Business Relationship Recovery – A Process Model

Jaana Tähtinen
Department of Marketing
University of Oulu,
P.O. Box 4600
FIN-90014 Oulun yliopisto, Finland
jaana.tahtinen@oulu.fi
tel. +358 8 553 2586, fax +358 8 553 2906

Nicholas G. Paparoidamis
CNRS-LABORES, IESEG School of Management, France
n.paparoidamis@ieseg.fr

Ruben Chumpitaz
CNRS-LABORES, IESEG School of Management, France
r.chumpitaz@ieseg.fi

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Abstract

In spite of the acknowledged importance of long-term relationships, there remains a lack of studies focusing on situations where the continuation of an important relationship is in danger. In such situations, if either or both parties wish to continue the relationship, rescue efforts are needed. This study will focus on such situations in the context of professional service relationships. The aim of the paper is twofold. Firstly, to find out what triggers the threat, and secondly to describe the process of relationship recovery. The paper uses interview data describing 28 troubled relationships to develop a process model of business relationship recovery.

Introduction

Relationships among business partners as well as companies and customers are nowadays in the heart of research in the field of marketing. In spite of the acknowledged importance of long-term relationships, research has somewhat neglected to study situations where the continuation of an important relationship is in danger. The rare studies focusing on relationship dissolution (e.g. Giller and Matear 2000, Halinen and Tähtinen 2002, Keaveney 1995, Roos 1999) have shown that both consumer and business-to-business relationships face difficult times and also end or break up. Thus, it is fair to say that if the parties wish to continue their exchange relationship, is not only maintenance that is needed, but rescue efforts. Thus, there is a need of research on exchange relationship recovery, in other words on saving a relationship.

This study will address the lack of studies on relationship recovery. So far, the authors have identified only two studies that focus on saving an exchange relationship. Vaaland and Tähtinen (2003) and Tähtinen and Vaaland (2005) both focus on b-to-b relationship restoration and draw from several different sources; for example conflict resolution (e.g. Gladstein 1984), service recovery (e.g. Kelley and Davis 1994), consumer switching behavior (e.g. Bansal and Taylor 1999), and business relationship ending (e.g. Alajoutsijärvi et al. 2000). This paper contributes to the emerging discussion on rescuing relationships from the ending by integrating research results from the services marketing literature and studies on service recovery (e.g. Mattila 2001, Michael 2001, Weun et al. 2004) to the context of troubled business relationships.

The aim is to conceptualize the phenomenon in professional service relationships. Tähtinen (2002) and Tähtinen and Vaaland (2005) both suggest that a troubled business relationship can be saved with the help of attenuating factors and events. The attenuating factors act as exit barriers, i.e. they decrease the possibility of ending, although the relationship might be in trouble. The attenuating factors relate to lost relational investments, the costs that dissolution process entails, possible sanctions for future business, set up costs of a new relationship, and network limitations (Tähtinen and Vaaland, 2005). Although strong and multiple attenuating factors may result in situation where the parties see that the continuation of the relationship is in order, attenuating factors as such do not save the relationship. They are not actions that are taken in order to save the relationship. Thus, it is fair to say that the existence and acknowledgement of strong and/or several attenuating factors increase the potential of the parties taking restoring actions. However, attenuating factors and restoring actions are two different concepts.

On the other hand, Tähtinen (2002) describes a restoration stage, during which either one of the companies may engage in restoring actions that aim at saving the relationship and continuing it to the future. However, it is acknowledged that not all restoring actions are successful, i.e. do not save the relationship. Therefore, it is important to study what types of actions can restore troubled relationships. A first step is to conceptualise situations where something in a service relationship has gone wrong (decrease in satisfaction and commitment) but at least one of the parties wishes to maintain the relationship and thus actions to rescue it are taken resulting in relationship recovery. The second step is to study what kind of actions restoring actions are and what type of process they form.

This paper presents an ongoing research project. Therefore, the study is structured as follows. Next, we will describe the phase where this research project currently is. Thereafter, we will describe the empirical part of the study, and the three stories that we have analysed so far. Based on the stories, the paper suggests a tentative model of relationship recovery, which divides the process into three sub-processes and describes the start of the process.

Research strategy and methodology
The research strategy of this study is an emerged strategy and thus can be best described as an abductive one, where researchers go back and forth between theory and empirical data. The outcome of the research process is an empirically grounded model of relationship recovery process. In the following, the steps of the research process that has already being taken are discussed.

This study started from the theoretical domain of service recovery, with the idea of applying that literature into service relationships. The idea was to build a theoretical model with hypothesis, on the basis of the vast amount of research in service recovery and thereafter empirically test the model with survey data. This plan resulted in two different theoretical models, of which the first one (Figure 1.) suggested that the duration of the relationship influences relationship recovery and the following satisfaction to the relationship and to business loyalty.

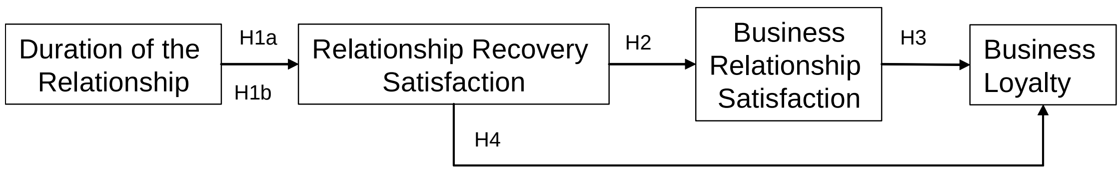

Figure 1. Relationship Recovery in a Business Loyalty Framework

After presenting these first thoughts, we modified the model according to the comments given. The severity of the failure was added as an influencing factor and relationship recovery satisfaction was divided into process and outcome satisfaction (see Figure 2.). Moreover, alternative service providers were added as a moderator influencing the relationship between business relationship satisfaction and business loyalty. This second model was reviewed for a conference, but received criticism of being self-evident and not bringing in anything new.

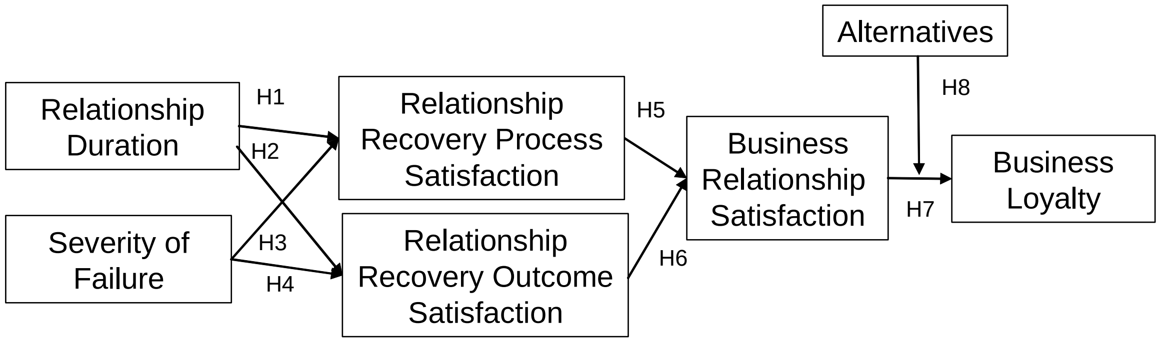

Figure 2. Relationship Recovery in a Business Loyalty Framework, version 2

However, since most of the service recovery studies are focusing on single service episodes in contexts where the customers are individual consumers, the task of integrating service recovery studies into different level of analysis, namely relationship level, and to business-to-business context with companies and their multiple employees as actors became difficult. For example, in the second model, only relationship duration and alternatives have their origins in the business relationship dissolution literature. Even the factor of business loyalty is inspired from the consumer loyalty concept.

Since it became evident that the authors were not able to develop a testable model from existing literature, we decided to revise the original plan and start with a qualitative approach. Therefore, one researcher started to pursue a qualitative study, with the aim of figuring out i) what kind of events present themselves so severe that the relationship becomes in need of recovery actions, ii) what kind of events are beyond recovery, iii) what kind of process recovery process is, and iiii) what type of actions recovery actions are. To find out the four issues, the plan was to gather data on different types of situations, those where recovery happened during the relationship or after a temporarily ending and of those that could not be recovered. A thematic interview guide was constructed, with three main questions/themes; i) During your career, have you been involved in a long-term business relationships that was under the threat of ending because of some kind of trouble, but continued anyhow? What kind of story was that?, ii) During your career, have you been involved in a long-term business relationships that ended, but continued later on? What kind of story was that?, iii) During your career, have you been involved in a long-term business relationships that ended and which you do not wish to start again? What kind of story was that?. In addition to these three questions that were asked and shown to the interviewees, the interviewer had a list of clarifying questions (see Appendix 1.) that she wished the conversation to touch upon. During the interview, these clarifying questions were posed, only if the topic was not covered in the story of relationship as first told by the interviewee. The list of clarifying questions was compiled based on the literature on service recovery and business relationship ending.

Software industry was chosen as a business field to represent professional services, since the author has previous knowledge on the business. Eighteen software companies situated in a city in Finland were chosen from a national software business portal. To ensure variety, the companies represented small, medium sized and large software companies in Finland, as well as companies operating in both project and product business. However, to ensure that companies had had long-term relationships to their customers or suppliers, only those companies that had been founded at least 8 years ago were selected. Moreover, to ensure that the stories that the interviews were asked to told were personal memories i.e. had happened to the person, the interview questions referred to the interviewees own career. This also made it easier for them to reveal negative stories, since they did not necessarily involve their current company.

All companies were contacted during January-February, firstly with a letter and then phoning the CEO's (a few CEO's also e-mailed the researcher after receiving the letter). Five companies rejected the request of being interviewed, four told the researcher that so far, they had not encountered severe problems with their clients and thus, although would be interested in taking part in the study, did not have anything to discuss about. A single company CEO refused to take in the researcher's calls and did not reply to an e-mail either. Thus, a researcher interviewed CEO or a person best knowledgeable of eight software companies during February – April 2007, see Table 1. All the companies were promised anonymity and therefore the names of the companies and the persons interviewed are all fictitious. Before interviewing any of the above mentioned companies, the researcher made a trial interview with a senior business manager, who had experiences of several companies, including ones in IT sector. Thus, the number of interviews was altogether nine and ten persons (all male) were interviewed. All interviews were tape recorded with the acceptance of the interviewees.

Table 1. List of interviews

Interviewee	**Company information (company name is fictitious)**	**Time**	**Duration**
Peter, former CEO (currently Board member of 7 companies)	Väinö, founded in 1992, 540 employees, contract manufacturer	Jan 17, 07	1 h 40 min
Sam, CEO	Aaro, founded in 1999, 40 employees, product business	Feb 13, 07	1 hour
Mark, CEO Jerry, Product Manager	Eero, founded in 1999, 14 employees, solution provider	Feb 13, 07	1 hour
Thomas, CEO	Huuko, founded in 1992, 90 employees, solution provider	Feb 14, 07	1 h 15 min
Harry, CEO	Iikka, founded in 1996, 15 employees, solution provider	Feb 14, 07	1 h 15 min
John, Operations Manager	Jaakko, founded in 1999, 10 employees, project business	Feb 15, 07	1 h 15 min
Homer, CEO	Kaarlo, founded in 1995, 100 employees, product business	Feb 20, 07	1 hour
Timothy, CEO	Leevi, founded in 1991, 450 employees, solution provider	Feb 26, 07	35 min
Paul, CEO	Miikka, founded in 1996, 13 employees, product business	Apr 3, 07	1 h 15 min

Although all the interviewees were asked to tell three stories, not all of them had experiences of all three situations but some had more than three examples. Altogether, the number of stories that were told during the interviews is 28. Of these, seven were relationships with suppliers or partner companies and the rest were with buyer companies. It has to be noted, that the stories are being told by a single person (in one case by two persons) from one side of the relationship. Most of the interviewees preferred to talk about the counterparts without revealing the company names or names of the persons involved, thus making it impossible to even to try to interview the other side. This also indicates that they felt the issues at hand as being sensitive.

All the interviews were verbatim transcribed. The data will be analysed with the help of N'Vivo software, into theory inspired nodes. So far, this part of the study has been fully conducted only to the trial interview. Analysing the trial interview showed clearly that the concepts form service recovery theories (e.g. the recovery actions of apologizing, monetary or other compensations to the customer, complaining to superiors, justice theories) did not help to understand the stories. Therefore, new nodes were designed based on the business relationship ending literature and Tähtinen and Vaaland (2005) study on relationship restoration. Thus, the model presented in this paper is based on the above mentioned literature and a pre-analysis of 28 different stories.

Theoretical starting points

As told in the previous chapter, the first theoretical starting point of this study was studies on service recovery. Service recovery appeared in services marketing studies already in the late 1980's although it has been more widely applied from the start of the 90's. Service recovery refers to the actions a supplier takes in order to seek out dissatisfaction (Johnston 1995), offset the negative impact of a failure or a breakdown (Zemke and Schaaf, 1990; Berry and Parasuraman, 1991), or as a response to poor service quality, i.e. a service failure (Grönroos, 1988; Hart et al., 1990). Johnston and Hewa (1997) define service recovery as "the actions of a service provider to mitigate and/or repair the damage to a customer resulting from the provider's failure to deliver a service as is designed".

The numerous definitions of the concept all see service recovery as *seller's actions* to correct a failure that has taken place during *a service encounter*. From the definitions presented above, we see three important elements of the service recovery concept that disconnect it from relationship recovery. Firstly, service recovery is one-sided, there is only one active actor and that actor is the service provider (not the customer or a third party) and relationship recovery may be two-sided. Secondly, it is related to a service encounter and not on a service relationship. Thirdly, there is a single service failure that is being corrected, not a series of failures that influence each other or other events happening in the network, but influencing the relationship.

Although service failures have been identified as one of the factors triggering service provider switching (Roos 1999) or relationship ending, Holmlund and Kock (1996) state that more than one severe service failure has to happen before the customer will switch. Moreover, studies focusing on the reasons business relationships end (e.g. Young and Denize, 1995; Perrien Lalonde and Filatrault, 1994; Rosson 1986) have shown that service failures are only one of the reasons that may result in troubled relationship. Therefore, we suggest that the damage in a relationship, i.e. the state that needs to be repaired, is logically not a small one and not produced by a single, even severe service failure, but is a result of either many small failures taking place during a certain period or different failures taking place more or less at the same time. Since we do not know if any relationship that has entered the dissolution phase, can be saved, we do not know if the reasons for the trouble also have a bearing on the possibility of a successful recovery process. Thus, this study does not limit the reasons for the trouble to service failures. In addition, in consumer settings, research assumes that the recovery actions performed by the supplier are evaluated by the customer whereas in a business relationship, both parties may perform recovering actions and thus also evaluate them.

Thus, bearing in mind the differences of consumer and business customers and service encounter and service relationship, and finding it hard to try to understand the stories with the service recovery concepts, new theoretical routes were looked for. Within a stream focusing on relationship ending (for a review, see Tähtinen and Halinen, 2002 and Tähtinen and Havila 2004), research has focused on the reasons of relationship ending (e.g. Grønhaug, Henjesand and Koveland, 1999) and the process of ending (e.g. Tähtinen 2002), and thus its focus is not on the continuation of 'damaged' relationships. However, some of the papers touch upon saving the relationship and some even focus on that. We will next discuss the findings of both types of studies by starting with studies discussing the reasons to continue a relationship.

Halinen and Tähtinen (2002) classify reasons that attenuate relationship dissolution into three general categories of actor-related, dyad-related, and network-related factors and events. In addition, relational commitment and trust diminishes the parties' propensity to leave the relationship (see also Morgan and Hunt 1994) and thus predicts voluntary decisions to continue a relationship (e.g. Hocutt, 1998). The overall quality of relationship, if perceived to be high, also contributes to continuing the relationship (e.g. Ping, 1993).

Halinen and Tähtinen (2002) suggest that the parties of the relationship may perform restoring efforts that countervails the disruptive forces enhancing relationship ending. This means that the actors deliberately take actions to continue the relationship, in spite of its problems and therefore they acknowledge the existence of what this study calls as a recovery process. Tähtinen (2002) labels the process as a restoring stage and includes it in the relationship ending process. Moreover, the study proposes that, such actions are more successful when both parties perform them. In situations where only one party tries to restore the relationship, and trust and commitment between the parties have decreased, the actions may not restore the relationship but it ends.

Two studies were found that place more focus on restoring business relationships. Tähtinen and Vaaland (2005) suggest that a business relationship may be restored if, by analyzing the factors attenuating the relationship ending, the managers become more aware of the negative consequences of ending. In addition, the study suggests that managers should compare the costs and benefits of ending the relationship and if the costs exceed the benefits, start a restoring process. On the other hand, Vaaland and Tähtinen (2003) suggest that such process includes four stages; i) the identification of the reasons for continuing the troubled relationship, ii) the analysis of the importance of the reasons, iii) an open discussion about the ways to balance the partner's perceptual distance, and iiii) restoring actions. Tähtinen and Vaaland (2005) combine the first three stages into attenuating analysis. Thus, the two studies suggest a way to start a recovery process, by evaluating the situation and the pros and cons of ending the relationship. Moreover, Vaaland and Tähtinen (2003) suggest that a restoring process has more chances of a success if an outsider can be engaged to assist in it. Thus, if the relationship otherwise can be continued, it is best that a third party concentrates on recovering the aspects of the relationship that are damaged, while the rest of the relationship is continued.

Drawing from the definitions on service recoveries and the discussion taken from the business relationship ending literature, the following definition of relationship recovery is suggested and adopted here. Relationship recovery refers to *all the actions that an actor(s) undertake(s) to repair and continue a damaged relationship*. Relationship recovery thus is considered here to be of a dyadic nature; both actors may take recovering actions, however, one actor is also sufficient. Moreover, relationship recovery can be considered as a process of acting and reacting, since both actors are involved in it. In addition, it may take some time.

From this theoretical pre-understanding we moved into analysing the recovery stories, as explained earlier. The results of the analysis (done so far) are briefly presented next.

A process model of relationship recovery

This pre-analysis touches upon the three sub-question of this research project, namely what kind of events trigger relationship recovery process, what kind of events trigger recovery and ending processes, and what actions form a recovery process. The analysis has resulted in a tentative process model of relationship recovery. The model is pictured in Figure 3 and divided into three parts: the start of the process, the sub-processes and the outcomes. The start i.e. the triggers are divided into three types of events; i) company-related (buyer or seller-related changes, e.g. change in ownership of the company, change of strategy), ii) relationship-related events (e.g. service failures, breaches of relationship norms, changes of prices), and network-related events (e.g. changes in customs regulations within EU, economic recession influencing the buyer's economic situation). As the last example shows, the former events may influence the latter ones, resulting in company- or relationship related changes. The sub-processes include voicing when a party brings the trouble into other party's attention (nicely or by blackmailing); attenuating analysis during which the situation is evaluated and normalising when the parties change their actions or involved persons to save the relationship. The outcomes are two-fold; either the relationship is recovered and continues or the relationship enters ending process, in other words the recovery process has not been successful.

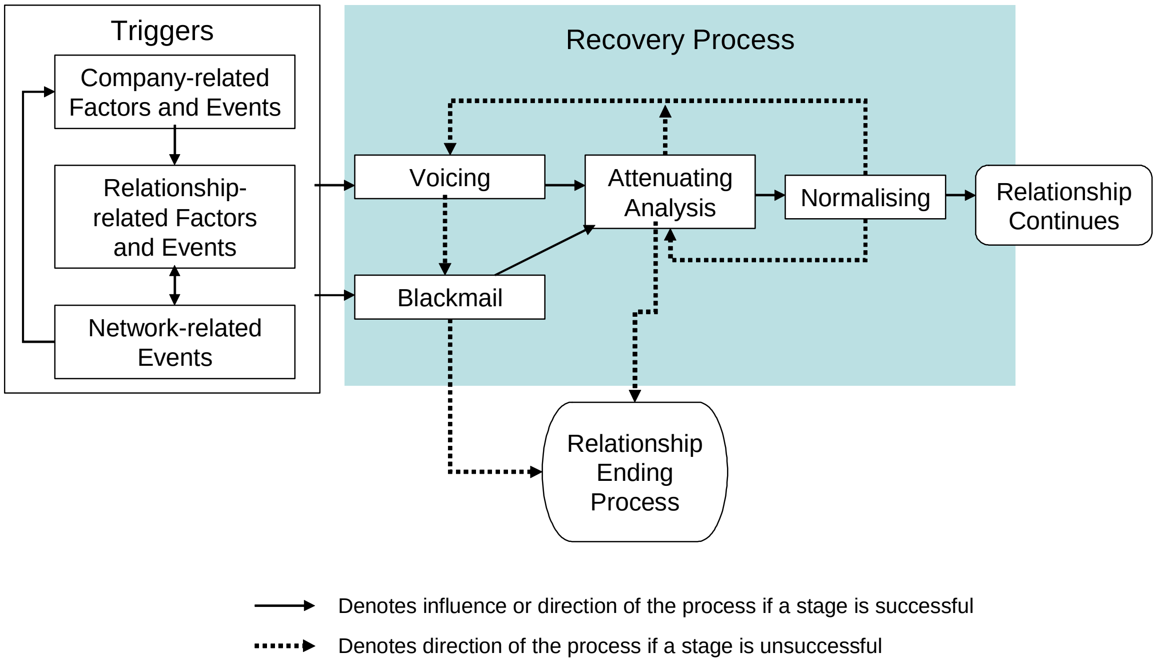

Figure 3. Process model of business relationship recovery

The process model presents two possible pathways, the successful resulting in the continuation of the relationship and the unsuccessful one resulting in relationship ending. Please note that the term successful refers here to the success of the restoration process, although it may well be that it is best for the both parties to end the relationship.

Triggers that could be recovered

As discussed above, the relationship ending literature suggests that some events trigger the ending process, although during the process it is possible to save the relationship. Thus, when focusing on relationship restoration process, we looked at what changed the ongoing life of a business relationship so that a relationship ending was possible, but was avoided by restoring actions. Figure 4 shows the triggers found from the interview data and classified into company-, relationship-, and network-related events. In the following, we will discuss each category.

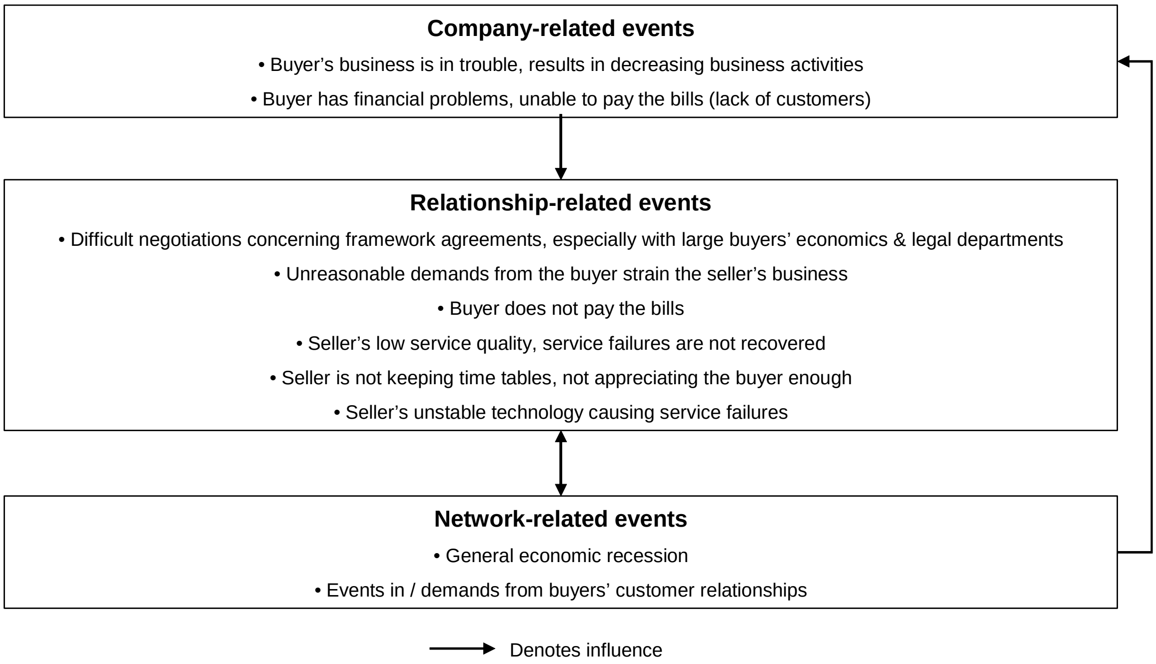

Figure 4. Triggering events that a business relationship could recover from

Company-related events refer to any changes within the buyer or seller company that then influenced what happened in their relationship. The relationships could be influenced severely, when the buyer was forced to decrease its business volumes, because of decreases in its revenue. The stories had also several examples of financial problems that the buyer experienced resulting in difficulties to pay the seller, thus straining the relationship. Thus, it became very clear that any changes in the financial and business well-being of buyer may result in events in the business relationship that put pressure into it.

Relationship-related events refer to changes that happen within the interaction of buyer and seller. Problems may arise when the seller is negotiating framework agreements, where the counterpart is not the usual contact person from the seller's side, but e.g. a member of the legal profession. The buyer may also fail to obey the relationship rules, by placing unreasonable demands for the seller or not paying for the service. In a way this can be labelled as buyer's service failure, if we agree with services marketing researchers that a buyer is always also producing the service with the seller. Moreover, the seller's service failures (e.g. low quality but no compensation, failure to meet the delivery dates, under appreciating the customer) also serve as triggers to change the relationship. Service failures can also influence the customer of the buyer company, and cause reactions from the network.

Network-related events refer to changes taking place outside the two companies or their relationship, but such events that influenced negatively either company or their relationship. Since relationships in a network are connected, certain events in the buyer company's customer relationships can also influence negatively other relationships. The second type of network-related trigger is economic recession that influenced either the buyer company or the relationship, by straining the buyer's economic wellbeing, and resulting into situations where the buyer was no longer able to pay the agreed sum for the seller.

Triggers that could not be recovered

The interviews also revealed many relationship ending processes, in other words examples of triggering events that could not be recovered or of recovery processes that failed. It is difficult to say which one or if both reasons explain the end result for those relationships, but in all these cases, however, the relationship ended and for some of these, the interviewee did not even want to start doing business with the company at present. Thus, we suspect that the reason lies in both the severity and type of the triggers and the type of the process.

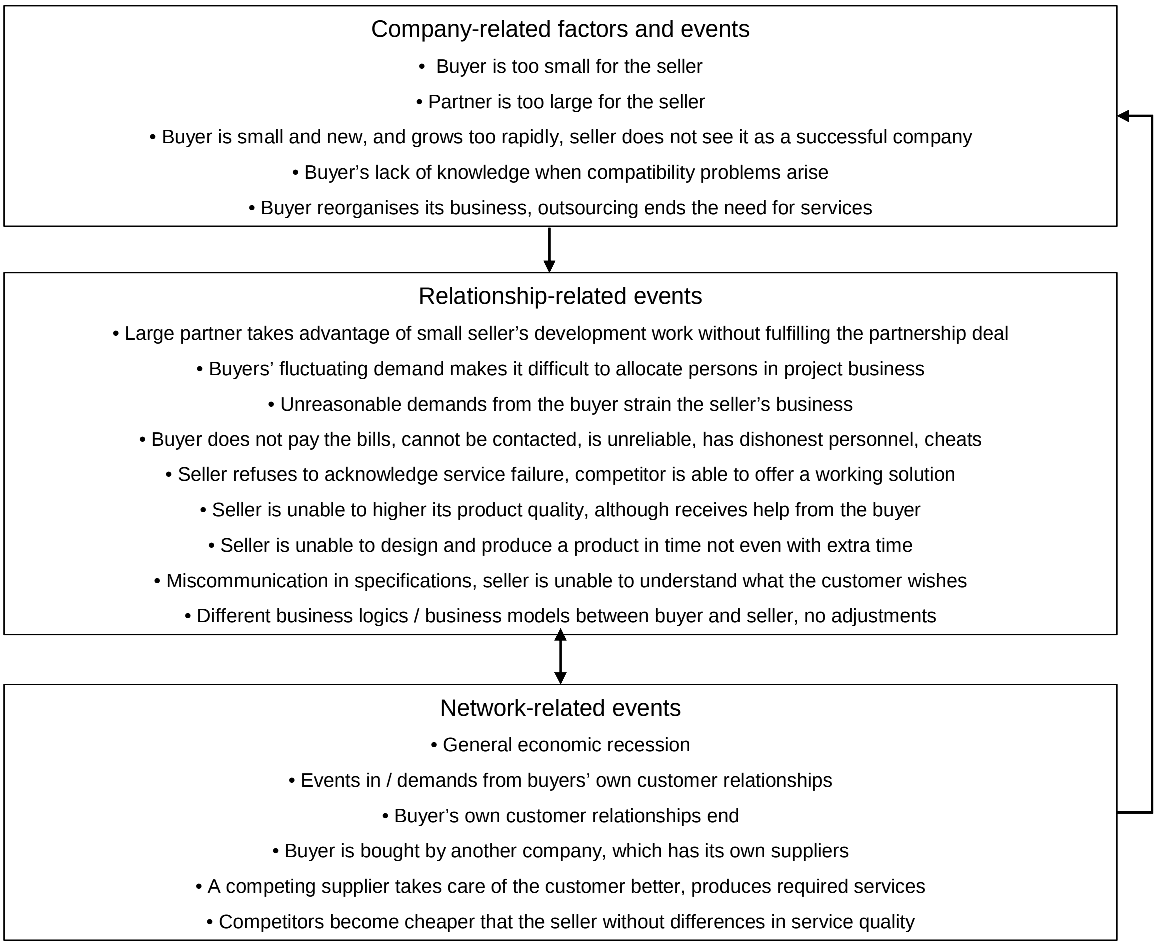

Figure 5. Triggering events that could not be recovered

The three first company-related factors refer to certain structural misfit between the buyer and seller or partners. The difference in sizes was reflected on the exchange relationship, e.g. when the smaller buyer is infrequently placing small orders requesting that they should be executed very rapidly, making it very difficult for the seller in a labour-intensive business to plan its service production and work flows. Another example was that a larger partner company gives the smaller and innovative software company a chance to develop a new product to be included into a larger system that they are selling to a particular client. However, when the partner evaluated the software and had its source code, they conclude that it does not fit into the system and the deal if off. A small company has no power to protect itself and therefore looses its ideas for nothing. The fourth trigger; buyer's lack of knowledge is related to the nature of software systems, a particular software may function very well on its own, but when connected to the buyer company's existing IT-system, compatibility problems may arise. In cases where the problems lie in the IT-system, it is the buyer that needs to have or to acquire the needed knowledge to resolve the issues. Final company related event is related to restructuring, the buyer may outsource functions and thus the need for the services no longer exists.

Relationship-related events include basically three types of events; breaking the ‘rules’ of the relationship, unbalances or lack of adaptation in the exchange relationship, and problems in the service quality. Rule braking in the cases was sometimes even deliberate; e.g. persons claiming bribes from the seller, treating seller’s personnel disrespectfully, buying services without any intention to pay. Thus, the events were evaluated as unprofessional behaviour, which could not be tolerated and the relationship ending was a desired one. The unbalances and/or situation that show need for adaptations relate to the company level factors of certain misfit between the parties in the relationship which then become visible in the exchange events straining it. Thus, the other party felt that it would have needed to adapt too much, when the counterpart refused to adapt at all. Finally, the service quality issues relate to the seller and its behaviour in the business relationship. The common feature in service problems was that the buyer was willing to help the seller and understood the problems up to a certain limit. It seemed that everyone knows that in software development, a lot of things can go wrong, but if they are fixed within a reasonable time frame, the buyer is satisfied. However, in these cases not even the extra time or extra effort from the buyer’s side was enough to recover the service failures and thus created an opportunity for competitors to take over. This leads us to the third type of triggers, network-related events.

As in the case of restored relationships, general economic recession and events or endings in buyers’ customer relationships triggered the process. Thus, if the reasons are much the same in recovery and ending processes, there must be additional triggers or differences in the conduct of the process itself that lead to these two different outcomes. Before discussing this issue, the network-related triggers of mergers & acquisition and competitors actions need to be elaborated. In M&A’s also the supplier base faces changes, and this became clear also in our data. The supplier relationships of the acquiring company have a stronger chance of survival, although no other triggers would enhance the ending process. On the contrary, when a competitor is able to present itself as a more attractive supplier that the current one, there was also another trigger involved, either dissatisfaction towards the service quality or of the value for money that the supplier was able to offer for the buyer.

To sum up the discussion on triggers, they influence not only the following process but each other. Moreover, in several cases, more than one trigger contributed to the start of the ending process. There are differences in the triggers that prompted a recovery process and an ending process. Firstly, buyers’ financial problems can be resolved, since no cases of ending processes were triggered by such problems. Moreover, misfits between the parties in the basic business logics and/or their relative size and power distribution in the relationship seem to be very hard to recover, thus triggering ending processes. Service failures can be resolved, if the seller makes an effort. However, the buyer has limits to how long such failures can be tolerated. Direct action against the rules of conduct in the relationship or business ethics seems to lead to an ending process. Finally, changes in general economic situation for the worse, and/or demands from the buyers’ customers can be resolved, but if they are accompanied with other triggers, the process can lead to relationships ending. Moreover, if there are constant problems in the service quality or price issue becomes important, and an attractive supplier is available, the ending process seems more likely than recovery process.

Sub-processes in the recovery process

Although the triggers of the recovery process and the ending process were somewhat and more than one trigger was often involved, the processes that followed seemed to have certain similar sub-processes. Thus, the recovery process was divided into three sub-processes, voicing/blackmail, analysing, and normalising. In voicing/blackmail sub-process, voicing refers to of neutrally tuned suggestions from one party to another to change its behaviour or some aspect of the relationship. Blackmail refers to stronger discussions where threats are being made unless the desired changes take place. Attenuating analysis refers to internal or dyadic discussions about the relationship, the request for changing it, what will happen if the requests are not being met, what would happen if they are met etc. In other words, assessing the situation after it is clear that something needs to be done, if the relationship is to continue. The third stage, normalising, refers to a sub-process during which the requested changes are being made and the relationship changes away from the troubled state, with increases in commitment and trust. However, normalising sub-processes may not succeed and there may be need to re-voicing, or if the partner suggests other changes than the voicing party, the situation needs to be re-analysed. Thus, the recovery process has loops back and may also end unsuccessfully, which means a beginning of relationship ending process.

Although the ending process is not the focus of this study, a few words are in order. The logic of figure 3 suggests that the process is labelled as recovery process as long as the recovery is possible. However, there are three sub-processes, blackmail & attenuating analysis, at which point the recovery process may turn out to be impossible and the ending process begins. As existing research has noted, it is enough for a single party to decide that the relationship can or should be ended, since it takes two to recover and continue a relationship. Thus, either one of the parties, be it the voicing or not, can end the recovery process.

Conclusion and future avenues

This paper suggests a tentative model of business relationship recovery process. The model has three main parts, the start, the actions, and the end. The process starts from the triggers, continues with the conduct of the process as sub-processes and ends with two potential outcomes, the continuation of the relationship or the start of its ending process. To the best knowledge of the authors, the model is a first attempt to understand and conceptually model the phenomena from the start to the end.

The presented model suggests that the recovery process is by no means predetermined, in other words the start of the process does not solely guide or predict its outcome. Instead, the actors in the companies involved shape and direct the process making it individual. However, the preliminary analysis of interview data from 28 troubled relationships revealed that triggers do play a role as well. Some triggers (e.g. buyers' financial problems) seem to be more easily recovered than others (e.g. breaking the business ethics). Moreover, since the recovery process may take a while, new triggers can also change the direction of the process towards ending. Thus the sub-processes are not to takes as steps in a ladder, but the order and appearance can be even more flexible than this paper was able to show. We hope that when finalising the data analysing especially concerning the sub-processes, we will be able to tell more about the unfolding of the recovery process.

Managerially, we see that the model helps managers to put more emphasis on the issue of relationship recovery in their daily work. Of course, the best action would be to prevent such situations where relationship recovery would be needed in the first place. This could be done by maintaining the relationship in a satisfying level. In other words, regular relationship inventories or assessments of the state of the relationship, done together with the counterpart, would reveal if maintenance activities are sufficient and where to direct those. When considering the time and costs of evaluating business relationships, frequent evaluations would involve only the most important relationships, or key accounts. In cases, where either party is thinking about ending the relationship, recovery actions are desperately needed, if the relationship is worth saving. Thus, the knowledge about which triggers can be attenuated with recovery process is valuable. Paying attention to the economic state of the counterparts increases the changes of noticing any relationship threatening changes in an early phase, where small actions can recover the situation. From a service supplier's point of view, any kind of service failure should be taken seriously. Buyers seem to forgive failures, but only if the supplier takes genuine efforts to recover, even if they would need the help of the buyer to do so. However, if the supplier does not show that it appreciates the buyer, the chances of recovery fade away.

Although we have not been able to analyse the data fully, especially concerning the sub-processes of relationship recovery, one issue has already risen clearly from the data. It is the importance of business ethics or honouring the rules of the relationship. Dishonest behaviour in any level of the company, or even by a single employee, may destroy a profitable business relationship. According to our data, the chances of starting again with such company are very low, unless the counterpart can be sure that the business culture has changed or/and the people within the company have been changed.

Because this study is work-in-progress and the tentative model presented needs more work. The plan is, of course, to analyse the interview data with N'Vivo to get a more detailed view of the process as well as to be able to say something about what kind of troubled relationships can recover. We also acknowledge the limitations in our data, for example that it is interview data and not observations, it has been collected from one party instead of being dyadic in nature, some stories happened years ago so the memories are not detailed, and the stories all take place in software business context. However, we are looking forward to analysing the stories and are fairly confident that they will bring more light into the rarely studied phenomenon of relationship recovery. After the qualitative phase of the research project, our aim still is to validate and test our model by gathering survey data from four different EU countries, namely Belgium, Greece, Finland, and France.

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Appendix 1

Interview guide and list of topics to be covered during the interview

i) During your career, have you been involved in a long-term business relationship that was under the threat of ending because of some kind of trouble, but continued anyhow? What kind of story was that?

   a. What was the cause of the problems in the relationship? Buyer, seller, third party?
   b. What were the problems and why did they happen?
      i. Quality problems
      ii. Problems with personal chemistry
      iii. Disagreements concerning pricing
      iv. Breaches of contracts
      v. Breaking the norms of the relationship
      vi. Other problems, what?
   c. How were the problems handled within the company and between the companies? What was done and how?
      i. Complaining to the counterparty
      ii. Complaining to senior management of the counterparty
      iii. Complaining to third parties, layers, etc.
      iv. Nothing was done
   d. How did you try to solve the situation?
      i. Apologizing
      ii. Recovery action, to minimize the damage and to stop the problem to reoccur
      iii. Compensations, money and other types
      iv. Switching persons
      v. Other

e. Was there any follow-up?
f. How old was the relationship when the problems started?
g. What kind of relationship it was?
    i. Atmosphere
    ii. Importance to the companies
    iii. Means of communication
h. What is the state of the relationship now? What, if anything, has changed?
i. What else would you like to say?

ii) During your career, have you been involved in a long-term business relationship that ended, but continued later on? What kind of story was that?

a. What was the cause of the problems in the relationship? Buyer, seller, third party?
b. What were the problems and why did they happen?
    i. Quality problems
    ii. Problems with personal chemistry
    iii. Disagreements concerning pricing
    iv. Breaches of contracts
    v. Breaking the norms of the relationship
    vi. Other problems, what?

c. How were the problems handled within the company and between the companies? What was done and how?
    i. Complaining to the counterparty
    ii. Complaining to senior management of the counterparty
    iii. Complaining to third parties, layers, etc.
    iv. Nothing was done
d. How did you try to solve the situation?
    i. Apologizing
    ii. Recovery action, to minimize the damage and to stop the problem to reoccur
    iii. Compensations, money and other types
    iv. Switching persons
    v. Other
e. How old was the relationship when the problems started?
f. What kind of relationship it was?
    i. Atmosphere
    ii. Importance to the companies
    iii. Means of communication
g. What happened when the relationship ended? Did the personal relationship survive?
h. Why did the relationship start again?
i. What is the state of the relationship now? What has changed?
j. What else would you like to say?

iii) During your career, have you been involved in a long-term business relationship that ended and which you do not wish to start again? What kind of story was that?

a. What was the cause of the problems in the relationship? Buyer, seller, third party?
b. What were the problems and why did they happen?
    i. Quality problems
    ii. Problems with personal chemistry

        iii. Disagreements concerning pricing
        iv. Breaches of contracts
        v. Breaking the norms of the relationship
        vi. Other problems ,what?
c. How were the problems handled within the company and between the companies? What was done and how?
    i. Complaining to the counterparty
    ii. Complaining to senior management of the counterparty
    iii. Complaining to third parties, layers, etc.
    iv. Nothing was done
d. How did you try to solve the situation?
    i. Apologizing
    ii. Recovery action, to minimize the damage and to stop the problem to reoccur
    iii. Compensations, money and other types
    iv. Switching persons
    v. Other
e. How old was the relationship when the problems started?
f. How was the relationship ended?
    i. By buyer's or seller's decision, joint decision?
    ii. In an other oriented manner or self-oriented manner?

g. What kind of relationship it was?
    i. Atmosphere
    ii. Importance to the companies
    iii. Means of communication
h. Why do you not wish to start a new relationship with this company? What would need to change for that to happen?
i. What else would you like to say?