They would I think have hundreds of thousands in the bank, so they would use the word ‘valued’ as sort of harmless. No. I wouldn’t pay any attention to that marketing stuff”.

The participant above does not put much weight in such marketing tactics as he believes that ‘valued’ should be associated with a special rather than an ordinary customer. The word ‘valued’ as used by the bank is ‘harmless’ in his view, suggesting that it is baseless with little foundation in reality and so shouldn’t merit much attention. Attempts to engender a “personal touch” by way of a ‘relationship manager’ are regarded with cynicism. When participants were asked if they believed that their relationship manager
or bank manager would know them personally, the typical response is ‘Oh no, I doubt it, I doubt that strongly.’

While in the past marketing was driven on the basis of one-to-one contact with bank staff, it has been replaced by direct marketing tactics, which are not regarded as personal by participants but as a feeble marketing tactic.

‘Everybody gets tarred with the same brush. It’s not personal anymore. I mean the only reason they want to talk to you is ‘cause they want to sell you something!’

This move away from personalisation is part of a broader social trend and participants expressed regret at the passing of the former social fabric in Ireland. ATM’s and internet banking have replaced the bank teller and even the branch where a customer was known in the past and where his or her circumstances were understood. The following excerpt is basically a romantic lament for former times. Names have now been replaced with digits and faces exchanged for remote and anonymous contact. This epitomises the social isolation felt by many participants.

‘It’s just a general thing, that’s the way society is gone. The internet and communications that they have now. You can live without leaving your home. So I think that’s really the stigma of it all. If that’s not impersonal, I don’t know what is! A digit, in some body’s memory. I think it’s just the way everything is gone.’

Another participant reflected that ‘They’d send you a letter before and it would be a little bit more personal. Now it’s more you’re just another one in the crowd, and you don’t really matter. This is the way it’s going to be & that’s it, & if you don’t like it – well – tough.’
Similarly, the participant below reflects on how contact may be only made when an account is in difficulty and expresses what he would consider a genuine marketing effort.

‘They’ll only write to you when you gone into overdraft (laugh). Rather than if you’ve a lot of cash. They should be writing out to you saying ‘You may want to consider these types of investments, just an option for yourselves’. I think, if nothing else, it shows that they’re kind of aware of you and your account.’

The customer’s level of debt is another important issue.

‘If you’re not up to your eyes in debt with a bank, you’re not a valued customer because they are not making profit on you’.

6.10.7 Commonly-held belief 7: The Love-Hate Paradox

A surprising component contained within the narratives is the wealth of knowledge participants seem to possess regarding banking institutions and financial markets to the extent that some participants were even able to quote precise profit figures for some of the banks. A high level of industry knowledge which has been assimilated from the media was common amongst all participants.

‘It’s just what I’ve been reading in the paper and all the rest. AIB (Allied Irish Banks) are just making too much money and they’re over charging too much and the same with BOI (Bank of Ireland). They’re just as good as them’

This also suggests a prevailing social context, good or bad for the Irish consumer and their banks and might explain the ‘begrudgery’ that most participants have towards the banks.
‘I suppose what probably gripes a lot of people is the fact that if they make a mistake it’s always to their benefit, you know what I mean? They (banks) rarely make mistakes where they lose out!’

A true love-hate relationship was found to exist. Firstly from a cultural perspective, participants reflected on the reality that ‘people love to give out about banks’. This is considered to be a shared, cathartic and therapeutic exercise. At a deeper level, there is a sustained and deep rooted cynicism which is reflected through negative expressions such as ‘better the devil you know’ or referring to the bank as ‘evil’. Banks are frequently perceived as criminals, villains and devoid of emotion. A grand banking narrative which is representative of the broad sentiments of participants is summed up as follows:

The banks are pretty good at it .... They will get their money some way. Nobody ever questions them. I just say to myself why suddenly now, you know, why for example is there a three day delay to lodge money in one bank.... They’re really sort of ripping people off and making money on people and so it’s just kind of a principle kind of thing. I’ll take the hassle.

If people don’t take the hassle, you know you resort to the idea the evil flourishes and good men do nothing. You know? It’s evil. You know what I’m talking about.

The reference to evil flourishing when good men do nothing is quite powerful and the narrative almost suggests that it is the duty of the individual to fight this evil through small actions such as exiting and not yielding to strategically constructed hassle.

Assessments were frequently contradictory and disjointed, moving from positive to negative with ease. While narrative tones were sometimes complimentary and other
times critical, it was common within a narrative for the participant to scorn the bank, while at the same time commending it as providing a necessary service;

‘I don’t think anyone has a great positive relationships with the banks, particularly when we hear how much profits they make. But having said that they perform a function and it’s better than keeping it under your mattress say, you know what I mean, & the security of it and so on.’

People did express the view that their bank can be understanding, caring and even willing to negotiate with them as equals.

At one time we did have difficulty when the mortgage. We were struggling. We were young at the time, trying to pay for it and they said ‘That’s not a problem. Look if you’re struggling at the moment, you can add on time at the end of your mortgage. ...don’t worry, whatever you can pay, pay!’

Such feelings develop and sustain the relationship.

I have to say he’s (Brian the manager) really helpful...and the staff down there are very, very good as well! ... I’ve never come away saying ‘Jesus he’s no good, he’s no help’! Like all the banks they do come to you with marketing stuff on a regular basis. But they are good, and they’re very friendly. You can really tell them you’re having a bit of a problem.

So some positive encounters in the past were recounted and these appear to have a cumulative effect, building a memory of favourable experiences, engendering affective commitment and the belief that banks sometimes have a measure of concern for their customers’ welfare. As previously stated this was not true of negative experiences,
suggesting that historic positive relationship inputs have a greater impact on relationship quality and strength than negative ones.

But most of the descriptions represented banks as profit-driven institutions that did not care about their customers. So there was little evidence of an accumulation of positive sentiment in more recent impressions regarding the banks attempts to build relationships which were viewed with suspicion and as profit driven rather than consumer centric.

‘I’m under no illusions why the banks have any interest in their customers ... Their only motivation is money obviously because it’s a business. I don’t believe there is any real motivation behind them or the manager to get to know their customers and be nice to them. It’s purely for bonuses at the end of the year or a quarter that they’re interested in – that’s all!’

‘Primarily the perception you would get would be large money-making corporate entities! The most important thing to them is making money because they’re very, very concentrated on shareholders end of year profits, quarterly profits that kind of thing. The local branch system that you had years and years ago seems to be gone... If it doesn’t cut the bottom line, then just close it and get rid of it!’

To truly commend a bank is almost regarded as a social “faux pas”. However, some participants were prepared to praise their bank when they reckoned that praise was due. While one participant expressed his disappointment in his bank, in the next sentence he commended it for standing by him at a time when he and his partner were experiencing difficulties. Even though he was considering terminating the relationship because of current difficulties, he was still willing to praise them.
'But in fairness to the bank, when we first bought a house no one would touch us bar the bank we were with. And we went to three or four Building Societies & nobody would absolutely touch us for our mortgage.

Even if a relationship had been generally reliable and efficient, but at times had become deeply unsatisfactory, participants were willing to make allowances and tolerate occasional lapses. Their choice in such circumstances was to keep the bank at a distance and continue the relationship in a passive state, which required little thought or monitoring and which was emotionally neutral.

Overall, they are loath to exit for many reasons. Their position is that they feel ‘no obligation to be loyal’ as ‘banks are just there to provide a service’. Being loyal now merely implies a calculated commitment ‘not to take your business elsewhere’. Greater commitment than this is regarded as being foolish. It is unacceptable for customers to be ‘blindly accepting what they’re being told by the bank’ or ‘blindly go to a bank and saying ‘these guys have tended all my banking needs for the last 12 years, so why should I go elsewhere?’’. Motivation such as this is regarded as irrational and imprudent as the benefits gained are usually minimal and almost always are advantageous to the bank. So overall, participants are best described as being ‘transactionally loyal’ or ‘calculatively committed’ to the relationship (see chapter two).

Loyalty to a bank tends to be benefit specific.

‘I only consider myself loyal to the extent that I feel that I’m getting a benefit. If I feel that in any way I would benefit from going elsewhere for products, I’d be happy to go.’

Participants frequently state that their loyalty and commitment to repeat business is conditional and is only maintained only while the benefits are being retained. However,
some participants simply could not comprehend the concept of being loyal to a bank in any form.

‘I mean, how could you be loyal to your bank? or ‘I just can’t get my head around the concept of being loyal to a bank. They’re supposed to be loyal to you!’

However, the reality was such that even many professions of doubt were expressed suggesting a lack of commitment and trust in the banks, all of the participants in this study largely remained with their historic provider. While they talked a lot about exit, their actions told a different story.

6.11 Conclusion

This chapter has highlighted various facets of financial relationships which affect the decision to continue and not to exit from less than satisfactory relationships. Many narratives depicted a tendency amongst participants to slip into an acceptance of the status quo and inaction even after a negative experience in their financial relationship. Their option is to continue in a state of neutral engagement.

The typical rationalisations used by participants in explaining their motivation to remain inert were identified. These worked in concert rather than in isolation and were mainly driven by the need for the participants to maintain their dignity and self-esteem. Where they articulated their motivation to remain, it was clear that such non-exit was facilitated by various strategies. To that end they redefined the problem in various ways. In some cases complaining behaviour was sufficient to satisfy their needs. Even a covert withdrawal of emotional bonding was sufficient for others. In other cases, a minor victory such as the reversal of a decision or some success in deceiving the bank was required to appease them. In all cases however, it appeared that some measure of
emotional satisfaction was sufficient to enable them to continue their association with a bank.

The chapter also considers the anomaly of the narrative plot hole and the role it plays in identity maintenance for the participants. People were found to bend the truth and to articulate untruths to fit the self-image they want to present in public.

Most interestingly the research evidences the existence of a dominant financial folklore which is fuelled by story transfer regarding shared experiences. These stories both underpin and perpetuate inaction. They reinforce the decision not to exit by presenting such behaviour as normal and not to be adversely judged as a sign of weakness or powerlessness.

The following chapters will theorise the various strands of narrative presented in this chapter and then draw conclusions.
Chapter 7: Theorising
7. Introduction

This study presents a longitudinal view of the personal banking relationship which particularly shows the impact of the storied environment in shaping low expectations by consumers and justifying their apparent lack of action to rectify poor service from banks. The narratives collected provide a powerful insight into consumer behaviour in this sector.

Three sections are discussed in this chapter each of which theorises around how and why individuals stay in problematic relationships. Firstly, a theory of the neutral relationship is presented. The study shows that continued dissatisfaction is endured in a multidimensional way through choice inertia, constraint inertia, out of mind inertia and disaffect. Disaffect, which offers new insight into the overall emotional state of consumers, is evidenced by this research. What was previously understood as dissatisfaction in some negative relationships can now be better understood as disaffect. This newly identified state provides an adequate explanation for negative relationships and for relationships which function with low levels of expectation. The thesis further demonstrates that duration (or the length of time one has been a bank customer) acts as a locking in mechanism in such circumstances and operates to deepen disaffect. So the longer one is disaffected, the worse the situation is likely to become.

Secondly, the thesis theorises the enablers that affect the neutral relationship. It further highlights the importance of redefinition which the study found to be critical to continuance of a relationship, as it provides an ego maintenance mechanism.

Finally, the chapter theorises a “grand banking narrative” which highlights the importance of social narratives for consumer behaviour. The impact of narrative themes
relating to minor victories and deception cannot be overstated in shaping perceptions and behaviour. The upshot is that consumers develop an adversarial approach to a powerful partner such as a bank.

7.1 Theorising the Neutral Consumer Relationship

Figure 7.1 demonstrates how a neutral relationship process can be based on an extension of Bruhn’s relationship development model (2003).

As stated earlier (in chapter three), Bruhn proposes that relationships do not develop in a traditional linear format and suggests that, after a major incident, an imperilled relationship can either enter a process of recovery and strengthen or it can deteriorate to the point of either exit or abstinence (see chapter two). Exit infers a cessation of the relationship, while abstinence is a withdrawal from using some services or products available from the provider.
Based on evidence from the narratives discussed in chapter six, this thesis proposes a third option, which is the neutral state as seen in Fig 7.1. When a customer decides not to exit, he or she can also adopt various neutral approaches to the relationship. Of course, some decisions not to exit can be based on positive recovery experiences. But where this is not the case, neutrality can come into effect.

A neutral relational state is unique and complex and the research has identified a number of instances under which such a neutral interaction may function. While in certain circumstances it indicates the desire for termination, it rarely results in such action.
This thesis argues that such a neutral relationship, while enduring, is not affect based. There is little or no loyalty associated with such a partnership. Neutral relationships might eventually lead to a partial withdrawal of custom, but rarely result in a complete cessation of contact. In situations where there is a prolonged and underlying sense of dissatisfaction, the relationship can develop into a permanent state of resentment, but once again without exit. As evidenced in the collected narratives, this work theorises that these instances of neutrality may result in the partners becoming estranged and emotionally detached, leading to eventual “disaffect” as described in chapter four. Many stories indicated the presence of relationships where participants have spent decades in a financial relationship even though they retain a strong distrust and dislike for their bank.

7.2 Alternatives to Non-Exiting; The Four States of a Neutral Consumer Relationship

The characteristics of a neutral relationship are similar to those of inertia. Current theory shows that inertia is poorly understood (see chapter three), even though within the financial industry, it is often used as an explanation for consumers remaining in relationships that they resent and within which they are dissatisfied. This study theorises that the issue is much more complex as inertia merely represents one possible state of a neutral relationship. It should be regarded as a symptom rather than an explanation.

This study sees inertia as essentially being a situation where an individual engages in a relationship but without commitment to it. The thesis further argues that inertia may be an active, rational and considered process, which results from the consumer’s deliberate choice to manage an exchange through neutrality. Acceptance of a relational state with which they are not necessarily satisfied is an approach to managing what are viewed as unimportant but essential exchanges. Furthermore, the stories collected in this study suggest that individuals opt for inertia as a response to similar or future problems
because this is what they have done in the past, evidencing similarities with loss aversion and prospect theory. It is therefore an enduring behaviour.

Figure 7.2 highlights the four possible states proposed in this thesis that are available to consumers when engaging in neutral relationships. Two of them are consistent with existing theory and are based on perceptions of the choices that are available and the constraints that are experienced (Stanley, Rhoades and Markmann 2006, Zeithmal, Bittner and Gremer 2006, White and Yanamandram 2004, Bhattacharya and Bolton 2000). The remaining two are proposed as new theoretical choices that operate at a conscious level with the consumer deciding that these are the mechanisms by which the relationship will be managed.

**Figure 7-2 Neutral Consumer Relationship States**

The thesis proposes that neutral consumer relationships can best be explained by classifying the four states as a typology which centres around motivations to act, the factors necessary for engagement and the outcomes to be gained. These typologies are presented below in Table 7.1.

Theses states are mutually exclusive, so an individual will only adopt one of these states.
However, the thesis does formulate a link between “constraint based inertia” and the state labelled “disaffection” whereby the former can eventually evolve into the latter. When this transformation does occur, it represents a severe deterioration in the relationship to the point that the consumer has little or no emotional association with their partner (see section 7.2.4). The overall quality of the relationship suffers as a consequence.
Table 7-1 Neutral Relationship Typologies

<table>
<thead>
<tr>
<th>Choice- Based Inertia</th>
<th>Motivation</th>
<th>Requirement</th>
<th>Outcome</th>
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<tbody>
<tr>
<td></td>
<td>Management of interactions</td>
<td>Adequate levels of satisfaction</td>
<td>High resistance to change</td>
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<tr>
<td></td>
<td>Simplification of consumption experience</td>
<td>Perceived indifference between suppliers</td>
<td>Habitual Behaviour</td>
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<td>Ambivalence</td>
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<td></td>
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<td>No relationship development</td>
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<td></td>
<td></td>
<td>High levels of satisfaction</td>
<td>Adequate relationship Quality</td>
</tr>
<tr>
<td>Constraint- Based Inertia</td>
<td>Perceived inability to exit</td>
<td>Inadequate levels of satisfaction High barriers to exit</td>
<td>Hostage/Captive relationship relationship</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>High thresholds for errors Relationship dissipatisfaction</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Calculative trust and commitment Possible disaffект emerging</td>
</tr>
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<td></td>
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<td></td>
<td>Inaction Inertia effects Relationship Quality</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Loss Aversion/Prospect Theory Poor Relationship Quality</td>
</tr>
<tr>
<td>Out of Mind Inertia</td>
<td>To establish a relationship with no mental commitment or engagement.</td>
<td>Relationship duration</td>
<td>High Resistance to change due to lack of awareness</td>
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<td></td>
<td></td>
<td></td>
<td>No relationship is perceived to exist Extreme forgetfulness and high</td>
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<td></td>
<td></td>
<td></td>
<td>levels of unawareness Levels of unconscious consumption and habit</td>
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<td></td>
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<td></td>
<td>Adequate Relationship Quality</td>
</tr>
<tr>
<td>Disaffection</td>
<td>Emotional detachment from the relationship</td>
<td>Duration Repeated dissatisfaction No perceived alternative</td>
<td>Resentment, disaffection Prolonged disaffection results in extremely</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High Investments</td>
<td>low levels of exit Calculative trust and commitment Poor Relationship</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Quality Loss Aversion</td>
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7.2.1 Choice-based inertia

The thesis presents the view that choice-based inertia is motivated by a desire to manage interactions with as little mental engagement as possible (McMulland and Gilmore
2003, Seetherman and Chintagunta 1998). Similar to existing theory, this helps to simplify the consumption experience and to make information processing more efficient (Howard and Sheth 1969, Hoyer 1984). So the basic rationale for this kind of inertia is that it makes life easy and suits people.

In order for this type of inertia to function effectively, it requires adequate levels of satisfaction (see stories 5,8,10 and 11 in chapter six). This reduces any need for the consumer to have to constantly evaluate the success of the relationship (Bruhn 2003, Donaldson and O’Toole 2007). Adequate satisfaction is easily maintained, given that there is little perceived difference between marketplace suppliers. This factor also reduces the need for the consumer to reconsider the benefits or failures of the relationship and so it is largely viewed as a functional interaction. Therefore transactions can continue without any great mental or emotional energy being expended.

The thesis argues that once the relationship is considered to have a tolerable level of satisfaction, mental disengagement can follow so that the consumer then becomes highly resistant to switching. Relationship quality remains adequate in this instance. The proposed new theory also notes that with this mental disengagement the relationship then becomes quite predictable and stable (Assael 1998). While it may have the outward appearance of being a loyal relationship, this is not correct as it is mental disengagement rather than loyalty that lessens the motivation to consider alternatives and so reduce the propensity to switch (Donaldson and O’Toole 2007, Egan 2004). While they may be ambivalent about staying in a bad relationship (see chapter four) they are able to stay because they do not really think about it. Such disengagement also reduces the emotional inconsistency that could jeopardise remaining in such an unhappy state. So their passivity protects their on-going participation. That is not to say that exit is not
impossible. Similar to existing theory, this thesis finds that where dissatisfaction dips below an acceptable level, switching or at least a partial exit is a real possibility (Egan 2008).

Findings from narratives discussed in chapter six suggest that loyalty is unlikely to develop in the first place because consumers do not want high levels of interaction and consider the nature of the exchange to be incompatible with being loyal. The thesis therefore questions the appropriateness of using a “loyalty” label in such exchanges.

7.2.2 Constraint Based Inertia

The thesis supports existing theory and confirms the existence of a second kind of inertia which in this case is motivated by a real (or perceived) inability or difficulty in switching due to the tangible presence of restrictions and/or poor levels of marketplace alternatives (see: Stanley, Rhodes and Markmann 2006, Yadav and Varadarajan 2005, White and Yanamandram 2004, Colgate and Lang 2001, Battacharya and Belton 2000). This finding was somewhat expected as high barriers to exit are the most commonly used explanation for inert-like behaviour. Therefore switching, even if desired, is difficult.

The narratives confirm the overall perception that the consumer is a hostage to their financial relationship (Colwell and Hogarth-Scott 2004). Banks are seen to make exit difficult and costly, involving a lot of hassle so people feel that they are locked in. Under the strain of these difficult circumstances, real feelings of injustice and victimisation arise and so loyalty in any form is entirely impossible.

This thesis highlights that this kind of neutral relationship is characterised by high levels of dissatisfaction and resentment. Because of this, the thesis further proposes that this
relationship can be much more volatile, moving from low to very high levels of activity. For instance when a mistake is made or poor service occurs, the consumer feels compelled to personally interact with the bank in order to resolve the problem. Often because of poor levels of satisfaction prior to the incident, the relationship can often come to the brink of termination. But, as the findings show, exit is in fact very rare. Driven by a calculation that things cannot really be changed, the crisis is almost always averted. Continuance is overwhelmingly the chosen outcome and after such episodes of high conflict the relationship reverts to its former neutral state with low levels of activity. The relationship then becomes dormant but the overall quality of the interaction is significantly reduced.

However the thesis emphasises that the feelings or emotions present within the relationship, while repressed, remain overwhelmingly negative. These residual tensions only serve to ignite once again whenever an error may occur at some future time. So while they may again get annoyed and even incensed, they learn to live with it as they see no real alternative.

Narratives and stories suggest that the relationship, while inactive, is in a type of remission, if not actually an ailing state. To this end, the thesis further proposes that eventually such a relationship will descend to a permanent state of relationship disaffection (See section 7.2.4).

7.2.3 Out of Mind Inertia

The research also identifies a third state of neutrality. i.e. where banking products or transactions are completely forgotten. What makes this type of neutrality unique is that it can evolve to a point where the consumer is incapable of recalling the name of their provider or any details about a product. In some instances both the product and its
provider may have become so mentally remote that a consumer may even have
forgotten that they ever bought such a product. There is evidence of an unconscious
consumption effect operating here which supports Huang and Yu’s (1999) argument
that repurchasing without consciousness denotes inertia. This is further supported by the
Dormant Account Fund established by the Irish Government in 2001 which has seen
neglected consumer account balances accumulate to Euro 631 million between 2003
and 2012 (Dormant Accounts Board 2012). However, this study finds that
unconsciousness by way of repurchasing is actually only specific to what this study has
identified as out of mind inertia. It is also highly possible that the non-conscious effect
does make non-exiting a default behaviour as suggested by Wheatley and Wegner
(2001). Therefore, exit or non-exit is rarely an issue because individuals are almost
unaware that they are engaged in a relationship to begin with. Retention of such
accounts is the inevitable result.

Given that a customer cannot remember the name of the provider, the thesis argues that,
contrary to what many of these providers assume, no relationship can be said to exist.
Pursuing a strategy to engage with such customers is both costly and ineffective for a
bank. This type of product merely functions in the background without any thought or
consideration and while products, such as life assurance or home insurance, might be
considered as vital decisions by the industry concerned, they are just regarded as an
unfortunate means to an end by the consumer. Usually they have been purchased only to
fulfil the requirements for securing a more significant financial product, such as a
mortgage. Otherwise they would not have been bought. The quality of the relationship
is irrelevant to the consumer as they are simply not engaged.
So the motivation for engagement with insurance products is quite misunderstood and once this obligation is fulfilled, the consequence is that the consumer often simply forgets it entirely. As a result the failure to switch is extremely common, but only because the customer has in essence forgotten they are engaged in such an exchange. This is further facilitated by the fact that payments are usually small and are collected by direct debit which means that the structure of the transaction actually conditions forgetfulness. So retention of such providers certainly should not be regarded as “loyalty”.

### 7.2.4 Disaffect

The main contribution of this research is to propose a new kind of neutrality which is present in distressed and dissatisfied relationships and which the study labels as “disaffected” because it shares characteristics with the disaffected interpersonal relationships, as discussed in chapter four (see Kayser and Rao 2006).

The lived experience over the duration of a participant’s banking life-time evident in the collected stories, strongly supports the existence of this neutral relationship which has evolved to a point of complete emotional disconnection. It favours the status quo and is often referred to as “remaining with the bank you know rather than risk moving to one that might be even worse”. Repeated and unresolved episodes of dissatisfaction were frequently cited by the participants and yet these individuals still remained in their relationships. The stories indicate that these relationships have developed to a state where dissatisfaction has become normal. Loss aversion theory, as discussed in chapter four, also plays a significant role here, where negative rather than positive outcomes dominate their thinking and individuals even tend to frame the benefits of exiting as potential losses and so they choose to remain.
This psychological mechanism suggests that even after disappointments and dissatisfactory experiences, consumers can detach themselves emotionally which allows the relationship to progress in a state of emotional neutrality. At this point the stories suggest the relationship is ‘neither good nor bad, weak or strong, satisfied or dissatisfied’ but, as defined by Wheeler and Jones (1999), they demonstrate feelings of ambivalence. The individual has become indifferent towards the relationship and so can exist in an association that has become permanently substandard. But as no real benefit is perceived from making a switch, people decide not to exit.

Collected stories suggest that dissatisfaction in these relationships is temporary and can quickly pass to a state of tolerance, if not actual acceptance. The findings also support the view that attitudes can be simultaneously both positive and negative where individuals can alternate between these states over time (see: Thompson, Zanna and Griffin 1995, Zemboraina and Johar 2007). The thesis supports the notion that relationships which do not develop loyalty but experience dissatisfaction can paradoxically be predisposed to low levels of termination (Donaldson and O’Toole 2007, Egan 2008, Mintel 2006, Dawes and Swailes 1999, Colgate and Stewart 1998, McMahon 1996). The proposed theory of disaffect offers a credible explanation for the existence of such a contradictory state of affairs.

Furthermore, the thesis suggests that such levels of disaffect will deepen and become stronger with time, making exit even more unlikely. Such failure to exit can happen despite an individual being dissatisfied, because being discontented with the relationship is an integral part of such a disaffected condition.

This type of relationship has not been identified heretofore, within current relationship theory or existing marketing literature so the thesis proposes a change to existing theory.
suggesting a refocus of attention away from isolated incidents of customer dissatisfaction to an understanding of enduring disaffected interactions. This should provide practitioners with a more balanced longitudinal understanding of relationship quality.

The thesis further argues that while those in disaffected relationships may experience episodes of acute dissatisfaction, they will eventually revert to a state of total indifference and complete emotional disconnect. This is made possible due to the standardization of dissatisfaction which has become expected within the relationship. Collected stories confirm high levels of relationship stability as an unexpected consequence of this situation. Unlike the passing nature of bouts of dissatisfaction that are experienced over the life time of the relationship, disaffect eventually becomes a permanent and accepted state for consumers. Dissatisfaction is then just a snapshot of a solitary difficult episode in a relationship, while disaffect is the long term status of an inadequate relationship where dissatisfaction plays but one part. The successful measurement of satisfaction consequently requires a simultaneous measurement of disaffect.

The thesis therefore suggests that in the case of long term disaffected consumer relationships, the use of dissatisfaction/satisfaction measures as a predictor of an intention to remain in the relationship is imperfect. While these relationships are low in quality, they can still function over many years and while they may enter periods of instability, the regularity of such occurrences and the familiarity of this process for the consumer means they are unlikely to result in actual termination. Deep disaffection is the permanent state into which such relationships eventually develop. The thesis expands on this and suggests that when real disaffect eventually develops, any
subsequent experiences of dissatisfaction merely act as a verifier of past experience, eliciting little emotion and having little real impact on the relationship.

This study therefore presents disaffect as an alternative explanation as to why consumer relationships endure and are not terminated after serious or successive unsatisfactory experiences. The theoretical and industry assumption is that after a relationship has been repaired, it will then continue to develop and even strengthen. While this is often the case, this thesis argues that this is not always the outcome and cannot be presumed. On the contrary, disaffect as a consequence of repeated dissatisfactory experiences, enables the consumer to continue in the relationship.

Relationship marketing ignores the reality of repeated errors and on-going incidents of dissatisfaction, as it tends to focus on incident-specific issues. For instance, it looks at particular causes of dissatisfaction and the strategic responses necessary to repair the damage. Dissatisfaction is normally viewed as a temporary and isolated state, which once resolved, helps move the relationship forward. This thesis offers a new theoretical perspective by challenging this assumption and argues that the accumulated experience of dissatisfaction is likely to culminate in a permanent state of disaffection.

7.2.4.1 Deepening of Disaffect

Industry often views inertia as an antecedent to dissatisfaction in consumer relationships (Egan 2008). However this study concludes that it may be an antecedent to disaffection or the permanent state into which a repeatedly depressed relationship eventually develops.

The thesis argues that customers operating in enduring depressed relationships eventually submit to the situation and become deeply ambivalent. It draws a connection
between constraint based inertia and disaffect in that the presence of the former may signal deepening disaffect. Narratives suggest that negative and poorly resolved dissatisfactory incidents can leave the consumer feeling alienated and unappreciated and where exit is not considered a viable option, as is the case with constraint based inertia, the consumer can become even more disaffected and resentful.

This expands on current theory on inertia as presented in chapter four, by demonstrating that as a behavioural state it can actually develop and change into something quite different. It offers consumers a long term alternative to exiting when disenchanted. So constraint based inertia, can be understood to be an early stage in the disaffection process.

Considerable time may exist between a consumer experiencing constraint based inertia and developing disaffect. The study has labelled this the ‘Zone of Imperilment’. It is at this point that the consumer has essentially begun to view the relationship as permanently unrewarding and unsatisfactory. However stories also show that consumers are conflicted because they consider the relationship to be essential. This coupled with the fact that that all providers are regarded as being similar, leads to the view that switching is pointless. The thesis therefore argues that this stage might be the most advantageous time for a provider to rescue the consumer and to begin to re-establish a positive relationship.

Collected narratives and stories indicate that once the transition to disaffect has begun, it will deepen by degrees within the relationship with varying levels of detachment and annoyance. As disaffect takes time to progress, it is argued that it is more likely to be present and at its deepest in relationships that are long term (please see Table 7.2).
Figure 7.3 shows that the longer consumers stay in relationships, dealing with various incidents and experiencing repeated dissatisfaction and let-downs, the more they may develop disaffect whether it is either light or deep. Furthermore, the thesis argues that the deeper the disaffect, the less likely it is that the relationship can ever recover to again become positive.

Light levels of disaffect represent a minor evolution from constraint based inertia where the consumer ceases being angry and discontented and starts to show signs of tolerance and compliance. This was commonly represented in narratives as a perceived pointlessness in trying to effect change. Typical statements include “What can you do? There is no point in beating yourself up”. These encapsulate the dominant sentiments of consumers which are arrived at only after experience had taught an individual that a positive resolution was unlikely. So while the consumer may be unhappy in the relationship, they learn to tolerate the situation and accept the status quo.
Medium disaffect represents a cessation of involvement and a move toward deeper disaffected behaviour with the customer becoming remote from the relationship even at times of dissatisfaction. Stories evidenced situations where participants, who had experienced dissatisfaction and intended to seek adequate resolution, never followed through on their commitment. They simply let their annoyance pass without action.

Deep disaffect is when a consumer has completely submitted to an existence in a less than satisfactory relationship. To cope with this decision they detach themselves and, outside of necessary exchanges and interactions, have no further engagement with the provider. They have moved beyond the point of being angry and instead have a deep-seated resentment. The evidence collected shows that in such situations consumers will not even seek a resolution when minor errors occur. To compensate for such discontent they seek solace and confirmation from fellow consumers. Remaining with their provider is justified because they come to believe they are in a situation that is typical of the experience of others and difficult to change. Collected stories best describe this as the ‘everyone in the same boat’ syndrome.
The thesis further argues that it is very difficult to re-engage a consumer with deep disaffect, as they have entered a state of neutrality which has high levels of emotional detachment. They are not interested in repairing the relationship and while they view the experience as somewhat toxic, unfortunately, it is necessary. These consumers would be best left alone, with managerial strategy concentrating on retrieving consumers with lower levels of disaffect and in particular trying to resolve and repair relationships that evidence only constraint-based inertia. So prevention rather than cure is the key to relationship success from a managerial perspective.

The thesis further suggests that once a consumer has developed deep disaffect, they are highly unlikely to ever exit. Again this offers an explanation for the high retention levels found in situations where satisfaction is low. While they will not sever their links with the service provider, given the opportunity, they will forcefully express their discontent to other customers.

7.2.4.2 Infuriation Thresholds –Dealing with Negative Incidents
As mentioned previously, the stories and narratives collected in this study suggest that many banking consumers experience ‘thresholds of infuriation’, which may result in high levels of confrontation and conflict between individuals and their service providers.

This process is illustrated in Figure 7.4.
Note that it is only when an incident occurs and there is a high level or ‘peak’ of dissatisfaction that the relationship moves from a neutral to an active mode and hence into an endangered state. This is close to Bruhn’s ‘imperilment phase’ (2003, p. 49). However, over either a longer or a shorter time, dissatisfaction abates and satisfaction levels return to a basic but low level of acceptability. This occurs because exit is perceived as being difficult or as pointless due to the similarity of marketplace alternatives. Then, regardless of the high levels of dissatisfaction experienced, the consumer will accept the situation and continue the interaction as before. And so, the relationship reverts to its previously acceptable neutral state, until a subsequent incident occurs, kick starting the process once again.
While this might trigger consciousness activity, it is rare that the so-called ‘threshold of infuriation’ is exceeded to such an extent that the relationship ends. This is partly because of the high levels of tolerance for errors and poor service that seem to exist within financial relationships. Consumers have learned not to expect too much from companies in this sector.

Also it is important to note in the above scenario that while individuals can become highly dissatisfied over the lifetime of the relationship, the experienced levels of annoyance and infuriation at these incidents do not appear to accumulate. They do not appear to be linked and retrospectively evaluated as a collective experience. This level of connection only occurs when a consumer becomes disaffected at which point it is too late for recovery as they “switch off”. For the remaining three states of neutrality, episodes of dissatisfaction do not seem to be viewed holistically by the consumer. This decreases the likelihood of exit and the customer devises strategies to ignore the dissatisfaction and to learn to accommodate to a “hassle-free” existence in between such incidents.

The research narratives in chapters six demonstrate an important “accordion effect” in many “neutral” relationships. These peaks and troughs are somewhat similar to Parasuraman et al’s (1985) service thresholds, but with some key differences. The threshold of a neutral relationship has a starting point of low or adequate levels of satisfaction and high levels of apathy. The thesis also suggests that a relationship can be maintained in a state of neutrality for exceptionally long periods of time between incidents. During this time individuals regard themselves as are neither loyal nor disloyal, but are simply detached or forgetful. This relatively stable situation will only
change when an incident such as an error, loan refusal or poor service triggers a reaction and disrupts the dormant state, motivating the consumer to engage.

This was a common pattern over the lifetime of a participant’s banking relationship as related in stories 10 and 12 in chapter six. Both incidents, one involving a currency transaction error, the other a change to account fees enraged the participants (for other examples refer to stories 9, 14 and 16 in chapter six) and spurred them into action. This immediately annoyed the individual forcing them to address the problem and where the subsequent resolution of the incident was unsuccessful, the individual was found to question whether or not they should remain in the relationship.

The stories collected in this study show that extreme levels of dissatisfaction experienced during these active states eventually result in high levels of tolerance in individuals with the effect that small inaccuracies and incompetence in the day to day operation of the relationship are eventually just accepted. The result is that they simply wear the customer down. The thesis argues that individuals are willing to exist with less than acceptable states of satisfaction because their perception of what satisfaction should entail, eventually becomes distorted by the periods of severe dissatisfaction.

Resolution of an incident at this stage, whether positive or negative, has little impact on the overall relationship. This is because, where weak attitudes exist towards a bank, a positive outcome will only produce a kind of spurious loyalty (Dick and Basu 1994). This is short lived and primarily results from the perception of poor marketplace alternatives (Egan 2004).

In the case of constraint based inertia, if the outcome to a problem is unsatisfactorily resolved, feelings of anger surface. However, as this is expected by the individual, the
relationship quickly returns to a state of neutrality with no improvement or dis-improvement in relationship quality. The relationship therefore becomes stagnant and neither develops or deteriorates in the manner that current theory suggests. The process through which this occurs is *Relationship Redefinition*, which is explained in the following section.

### 7.3 Relationship Redefinition

Redefinition of a relationship is central to the continuance of what theory currently refers to as negative, hostage or captive relationships. This research argues these relationships are refined by consumers and emerge as one of the four types of neutral relationships discussed in section 7.2.

Based on the pattern of stories from the thesis, it is clear that neutral relationships tend to follow the typical market based relationship stages. However the thesis proposes that neutral relationships have a uniquely more complex maintenance phase and are explained in either of four ways, as described in section 7.2.

**Figure 7-5 Neutral Relationship Stages**

Relationships tend to start out positively with good experiences and a collaborative hopefulness for the future. During the relationship maintenance stages, stories and narratives suggest that financial interactions can experience initial disappointments. As per dissolution literature, these can be minor grievances such as service disruption or
increases in charges or major service failures such as the refusal of a loan. Major failures are less tolerated, but still do not necessarily result in exit.

The thesis contests the theoretical view that that poor service is always likely to result in exit. Rather, it argues that long term financial relationships are not seriously impaired as even a consequence of repeated service failures and poor service recovery. In fact, if no recovery is attempted by a bank, there is a strong possibility that the relationship will endure regardless.

Although continued disappointments were frequently cited in the collected stories, the evidence even suggests that the more numerous the service failures experienced over the lifetime of the relationship, the less likely the relationship would end. Such findings contradict studies which have shown that retention levels will drop where service recovery strategies fail (Kelley, Hoffman and Davis 1994).

The findings of this study propose that once an individual has experienced a disappointment they enter into a phase of relationship redefinition and such redefining of the relationship into a more positive assessment enables it to continue guilt free. Many of the stories evidenced this process, whereby after initial anger, the individual would begin to review the relationship and to focus on any positive aspect of the encounter such as a phone call, a letter or in one notable incident, a small gift. In some instances, they would even apportion some of the blame to themselves and deflect it away from the bank. This is crucial in the maintenance of neutral relationships and the identification of such a process represents another gap in existing theory (see section 7.4)
Relationship redefinition is assisted through the use of what the thesis refers to as narrative “plot holes” (see chapter six). Examples of plot holes involve: (a) consumers putting negative experiences completely out of mind and then forgetting that they ever occurred or (b) recalling a slightly altered (and more benevolent) version of the incident.

Doing this permits continuance, but without much thought or memory of the dissatisfactory outcomes. This is a compromise strategy which allows individuals to compartmentalise dissatisfactory experiences. It is a level of neutrality that is slow to develop and becomes stronger with time, eventually developing into what the thesis theorises is long term disaffect. “No matter what they do, I’ll just ignore it and not get stressed” appears to be the thinking.

The study identifies a number of issues which make maintenance in a neutral relationship different from what has heretofore been considered as typical relationship maintenance. Firstly, the cognitive process of redefining the relationship is important because this is necessary to allow it to continue to function. Secondly, dissatisfaction is not a useful concept in estimating the quality of such relationships. And finally ambivalence or apathy becomes the maintenance signature of a neutral relationship.

Redefinition of a relationship takes place in the vacuum between experiencing a negative incident and the decision to return to the status quo. In contrast to Greenfield’s (2005) assessment of the temporal dimension of inertia, this thesis argues that inertia does not relate to time itself but the redefinition process surrounding neutral relationships which possibly might lead to an inertial state. The stories show that an individual may consciously enter the dissolution phase and will typically vocalise their intent to exit. However, the evidence suggests that in practice they rarely commit to dissolution. The thesis suggests that individuals begin to seek out reasons not to
terminate, such as the perceived hassle or the similarities between providers and this quickly puts an end to the act of exiting. Therefore dissolution intentions are often hidden, occurring only in the mind of the consumer. But where an individual has spoken to others about their intention to exit, they feel they must find a suitable justification for contradicting themselves and in order to cognitively accommodate for a failure to act, they re-evaluate the unsatisfactory outcome into a more favourable assessment (See the ‘Box of Chocolates’ Story).

This *Framing Process* operates whereby the individual can rationalise to themselves and to others their failure to act on a stated intention to exit. It is particularly relevant if the consumer has openly expressed their intention to exit to the provider as well as to others. Framing makes the irrational decision to remain in the face of dissatisfaction and frustration seem like a rational choice. The thesis submits that this is because individuals are loss adverse (see chapter three) and by mentally reframing the decision not to exit (i.e. to remain in the relationship) as a gain, their failure to switch is thereby justified. The possible disimproved situation resulting from a switch weighs heavier in their estimation that the possible gain that might be achieved. For instance, a consumer might express an intention to exit after a negative incident and may have even researched the market and have found a cheaper alternative. However in call back interviews discussed in chapter six, many customers who failed to exit, actually then presented the exit option as a loss, by stating that the time, effort and documentation required would not yield the overall benefit they had required.

This reframing process can continue over the lifetime of the relationship and exit after subsequent negative incidents becomes even more unlikely. This is because overall expectations become lower with experience and with the passage of time. This was true
particularly in the case of the disaffected neutral relationship or where neutrality was primarily based on constraints. The thesis surmises that this is made possible because previous negative experiences had become normalised to the point that they are considered typical and to be expected. Stories show that incidents, both major and minor, then have a only weak detrimental effect on a neutral relationship, leading to increased levels of apathy and resignation, resulting eventually in disaffect.

The thesis concludes that dissatisfaction plays a less important role in redefining the relationship than was previously thought. This is because the stories told by the informants suggest that dissatisfaction is transitory and has a non-cumulative effect. This was evident in the way the stories showed how these relationships quickly move on from a negative state back to the status quo. This thesis suggests that rather than increasing the likelihood that the relationship will be terminated, the passing nature of dissatisfaction found in this study results in low levels of termination.

To summarise, this study found that neutral relationships can experience dissatisfaction on a repeated basis and where this is the case, indifference sets in, leading to a permanent state of acceptance. So the findings in the consumer sphere agree with those of Kayser and Rao (2006) in interpersonal relations. Basically, the finding is that some relationships evolve into a state of disaffect, which while low in quality, are likely to remain stable over many years. Furthermore, while such relationships can often enter periods of considerable instability, they rarely result in termination.

7.4 The Neutral Relationship Enabler

The above section theorises on the neutral relationship. This section looks at the role of stories as enablers of neutral relationships.
As outlined earlier, this thesis submits that neutral relationships in retail financial services are subject to a complicated maintenance stage. To understand the function of seemingly irrational decisions and contradictions, the thesis argues that stories are fundamental to preventing mass exit on the part of Irish financial consumers. The key for consumers to managing such relationships is to keep them in a neutral state.

The narratives suggest that Irish financial services operate within a complex storied landscape (Clandini and Connelly 2000) and stories about financial institutions, particularly those concerning the larger banks, circulate in society and as they are exchanged, told and re-told they are embellished for effect (Gabriel 2000). Such stories have created a social banking narrative and have crafted a multifaceted and complicated socio-historical impression regarding banking in Ireland. This shared grand narrative creates a distinctive awareness of the role of financial institutions in Irish society, their intentions, and the role of consumers within this framework. The trading of such stories acts as an authentication of personal experience and facilitates both relationship redefinition and the framing process as described in section 7.3.

When individuals begin to redefine their negative experiences, they do so under the influence of this strong folklore. The folklore comprises of generations of stories heard and passed down from family, friends and media (see Table 7.3). They all convey the message that “you cannot change things” and suggest that “you should just put up with them”. The thesis goes as far as to suggest that this attitude of acceptance may extend into deep cultural and historical ideologies, where as a colonised and subjugated people the Irish feel that powerful forces determine their destiny and learn to always look for the positive in the negative.
Thoughts and feelings towards their bank are shaped, confirmed and changed through the stories that people hear and so they are supported in choosing a neutral relationship. The stories collected in this thesis suggest that a grand narrative exists which is overtly negative, with the result that all bank activity is viewed through a sceptical lens. This shapes how consumers might both act and react to problems with their banks.

This thesis theorises that financial stories serve six functions for consumers when constructing and maintaining their relationship:

- They act as a vehicle for consumer understanding both in terms of why relationships function the way they do and how they should behave in such exchanges.
- They serve as verification and affirmation of banking experiences, particularly where those experiences are negative.
- They create a feeling of solidarity amongst the banking public.
- They justify consumer inaction by reinforcing the belief that real benefits cannot be gained through switching, as all financial institutions are essentially the same.
- They enable relationship redefinition by creating a secure backdrop for reframing outcomes, hence enabling continuance.

The narratives also suggest that when traded experiences are combined with an individual’s personal experience, an overarching evaluation and expectation of the banking relationship is formed. So as a result relationship experiences are evaluated with reference to such a well-established background.

The thesis further argues that these financial stories appear to be a composite of themes centred on perceptions of power and social positioning. They serve to create and
maintain customer pre-judgements of banking relationships, which then cloud their
decision making abilities into the future. Essentially, these stories tell consumers that
they have very low levels of influence in such relationships as was evidenced in many
stories demonstrating the imbalance of power in Irish banking. The impression that
choices are very limited is important to the construction of a power mythology, as it is
through these barriers that consumers believe that banks exert power over them. The
thesis suggests that this is in essence a fallacy, and represents a myth which is based on
historical references and second-hand experiences. But the effect is that consumers just
do not believe that they have the power to effect change and defeat the banks.

Other strands of folklore commonly circulating in the financial market relate to items
like profit centeredness, insincere marketing, deceit and power. The thesis submits that
consumers are socialised into a culture of mistrust of banks whom they regard as the
enemy. The collected stories and narratives demonstrate that consumers have no great
expectations of banks which then help them feel less bad about a failure to walk away
from the relationship. Traded stories and myths teach the consumer that non-exit is
common, which therefore allows them to justify their own inaction which is then
validated through this legitimate frame of reference. It also asserts that they will not
gain much by switching and so should not dwell on their lack of movement. Stories of
self-justification and ego-maintenance show that once inaction is redefined this leads to
an internal justification and the consumer can then accept neutrality as a tolerable form
of relationship maintenance.

A state of neutrality which does not require the consumer to be loyal, is more tolerable
than exit because it offers individuals a viable alternative. The only requirement is that
the relationship can be appropriately redefined. This insight encapsulates the essential thesis of this research.

The thesis also proposes that financial folklore has another effect, which is to lower both the customer expectations and the level of satisfaction they demand. This makes consumers more tolerant of poor service.

7.5 The Grand Banking Narrative

The thesis finds that the vast bulk of financial stories and narratives express negative sentiment and are heavily influenced by the bad experiences of others as reported in the media. Table 7.3 presents the principal themes, actions and feelings associated with such folklore. Many of the issues hint at a dark side to banking relationships, similar to the destructive side of close personal relationships as identified by Spitzberg and Cupach (1998). While these themes are treated separately, they are not mutually exclusive and in reality, all work in combination.

Many themes evident in the research dealt with the difficulty of exiting. Ultimately, this central financial narrative prevents exiting by making consumers believe that it is far too difficult. While many regret the decision not to exit, the anger initially felt soon dissipates. This main theme was also supported by minor folklore themes which dealt with issues such as perceptions of hassle.

Banks are also considered to engage in insincere marketing. The view is that they regularly construct media communications messages which do not reflect reality and are even designed to be misleading.

The collected stories also suggest that consumers view themselves as undervalued and irrelevant. This accompanies the belief that banks are only concerned with profits and
that the need for such profits drives all their actions even at the expense of long term customers. These central themes create a sense of bitterness and hurt and the financial institutions may be painted as evil and parasites in society. Many stories highlighted how individuals felt unhappy to have to deal with banks, when they believe them to be malevolent in character.

The most powerful theme evident in the research relates to collective inaction. The predominant belief is that most individuals never leave their bank or financial lenders. The fact that this theme has wide circulation validates the decision for individuals not to exit and is particularly powerful in preventing them from following through with their expressed intentions to exit. While this has the effect of helping the reframing process, it leaves customers basically detached from their relationship and very resentful.
<table>
<thead>
<tr>
<th>Grand Narrative Themes</th>
<th>Associated Lore</th>
<th>Outcomes/Consequences</th>
<th>Feelings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exit Difficulties</td>
<td>Time Consuming Problematic No benefits to be gained Hard Barriers: penalties and restrictions Soft Barriers: Hassle, familiarity</td>
<td>Exit Recovery –Satisfaction Inertia/Dissaffect – Adequate to No Satisfaction</td>
<td>Regret Irritation Exasperation Anger</td>
</tr>
<tr>
<td>Insincere Marketing</td>
<td>Marketing as Lip Service Communications Lies Unnecessary Selling Unsolicited Selling</td>
<td>Consumer Suspicion of Institution Generalisations Rejection of Marketing Programmes Corporate Communications are viewed as false</td>
<td>Distrust Cynicism</td>
</tr>
<tr>
<td>Consumer Irrelevance</td>
<td>Customers are inconsequential Profits/profitable customers come first</td>
<td>Calculated Relationship Motivations</td>
<td>Bitterness Disappointment Hurt</td>
</tr>
<tr>
<td>Profits drive banking motivations</td>
<td>Banks as profit driven entities Sustaining competitive advantage at disadvantage of customers. Lack of integrity</td>
<td>Consumer Begrudgery Calculated actions by consumers</td>
<td>Hate Loathing Guilt</td>
</tr>
<tr>
<td>Power</td>
<td>Symbolism Information Restrictions Bullying</td>
<td>Historical Memory Consumer Remoteness</td>
<td>Regret Frustration Sadness</td>
</tr>
<tr>
<td>Collective Inaction</td>
<td>Non-exit as Normalised Behaviour Barriers Hassle Justifiable</td>
<td>Low levels of exit as normal behaviour Inertia Behavioural validation</td>
<td>Dissatisfaction Disenchantment Guilt</td>
</tr>
</tbody>
</table>

In summary, it is important to note that the “threshold of infuriation” as depicted in Figure 7.4 is lowered by the financial folklore and the consumer is trapped in a web of
stories that underline the folly of trying to get a better deal from other suppliers on the market. This further lowers expectations, forces consumers to redefine their relationships and creates a situation where people feel they are trapped.

7.6 Conclusion

This chapter shows that consumer relationships can exist in a state of neutrality. Previous research is extended by evidencing a gap in relationship theory, whereby relationships can take an alternative course beyond positive recovery or total exit to that of neutrality. Four distinct kinds of neutral states were identified; Choice Based Inertia, Constraint Based Inertia, Out of Mind Inertia and Disaffect.

The latter state described is the disaffected relationship which is permanent state of detachment. Such a decision is sustainable as it minimises the cost of thinking and decision-making.

Neutral relationships are seen to move through active and inactive periods during which relationships can become imperilled, but mostly return to a neutral state. This process is aided by redefining the relationship which includes the reframing of a decision to exit as actually being a loss. This has implications for dissatisfaction theory which is best understood as a temporary phenomenon rather than a permanent state. Relationship redefinition has been shown to be reinforced through a complex social narrative that impacts on how consumers not only view their financial relationship but how they should choose to manage it.
Chapter 8: Conclusions
8 Conclusions

In this final chapter the thesis is stated and theorised and its contribution examined. Reflections are then made on the methodology used. The practical uses of the study are explored in a further section on managerial implications. It is important then to look at its relevance in the changed context that faces bank customers at present. Finally, the limitations of the study and suggestions for future research are outlined.

Understanding why consumers continue to engage in marketplace relationships which are problematic is of importance to both relationship marketing and retention theory. The thesis highlights the gap in existing theory where to date current relationship models offer poor explanations for inaction tending to focus mainly on the development of the relationship, episodes of dissatisfaction, relationship repair and retention. So while the literature often proposes consumer inertia as a reason for inaction, this remains ill-defined.

The overarching research question was: to understand how and why consumers remain long term in problematic consumer relationships. This initial research question was divided into four separate issues:

1 Is inertia the explanation for remaining in problematic consumer relationships?
2 Does disaffect provide an underlying mechanism for choosing to maintain problematic consumer relationships?
3 What alternatives are available to consumers after exit has been rejected?
4 What is the impact of recurrent relationship let-downs on relationship quality?
The research strategy was to address this knowledge gap by collecting narratives and stories to explore episodes of inaction in the banking history of individuals. This approach has not been utilised previously within relationship marketing theory and offers a uniquely rich understanding for non-exit behaviour on the part of consumers. It includes new understandings relating to the reasons for inaction and the feelings associated with their decisions not to exit.

The research changes our understanding by identifying an emotionally neutral relationship operating within consumer banking. The significance of this is that such a neutral interaction results in consumer inaction due to inertia and disaffection.

A complex and rich storied financial landscape was found to support this neutrality. The study adds to existing theory by providing it with an appreciation for the macro effects of this storied environment and validating its importance in engendering a sociocultural mind set which supports and sustains consumer inaction.

The theoretical gap in understanding was investigated through the narrative approach discussed in chapter five. This allowed the researcher to identify the theoretical signature of inertia and to isolate episodes of inaction from both past and present. Stories of interaction over time meant the researcher could drill down into the data, searching for insight regarding how the process of inactivity arises. It also allowed the researcher to address why individuals opt to maintain their interaction in this way. While the study was not intended to be longitudinal in nature, it invited individuals to recount their stories and to revisit their banking experiences.

*In summary, the thesis is that a neutral relationship facilitates the co-existence of poor quality experiences and customer inaction (non-exit) by offering alternative
This contradiction is enabled through a widespread and very negative storied environment.

The study characterises the neutral relationship as an exchange that is maintained in the absence of affect or feelings of connection to the brand/provider. It also finds that these exchanges, while low in quality, actually suit both the customer and the service provider. It further establishes that the negativity associated with these interactions is mitigated by minor victories on the part of the consumer. Consumers gain comfort from sharing an extremely negative banking narrative that supports such inactivity.

In answering research question one, the study expands our understanding of inertia and identifies it as an explanation for remaining in consumer relationships that are problematic but stable even in the absence of affective commitment or trust. The study identifies several categories of inertia but extends the theory by demonstrating a relational state that is common to all, that of neutrality. It proposes four types of neutrality, each of which is based on a different consumer motivation (Section 7.1).

In response to the second question, disaffect is very suitable as a mechanism for remaining in dysfunctional relationships. Where neutrality is the dominant form of maintenance the relationship eventually becomes disaffected. The thesis defines this as the long term acceptance of a substandard relationship and this concept offers a solid understanding of consumer inaction. Neutrality, offers an alternative option other than exit or loyalty to consumers and so addresses the third question.

In response to the final research question, “thresholds of intolerance” associated with neutral exchanges also offer new insights into how the process of inaction functions and how repeated episodes of dissatisfaction and let-downs impact on the quality of the
relationship. Dissatisfaction is seen to ebb and flow over time, rising and receding. Although customers really get annoyed with their bank again and again, they never get so “mad at them” as to exit. So while they often reach such a threshold, they never exceed it. Such an “accordion effect” in neutral exchanges begins from a point of low satisfaction and the exchanges themselves are subject to very high levels of tolerance for errors and difficulties. So the disaffected relationship can accommodate recurrent let-downs.

This is different from other threshold models which typically assume that consumer satisfaction is reasonably high and that exit is not easily achieved. This contributes to our current understanding by demonstrating that consumers are willing to endure many inadequacies and errors before reacting. Because expectations have become so low over time, only a very extreme event will trigger consumer reaction. As a result, even the occurrence of repeated negative incidents rarely leads to exit.

Obviously, such a failure to act has to make sense to the actors concerned and it is an important finding of this research that these neutral interactions undergo a process of relationship redefinition. The thesis highlights this process as an essential and unique component of the neutral relationship. Individuals were found to reassess very negative incidents and to reframe them in a better light, thereby allowing them to justify their decision not to exit.

It is also the case that the States of Neutrality identified in the study can be indicators of the overall quality of the relationship. Choice Based Inertia and Out Of Mind Inertia for instance really have little impact on the quality of the relationship. This is largely because the consumer is a) either happy to detach themselves from the relationship or b) has forgotten that they are engaged in a relationship. Constraint Based Inertia and
Disaffect negatively impact relationship quality because the consumer has become disenchanted with the relationship.

Finally the thesis establishes the presence of an overall grand narrative within the Irish financial landscape. Appreciating the existence of such a narrative is of great significance as it is extremely powerful in shaping consumer perceptions and justifying inaction. This insight constitutes an important element of the banking landscape that these institutions neither strategically acknowledge nor attempt to control. Ultimately, it is written and rewritten by consumers and not banks. This narrative also permits continuance after repeated dissatisfaction as it provides a sense of solidarity in a social context.

8.2 Theoretical Contribution: The Neutral Relationships

Our enhanced understanding of how consumers maintain long term poor quality relationships through a process of neutrality is of theoretical significance because it addresses a considerable gap in existing theory. Neutral relationship theory sheds new light on the maintenance phase of relationship development, as it had been previously understood. It highlights how, under certain conditions, a neutral exchange directly results in retention. In contradiction to current theory, this thesis shows that interactions do endure and can function effectively in the absence of affect. Over extended periods of time, a worsening occurs in the emotional state of the relationship, which culminates in a relationship condition the study has labelled consumer “disaffect”, based on the work of Kayser and Rao (2006). Understanding that a worsening of the affective state of the relationship does not necessarily result in its termination is of major significance. The fact that consumers remain, but are not content to do so, and can even increase relational bonds making them more difficult to break, challenges current views of
retention. The paradox remains that customers who are very dissatisfied become increasingly immobile.

The identification of four unique states of neutrality forms yet another aspect of this research contribution. The first two types (constraint based and choice based inertia) are consistent with previous theory on inertia (see chapter four). Constraint based inertia is based on perceptions of exit barriers and the availability of marketplace alternatives and its existence was confirmed. The study expands existing theory by proposing that this type of neutrality will exist even when accompanied with high levels of repeated dissatisfaction. Choice based inertia is based on a desire to manage interactions with minimal mental investment and it only requires an adequate level of satisfaction to function. Both of these states were found to result in eventual mental disengagement from the relationship.

Understanding the neutral relationship is further extended through the identification of a third neutral relationship state which has been labelled “Out of Mind Inertia”. In this instance, individuals were completely disengaged to the point that they have forgotten that the relationship even exists. It suggests a deeply unconscious component to this type of neutrality (see chapter four). Such absent-mindedness is likely to be particularly insightful to practitioners because it contributes greatly to consumer inaction. Consequently marketing programmes will be costly and ineffectual unless they are specifically tailored to combat this extreme forgetfulness. Relationship quality is not effected because the consumer is simply not thinking of the relationship and therefore neither satisfied nor dissatisfied. The theoretical implication of this conclusion is that there is a need to better understand customer motivations for engaging in such a
relationship. Thereafter practitioners can develop strategies to make the interaction both more productive and more profitable.

The discovery of disaffect within the neutral relationship breaks new ground as prior to this it had not been identified within relationship marketing theory. This finding alters how theory might explain the continuance of long term negative interactions as it offers a credible explanation for consumer inaction and casts new light on the retention of poorly satisfied consumers. It also extends the theory of a darker side of relationship marketing (Grayson and Ambler 1999) by demonstrating in a business to consumer context, that the longer the duration of the relationship the greater the propensity for negative impact on relationship quality. The research therefore concludes that disaffect does provide a mechanism which allows individuals to maintain problematic relationships.

Behaviourally, disaffect was found to represent a permanent state of acceptance and submission. Furthermore, the findings show that levels of disaffect deepen over time. Disaffect is symptomatic of long term relationships which have experienced or endured repeated episodes of consumer let-downs and disappointments. The significance of this from a managerial perspective is that while the consumer is unlikely to exit, he or she is more likely to engage in deceitful practices and negative word of mouth activity. For this reason disaffect should be avoided as a relational state, given its subversive nature. The new insight is that consumers, who appear to be loyal based on the fact that they do not exit, may behave opportunistically and avail of every opportunity to sabotage the reputation of the lender. They are basically antagonistic to the provider - a fact that should change our current understanding of loyalty that is merely based on retention statistics.
So extreme levels of disconnect and dislike can be present within what appears to be a satisfied and well maintained relationship. Neutral relationships allow such associations to function with adequate levels of satisfaction but with the consumer being disconnected and disengaged. Citing satisfaction levels as an indicator of successful relationships and good quality relationships is misleading. Practitioners and theory need to change their current view on dissatisfaction and refocus away from relationship repair strategies to an understanding of longitudinally disaffected consumers. Also, retention theory needs to be readjusted to accommodate the impact of disaffect on a consumer’s motivation to remain in a relationship.

The thesis further contributes to relationship marketing theory by proposing that dissatisfaction may be merely symptomatic of long term disaffected relationships. The implication of this suggests that less emphasis should be placed on satisfaction as an indicator of long term relationship quality. It is important for theory and practice to recognise that the former is a temporary state which has high and low points and is experienced more and less intensively over time (see chapter three). Measuring for low levels of disaffect in long term relationships is a far better indicator of relationship quality than measuring for consumer satisfaction. Disaffect offers a more tangible explanation for the maintenance of what the industry calls inert relationships. It is the subsequent long term permanent state into which many relationships develop. Such an understanding should change the approach that marketing theory and practice ought to pursue in seeking to maintain sustainable and profitable relationships with consumers.

The thesis draws a direct connection between constraint based inertia and disaffect. The period between the two states has been labelled the zone of imperilment. This is the point at which a consumer starts to accept that the relationship will never be
satisfactory. Understanding this link provides an opportunity to prevent this situation or strategically repair the relationship before growing disaffect results in complete emotional disconnection. Thereafter, any efforts to retrieve the consumer will prove ineffective and costly. The study highlights the fact that managing zones of imperilment and lowering consumer infuriation are essential just at that juncture.

Contrary to what one might expect, the study shows that multiple dissatisfactory experiences do not culminate in exit but rather result in redefinition of the situation. This finding contradicts existing theory by suggesting that poor or even no service recovery neither impairs the profitability or the durability of a relationship (see: Huang and Yu 1999, Solomon et al 2002, Griffin 2002). The interaction will actually endure but only because the consumer has mentally redefined the dissatisfaction into a more positive entity. This “framing process” entails the individual mentally constructing “plots holes” which involve forgetting unsavoury aspects of the incident or focussing on more positive aspects of the relationship (see chapter 6.6). This is significant because the study also demonstrates that a positive redefinition merely involves assessing some aspect of the exchange as being less negative or by viewing a potential alternative state as not being any better than the existing offering (see chapter four). This fits with the tenets of prospect theory and loss aversion. Doing this allows the individual to accept the irrational decision to remain in a relationship that is not really benefitting them. Framing in relationships, positive and negative has not been researched in existing theory and therefore it offers potential new avenues of research in understanding the long term maintenance of consumer relationships in a variety of business contexts.

Once this framing process has occurred, an attitudinal shift is possible which provides a justifiable psychological reason to allow the relationship to be continue. In instances
where an individual considers and even begins the exit process but fails to follow through on their intent, the research concludes they have four available neutral states to deploy. Where reframing is positive, Out of Mind and Choice Based Inertia will be preferred. Where reframing is negative, Choice Based Inertia will be favoured. And where reframing has a recurred quite often over the lifetime of the relationship, the individual will often cope by means of signatures of disaffect.

Finally the concept of a grand narrative in banking has not been previously considered within research. This study identifies a cluster of negative financial stories which circulate in society and which have a major impact on how financial relationships are conducted. The key implication of this factor is that impressions are formed in consumer’s minds as to the general motivation of banks. The social narrative reminds individuals that consumer actions are irrelevant, that all banks are the same and, more significantly, that inaction is the norm. Because no one else switches banks, such ambiguity between attitude and behaviour is not a problem for the individual.

This narrative cycle is in constant motion, being reaffirmed and strengthened whereby new media revelations, personal or other customer experiences build on existing perceptions. The full appreciation that such a damaging narrative exists, has far reaching consequences and should be noted by banking practitioners. Particularly interesting is the impact of recent banking events on how a new banking narrative might be developing. This study demonstrates that a banking narrative is tightly waewed into the social psyche and ultimately effects consumer behaviour. Further study is necessary to evaluate the possible construction of a post-crisis narrative.
8.3 Managerial Implications

The adverse social narrative identified in this study has very significant impact in determining how consumers behave and unless it can be changed then the relationships banks have with both existing and potential consumers cannot be altered. Understanding this reality highlights how negative stories spread, not only affecting consumer exchanges but also reinforcing and extending the existing narrative. It suggests that organisations should work together to facilitate circulating a narrative that is as positive as possible. It also highlights the limited scope of considering “word of mouth” theory without giving due recognition to the broad storied context within which it operates. Overall, the storied tapestry surrounding banks is collectively of far more significance than the mere operation of simple word of mouth, which is only one part of the influencing process.

The theory of neutral interactions proposed in this study presents a significant step forward for bankers to understand the role and function of inertia in the relationships with their customers. The multi-dimensionality of neutral engagements can provide a solid conceptual basis on which to build more realistic strategies. In short, they need to incorporate the reality of neutral relationships into the formation of their strategy.

Existing theory and management practice has moved away from this core understanding in order to focus on CRM tactics and direct marketing strategies (Buttle 1996). The thesis concludes that such CRM strategies are unlikely to yield committed relationships and so are only of limited benefit. If banking institutions want to engender loyalty and commitment in a real sense, they need to refocus on the people who are tasked with building that relationship at a frontline level. Therefore the current practice of moving away from personal contact into automated transactions and increased centralisation of
decision-making power out of the branches comes at a cost and runs counter to the findings of this research. If such practices are deemed to be necessary, then greater attention should be paid to their negative consequences. Developing internal marketing programmes to rebuild consumer confidence in conjunction with effective service marketing strategies may help mitigate the negative effects of such actions. Ultimately this type of covert marketing will prove more effective than generic mass marketing communications messages.

It might be argued that because this research was conducted prior to the current recession, its findings and managerial implications may be out of date, given the seismic changes in the financial landscape. Events such as the Libor scandal (where key interest rates were manipulated), banking bailouts (costing enormous amounts to future generations of citizens), banker pensions (running to €28 million for one building society boss), annual bonuses (8 million euro per annum) golden handshakes (5 million euro) the miss-selling of products (mortgage protection sold to consumers who were ineligible to ever benefit from such policies) have further eroded any levels of trust that may have existed. Almost no area of banking practice has been free of scandal, confirming the suspicions held by the individuals who participated in this study. It is not inaccurate to suggest that the public assessment of the industry is at a lower level now compared to when the fieldwork for this study was being conducted.

The changed circumstances have not improved the situation. Rather dissatisfaction and disaffect have probably become even more embedded in public sentiment as the financial crisis exerts greater impact on the Irish psyche. The overwhelmingly negative social narrative identified in this study is likely to have been reinforced and deepened by these scandals. In the post-bailout structure of the financial industry consumer sentiment
is now at an all-time low and people now feel more trapped than ever before. Their personal situation has drastically dis-improved with virtually every household affected by either negative equity or the loss of significant income due to government actions to manage the crisis.

Such changes make the findings of this research even more relevant than when it was initially conducted and it is more likely that neutral engagements operate in the changed environment. Recent evidence shows that high levels customer inaction still exist. Although banking complaints to the Irish Financial Regulator regarding miss-selling of financial products were up 216 per cent in 2012 and estimates suggest that as many as 20 per cent of protection product consumers have fallen victim to such miss-selling (Financial Services Ombudsman Bi-Annual Review 2013), the switching level for the year has not increased. While 8,135 additional complaints were made in 2012, the exit rate remains constant. This demonstrates that while increased negativity amongst consumers might have contributed to the socio-historic narrative about the sector, it has not spurred them into taking action.

Other evidence shows that few Irish consumers have actually taken the decision to switch banks. Even though new protocols to facilitate such exit in an effective and painless way were devised and announced by the Financial Regulator, a 2012 EU Commission study found that as many as 85 per cent of Irish consumers have never even tried to switch banks. The National Consumer Agency (2013) estimates that the Irish rate of current account switching is only 4 per cent. Even Ulster Bank’s technical faults, which caused significant consumer and business disruption in the summer of 2012, not for days but for weeks, failed to trigger a move and only a very few of their consumers switched. Ulster Bank has attributed this to loyalty on the part of their
customers. But this study refutes such an inflated claim and suggests that this misinterpretation clearly illustrates how banks continue to misread the situation. It suggests that customers are willing to put up with any let-down or malfunction on the part of banks and that no calamity is sufficiently severe to lead to the mass exodus that textbooks suggest should follow such events. Rather the evidence here suggests that deep and widespread disaffection underpins the inaction reported. This may also have implications for other industries where consumer switching is traditionally low, such as utilities and telecoms.

8.4 Methodological Reflections

Narrative analysis arising out of storytelling fitted well with the social constructionist stance and ontological positioning of this study. While some reservations had been felt originally, given that this methodology had been conducted in the organisational theory field, it was judged to be very appropriate for investigating any relationship that had lasted over time. However, high and low points in the relationship could be traced by the researcher where the informant was enabled to recount his or her experiences over time. Such rich material cannot be accessed using a quantitative methodology nor can a historical tracing be facilitated by a questionnaire.

The main concern regarding the suitability of the storytelling method was whether or not consumer interviews would yield tales of experiences that would be sufficiently rich or even plentiful. In addition, given that the research problem involved understandings that might lie beneath consciousness (such as is the case with inertia), it was unclear if consumers would even have a level of relationship involvement sufficient to produce fully emplotted stories. However, no such problems arose and excellent stories emerged.
Storytelling is a natural human activity which lends itself to a natural environment rather than a contrived situation (such as a room with an interviewer with a tape recorder). In future studies it would be best to conduct such interviews in a more welcoming or familiar environment to allow the process to evolve more naturally.

Although the field of narrative study arose in organisational literature, this study has shown the relevance of social narratives to the daily behaviour of ordinary consumers. The study concludes that folklore generated amongst consumers regarding their banks has a significant effect on their behaviour, creating expectations and conveying behavioural norms. Perception and actions are influenced and even determined by such narratives. This narrative may dictate what a banking relationship is by defining what it is not and so while it may be unfair and not easy to terminate, it may not be worth exiting because the alternatives are no better. Given the conclusion of this study that narrative plays a significant role in the development of their relationships, the entire sector needs to investigate how alternative narratives might be developed to influence such discourse.

On reflection, the method proved to be very appropriate in answering the research problem. As a method for future consumer research it is to be commended as being fruitful in a variety of situations where relationships are concerned.

8.5 Recommendations for Further Research

This qualitative investigation has uncovered the mechanisms at work in a process that previously was poorly understood. Therefore it is recommended that quantitative studies should be performed in the future to measure all the factors that are at play within a neutral relationship. Quantitative research might establish the relationship strength between the different elements of these types of exchanges. This would provide a
research opportunity to develop a model of the neutral relationship and to establish its place within the traditional relationship developmental phases. It is also recommended that similar research is conducted in the other industries to establish the extent to which neutral exchanges are found to operate (if at all).

Details of the social narrative affecting the banking sector currently might be undertaken using further qualitative research. This should incorporate the analysis of media stories in conjunction with consumer word of mouth as the interplay of these elements deserves more attention. Studies of this interaction might prove very beneficial to branding theory and might yield a greater understanding of how marketing can change the social narratives. This would be particularly pertinent given recent developments in the banking sector regarding the beginning of debt forgiveness and would provide a unique opportunity to observe the inputs into the development of a new and possibly more favourable social narrative. Understanding the prevailing social narrative could help banks to develop an appropriate and realistic rehabilitation process.

In addition, studies would benefit from an assessment of pre and post banking crisis narratives collected from media, news reports, court documents and personal storied accounts. Nvivo might prove to be a useful tool for such analysis.

Fatal Attraction Relationships as identified by Flemlee (1996) and the factors that initially attract a consumer to a relationship deserve further investigation. In particular, the possible negative effects arising later in the relationship for such factors might be examined. For instance an introductory price, which perhaps was the initial attractor, might subsequently be increased after the introductory period, thus causing seriously negative consequences within the relationship.
Theory and practice also need to revisit dissatisfaction theory. This study agrees with the assessment that dissatisfaction is a poor indicator of intention to remain (Richheld and Sasser 1990, O’Jones and Sasser 1995, Keiningham et al 2005). Currently, theory focuses on the triggers of dissatisfaction and the subsequent recovery strategies. Dissatisfaction may indeed be incorrect as a measurement variable for many consumer relationship settings. It may be wiser to measure disaffect in conjunction with dissatisfaction due to the temporality of dissatisfaction versus the stability of disaffect. This thesis has concluded that dissatisfactory experiences do not necessarily impair the relationship and has formulated an important link between dissatisfaction and feelings of disaffect. Further research needs to be conducted into the role of dissatisfaction in the development of disaffect and how such disaffect has an impact on the levels of retention.

8.6 Limitations of the Study

The most noteworthy limitation of this study is the limited number of interviews conducted and the exploratory nature of the study. The use of qualitative data places limits on the ability of the study to generalise to the wider population. It is arguable that the study would have benefitted from a larger sample population to specifically consider the effects of neutrality and inaction in particular groups of individuals. Therefore, given limited resources, this study cannot draw strong inferences regarding the effects of neutrality in consumer relationships.

The narrative nature of the study also places constraints on the findings. Stories are collected at one point in time and are also subject to embellishment (Gabriel 2000). They are broadly defined in theory and so anything can constitute a story (Clandinin and Connelly 2000). They are highly subjective and can be viewed as somewhat
narcissistic. Furthermore their application in consumer research has been rather limited up to now, making the applied process adopted in this study somewhat novel.

One complicating factor was the relative inexperience of the researcher with this method. Given its nuances and uniqueness, the preference would have been to be more familiar with this approach and have had conducted research of this nature previously. However she now has learned so much that any future investigations will benefit from this experience. As most PhD research is grounded in terms of its methodology an additional limitation is that individuals may recall episodes differently at different points in time (Reissman 1993) and so the stories and narratives collected in this study are but a snapshot in time. They cannot be considered as representations of all the experiences of these consumers as they are highly dependent on an individual’s mood and the time at which they were collected. Therefore, it is possible that stories collected on different days may have yielded differed categories. It is likely that the study may have benefitted from the collection of other narrative forms that existed in the media and wider social literature as support for the experiences recounted during the research and analysis phases. This would have also provided a useful mechanism for cross-validation of experiences amongst the participants.

The study was conducted within a single service context and in a single geographical location. Additional service contexts need to be explored to validate the findings of this thesis. Until such a time this study cannot conclude that the findings and recommendations offered here are relevant to other service based marketplaces and should be considered indicative rather than conclusive. It is also true that the tone of these stories might have changed given recent events in the Irish financial services sector. In order to capture a true understanding of consumer banking relationships, the
current social narrative context has to be considered and so it is unfortunate that such stories were not collected for analysis. However, it should be mentioned that post-crisis narratives may have biased the data and not given a fair representation of inert behaviour. Regardless, it is unfortunate that such stories were not collected for investigation as evidence seems to suggest that the crisis did not increase switching even if anecdotally it appears that negativity towards banks has increased.

Finally, the study did not specifically investigate the literature defined variables for inaction and inertia in consumer markets. Rather it allowed these to emerge organically from the data collected. Variables such as levels of involvement (Solomon 2002), a simplified decision-making process (McMullan and Gilmore 2003, Colgate and Lang 2001), the number of alternatives, the attractiveness of alternatives (Ping 1993) and the constraints (Zeithmal et al 2006, White and Yanamandram 2004), all need to be specifically considered in the context of exit inaction and neutrality. With this in mind, there is an argument in support of developing an experimental design to investigate the effect each of these variables has on exiting inaction and to consider the degree to which they might support neutrality.

However, given that such developments might improve the study, it must be acknowledged that in its present form the study has been both innovative and insightful. It presents a real explanation for how and why consumers choose to remain in relationships that are at times problematic, dissatisfactory or less beneficial than a competitors offering. As a relationship theory, Disaffect breaks new ground. It offers an alternative to exit in the absence of positive recovery experiences and explains the psychological mechanisms operating behind an individual’s decision to remain in longterm relationships to which they have little or no emotional attachment. The
importance of narrative construction to marketing theory is also of significance as it demonstrates how consumers can drive a brand’s narrative in a way that neutralises the planned effects of marketing communications strategy. In markets where this is the reality, marketing communications spend that simply ignores the prevailing social narrative will be ineffective. In conclusion, this thesis offers a new avenue through which relationship marketing theory can now be explored, thus leading to a more comprehensive understanding of the negative aspects of consumer relationships.
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