

**Customer Asset Management:
A Conceptual Framework of Service Denial**

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ABSTRACT

There is anecdotal evidence that service providers are divesting themselves of customers. The literature on customer valuation analytics offers tools to determine which customers to divest. Yet, there is no consensus about the process that can be used to implement the customer divestiture decision. In this article, we examine the nonvoluntary customer exit process initiated by the firm; we define *Service Denial* as the phenomenon where the existing customer of the firm is no longer extended the current level or type of service. It is a pervasive and global phenomenon and an important part of customer-asset management. We postulate termination of the relationship as a process continuum rather than a single decision, explore the unintended consequences of such decisions, and articulate how a firm can manage the process to mitigate negative consequences. The proposed strategic framework draws from the exchange literature and uses the incompatible value proposition between the firm and customers as a theoretical lens. In addition, we outline implications for theory and practice, and identify avenues of further research.

“One of the most difficult things in building a better business is learning what to divest.”
--Sir Brian Pittman (Former Chairman and CEO of Lloyd Bank TBS).

Consider these instances:

RBC Centura of Rocky Mount of Carolinas and Virginia has created three classes of customers based on profitability. Individual banks have already started communicating with the customers who belong to the least profitable segment. They intend to let go of the customers who are not producing any value. (*Asheville Global Report, March-April 2002*)

Commerzbank AG's chairman, Klaus-Peter Muller, says he is putting his customers on notice: Either pay a reasonable price for loans and financial services or be cut off. That even applies to companies that have been banking with Germany's third-largest bank for 30 or 40 years, he says. (*The Wall Street Journal, March 2002*)

Hartford, Connecticut based Aetna blamed the loss on pricing its insurance plans too low, and is currently shedding unprofitable customers and boosting its premiums to reflect higher medical costs. (*Insurance-Letter April, 2002*)

Spanish digital satellite platforms Via Digital and Canalsatelite Digital (CSD) have been weeding out late-paying and unprofitable customers from their subscribers databases as part of their merger plan. (*Inside Digital TV, April 2003*) (678 615 7665)

In all these cases, service providers have made the choice to let go of certain customers. These examples point to an emerging trend that contradicts the age-old precept that the retaining customers is of paramount importance (e.g., Drucker 1954; Webster 1992). Many theoretical models and empirical approaches combining customer valuation analytics have appeared in the literature (e.g., Berger and Nasr 1998; Bolton 1998; Blattberg and Deighton 1996; Niraj, Gupta, and Narasimhan 2001; Reinartz and Kumar 2000, Rust, Zeithaml, and Lemon 2003; Thomas, Reinartz, and Kumar 2005) and companies can now identify customers whose retention may not be worthwhile. In their pyramid-approach toward segmenting customers based on profitability, Rust, Zeithaml, and Lemon (2001) maintain that customers designated as “lead” should be divested. The divestiture issue can have greater salience for service firms because they are more

vulnerable to situations where resources get squandered on unprofitable customers and profitable customers are neglected. Service criteria vary across customer groups and the consumption of service pertains to a series of social and economic processes rather than outcome consumption (Grönroos 1997; Lusch and Vargo 2004). Besides, binding capacity (Biema and Greewald 1994; Desiraju and Shugan 1999) and ‘real time’ character of service delivery (e.g., Berry and Parasuraman 1991; Zeithaml and Bitner 2003) constrain service providers.

Despite the widespread business practice, the phenomenon of divesting customers, or *service denial*, as we call it, has not been studied. At present, little is known, and there is no consensual view or concerted effort, regarding the specific procedures that should be taken to deny service to customers who for one reason or another have been deemed problematic by a firm. Apart from the profitability issue, what consequences, negative or positive, may result from denying services to customers? Is there a conceptual framework that informs understanding of customer divestiture process? These issues underlie our effort.

Taking a process oriented perspective and building upon the firm-customer relationship (Berry 1983; Fournier, Dobscha, and Mick 1998; Lemon, White, and Winer 2002; Morgan and Hunt 1994), this paper develops a working definition of service denial and examines its potential consequences. We view service denial as a pervasive and global phenomenon and a necessary part of customer-asset management. We conceptualize this as a process, not a discrete event. In addition, we build a strategic framework to assist the service firms in carrying out this task. The framework is *not* a tool to decide which consumers should be denied service. Instead, once a firm has made a decision, our work should help managers understand *how* to deny the customers so designated. Our articulation of the service denial process draws from the exchange literature and

uses the incompatible value proposition between the organization and customers as a theoretical lens.

Our investigation makes the following contributions to research and practice. First, profitable customers have remained a subject of steadfast research attention, while research is very thin on managing unprofitable customers. Lehmann (1999, p.15) stressed the need for more academic investigation on unprofitable customers. Second, by addressing the dissolution phase of the service relationship process, we shed light on theoretical deficiency of research on relationship process. Among the different phases of the customer relationships (see Dwyer, Shurr, and Oh 1987), ‘dissolution’ remains largely unexplored in customer and B-to-B settings, and makes compelling claims to greater relevancy (e.g., Dyck and Starke 1999; Sheth and Parvatier 1995; Stewart 1998). Third, our integrative framework examines an *involuntary* customer exit process initiated by the company. This is a departure from previous studies that predominantly consider voluntary customer exit or defection in response to different company actions (Fornell and Wernerfelt 1987; Keaveney 1995; Tax and Brown 1998).

We start with a brief overview of the service denial concept and explicate the service denial continuum. In the subsequent section, we explore the possible unintended consequences of implementing service denial. Next, we put forth the strategic framework and provide guidelines to managers for how to exercise the service denial option. We conclude by deducing insights into the nature of service denial process, documenting the limitations of the study, and identifying additional avenues for future research.

Service Denial: Conceptual Background

Service providers are awakening to the realization that ‘zero-migration’ strategies of keeping all customers at any cost are not useful (Blattberg, Getz, and Thomas 2001; Dowling

and Uncles 1997). Strategic imperatives such as retaining only the “right” customers imply that the ‘wrong’ customers must be turned away. Once a company identifies undesirable customers, several strategic choices are available. The firm may work with those customers, trying to elevate them to a break-even relationship. If these efforts fail, as a last resort, the prospect of dissolving the relationship sets in.

For this paper, service denial refers to *the phenomenon when an existing customer of the firm is no longer extended the present service*. Within the literature, “selective de-marketing” (Kotler and Levy 1971), “firing customers” (Schrage 1992; Zeithaml and Bitner 2003), and “creative filtering” (Reichheld 1996) are some of the euphemisms used to describe occurrences of service denial. Just as downsizing or laying off employees was the buzzword in the 90s, the notion of getting rid of customers is fast becoming the latest management mantra of this decade.

The service denial continuum

Service denial is best conceptualized as a continuum, rather than a discreet event. The decision is not about whether to eliminate the customer altogether or not. Rather firm uses a full range of options to change the present relationships. These options vary, but they coalesce around the idea of moving the customers up the value ladder. It is achieved through changing the ways of serving them. Partial service in the form of multi-tiered or differentiated service levels can be a manifestation of tiered or graded service denial. For example, in the health care markets, managed care institutions and integrated delivery networks provide a continuum of care from hospital through alternate site services to insurance reimbursements. Similarly, the airline industry and hotels use yield management (Desiraju and Shugan 1999) and implement differentiated pricing to create greater efficiency and profitability. We posit outright refusal as last resort or end of the continuum. The continuum will be explicated later in the paper.

Initiated by the company

A distinctive feature of service denial is that the *desire for relationship termination arises on a firm's part*. Apart from the profitability issue, service denial can be undertaken for a host of other reasons. Lack of proper fit between the firm's offerings and customers' needs can be a critical issue when firms and clients need close collaborations. For example, advertising firms have labeled certain customers as difficult to work with (e.g., Bird 1993). Disruptive behaviors of customers can have deleterious impact on the other customers, especially when the many customers share a common service setting. Over demanding and abusive customer can take a toll on the morale of the frontline employees and it can spill over into employees' productivity and personal lives (e.g., Bitner, Booms, and Mohr 1994; Singh 2000). Service firms may decide to disengage themselves from the clients with the intention of maintaining work-life balance and quality-of-life issues for employees. Consider the airline industries, aggressive behavior towards the personnel on ground has become so frequent that British Airways issues soccer-style yellow cards as the final warning before refusing the service all together (Grove, Fisk, and John 2004). Sometimes there can be ethical issue. For example, Wachtell and Lipton, a law firm, once refused to carry out an unethical act for a client that accounted for seventy five percent of the firm's revenue. As a result, they lost the business of the client (Starbuck 1992). A marketing research firm serving multiple clients in a single industry (i.e., automobile) can face ethical dilemma as employees can mention information about one company to its competitors. As a consequence, the firm may have to retain only one client per industry.

Service denial because of capacity constraints is a common ground among the healthcare providers. In many urban regions, emergency rooms may not be able to provide adequate care to

all patients due to shortage in manpower and materials. Likewise, telecommunication firms may not be able to provide long-distance service in a timely fashion around holidays.

Firms may deny service as part of their corporate social responsibility (Sen and Bhattacharya 2001). Sometimes a service provider, in the spirit of its mission and values, cannot offer the service sought by the customers. For example, the stated mission of the parking authority at an urban public university is to *discourage* employees from using their own cars. Employees are encouraged to use public transportation and car pooling to reduce traffic congestion and pollution on the university campus.

The common thread of these service denial anecdotes is that they are initiated by the company. This is conceptually distinct from customer exit (e.g., Roos 1999; Stewart 1998), customer switching (e.g., Keaveney 1995; Bansal and Taylor 1999) or customer defection (e.g., Jones, Mothersbaugh, and Beatty 2000). All these customer decisions are perceived as being detrimental to the cause of the company (Hirschman 1974; Rust and Zahorik 1998) and none of these results from the deliberate actions taken by the firm.

Not voluntarily enacted by the customers

Although the desire for relationship termination arises with the firm, the final act of relationship termination may still be enacted by the consumer. For instance, after realizing that a customer is not willing to pay for what they are consuming, a firm may initiate service denial by creating circumstances that culminate in the customer enacting relationship termination: increasing price-premiums, discontinuing discounts, and reducing the level of services for the price currently being charged.

There are many examples of such measures: in a bid to reshape the customer base, banks have been increasing the minimum balance required to receive free checks on current accounts.

Telecommunication firms are adapting new pricing policy and accounting firms are increasing fees so that the marginal customers are driven away. On the surface, these actions may seem to be voluntarily undertaken by the customers. However the origins of these actions lie with management prerogative. Firms raise the bar on what the customers must give up, and eventually the clients make the final decision. If the clients decide not to meet the expectation they choose, they simply fire themselves.¹

Consequences of Service Denial: Constituents Affected

To understand the strategic importance of service denial, it is instructive to first understand its various consequences, unintended as they may be, for a firm. With increased costs of regulatory compliance and greater competitive tumult, service denial decisions can negatively affect the social fabric of the firm. Prior research suggests that in the wake of higher prices or fees, utility maximizers tend to change the marginal usage level (e.g., Einhorn 1994). Termination of the relationship may result in additional setup cost for firm and customers. Costly litigation or emotional scars can add to the toll of termination.

Customers who are denied service are most immediately affected by the firm's actions. The hazards of adopting the denial decision are not always immediately evident. The disengaging process can affect the heightened sensitivity of other elements of the network in which the firm is embedded. In this section, attention is focused on the impact of the service denial decision from the perspectives of various stakeholders, who must be factored into the strategizing.

¹ Service denial should be distinguished from instances in which a relationship terminates due to externally imposed factors such as the reallocation or demise of a party (as in the case of customer death or company bankruptcy), or relocation of a party. For example, after Genuity had filed for Chapter 11 bankruptcy, it had to terminate service contracts with many clients including BTM Capital, PriceWaterhouseCoopers and Sun (Pappalardo 2003).

The incumbent firm. The firm denying service can be affected in terms of its economic viability. This is especially true for firms that have high fixed costs. Once the total number of customers is reduced (e.g., via service denial), a higher fixed cost must be allocated to each retained customer. Possession of a larger customer base can confer a degree of legitimacy on the organization and can increase the residual value of the business (Srivastava, Shervani, and Fahey 1998). A larger customer base can allow the company to rapidly move along the learning curve in customer service and identify solutions and develop systems to address various customer issues proactively. Firms walking away from marginal customers may risk offending big clients or important prospects who are associated with the marginal customers.

A good reputation can be an enduring source of competitive advantage (e.g., Dierckx and Cool 1989) and difficult to imitate (e.g., Barney 1991). Denying service to customers can cause public relation disaster and negatively affect reputation. When First Chicago Corporation (now Bank One Corporation) tried to encourage greater use of ATMs by charging some customers for teller-assisted transactions, it attracted national headlines and sparked an outrage. Competitors advertised expressing willingness to serve those customers labeled unprofitable by First Chicago (Peppers and Rogers 1997, p. 127).

Competitors. Customers who are denied service by one firm may be accommodated by rival service-providers. For example, when British Airways started de-marketing economy passengers, Virgin Atlantic quickly took hold of these customers (*Business Line* 2000). Thus, service denial can affect the competitive dynamics of an industry especially if rival firms are favorably positioned to serve the customers not served by the incumbent firm.

Employees. Contact employees can be the primary reflection of firm's image to customers. They generate unique insights about the customers and play a pivotal role in turning

company-wide customer strategy into reality (e.g., Czepial 1990; Hartline and Ferrell 1996). Divesting customers can affect front-line employees. Loss of an account may put pressure on the account manager and may prompt him or her to change job (Goodwin, Mayo, and Hill 1997). American Express revealed that, on average, 30% of a financial advisor's client base would move with their advisor if she or he were to leave the firm (Tax and Brown 1998). Employees can be affected in following ways. First, a downsized customer base can translate into a downsized employee base. In the UK, as the banks closed unprofitable branches, many employees lost their jobs (*BBC News* 1999b). Aetna Inc., a large US health insurer group, had to eliminate about 16% of the workforce as a corollary of shedding unprofitable customers (*The Journal News* 2001).

Second, service denial can have an indirect impact on frontline employees who may develop emotional ties and commercial friendships (Price and Arnould 1999) with those customers. Especially in services where clients and front-line employees develop feelings of closeness, affection and trust, such as hair salons and restaurants, the sudden departure of 'client-friends' can be traumatic for service providers and affect the work performance.

Third, employees are heavily influenced by the company's decisions and actions and they have been described as a firm's internal audience. They have both financial and spiritual ties to their jobs (e.g., Gilly and Wolfenbarger 1998) and thus firms' inappropriate actions may leave an undesirable impression on its employees.

Existing Customers. Existing customers may develop identification bonds with the firm (Doney and Cannon 1997) and customers' cognitive association for a company is a strategic asset (e.g., Dowling 1993; Weigelt and Camerer 1988). Service denial decisions may affect the existing customers in different ways. First, like individuals, organizations can be perceived as

possessing dispositional qualities or characteristics (e.g., Hamilton and Sherman 1996) and negatively perceived service denial actions can adversely affect the image of the firm. It can elicit anxiety among the existing customers, and they may feel insecure about their own relationships. Second, customers may resort to nonbehavioral responses (e.g., Singh 1988) or voice concerns to the firm. Consider First Union, a credit card provider, that wanted to charge closing and inactivity fees for the inactive accounts. Stern protests by cardholders, including those who were unaffected, prevented the firm from introducing these fees (Gallagher and Kennedy 1997). Third, customers may use their economic and social capital in ways that may harm the firm by reduced spending and negative word-of-mouth (Brown and Reingen 1987; Danaher and Rust 1996; Richins 1983). Word-of-mouth communication is a powerful form of communication and has been shown to be invaluable to service firms (e.g., Anderson 1998; Berry and Parasuraman 1991). Doctors, law firms, business consultants, recruitment firms often gain new customers through word-of-mouth or referral. For complicated service, informal channels of communication are the primary means of information dissemination for complicated services (File, Judd, and Prince 1992). Fifth, pruning customers will not be appropriate when positive customer-to-customer interactions are caused by sheer number of customers. In services like comedy shows or spectator sports, the presence of a large crowd actually enhances the experience by creating excitement and stimulating audience participation (Lovelock 1996).

Finally, at some level service denial may be construed as a form of discrimination and may affect customers who do not want to be treated unequally or to receive preferential treatment. Feinberg, Krishna, and Zhang (2002) have furnished experimental evidence that consumers are influenced by how firm treats other groups of present and potential customers.

External Groups. Business is a social phenomenon that coexists with many other organizations and entities in society. The social standing of the firm depends on how the business and social agenda intermingle. Several groups or bodies (e.g., regulatory, voluntary, non-profit) take on advocacy and oversight roles and may react to service denial decision on social grounds. These groups can have direct influence on corporate behavior and indirect influence through lobbying activities. For example, when Waste Management, a large waste disposal company, attempted to stop picking up trash and recyclables to some businesses in New York City, the Trade Waste Commission ordered the continuation of service (Lueck 2000). There are also customer advocacy groups promoting and protecting the interests of poor and marginalized customers. The role of these groups can be critical for industries where the following issues are salient.

Universal Service Obligation (USO). Today's societal trend expects universal service obligation for certain services (e.g., electricity, water sanitation, heating, telephone). These are considered necessities of which no citizen, regardless of his or her ability to pay, should be deprived. A confluence of moral, ethical and legal issues may arise when firms operating in such categories engage themselves in service denial. For instance, consider the case of Embratel, the leading telephone service provider in Brazil. Due to the high cost of debt collection, the company decided to sever services to customers having unpaid balances for over six months. However, Embratel could not discontinue the service because of universal service obligation,. Therefore, a migration plan was created whereby customers were given a monetary incentive to voluntarily terminate the relationship with Embratel and switch to prepaid calling cards.

Corporate Social Responsibility. Corporate social responsibility is defined as the social contract between businesses and the society in which the firm operates (e.g., Goolsby and Hunt 1992).

When services come to be regarded as public goods, service denial may be perceived as a breach of the social contract. Uninsured patients needing expensive emergency procedures, cutbacks in social services, and curtailment of arts programs in a community fall into this category. In these cases, noncustomer groups may intervene to reconcile the interests of the larger society and business by finding new funding sources, providing tax breaks, or passing mutually-sustaining laws. For instance, some hospitals are provided with public funding in exchange for a guarantee that they will not refuse emergency service irrespective of the patient's ability to pay. Many hospitals benefit from government-subsidized programs like Medicare and Medicaid, and make profit from medical research and medical education paid for by taxpayers' money. Some urban hospitals serve only low-risk profitable patients while dumping unprofitable patients to public hospitals and community health centers, which are required by law to attend to these patients.

Discrimination. Service discrimination is used quite extensively as part of service denial. For example, Wells Fargo of San Francisco imposed higher checking account and overdraft fees for social security recipients, after the segment had been found to be unprofitable (Serres 2002). Several legal issues can be associated with such a practice. In the UK, quite a few financial institutions are implementing programs to de-select individuals who are too costly to serve despite the fact that government is against such actions (Carson 1999). In the US banking context, some have argued that banks should be forced to provide comparable service to everyone as they are supported by taxpayers' money through the Federal Deposit Insurance Corporation (Serres 2002).

Redlining, the practice of refusing to provide loans or insurance in neighborhoods deemed less creditworthy and more risky, is another form of service denial that has raised legal issues (e.g., Smith 1995). In 1997, Nationwide Insurance, Allstate and State Farm Insurance

settled a redlining complaint with the Housing & Urban Development Department and funded minority-homeownership programs. Service denial decisions can invite costly legal disputes in the banking industry. A few years ago, the city of Palo Alto and Midpeninsula Citizens for Fair Housing joined together to accuse American Saving Banks of redlining. The bank was investigated for the alleged refusal to grant real estate loans in certain communities (Kazak 1996).

Privacy. Customer level databases are essential building blocks of the firm's strategic initiative to deny service. Firms have to gather, profile, and analyze vast arrays of information to yield identifiable consumer profiles. This is a ripe area for consumer privacy issue and may be subject to substantial consumer backlash (Culnan 1993). Widespread functionality of the new technologies enables firms to routinely collect more information about individuals to increase profit and control (e.g., Forrester and Morrison 1990). A company has to solicit and handle information with the utmost care and protect it from unauthorized access and from unethical use by employees and external agents. In the context of e-commerce or internet banking (as explained later this is a common method of implementing service denial), there is a great public concern about the privacy issue. Forty-one percent of on-line shoppers were concerned about revealing personal information (Hamel and Sampler 1998). Even hospitals have responsibilities to maintain confidentiality of the patient records. Under the patient privacy provisions of the Health Insurance Portability and Accountability Act, hospitals face potential civil liability for failure to protect the confidentiality of medical records. Recently, Citi Group had to pay \$1.7 million in settlement when 27 states sued them for selling confidential information to telemarketers (Serres 2002). Privacy issues stemming from the ubiquitous commercial use of customer information databases are among the main issues of the contemporary management

practice (Mason 1986; Milberg et al. 1995). Erosion of privacy has negative repercussions for creativity, individuality, and unique personality and may have ramifications for social progress.

In summary, implementation of service denial is a delicate process fraught with many potential repercussions. There is a host of legal, ethical, economic and social constraints that affect a variety of constituencies. How managers adhere to aforementioned values and norms can influence business performance and corporate image.

Attribution Theory and Consumer Reactions

Attribution theory examines the systematic patterns consumers use when ascribing explanations or causes to events, and the consequences of these inferences (e.g., Heider 1958; Mizerski, Golden, and Karnan 1979; Ross and Fletcher 1985). Consumers form attributions about a firm's actions even when they are unrelated to product performance (Folkes 1984). As service is conceptualized as a social encounter, properties of interpersonal relationship such as emotions and intentionality will be of greater relevance. In the review of extant theory and research on attribution theory in marketing, Weiner (2000) concluded that attributions about responsibility and stability are most salient for understanding post consumption consumer reactions. We extend the range of strategic phenomena to which the attribution theory is relevant and posit that consumers' perceptions of cause-effect relationships would be central in determining their attitudes toward the disengaging firm. It is documented that people tend to make stable, internal attributions for negative event and unstable, external attributions for positive events (Sweeney, Anderson, and Bailey 1986). In the same vein, we expect disengaging firm to have a less negative impact if the actions are attributed to external forces and if firm is not expected to repeat the denial decisions. Therefore, attributions of responsibility and stability must be managed to avoid possible negative attribution. As service is conceptualized as a social

encounter, properties of interpersonal relationship such as emotions and intentionality will be of greater relevance.

From a consumer's perspective, the issue is to exercise control over their world by assigning responsibility for an obtained outcome. The causes can be classified within the critical determinants of responsibility: dimension of locus of causality (who caused the failure), controllability (to what degree the firm had volitional control of the circumstances), and stability (to what extent the firms keep repeating the said behavior). (e.g., Bitner 1990; Folkes 1984; Tsiros, Mittal, and Ross 2004).

-----Please Insert Table 1 about here-----

Consumer Reactions: Imputed Motives

If consumers and various other constituents hold the firm responsible for service denial, it is imperative to manage the imputed motives. Consider firm A and firm B, they are similar in most respects and both deemed to be denying service to consumers. For firm A, consumers believe that the firm had to do so to break even and survive. But firm B's action is attributed to increasing profitability at the expense of the consumers. Customer reactions to service denial are likely to be different in each case.

Firm needs to be clear about *why* it is engaging in service denial actions. As explained later in our service denial process continuum, the reassessment step provides this opportunity to a firm. The imputed motives may be perceived as being equitable or inequitable. Equity is the customer evaluation of what is right or fair. People want to be treated fairly and if the firm's action such as service denial decision is perceived to be unfair, negative reactions will follow. Kahneman, Knetsch, and Thaler (1986) identified criteria that people use in their fairness judgments. They documented evidence that people have systematic implicit rules to specify

which actions are unfair and tend to resist or punish the unfair firms even at some expense.

However, they also observed that fairness conception is governed by the belief that firms are entitled to have reference profit by raising fees or cutting costs.

Consumer Reactions: Perceived Impact and Consequences

Customers make attributions when the actions of the firm directly affect them. When the disengaged customers believe that the firm has not done enough to retain them or that the firm had control over the situation, then the customers are likely to reach a higher affective state, and complain (Folkes, Koletsky, and Graham 1987). Prior research shows that there can be emotional reactions when a negative event is attributable to a controllable cause (Meyer and Mullherin 1980; Weiner 1986). Stability has been found to influence the types of redress such that more stable cause will invoke higher state of response (Folkes, Koletsky, and Graham 1987). All these indicate that the external communications made regarding the denial decision has a critical role on consumers' schema about how customers and other stakeholders perceive the firm's position. Therefore, it is imperative for the firms to convince the concerned customers about the fairness of the service denial decisions.

Consider a scenario where a bank imposes transaction fees on customers carrying low balances. Customers may think,

“The bank needed to raise the transaction fees to be able to stay in business. The customers will now switch to banks that are more suited to their needs.” Or they may think, “The bank raised transaction fees because it is profit centered and customers will now suffer.”

As seen in the above statement, ability to manage attributions, imputed motives, and likely impact will affect the reactions of the customers. Implicit in the discussion thus far is the notion that service denial or ending a relationship can be a knotty problem. If conducted on an *ad hoc* and reactive basis, it can have the potential to damage the firm in many disparate ways. Negative

organization downstreams can supersede the immediate positive consequence of not serving unprofitable customers. The pressing management challenge to develop and execute a proper strategy, calling for economic reasoning, along with social, legal and ethical awareness. In the next section, we delineate a framework that outlines the critical steps necessary for successful implementation of denial process.

-----Insert Figure 2 about here -----

The Strategic Framework

At its most fundamental level, service denial is grounded in *value incompatibility*. Our framework for managing service denial is based on the tenet that consumers and firms engage in transactions based on mutually beneficial value propositions. The relationship is an ongoing process where parties are involved in collaborative and cooperative activities, and achieve outcomes such as trust and commitment. The value proposition from the consumer's perspective has been discussed in some depth in the marketing literature (e.g.; Gale 1994; Hauser and Urban 1986; Hunt 1983; Kotler 1972; Woodruff 1997; Zeithaml 1988). Value is the key link between customer and the firm. It is based on customers' perceptions of what they get from an exchange and what they gave up in an exchange. We make a case that a firm also faces a similar prospect: customers also have to meet the needs and expectations of the firm. The relative value of the consumer (e.g., price received) must exceed the cost associated with serving them. Our concept of value comprises direct economic value and noneconomic factors. Appropriate value proposition ensures a mutually satisfying experience for both the parties.

Value Incompatibility

The study of exchange has been a high profile part of the marketing terrain for a long time (e.g., Alderson 1965; Bagozzi 1975; Dwyer, Schurr, and Oh 1987). Exchange has been used

as an anchor to understand marketing relationships, for both tangible and intangible products. For the marketing of intangibles, the additional challenge is to manage the interactive aspect or the real-time nature of the transaction. Equilibrium is achieved when consumers are pleased with the value proposition offered by the firm and the firm is satisfied with the customers' contribution in terms of profit, brand equity, goodwill in a community and so on. Shared expectations and confidence in each other's motives and abilities are crucial for the continuation of the relationship. Mutual value is created by increasing marketing effectiveness and improving marketing efficiencies (Sheth and Sisodia 1995). This is consistent with the principle of reciprocity, a key factor explaining the duration and stability of the seamless exchange between customers and firm (Czepiel 1990; Huppertz, Arenson, and Evans 1978; Larson 1992).

Within marketing, much of the existing theory and research on relationships have taken the customer's perspective. The spotlight is on situations where customers may defect from a firm because of relative value incompatibility. This postulation is similar to that of negative disconfirmation in the satisfaction literature (e.g., Oliver 1980, 1997; Yi 1990), service failure in the service quality literature (e.g., Smith, Bolton, and Wagner 1999), and relative value in the B-to-B literature (e.g., Anderson and Narus 1999; Cannon and Homburg 2001). We are moving from the tenet of '*providing* value to the customer' to '*extracting* value from the customer,' where the firm has to yield a good return from a relationship. When the relative value proposition from the firm's perspective is not being fulfilled, the customers may become value destroyers, and the firm may decide that a relationship with them, in its current form and structure, is not worth pursuing.

The concept of mutual value creation and management is critical for services as firms cannot store customer value. For the tangibles, value may be stored within the product itself.

Changes in the ownership or physical movement of the product (e.g., via transportation) can create and transfer value. For most services, the value can be ascertained only during or after the service has been experienced. In other words, value is co-created by the firm and customers, the latter no longer being passive recipients of value (e.g., Hoffman and Novak 1996; Prahalad and Ramaswamy 2000; Sheth and Parvatiyar 1995). Ideally, the offerings must meet or exceed the expectations of customers, but the relationship can become unstable when the expectations are met at the expense of the firm's fiscal health (Rust, Zahorik, and Keiningham 1995).

Implementation Framework

Firms need to manage a series of transactions to maintain productive and collaborative relationships. This entails managing both the value provided by the company to customers and the value the customers bring to the company. Our service denial continuum offers a framework predicated on guiding the firms to better manage the customer divestment part of the relationship. The overarching theme is the concept of value proposition as firm progresses toward the ultimate denial through a series of actions. There is a pre-denial phase in the model and the activities documented as that stages are necessary prerequisites for the firm before resorting to the denial options. It may also help firms to mitigate the deleterious impact of undertaking denial actions. We depict the framework in Figure 1.

-----Please Insert Figure 1 about here-----

Pre-denial Stage: Reassessment of the current relationship. Absence of right value proposition creates unprofitable customers. Firms need to identify the broad set of factors responsible for unsuccessful utilization of customer value initiatives. To this end, a firm should undertake a thorough review of the information used to designate customer for divestment. This exercise is worth the investment in technology, resources and planning it requires. This might

include the propriety information on customers' current spending with the firm, anticipated future spending, and other relevant metrics. In conducting its analysis, the firm can better understand the array of growth prospects possible with each customer and find many situations that can be remedied through reassessments. Especially of essence would be to ascertain whether the unrealized potential of customers is due to the inability to spend or the unwillingness to spend. In the case of inability, it may be prudent to help the customer manage the inability so that he or she can continue the relationship. For instance, due to the current downturn in the U.S. economy, many customers are laid off and they may be unable to spend much or repay their credit card debts. These customers may become profitable again after they are re-employed. Thus, assessing *why* customers have become unprofitable is critical before making a decision to deny service. Dormant accounts can be tied with underperforming employees. By having the better employees in charge, the performance of those accounts can be enhanced. Sometimes, customers may be unaware of the range of services available, or they may not be using the optimal distribution channels.

Customer usage level of services is of high managerial relevance (e.g., Bolton and Lemon 1999) and the firm should re-assess why usage may be suboptimal for some customers. For instance, at Blockbuster, some consumers may not be aware of additional services and products that can be rented (e.g., video games, DVD-players and so forth). Finally, the unwillingness of customers may be a byproduct of a firm's own myopia. In a bid to cater to larger accounts, a firm (i.e., advertising agency) may not pay sufficient attention to smaller clients and they may slowly shift business elsewhere. A downward spiral of profitability may ensue when the structure of the product line is not optimal. The company has to understand why the value proposition is not optimum and subsequently offer a better one. Webster Bank, for example, undertook a diagnostic

examination of its entire customer base and determined whether each customer possesses the right accounts to optimize his or her relationship with the bank (Fairley 2000).

The cost-to-serve problems are not always associated with customer-mix problem. It may be an artifact of dysfunctional company practices that artificially raises the cost and makes customers unprofitable. Customers can be unprofitable if the services offered to them have inherently unprofitable features. A strategically aligned company has to embed the key activities into the fabric of the entire organization. Internal process adjustments can encourage the least profitable customers to change their behavior, i.e., buy more services, maintain additional balances, etc. Sometimes the products and services offered are disparate and incompatible, firms do not have adequate control systems, and it becomes difficult for customers to get engaged. At this juncture, solution is to prune some of those services, not the customers.

Education of customers. In common parlance, educating customers means to enhance the customer understanding of the company operations and associated terms, and of the other customers' rights of sharing the service setting. Educated customers can perform their roles more effectively. An explanation of how and why services are performed in certain ways can help to increase role clarity, limit inappropriate requests and avoid misunderstandings. Customers strategically manage the level of expectations (e.g., Anderson, Fornell, and Lehman 1994; Kopalle and Lehmann 2001) and service provider can address the expectations at the front end.

Educational institute always offer orientation programs and health clubs use training program about the usage of the complicated equipment. In the context of technically complicated and less familiar service situations, customers may appreciate knowing more about their roles in the service encounter (Bloom 1984). Customers can be instructed about the right way to consume services. When Fidelity found some customers to be unprofitable because of high cost

behavior (high call volume to service reps), the company started educating them. Now, when such customers call, the representatives instruct them about how to use its automated phone lines and its website (Selden and Colvin 2003). Many hospitals educate patients by imparting details related to operation, post surgery events, and nature of the procedures. Customers are thus relieved from the fear and uncertainties. Insurance is also a complex undertaking and customers need to know how to limit their risks through appropriate coverage and alternative risk management. Financial institutions can educate clients about the value of derivatives such as hedging and investing tools. Clients need to learn how tailored financial products can be used to reduce financial risk or enhance investment objectives. Companies can help customers to manage the transitions between generations. For instance, companies can offer a migration path or a series of upgrades to facilitate customers' transition between generations (John, Weiss, and Dutta 1999).

Customer education can also be relevant for elder-care nursing homes. Families of elderly may not fully understand how their loved ones will be cared for in such a facility. Therefore, educating the families about nursing homes can make them conscious of specific conditions (e.g., dementia) and its associated complications. Customers can also empathize with the difficult role that service providers play.

A firm can update customers about its cost structure. Customers then may be more receptive to service denial decisions, should they occur. Once customers are cognizant of their standings on the profitability issue, they may be able to appreciate why it is difficult for the service provider to serve them. Thus, customers are less likely to make negative attributions of responsibility to the firm if the firm terminates its relationship with them. By exchanging

information about the relationship itself, firms can better manage consequent attributions and consumer responses.

Denial Actions: strategyRenegotiation (not just communication) of the value proposition.

A firm can address the mismatch in value proposition through readjusting the terms for doing business. Special support needs and disproportionately high relationship management costs can be the contributing factors in unprofitable client relationships. The key is to disburse fewer resources for the equivalent output. Recently resource allocation problems have received attention from marketing scholars (e.g., Hanssens 2003; Venkatesan and Kumar 2004). The firm may benefit from renegotiating when it can extend differentiated service levels based on the estimated lifetime value of the customers. When the service provider has a good track record and has been providing valuable services, clients will pay the extra fees to retain the service. This may mean charging high maintenance customers higher rates or restricting the menu of services. Auto insurance companies, for example, charge more to people with records of multiple accidents or several moving violations. In the same vein, online investors are being charged with fees when the number of transactions is few and high premium is reassigned for home owners insurance in storm prone areas.

This approach of re-negotiating the value proposition is quite prevalent in the financial industries. For instance, quite a few banks have been charging fees for every in-person transaction to customers whose average minimum balance is below a designated threshold. Australia, under a new fee structure, Commonwealth Bank has earned millions of dollars in extra fee income from the customers previously marked to be unprofitable (*Sydney Morning Herald* 2002). Besides, the least profitable customers may have to wait up to ten or fifteen minutes to get an answer to a call, whereas the profitable customers do not have to wait at all (Brady 2000).

Multi-channel and multi-touch point systems can be utilized to serve the full spectrum of customers through the most appropriate channel based on compatible value. Customers can differ along a variety of dimensions. To illustrate, a newly married couple with no children, a family of four, and a baby boomer couple with college age children will have different life insurance needs. In this context, the conventional across-the-board term insurance coverage will not be effective. Financial institutions use finer segmentation and make a variety of offerings. This way the company can generate greater loyalty in the high end of their customer base, and at the same time, uncover the hidden opportunities within the lower end of customer base, and avoid the value mismatching phenomenon. By creating a high variety service assortment, marketers can improve overall profitability of the firm. For example, health insurance is being designed in a way where the patient picks and chooses doctors and hospitals to meet the needs. Similarly, the telephone companies now offer customized service packages and car rent companies offer different levels of reward program.

The key to cultivating a better relationship with customers is to improve the 'share-of-wallet' (e.g., Anderson and Narus 2003; Verhoef 2003), that is, increase firm's share of each customer's service needs. Sometimes, customers fulfill only the partial needs with the service provider. The practice of cross-selling (Kamakura et al. 2003) can improve the situation drastically. There is a built-in economy in cross-selling as the cost and effort extended to sell customers the first time will rarely be repeated. The internet has provided latticework for new means of collaboration and coordination in a company's channel architecture and contributed in increasing the penetration per customer. For banks, a good strategy can be to move toward a one-stop financial services shop. For example, the ATMs can sell prepaid phone cards or postage stamps. During the holiday shopping season the banks and credit card companies attach

convenience checks with the account statement to encourage more usage. Dell has combined all of the typical customer-firm interactions into one system as customers can track all the services via Dell Premier Pages.

Re-negotiating can be pertinent in business-to-business settings where the relative bargaining power of the parties is more likely to be balanced. For example, leading hauling companies are renegotiating terms with the city administrators in the places like New York City, and Scottsdale, Arizona as the present value proposition is not worthwhile (Lentz 2002).

Instead of just communicating the new rules to customers, firms need to engage in a dialogue across different contact points whereby customers can understand why the new terms have been enacted. We emphasize that successful implementation requires a good-faith effort at renegotiating, the latter typically predicated on a more intimate exchange of information between the consumer and the firm.

Migration of the customers. This denial strategy is about persuading the customers to use service avenues that commensurate with the value they bring to the firm. The migration strategy can be both intra-firm and inter-firm. Intra-firm migration means moving consumers from one part of the firm to another. Since customer interaction is the key driver of cost and profitability and firms can reduce the cost by deploying self-help customer service option, i.e., shifting some of the work associated with production to customers. At the same time, the firms shoulder a substantial amount of work on behalf of the customers by using back-end technology. Utility distribution companies have been encouraging customers to take advantage of these customer contact capabilities. The travel industry has leveraged self-service investments by deploying knowledge and process tools in the call center. Customers can make online reservations and use self-service check-in. By incorporating online service provision, IBM has saved around \$2

billion (Burrows 2001). In the banking context, high utilization of some channels (e.g., bank tellers) can lead to lower profitability. Encouraging customers with lower balances to migrate toward more automated channels of distribution may remedy the situation. For example, Abbey National Bank closed half of its 3,500 service counters compelling the customers to use telephone banking and internet (Bowden 1999). In the insurance industry, the lowest value customers can be directed to interactive websites, and service reps can concentrate on developing in-depth policy documents for more rewarding customers.

Clearly intra-firm migration is most beneficial when the cost structures of various units within a firm have sufficient variability to accommodate customers with different profitability. Similarly, there must be sufficient variability among customers in terms of preferences for the value-proposition offered by different units of the firm. For a bank, the cost of an in-person transaction can be much higher than an ATM transaction, while a customer shall value both the mode relatively equal. A fee may motivate customers to select the channel more suitable to their needs.

Other forms of intra-firm migration may be more subtle and apply more to expensive professional services. At a law firm, a junior associate may handle the work of a small client, while a senior partner in a firm may only review the work for accuracy. Hospitals, for instance, have been using migration strategies by empowering the nurses to engage in patient care previously entrusted only to physicians (i.e., midwifery programs). Financial institutions with global infrastructures can manage the customer mix more effectively by transferring the unprofitable customers to overseas call centers.

Inter-firm migration refers to situations when the firm actually gives up the customer but assists the customers in transitioning to another firm, competitor or collaborator. Some customers

can just be a bad match for the core skill of the firm. Helping them to switch provider can be a part of the service provided to the customers. For instance, in the marketing research industry, smaller suppliers can conduct small-scale research projects more cost efficiently. Conversely, smaller firms may not have the infra structure to conduct complicated projects. Therefore, referral relationship between large and small firms can be productive. Inter-firm migration is quite prevalent in professional industries that demand specialization—healthcare, law, and the like. For instance, a primary care physician may refer the customer to a specialist or a smaller hospital may transfer a high-risk patient to a teaching hospital better equipped to provide acute care. A variety of mechanisms such as reciprocity norms, referral fees and pre-specified contracts can facilitate a firm's customer migration program.

Elimination of the customers. Some customers will tend to cost more to serve than they are ever likely to return in profit. They do not serve any strategic purpose, and little hope exists that firm shall forge profitable relationships with them. The preferred course, under these circumstances, is to resort to more direct strategies and explicitly exercise the service denial process. A company can be honest and upfront about terminating the relationship, and counsel those customers on their way out. This means to communicate directly with the customers, let them know the reason why they are unwanted, and ask them to take their business elsewhere. Dissolution of the relationship is a delicate process and as we discussed earlier, can produce uproars and may bring out tribulations for the firm. However, it can be implemented with minimum upheaval and counter reactions. For example, Deutche Financial Planning has reduced the number of customers drastically without causing a backlash, and, at the same time, has managed to improve the bottom line. The number of clients has gone down from 56,000 to 15,000 whereas profits have grown by 15% (*Business Review Weekly* 2000). Communication

strategies to minimize the negative impact on the disengaging firms have been termed as beautiful exit (e.g., Alajoutsijärvi, Möller, and Tähtinen 2000).

Sometimes the relationship with the customer is contractual and terminating the contract early can lead to a potential legal problem. In these instances, a proper way to terminate the relationship is to not renew the contract. Thus, a company can honor the contractual agreement and end the relationship in a relatively amicable manner. Bank of America, on one occasion, decided not to renew risky loans of 20 million. The financial health of the firm was improved by phasing out the unprofitable customers (Ruaber 2000). The nonrenewal is prevalent in insurance industries. For example, based on the severity and frequency of past claims, home owner insurance companies are not renewing three to four percent of their policies (Mohl 2003).

Discussion and Implications

Customers are coming to be seen as strategic assets of businesses. Customers can be a source of sustained profitable growth, can accelerate and enhance the cashflow, and thus are recognized as a market based asset (e.g., Srivastava, Shervani, and Fahey 1998). Metrics for managing this diverse customer mix have gained currency in other functional areas (e.g., Day 2001). The fundamental issue we address is the value management of mutual relationships and we argue that the divestiture of customers is a critical element of the entire customer management process. The phenomenon is an increasingly important feature of the marketing and corporate panorama, and germane to academic scrutiny. Letting customers go can be an unpleasant experience for both customers and firm. To exercise the option, a firm has to have a comprehensive picture of the relationship. With a more holistic framing of the full range of the business relationships, firms can take their customers through a series of steps toward profitability. Service denial should take place only after a point is reached where all other

possibilities are exhausted. Once a customer is on board, there is a sunk cost and hence a company can best leverage that investment by converting that individual to profitable customers.

A high volume of customers is not always desirable. Emphasizing customer breadth over customer depth can be detrimental for the long term health of a firm. The lure of new customers can be too tempting to ignore despite the fact that new customers require a learning curve, which is often uncompensated. The focus of this paper is on the unprofitable tail of the business that companies often end up possessing. Companies need to craft appropriate strategies to deal with these customers. Our proposed framework will work as a strategic prescription for the firms dealing with these unwanted customers.

Marketers cannot afford to provide every customer the customary superlative service of the past, especially when only a small group of customers are generating the bulk of the profit. It is now possible to calculate the exact amount a customer contributes, or drains from the company's bottom line. As a consequence more and more companies will segment customers into even finer categories, and service denials will become a mainstream business practice. Reducing the burden of the unprofitable customers can be a viable route to better financial health. In the healthcare sector, Humana Inc., a leading operator of Medicare HMOs, has dropped unprofitable customers in its Medicaid and employer health plans and achieved higher commercial profit (*Los Angeles Times* 2001). Similarly, the health care sector enjoyed a 124% boost in earnings which is ascribed to the widely used policy of discharging unprofitable customers (*Insurance Chronicle* 2002).

Conclusions

Our quest in this article was to broadly examine the nature and operational content of the service denial process and doing so, advance the contemporary knowledge of the customer

management process. Of late, there has been heightened interest in this domain and the Marketing Science Institute has designated research in this area as high priority. In an attempt to refine the understanding of the many facets of service denial, we have focused on the plurality of the possible consequences, and offered a blue-print to the managerial toolkit for implementing the process. The issue of customer divestiture has come to the fore of management practices and a better understanding of the process is meaningful in both conceptual and strategic ground. However, to the best of our knowledge, extant literature offers little explicit discussion in conceptualizing this phenomenon. We have examined the service denial process from the company's perspective in an attempt to deliberate a tractable theory. Our view is predicated on the mutual value proposition between customer and firm. On a broader level, our investigation affords critical insights for the theory and practice of customer relationship management. However, this has only scratched the surface and additional research is necessary to further refine the framework and suggest implications for marketing theorists and managers.

Our rationale is akin to the new managerial mind-set (e.g., Bell et al. 2002; Berger et al. 2002; Dhar and Glazer 2003), that calls for moving to customer-focused orientation. For decades, the marketing efforts of companies have been centered on their product lines or geographic units and value chain has always been inwardly focused. The value chain can be made customer-centric. This reconceptualization means redefining the market in terms of customer activities and outcomes and cutting down on those activities that do not matter much to customers. For example, including return envelopes with invoices when a customer prefers to pay bills over the phone or the web. There is a fundamental shift from marketing products to managing customers and the business can be managed as a customer portfolio. Service organizations can concentrate on maintaining profitable customer relationships, instead of

offering profitable services. This will foster the overall conceptualization of business as customer retention and tenure, not on product and price. Our action plan highlights switching from winning market share to extracting the highest possible value from the customers.

Managing the lifecycles of the customer mix warrants breaking free from the traditional consensus that retention of customers always leads to profitability (Reichheld 1993; Zeithaml 2000; Anderson and Mittal 2000). This may mean shifting from a customer satisfaction measure to a more focused understanding of customer value. This contention may be somewhat out of step with the most cherished marketing practice of striving for more customers. This is a significant departure from the previous work and a host of challenges lie ahead, and we hope that our effort will be a useful foundation to spur more engaged scholarship in this area.

Additional Caveats

The new paradigm mandates a cautious role of firms in exercising the service denial option. The determination of the growth potential of individual customers is not an exact science, and customer profitability is not constant over time. Customer engagement is a forward-looking metric. Changes in customer spending patterns may make profits volatile over time, a fact that argues for a large and diversified customer base even when some of these customers are currently unprofitable (e.g., Dhar and Glazer 2003). Predictive modeling only exhibits likelihoods, not certainties, about potential customer performance in the future. Today's bad accounts may not be mature enough to bring in profit but they can be a promising source of tomorrow's big-ticket customers, and loyalty built up in the early days of a customer relationship can last a lifetime. Firm has to consider option value of the relationship has to be considered. A customer may be valuable in many other ways: operating as a market maven in diffusing nontrivial marketplace information (Feick and Price 1987), recommending services to others and

referring new customers (Jones and Sasser 1995; Raymond and Tanner 1994), providing ideas for innovations (Zeithaml and Bitner 2003), and serving as a show-case account and test site for new offerings (Jackson 1985). In B-to-B context, firms often draw upon supplier expertise in developing new offerings.

It can be argued that a typical customer is at times only marginally profitable. Often, however, these customers provide the pool from which profitable customers emerge. Shrinking the pool may deprive the firm of future business and force costs to be spread over a smaller number of customers, ultimately compelling the firm to increase prices or face losses. For smaller firms, contribution to fixed cost can be more critical than overall profitability.

Limitations and Further Research

As our endeavor represents preliminary forays into the issue and strategic implications of service denial, certain limitations are inherent. Further research, in addition to addressing these limitations, can follow other fruitful avenues. First, our thesis should be envisaged in light of service companies only, as we did not investigate the phenomenon in context of consumer or industrial goods. Anecdotal evidence suggests that this issue could be relevant for the marketing of tangibles as well. For example, Filene's basement banned two sisters from visiting the store (*Standard Press* 2003) and more recently, Best Buy, a leading consumer electronics firm has expressed desire to get rid of unprofitable customers (McWilliams 2004). Future research may extend into setting of tangible products. Second, we could not probe into the interactive nature of the exchange relationship, i.e., we have not seen the process from the perspectives of the customers. Incorporating the customer side of the story would yield richer insights into the enquiry. The role of customers and companies are different in the exchange relationship, and the knowledge gained without customer input may not be consummate (Oliver 1997). Furthermore,

securing the perspectives of the key contact employees and managers through focus groups, in-depth interviews and open-ended surveys can serve to create a richer understanding of the phenomenon. Future researchers should take advantage of such triangulation. Third, our research and other related academic inquiries have broadly focused on the unprofitable and most profitable customers respectively. A distinct segment of a substantial size may exist between these two, which may be of substantial size and has eluded academic inquiry. It can be described as passively loyal as they are not the lead customers, opinion leaders or early adopters. Additional research may be directed to study this particular segment. Fourth, our study did not evaluate the responses of the employees or the surviving customers following the termination of customers. There have been some inquiries on the customer response to key employee turnover in the retail context (e.g., Beatty et al. 1996) and in the B-to-B context (e.g., Bendapudi and Leone 2002), but existing literature is only modestly descriptive about the reactions of employees or the surviving customers. An immediate research priority would be to elucidate the effect of denial decisions on the emotional and cognitive consequences of the employees and surviving customers. And finally, our focus was on the aggregate level, and we did not attempt any fine grain analysis at the industry level. We posit that there are fuzzy boundaries among different service industries. The nature of relationship marketing, however, may vary across industries as firms across industries have adopted different marketing strategies (e.g., Coviello et al. 2002). Henceforth, the impact of service denial decisions may not be linear across industries and our approach may have masked deeper fundamental forces. We suggest future researchers to address this asymmetry and adapt a more pluralistic conceptualization of the issue.

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FIGURE 1
Service Denial Continuum

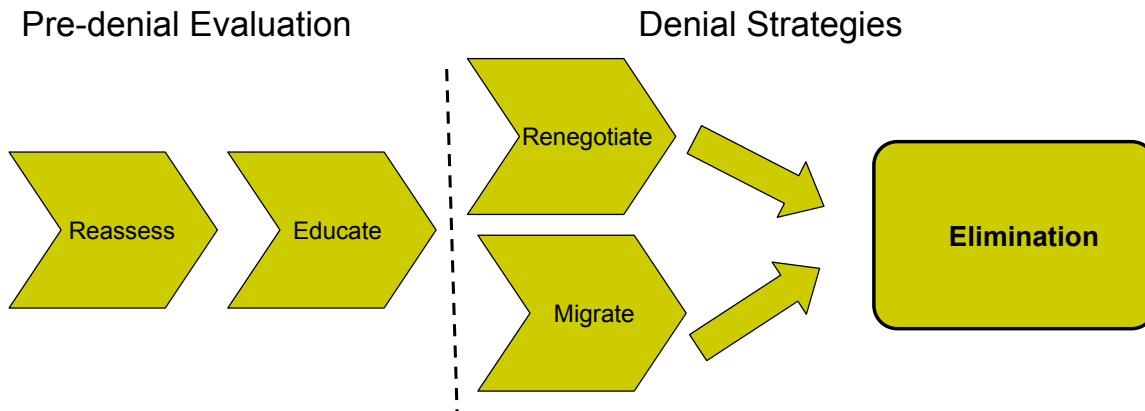


TABLE 1
Consumer Attribution and Service Denial

EQUITY OF IMPUTED MOTIVES	ATTRIBUTIONS			
	Responsible Stable	Responsible Unstable	Not responsible Stable	Not responsible Unstable
Equitable				
Inequitable				