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Seller-Initiated Relationship Ending: An Empirical Study of Professional Business-to-Business Services

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Abstract

Purpose: The purpose of this study is to examine why and how sellers end relationships with customers.

Methodology/Approach: The paper reviews significant studies in the literature and then presents an empirical qualitative study of seller-initiated relationship ending in two Finnish companies that offer professional business-to-business services.

Findings: Lack of profitability from a customer relationship is the most common reason for sellers choosing to end a customer relationship. The ending of such relationships is characterised by: (i) lack of a specific strategy for dealing with relationship ending within an overall corporate strategy of relationship management; (ii) significant influence of the personal characteristics and experience of the individual persons involved; (iii) dominance of intuition over objective data; (iv) limited storage and use of knowledge regarding relationship-ending experiences; and (v) limited willingness to regain lost customers.

Research limitations/implications: Further research into seller-initiated ending of relationships is required in a variety of settings using various methodological approaches.

Practical implications: The paper discusses several practical implications of importance for companies that wish to improve their success in relationship management in general and seller-initiated relationship ending in particular.

Originality/value of paper: This is the first empirical study of seller-initiated relationship ending in a professional business-to-business service setting.

Category: Research paper

Keywords: business-to-business relationship, relationship ending, seller-initiated relationship ending management, professional business-to-business service

1. Introduction

Many aspects of relationship management have received extensive scholarly attention, but there has been surprisingly little interest in how relationships end. To a certain extent this is understandable because the ending of relationships is often considered a disappointing outcome that is not talked about by participants and to which researchers have limited access for empirical research. As Pressey and Mathews (2003) have noted, relationship ending tends to be covert with one party either undermining the relationship or else blaming the other for problems, often leading to hostility between the parties and largely irrevocable future relations. Nonetheless, despite the inherent difficulties in studying these matters, in view of the relevance of the ending of relationships to relationship management in general and to customer profitability management in particular, the subject is certainly worthy of greater attention.

Several terms with various shades of meaning have been used to refer to the ending of relationships. These include: ‘relationship ending’ (Michalski, 2004); ‘relationship dissolution’ (Hocutt, 1998; Giller and Matear 2000; Halinen and Tähtinen, 2002); ‘relationship divorce’ (Perrien et al., 1994); ‘relationship termination’ (Ping and Dwyer, 1992); ‘relationship breakdown’ (Perrien et al., 1994); and ‘relationship fading’ (Åkerlund, 2005). According to Halinen and Tähtinen (2002), the term ‘relationship ending’ is to be preferred as the most generic and ‘neutral’ description of the phenomenon. The present study adopts this suggestion and uses it to include situations in which some form of communication might still take place after the ending of a business relationship, but in which no economic exchange of any kind continues between the two parties.

A review of the studies in this field, such as that performed by Tähtinen and Halinen (2002), reveals that most have focused on one or more of a limited number of specific aspects of relationship ending. These include: (i) definitions and models of relationship ending (Ping and Dwyer, 1992; Halinen and Tähtinen, 2002; Åkerlund, 2005, Ellis, 2006; Tidström and Åhman, 2006); (ii) reasons for relationship ending (Giller and Matear, 2000; Perrien and Ricard, 1995); (iii) antecedents of relationship ending (Ping, 1995; Hocutt, 1998), and (iv) strategies and communication in relationship ending (Alajoutsijärvi et al., 2000; Pressey and Mathews, 2003).

Various reasons for the ending of relationships have been suggested. These have included factors related to the buyer, factors related to the seller, factors associated with competition, or a combination of these.

Examples of other topics in this field that have received limited attention include: (i) how a troubled relationship can be restored (Tähtinen, 2002; Tähtinen and Vaaland, 2005); (ii) how the loss of a key person affects business relationships and the probability of a relationship ending (Zolkiewski et al., 2008); (iii) the notion that some relationships are destined to last a pre-determined time (Halinen and Tähtinen, 2002); and (iv) the idea that the ‘energy’ inherent in relationships cannot be destroyed, but is merely transformed (Havila and Wilkinson, 2002).

In exploring these various aspects of relationship ending, most previous studies have tended to examine a typical scenario in which the buying party in the relationship reduces or ceases purchases of the selling party’s products or services—which is a development that the seller typically wishes to avoid or minimise. The buyer is thus posited as the active initiator of relationship ending, leaving the seller as the reactive party who responds to buyer actions with a view to harm minimisation. It is undoubtedly true that a buyer ceasing to purchase from a particular supplier and/or switching to a new supplier is common in the business world and that such scenarios need to be managed as effectively as possible. However, the present study contends that an alternative (often overlooked) scenario can occur in which the ending of a business relationship is initiated by the seller/supplier. In this regard, following Hocutt's (1998) initial suggestion, Pressey and Mathews (2003, p. 138) have observed that "… customer deselection has been relatively ignored by the literature [and] this aspect of dissolution merits special attention". In a similar vein, prior to their own more recent study, Helm et al. (2006, p. 369) noted that: "No conceptual or empirical research on the seller's decision to end the relationship seems to have been published".

It is also noteworthy that most studies have characterised relationship ending as a negative phenomenon. However, this is not necessarily so; indeed, managing the ending of a relationship in a suitable manner can entail positive outcomes in both the short term and the long term. This is not recognised by most companies, which have a documented reluctance to identify and deal with the 'dark side' of business relationships (Anderson and Jap, 2005). It is the contention of the present paper that companies should manage the *ending* of relationships, as well as managing the *initiation* and *maintenance* of them. By recognising and managing situations in which relationships might need to be ended, companies can actually strengthen their business and enhance their customer profitability. As Alajoutsijärvi et al. (2000) have noted, these benefits are by no means insignificant, and companies should therefore aim for "beautiful exits".

Against this background, the aims of this exploratory study are to examine: (i) why sellers end customer relationships; and (ii) how they manage the ending process. The research context of the study is professional business-to-business services in the travel industry. This setting is characterised by: (i) complex services; (ii) a variety of customers and needs; (iii) availability of alternative suppliers (and/or the possibility of using parallel suppliers and switching between them); (iv) reliance on outside network partners; (v) influence of personal contacts; (vi) importance of financial aspects; and (vii) common use of (although not strictly bound by) written contracts. The business relationships in the travel industry are, to use Halinen and Tähtinen's (2002) term, rather 'continuous'—that is, the actors do business 'for the time being' and the ending of the relationship can be chosen, forced, or natural.

The research approach of the empirical study is a qualitative analysis of two case companies and their customer relationships. It is acknowledged that caution always has to be exercised when generalising the findings of qualitative case studies; nevertheless, the present study can be used as a foundation for future research in providing useful insights for researchers and managers who are interested in customer relationship management and relationship ending.

The remainder of the paper is structured as follows. First, the paper reviews five selected studies of significance to the current study. The methodology and findings of the empirical case studies are then described. Finally, the paper discusses the contributions, limitations, and implications of the study, together with suggestions for further research.

2 Literature review

Five selected studies are of particular relevance to the subject matter of this paper. The studies by Hocutt (1998), Alajoutsijärvi et al. (2000), Halinen and Tähtinen (2002), Tähtinen and Vaaland (2005), and Helm et al. (2006) are all recognised as influential works on the mechanisms and influential factors of relationship ending in a business-to-business setting. Table 1 summarises the studies.

Take in Table 1 about here

Table 1: Summary of selected influential studies on business relationship ending

Hocutt's (1998) model dealt with the factors that influence relationship ending from the customer's perspective in a consumer market setting. The author's key concept was 'commitment', which is affected by such factors as satisfaction, alternative suppliers, relationship investment, trust, social bonds, relative dependence, and closeness. Although the model was developed from the customer perspective, Hocutt (1998) did acknowledge that the seller might also terminate a relationship as a result of: (i) an insoluble conflict; (ii) dissatisfaction with the consumer; (iii) the customer being no longer profitable to the seller; (iv) seller retirement, relocation, illness, or death; (v) change in ownership; (vi) natural disaster; and (vii) loss of business due to financial distress. Hocutt's (1998) model has been widely cited in the literature, but there are apparently no studies that report having used it empirically.

Alajoutsijärvi et al. (2000) adopted a managerial perspective in examining communication strategies for exiting inter-organisational buyer–seller relationships. These authors described so-called "beautiful exits", which referred to exits that minimise the damage done to the disengager, the other party, and the connected network. Their study was thus of particular interest to sellers who wish to end relationships while avoiding adverse reactions and negative word-of-mouth. Alajoutsijärvi et al. (2000) distinguished four exit strategies, two of which were described as 'indirect' (that is, disguised and silent) whereas the other two were described as 'direct' (that is, openly communicated with a revocable exit). According to the authors, the choice of the best strategy from these alternatives is influenced by the reasons for dissolution and by the factors that characterise the relationship (such as the strength of bonds developed by the parties over time).

Halinen and Tähtinen (2002) developed a process theory of relationship ending to explain how an existing relationship can become dissolved and the factors that influence this process. The study was thus similar to the current investigation, although Halinen and Tähtinen (2002) did not specifically adopt the *seller's perspective* of the present study. Their model distinguished five types of ending processes ('chosen', 'forced', 'natural', 'desired', and 'pre-determined') and three factors affecting the ending process ('predisposing factors', 'precipitating events', and 'attenuating factors and events'). The model for the ending process had seven stages and three levels of analysis. The authors suggested that their model should be empirically tested and that professional services would be an appropriate context in which to undertake such testing.

The study of Tähtinen and Vaaland (2005) is included in this review to reflect the fact that relationships that are apparently drawing to an end do not necessarily result in a dissolved relationship. In their study, the authors acknowledged that some relationships that are drawing to an end are not worth saving, but contended that there is ample evidence to suggest that others are. According to the authors, reasons for attempting to restore a relationship include: (i) lost relational investments; (ii) dissolution process costs; (iii) possible sanctions for future business; (iv) network limitations; and (v) set-up costs. They recommended that managers should consider the value of a relationship to the company as well as the costs of ending it. The study, which took a managerial perspective of relationship ending, provided a 'checklist' of suggestions for preventing a relationship from ending altogether. Tähtinen and Vaaland (2005) undertook in-depth interviews with companies in the oil industry and recommended future studies in a variety of business settings, including service industries.

The study of Helm et al. (2006) adopted the same perspective as the present study in taking the seller's view on relationship ending. The study specifically investigated supplier-initiated relationship ending due to unprofitable customer relationships in the German mechanical engineering industry. The study revealed that the ending of such unprofitable customer relationships was generally conducted on an intuitive basis and that information on customer profitability was scarce; indeed, the methods that were available to measure it (such as customer equity, ABC analysis, customer contribution margins, customer portfolios, customer-focused/activity-based costing, and customer lifetime valuation) were not commonly utilised. Three clusters were defined among the seller respondents: (i) 'hardliners' (who took an active role in terminating unprofitable relationships and cleaning their customer portfolio; (ii) 'appeasers' (who took a more cautious approach to relationship termination in the context of other strategic issues; and (iii) 'undecideds' (who were concerned about the costs of attracting new customers and were therefore reluctant to end unprofitable relationships).

Table 2 summarises the common findings of the selected influential studies.

Take in Table 2 about here

Table 2: Summary of common factors in selected influential studies on business relationship ending

3. Methodology

3.1 Research setting

This exploratory study utilised qualitative data from case studies of two Finnish companies that offered professional travel-related services to business-to-business customers. Although several other companies and their contact persons were known beforehand and assured of complete anonymity, they were reluctant to participate in the study. Some potential respondents claimed that they did not have sufficient information about (or established guidelines for) managing relationship ending. Others felt that issues related to relationship ending were confidential and should not be exposed to outsiders, which is in accordance with the view expressed by Helm et al. (2006) who contended that seller-initiated relationship ending can have negative connotations and be considered confidential information.

In the ultimate, two companies (each with two informants) agreed to participate. Both of the case companies managed a variety of relationships with various customer companies and both had experienced situations in which such relationships had been terminated. It was thus felt that the two cases were suitable and sufficient as an ‘intensity sample’ (Patton, 2002; Silverman, 2005).

3.2 Data collection

Qualitative data were collected by semi-structured interviews in general accordance with the interview guide shown in Table 3. All four informants had been directly involved in managing customer relationships in the case companies and all had experience of relationship ending. Probing was used extensively because the informants found it rather difficult to discuss issues for which they did not have an established procedure and about which they had not previously reflected to any great extent. Although any interviewee can have a tendency to rationalise past actions and/or provide ‘acceptable’ answers to the interviewer, the informants in the present study appeared to be honest and objective in addressing all issues.

Take in Table 3 about here
Table 3: Outline of interview guide

All interviews were conducted at the informants’ workplaces. In view of the perceived sensitivity of the information, the informants did not wish the interviews to be recorded. Data were therefore recorded by careful handwritten notes during the interviews. Immediately after each interview, these notes were rewritten to provide a full record of the interview.

3.3 Data analysis

Data were analysed during and after the interviews in accordance with the techniques suggested by Miles and Huberman (1994). The steps involved were: (i) summarising data; (ii) coding of data (attaching meaningful labels to data chunks); (iii) reflecting on the data via memos; and (iv) writing up focused memos. The overall aim was to identify patterns, similarities, and differences in the data units.

The data received from the individual informants were organised into tables, summaries, and figures (Spiggle 1994) to facilitate comparisons on both the company level (comparing the two case companies) and the individual level (comparing the four informants). The data were also compared with the findings of previous studies. During the processes of comparison and categorisation, core findings and managerial implications were identified.

4. Findings

4.1 Characteristics of case companies

Case A was a well-established medium-sized company that offered professional travel-related services to both individual customers and corporate customers from a wide array of industries. The vast majority of services were offered on a contractual basis; non-contractual services were less common and sales records for these customers were scanty. Case A ensured that its customer base was spread across a variety of industries to spread its risk and even out fluctuations. Informant A1, who was the account manager at Case A, worked in sales and marketing with responsibility for corporate accounts. Informant A2, who was the key account manager at Case A, had responsibility for the largest accounts. Both informants emphasised the management of existing customer relationships, although both actively searched for new customers.

Case B was also a well-established company, but it was smaller than Case A in size (number of office locations and staff) and revenue. Case B also offered travel-related services to both individual customers and corporate customers, with the focus clearly on the large corporate accounts. The customer portfolio of Case B had been growing steadily, and the company had decided to restrict the number of customers to ensure that it was able to serve its existing customers well. Informant B1, who was the client manager of Case B, was responsible for existing relationships with large corporate customers, as well as searching for new customers. Informant B2, who was sales manager at Case B, was responsible for the local sales team, as well as attending to the large corporate accounts.

Both case companies had customers with whom they had no formal contractual agreements. In some instances this was the seller’s choice—as a result of low expected return on investment (from agreed discounts); in other instances this was the customer’s choice (not to commit to one seller).

4.2 Reasons for ending relationships

4.2.1 Buyer-initiated ending

The informants suggested four reasons for customers ending business relationships with them:

* The most common reason was *switching business to another seller in response to a better offer*.
* Secondly, the customer might change suppliers when its *business needed a change*.
* Sometimes a customer sought another seller when *the seller no longer offered the required services*.
* On rare occasions, the customer decided to leave as a result of *dissatisfaction.*

4.2.2 Seller-initiated ending

Two reasons were suggested for the case companies deciding to end a relationship with a customer:

* *The relationship with the customer becoming unprofitable:* this was the most common reason; indeed, the informants from Case B contended that this was the only reason for their ending a relationship with a customer.
* *Contract breaches:* The informants from Case A had experienced customer misuse of specially agreed services and rates and other breaches of contract, which had led to an early termination of the agreement with no contact taking place between the parties after the ending of the relationship.

For both companies, the process of seller-initiated relationship ending involved the account manager or sales manager contacting the customer and proposing a meeting to explain why the seller was dissatisfied and to ascertain the customer's view of the situation. One informant noted that the seller should always try to find common ground with the customer as to whether the parties agree that the relationship is not worth continuing.

4.2.3 Mutually agreed ending

Informants from both companies had experienced relationship endings that were based on a mutual decision to end the relationship—for example, when there was an option to renegotiate and renew an agreement but the partners mutually decided not to do so. Two reasons were suggested for this occurring:

* *changed customer needs*; or
* *changes in the seller's services*.

However, in some instances it was already known that a relationship with a customer would expire after the duration of a particular contract or project. This sort of 'episodic relationship' has been previously noted by Halinen and Tähtinen (2002)

4.3 Analysis of seller-initiated relationship ending

Having canvassed the general issues of relationship ending in these travel-related businesses, the analysis focused on the main subject matter of the present study—the ending of relationships as a result of the seller's initiative.

4.3.1 Types of seller-initiated relationship ending

It was apparent that these sellers *did* end relationships with customers on some occasions. In terms of Halinen and Tähtinen's (2002) classification of five types of relationship endings (see above), both of the case companies tended to engage in *chosen* endings. The most common reason was *lack of relationship profitability*, and most endings occurred in the context of an expired business agreement not being renewed. The second-most common type of relationship ending was the *predetermined/episodic* type. This is likely to be a reflection of the tourist industry, in which many relationships are based on an agreement for a fixed duration.

4.3.2 Role of staff in seller-initiated relationship ending

Because neither company had a strategy for managing customer relationship ending, the firms had not given advice to account managers on how to end accounts. The only advice that any of the informants had ever received in their sales training that was even remotely related to relationship ending was a comment by one company's senior manager to one of the informants:

> Handle ex-customers with care—they may become useful for us again at some point and you never know what they might tell other people about our company.

It was apparent that differences existed between Case A and Case B regarding decision-making authority in relationship ending. In Case A, account managers enjoyed the full trust of senior management to make virtually all decisions regarding their accounts. With the exception of key accounts (with which senior sales management became involved) it was typical in Case A for the account manager to make decisions regarding relationship ending and to deal with the consequences. In most instances, decisions were made intuitively without extensive analysis and there was minimal sharing of information about relationship ending. However, even when there was a sound commercial justification for ending a relationship, individual account managers were likely to perceive the ending of the relationship as a 'personal loss'.

In contrast, the situation in Case B regarding decision-making authority was quite different. Because the firm had fewer customers and every customer was therefore considered valuable, senior sales management was involved in all relationship-ending situations. Regular meetings were held to share information about every salesperson's account development and dealings with customers' problems. However, because the company did not have a protocol for ending relationships with customers, each situation had to be considered on its merits as a difficult problem. This left the informants in an awkward situation. One informant described a situation of knowing that he must end a customer relationship but procrastinating for two months while he "gathered the courage" to end the relationship with the customer's representative, who had become his friend.

4.3.3 Evaluating customer relationships

Although lack of profitability was the most commonly mentioned reason for sellers ending a relationship with a customer, all informants admitted that they lacked the necessary tools and skills to measure and evaluate customers as assets with any degree of accuracy. In fact, evaluations of customers were essentially made on historical revenue data, without making any real attempt to assess the future potential of the customer or the cost of replacing a lost customer.

Case A had combined historical revenue data with frequent face-to-face meetings with customers to segment its customer base and develop discount levels for different segments. Case B, which had also segmented its customer base on the basis of past revenue, did use its computerised database to monitor and predict sales and did take into account customer-specific costs in their customer evaluations. Nevertheless, it was apparent that the evaluation of a customer relationship in both case companies was conducted in a superficial manner.

4.3.4 Knowledge management and relationship ending

If a relationship is to be ended, all informants were of the opinion that the relevant account manager should write a memo describing the background to the situation, the historical purchasing data, and the reasons for the relationship ending. It was felt that this information should remain with the company in case the relationship is subsequently reactivated.

Despite the unanimous opinion of all respondents that such a memo is desirable, the informants from Case A admitted that few members of their staff actually write such a memo because: (i) it is not compulsory to do so; and (ii) some account managers held the view that their account management was no concern of others. As a result, some staff members had subsequently left the company without recording this vital information, thus making it difficult for others to make contact with a former customer if this was subsequently required.

The informants from Case B had experienced similar difficulties as a result of inadequate knowledge management. However, the firm had learnt from past experiences and it now strongly promoted the sharing of ideas and information among the members of the sales staff. One informant from Case B made the following observation:

> I believe that by continuing to hold these weekly meetings and information sharing we are much better off in keeping valuable customer information stored within the department. I have also noticed that even people who, in the past, were guarding the information about their 'own' customers, are now more accepting of the fact that it is OK to share that information. They now recognise that the purpose of these meetings is not to threaten anyone's position as the 'owner' of certain relationships.

4.3.5 Key account management

Case A distinguished between their key accounts and 'other' accounts in terms of purchase volumes, complexity, and the time and other resources required to serve the customer properly. Each account manager was responsible for one to three larger accounts and several smaller corporate customers. Case B focused on large corporate accounts, which generated 85–90% of the firm's revenue.

Neither of the companies had a strategy for managing relationship ending as part of their overall strategy for managing key accounts. This finding was in accordance with the general observation in this study that relationship ending was not properly addressed in these case companies.

None of the informants estimated the firm's costs in the event of relationship ending; indeed, the informants considered that this was very difficult to do. An informant from Case A argued that the uniqueness of each relationship made it almost impossible to make such estimates:

> We can, of course, make a rough 'guesstimate' of the overall costs that we face if a relationship is ended with a customer. However, each customer is unique and therefore it is almost impossible to estimate how much the customer would be worth over time, or how much it would cost us to find a new customer to replace a lost one.

An informant from Case B said that the company makes a simple estimation of the lost revenue after a relationship has been ended, which is reflected in the annual sales targets and volumes.

4.3.6 Exit strategy

The informants were asked to describe situations in which they had made the decision to end a relationship with a customer. In accordance with the approach of Alajoutsijärvi et al. (2000), informants were asked to comment specifically on the role of communication in these circumstances.

One of the informants from Case A described a complex process:

> A new potential customer assured our account manager that it could easily meet the target levels that we had included in the deal proposal. We made a one-year agreement and settled into the relationship. Despite the customer's promises, the revenue flow was weak. Our account manager arranged for a meeting with the customer, who claimed that it was just taking time to shift the business to our company. Our account manager concluded that the customer had clearly promised to deliver more revenue than it was capable of delivering; in other words, it had given us false expectations of the amount of business that it could bring to us. At this point our account manager began to consider ending the relationship, although he did not mention this to the customer at this time. As the customer's revenue flow continued to disappoint us, our account manager arranged another meeting with the customer

> and decided to tell the customer that we were not satisfied with the amount of business that we were getting, and that we would have to increase our prices. At the end of the agreement our account manager made it clear to the customer that renewing the agreement for another year was out of question. However, he told the customer that if the customer's business needs changed, the customer could contact us to see if there might be any potential for renewing the relationship and establishing a formal agreement between the two companies again.

The relationship ending described in this instance had some characteristics of all the communication strategies reported by Alajoutsijärvi et al. (2000). In particular, the seller avoided hurting the other party (an *other-oriented exit* strategy) by calling for mutual negotiation and giving up some of its own interests in allowing the customer to make use of the large discounts (*indirect/other oriented* strategy). Finally, a more *self-oriented and direct* strategy was apparent as the seller attempted to secure its own interests. No other parties in the surrounding network were involved.

An example of a different ending situation was apparent in the following instance related by an informant from Case A:

> One of our Category B customers had been using fewer and fewer of our services without explaining the reason to us. It was very difficult to get any information out of the customer's contact person. After revenue flow from this customer continued to decrease, we decided to move the customer into the C category. Our account manager carefully explained that we would have to reduce the amount of benefits that the customer was receiving from us in order to balance the situation financially. The customer's contact person was furious when she heard the news, and she demanded to talk "with the real manager".
>
> Our manager met with the woman and discovered that the revenue had been declining because the customer had made an agreement with one of our competitors, and had been using the services of both providers. The customer had planned to monitor the situation and then make a decision on which supplier to continue doing business with. Our manager reacted very strongly because we expect our customers to play fair with us and share this sort of information. Our manager told the customer that the relationship would be over and that we would immediately withdraw from the agreement. Afterwards he regretted his strong reaction and wished that he had not ended the relationship with "banging doors". However, paradoxically, the customer ran into problems with our competitor, and the customer has now approached us again with a new request for a proposal!

In this instance, the ending of the relationship began with a *self-centred direct* strategy before proceeding to a *fait accompli* (or *attributional conflict*) strategy, which can be considered as *direct/self-centred* strategy.

4.3.7 Restoring business relationships

In ending relationships, both companies attempted to take the customer's perspective into consideration by having a conversation with the customer about the situation. One informant said that such a conversation can, in some circumstances, actually develop a relationship (rather than terminating it):

> The customer might become aware that input into the relationship must be mutual in order to create a win–win situation for both parties. The customer might realise that its input has been deficient. If the customer perceives the relationship as worth saving, it might adjust its actions and buying behaviour accordingly to save the relationship.

This comment, which referred to a situation in which profitability is the problem (the most common relationship-ending reason for sellers), demonstrates that it is possible to restore a relationship that is in danger of being ended.

Of the five attenuating factors suggested by Tähtinen and Vaaland (2005) to clarify the value of a troubled relationship, the case companies in the present study apparently considered only two: (i) 'lost relational investment'; and (ii) 'possible sanctions for further business'. With regard to the other three attenuating factors suggested by Tähtinen and Vaaland (2005), it would seem that 'dissolution process costs' were not relevant in this industry and that there were limited 'links to the surrounding network'. The fifth factor, 'set-up costs', would seem to have been applicable in these cases, but neither of the companies addressed this issue—perhaps due to their lack of expertise in contemporary customer-evaluation methods (as previously noted).

4.3.8 Aftermath stage

According to Halinen and Tähtinen (2002), the so-called 'aftermath stage' can be used to transform an unpleasant ending into a useful learning experience for the whole company. In the present study, both case companies maintained an updated mailing list that enabled them to send information about their services to all existing customers and a few potential new ones. In some instances, previous customers also received information (if they wished to receive it). In addition, the salespeople of Case A kept in touch with some previous customers through face-to-face meetings, which indicated that there was still some residual 'relationship energy' (Havila and Wilkinson, 2002). An informant from Case A put it this way:

> The personal relationship between the account manager and the customer's representative is vital in this situation. If the relationship has been terminated against the customer's wishes, it is often very difficult to continue to keep in touch. When communication no longer revolves around a written agreement, contact is usually not as frequent or as personal as previously. However, if the personal relationship between the account manager and the customer is very strong, it is easier for us to continue to keep in touch with the customer after the formal relationship has ended.

However, the informants offered no specific examples of residual ‘relationship energy’ having reactivated former relationships. The informants from Case B reported that their firm occasionally organised customer events to launch new services and that the company was in the habit of inviting former customers with whom the salespeople had enjoyed a close personal relationship. Nevertheless, neither of the case companies had an explicit strategy for dealing with former customers; both companies left these matters to individual account managers. Indeed, the informants from Case B admitted that they considered a lost customer as being ‘lost forever’.

4.4 Summary of findings

The key findings of the study are summarised in note form in Table 4.

Take in Table 4 about here
Table 4: Key findings of the empirical study

5. Conclusions and implications

5.1 Theoretical contribution

This study makes several theoretical contributions. First, the study contributes to the rather limited knowledge about relationship ending within business-to-business relationship management. In general, the findings are in accordance with those of previous studies regarding relationship ending and confirms them in the specific context of the travel industry.

Secondly, the study makes a significant contribution to the even more limited research knowledge regarding *seller-initiated* relationship ending. Very few studies have examined this specific aspect of relationship ending; indeed most studies of relationship ending have tended to assume that it is the consumer who always terminates business-to-business relationships. The findings of the present study have not only established that this is not so, but the study has identified several specific challenges and characteristics associated with this phenomenon.

Thirdly, the study adds to the body of empirical research on professional business-to-business service companies. Although professional service marketing is a growing area, the literature on this subject (in both the business-to-business and business-to-consumer sectors) is less extensive than that on services in general. Moreover, because relationships are especially prominent and crucial in professional services (Halinen, 1996), research in relationship management (and relationship ending) assumes even greater importance. Although the present study focused on the travel industry, the findings have implications for professional business-to-business services in a range of industries—such as advertising services, management consulting, IT services, accounting services, financial services, and legal consulting. The findings are especially likely to be relevant to business-to-business settings that are characterised by: (i) small and medium-sized enterprises; (ii) moderately large numbers of customers; (iii) an orientation towards relationship management; (iv) time-specified contracts; and (v) availability of at least rudimentary customer information.

5.2 Limitations

As with all empirical investigations, it is acknowledged that the present study has certain limitations. The most obvious limitation is the small number of cases that were examined, which means that caution must be exercised in generalising the results to other contexts. As previously noted, some firms were apparently reluctant to discuss the sometimes delicate issues involved in ending relationships. Nevertheless, two typical cases were examined in detail and this has provided rich data for reaching tentative conclusions in this exploratory study. Examining more companies in the same industry and comparing them with other industries and countries would be extremely useful for furthering knowledge in this area, as would generating and comparing matched sets of data from selling and buying counterparts in ended relationships.

5.3 Managerial implications

In the light of the present empirical findings and those of previous studies (Tähtinen and Halinen, 2002; Tähtinen and Vaaland, 2005; Helm et al., 2006), the following implications for managers are suggested.

First, given the potential financial implications of inappropriate relationship ending, it is suggested that managers should *include relationship ending in the company's overall strategy for customer management*. This should not only entail setting 'ending criteria' and specifying subsequent actions to be taken, but also involve the development of appropriate tools and access to requisite information. The strategy should also take into account: (i) when and how problematic relationships might be restored; (ii) the storage of information about (and learning from) previous experiences of relationship ending; and (iii) appropriate dealings with former customers. These initiatives with regard to seller-initiated relationship ending could be complemented in the strategy with policies on how the company should respond to customer-initiated initiatives to end relationships. Few companies have a policy for dealing with any of these matters.

Secondly, it is suggested that *the organisation as a whole should be involved in the management of relationship ending.* Having established a strategy (as noted above), it is essential that it be implemented effectively. The present study therefore suggests that the whole organisation should be involved in the implementation of the strategy, rather than assigning the authority and responsibility to individual account managers. Involvement of the whole organisation is likely to enhance consistency across a variety of situations and relationships, as well as diminishing the risk of individual staff members being influenced in their decision-making by personal emotional attachments to particular customers and contact persons. Regular meetings should be held within the organisation to facilitate the collegiate sharing of information and evaluation of customers. In addition, job rotation, job sharing, and teamwork are all likely to encourage openness and enhance corporate learning. Perhaps the company could include a review of every employee's knowledge-management activities (such as information storing and sharing) as an important aspect of assessing individual KPI targets.

Thirdly, it is suggested that management should *educate persons involved in customer management regarding their attitudes to relationship-ending issues.* Persons involved in relationship ending not only require the necessary tools and information, they also require an appropriate attitude. It was apparent in the cases studied here that the background, experience, communication style, and personality of individual account managers had a significant influence on how relationship ending was handled. And in the absence of formal company strategies for relationship ending, these personal qualities assume even greater importance. It can be difficult to alter individual personality traits, but training can increase awareness and competence with respect to communication methods and exit tactics. Involving customer-contact persons in role plays might be one way of achieving this.

Fourthly, it is suggested that managers should *enhance understanding of the company's different customer relationship types and reasons for relationship ending.* It is important to recognise that every company has a variety of customer relationships and that this implies different ways of ending specific relationships. Understanding these differences would ensure that resources are allocated efficiently and that the appropriate tools and communication techniques are utilised in any given instance. In particular, given that customer profitability was revealed in the present study as a major reason for ending relationships, the correlation between customer type and profitability warrants in-depth analysis. Managers should thus enhance their understanding of: (i) the reasons for different customer types becoming unprofitable; (ii) the specific cost and revenue elements relevant to each customer type; (iii) the future potential of various customer types; and (iv) the direct and indirect costs involved in terminating a relationship with a specific customer type.

Fifthly, it is recommended that managers should *increase their employees' knowledge and use of contemporary customer-evaluation methods.* It is apparent that the case companies in the present study lacked expertise in using contemporary customer-evaluation methods. Given that financial imperatives represented the main reason for ending relationships, it is clear that senior management and account managers would benefit from having up-to-date insights into these matters. In addition, key personnel should have financial expertise in assessing the costs of ending a customer relationship, which can include lost investment, search cost (in finding new customers to replace lost ones), negotiation costs, relationship set-up costs, litigation costs, and loss of various rewards and benefits. Finally, the attenuating analysis suggested by Tähtinen and Vaaland (2005) is also recommended as a valuable tool for estimating the value of troubled relationships.

Finally, managers should *consider the so-called 'aftermath stage'*. Regardless of which party takes the initiative in seeking to end a relationship, lost customers are not necessarily lost forever. By conducting a proper 'aftermath audit' of each ended relationship, a company should be able to learn valuable lessons for managing its customer relationships. Best practices should be developed on the basis of successful cases in which customers have been regained. Managers should also consider policies regarding possible follow up of former customers, including a feedback system for retrieving information from these customers. Ensuring that former customers are kept up-to-date with information via the Internet or face-to-face meetings can also be utilised to show that the company cares. As Vavra (1992, p. 218) observed: "Why should a customer consider returning to do business with a marketer who never expressed concern over his departure in the first place?"

5.4 Further research

This study has concentrated on two case studies within the context of professional travel services, but in view of the wide array of professional services that are now flourishing, the possibilities for future research are almost endless. To enable comparisons to be made regarding the experiences of a wider variety of companies, further multiple case studies in various industries would be interesting and valuable.

In addition, each of the factors that affect the management of relationship ending could be studied separately. Quantitative studies would be especially valuable in this regard to assess the relative importance of each identified factor.

Other topics worthy of further research in this field include: (i) the outcomes of various strategies and tactics regarding relationship ending; (ii) the switching costs and attenuating factors involved in business relationship ending; and (iii) how to manage knowledge (and learn from) previous experiences of losing customers.

All of these research topics would certainly evoke interest among companies that are seeking means of improving their success in customer relationship management. Relationship ending in general, and seller-initiated ending in particular, are worthy of much greater emphasis in relationship management.

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Study	**Purpose, methodology**	**Theoretical basis**	**Main finding**
Hocutt (1998)	To develop a model for key antecedents of relationship commitment in the context of relationship ending. Conceptual.	Investment model framework, social psychology literature concerning the dissolution of relationships, marketing literature focusing on relationship commitment.	Model with three main antecedents: satisfaction level; quality of alternatives, and investment size. Identifies three types of situations based on the source of the termination decision.
Alajoutsijärvi et al (2000)	To present exit strategies for relationship ending. Qualitative, comparative case study.	Communication strategies, social exchange theory.	Typology for communication strategies in relationship ending.
Halinen and Tähtinen (2002)	To create a comprehensive process model for why and how relationships come to an end. Conceptual.	Social psychological research on interpersonal relationship ending, professional service relationships, interaction and network approach to business markets.	Understanding of how relationships end and how they can be ended, as well as how they could be developed, maintained, and restored.
Tähtinen and Vaaland (2005)	To discuss business relationships drawing to an end and reasons for restoring these relationships Qualitative, interviews.	Interaction and network approach to business relationships, network-based relationship marketing.	Categorisation of attenuating factors, i.e. reasons to restore a relationship which is extended to attenuating analysis.
Helm et al (2006)	To describe the supplier's view on supplier-initiated relationship ending due to lack of customer profitability. Survey, interviews.	Social exchange theory, resource-oriented theory, transaction cost approach, conflict resolution behaviour.	Shows that many companies lack knowledge and do not use customer valuation techniques. Identifies three clusters of firms that differ in willingness to end unprofitable customer relationships.

Table 1.

Joint findings of the articles	Description
Limited research attention to relationship ending in a business setting and the articles call for more research.	In consumer as well as business-business settings research attention has been given to establishing and maintaining ongoing business relationships resulting in too little conceptual development and empirical investigation into relationship ending.
Limited managerial attention to relationship ending in a business-to-business setting and the articles call for more management awareness and tools.	Even though most companies manage business relationships few of them deliberately manage relationship ending. There are hardly any concepts, tools or processes available for companies what also lack insights into what information is needed to facilitate ending management.
Business relationship ending is regarded as a long and complex process.	Relationship ending conceptualisations are rather broad and contain many intertwined activities/phases and affecting factors and no clear-cut start or end.
Business relationship ending does not occur in a vacuum.	Because of links to other companies mediating effects, what happens in one relationship is affected by what happens outside it in the surrounding business network. That a relationship ends might severely impact on others in the network.
Primary assumption is that the buyer/customer terminates a business relationship.	Relationship problems or dissatisfaction with the seller and its performance are typical ending reasons.
Significant impact of relationship ending on companies’ financial performance.	What adds to the importance of understanding and managing relationship ending in different forms is that it not only has a direct and considerable impact on costs and revenues but also other indirect financial effects.
Concrete management of relationship ending is challenging.	To initiate the ending and react to the other counterparts’ ending activities seem to be associated with failure and has a negative connotation, which adds to the tendency to avoid or postpone it.

Table 2.

Interview theme	Purpose	Example of questions
Company and informan background	To obtain information on the case company	Type of company Type of customers and customer relationships Size and type of B2B sales unit Informant's position in the company and job responsibilities
Customer relationship management (CRM)	To understand how customer relationships are managed and identify used tools and practices	Overall CRM strategy CRM practices KAM practices CAM practices Tools/methods used to evaluate for customers Information sharing and knowledge management
Relationship ending	To understand whether and how customer relationships are ended and identify used tools and current practices	Types of relationships Types of relationship endings Reasons for relationship endings Managing relationship ending situations What affects relationship ending Account managers' role in relationship endi Communication aspects of relationship ending Process and actors of relationship ending Communication with the customer after relationship ending Aftermath stage Plans for retaining existing customers
Probing questions	To inspire and help the informant to provide additional and detailed information	Can you give examples? Can you elaborate on that? Can you explain what you mean? How do you feel about that? When? What? How? Who? Why?

Table 3.

Key findings on relationship ending reasons for the sellers
- lack of profitability most important relationship ending reason for sellers - contract breaches by the customer another type of reason for sellers to end relationships - mutually-agreed business relationship ending a result of changes in customer needs or seller's services
Key findings on seller-initiated relationship ending in the professional travel industry
- experience of seller-initiated ending which is regarded as a difficult managerial challenge - lack of a specific strategy for dealing with relationship ending within an overall corporate strategy of relationship management - significant influence of the personal characteristics and experience of the individual persons involved - dominance of intuition over objective data limited storage and use of knowledge regarding relationship-ending experiences - limited willingness to regain lost customers - written contracts central to the professional travel industry and customer relationships and thus relationship ending - customers end relationships in response to a better business offer from another supplier, when business needs a change, the supplier becomes unable to offer required services, and as a result of dissatisfaction - continuous/chosen ending when business agreement expires most common ending occasion, and predetermined/episodic ending second most common occasion

Table 4.