

## Why do Consumers Switch? The Role of Relational Uncertainty in Service Failures

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## Introduction

Consumer switching behavior refers to the decision by consumers to stop patronizing a particular service provider (Bolton et al., 2004). This behavior leads to negative consequences, such as decreased sales, market share, and profitability, while increasing marketing costs (Rust et al., 1995). The costs of attracting new customers, or potential switchers from competitors, rapidly and substantially exceed the costs of retaining existing customers (Kotler et al., 2003). Given these unfavorable outcomes, service providers are keenly interested in understanding why consumers switch and how to retain them (Han and Back, 2008).

Many studies have identified determinants of switching behaviors (Antón et al., 2007; Han and Hyun, 2013; Jung and Yoon, 2012), including dissatisfaction, prices, inconvenience, core service failures, service encounter failures, responses to service failures, competition, ethical problems, and involuntary switching. Dissatisfaction with service failures has traditionally been regarded as the most critical factor influencing the decision to switch providers (Ganesh et al., 2000; Liu and Jang, 2009; Oliver, 1993). However, empirical results are inconsistent. When consumer-specific factors such as novelty seeking (Steenkamp and Baumgartner, 1992) and satiation (Park and Jang, 2014) are considered, dissatisfaction with service failures does not significantly influence switching behaviors.

In established consumer-service provider relationships, dissatisfaction with a service failure, which is an incident-specific response, cannot adequately capture the nature of the interdependent relationship (Kelley et al., 2003). Although prior research on barriers to consumer switching has found that investing in a relationship has a buffering effect on switching behaviors (Jones et al., 2000), it remains unclear why consumers in established relationships switch or occasionally behave more aggressively than other consumers. Generally, consumers in long-term relationships with service providers are more tolerant and forgiving during service failure and recovery encounters than others (Ha and Jang, 2009). Yet, they sometimes exhibit more negative behaviors, particularly when they perceive the service or treatment as unfair based on established norms with the service providers (Gregoire et al., 2009). This suggests that in established relationships, consumers' perceptions of turmoil may influence their subsequent behaviors.

Over the past two decades, social psychologists have investigated relational uncertainty, a unique aspect of ongoing relationships (Knobloch and Solomon, 1999). Relational uncertainty refers to a lack of confidence in an established relationship, where individuals question the status of the relationship, which in turn influences the relationship's well-being (Knobloch, 2014). People experience relational uncertainty during conflicts or when their expectations are

violated, increasing the likelihood that the intimate relationship will end (Afifi and Metts, 1998; Siegert and Stamp, 1994). Despite its significant impact on relationship well-being, studies exploring relational uncertainty in service encounters are limited. In a service encounter, consumers and service providers interact simultaneously, building behavioral norms (Baxter and Bullis, 1986). Violations of these norms affect relational uncertainty, which in turn influences consumer behaviors. For example, consumers in ongoing relationships may view a service failure as a violation of commitment (e.g., trustworthy and quality service), which could elicit doubts about the relationship. Similar to interpersonal conflict, this may cause a shift from positive to negative attitudes toward the service provider.

This study explores the role of relational uncertainty in consumers' switching intentions within the context of established consumer-service provider relationships when service failures occur. It incorporates the construct of relational uncertainty along with perceived loss, dissatisfaction with service failures, and switching intentions within an appraisal framework. No empirical study to date has examined relational uncertainty in consumers' appraisals of service encounters. The specific objectives of this study are to investigate the distinctive but interrelated features of relational uncertainty and dissatisfaction with service failures in an appraisal framework and to identify the relationships among perceived loss, dissatisfaction with service failures, relational uncertainty, and consumers' switching intentions. This study deepens our understanding of consumer switching behaviors in established relationships and provides practical insights for effective service management.

## Literature Review and Hypotheses

### *Relational Uncertainty*

Interpersonal relationships are built on behavioral norms that create a unique relational identity (Baxter and Bullis, 1986). When individuals are uncertain about the rules for behavior within a specific dyad, such as initiating a relationship, they face uncertainty about how to act, the appropriateness of particular behaviors, and the boundaries for action (Knobloch and Solomon, 1999). Uncertainty, and attempts to reduce it, are critical to conducting successful interpersonal relationships (Berger, 1986). According to uncertainty reduction theory (Berger and Calabrese, 1975), people try to reduce uncertainty about each other's actions by selecting from individual scripts that promote continued interactions. While such efforts are common when initially meeting, people also make numerous predictions about the behaviors and attitudes of others in ongoing social interactions.

Despite efforts to maintain relationships, people feel conflict or relational uncertainty (Knobloch and Solomon, 1999) when new information is inconsistent with established knowledge, undermining that knowledge. Relational uncertainty refers to the degree of confidence, or lack thereof, an individual has in their judgments about an ongoing relationship (Knobloch and Solomon, 1999). For example, someone might question, “Were we really friends?” or “What was our relationship?” Interdependence theory (Kelley et al., 2003) explains that people experience relational uncertainty when the stability of interdependence is threatened. For instance, a friend presumed to be trustworthy betraying a confidence or a spouse breaking vows can lead to relational uncertainty (Honeycutt, 1985). According to interdependence theory, the outcomes of social relationships are affected by each individual’s tendencies towards the other, influenced by positive or negative interdependence (Kelley et al., 2003). Positive interdependence is formed when individuals’ tendencies promote achieving joint goals, predicting relationship stability. Conversely, negative interdependence is formed when individuals’ tendencies obstruct achieving each other’s goals, leading to doubt in the relationship and increasing the likelihood of one party terminating it (Johnson and Johnson, 2009).

Relational uncertainty occurs in established relationships rather than unestablished associations because established relationships have normative role expectations and scripts for relationship initiation (Clark et al., 1999). These expectations and scripts provide relatively concrete schemas for understanding the relationship. The relational turbulence model (Solomon and Knobloch, 2004) explains volatility in ongoing relationships, suggesting that partner interference elicits relational uncertainty, negatively affecting an individual’s appraisal of the relationship. The relational turbulence model posits that relational uncertainty functions as a foundation underlying turmoil and influences the well-being of the relationship during times of flux (Solomon and Theiss, 2008).

Recent studies continue to support these ideas, noting that relational uncertainty significantly impacts relationship dynamics and outcomes. For example, Knobloch et al. (2021) found that relational uncertainty is a key factor in relationship turbulence and can affect communication and conflict resolution. Similarly, research by Afifi et al. (2021) highlights how relational uncertainty influences emotional responses and behavioral intentions in various relational contexts.

During service encounters, a dyadic social relationship is built between a consumer and a service provider. Consumers may experience relational uncertainty with service providers if they perceive a service failure as partner interference that violates established relationship norms and threatens the well-being of the relationship. Thus, relational uncertainty would influence consumer

behaviors in a service encounter similarly to how it affects interpersonal relationships.

### *Switching Intentions*

Switching intentions refer to the likelihood of consumers transferring their business from one company to a competitor (Bolton et al., 2004). Generally, switching behaviors are considered the opposite of consumer loyalty (Dick and Basu, 1994). Numerous studies have identified factors that either inhibit or promote switching intentions. Factors that inhibit switching intentions include service quality and performance (e.g., core service and service encounters), satisfaction, and barriers to switching (e.g., switching costs, relational investment, and lack of attractive alternatives) (Colgate and Lang, 2001). On the other hand, dissatisfaction with a service failure encounter, price, inconvenience, competition, ethical problems, and involuntary switching promote switching intentions (Antón et al., 2007; Jung and Yoon, 2012).

Dissatisfaction with a service failure has traditionally been considered a significant influence on switching service providers (Ganesh et al., 2000), with prior research often highlighting a direct positive relationship between customer dissatisfaction and switching intentions (Han et al., 2011). However, some scholars suggest that consumer-specific factors provide a better explanation of switching intentions. For instance, Steenkamp and Baumgartner (1992) argued that customers might switch not due to dissatisfaction but to seek new experiences. Similarly, Park and Jang (2014) found that satiation rather than satisfaction influences switching intentions.

Although dissatisfaction with a service failure encounter is identified as a key antecedent of switching intentions (Liu and Jang, 2009; Oliver, 1993), it may not fully account for consumer switching intentions in established relationships. This is because dissatisfaction with a service failure is an incident-specific response that does not fully consider the relational benefits of an established relationship (Kim and Ok, 2009). In established relationships, consumers invest time, money, and social resources (e.g., emotional sharing) (Young et al., 2012), making them less likely to withdraw from the relationship solely due to dissatisfaction with a service failure. In other words, while dissatisfaction with service failures focuses on short-term transactional value, understanding consumers' switching intentions in established relationships requires considering long-term relational value as well.

Thus, this study examines the association of relational uncertainty with consumer switching intentions in an established consumer-service provider relationship, in connection with perceived loss and dissatisfaction following

service failures. The following sections provide the conceptual framework and proposed hypotheses in detail.

### *Appraisal Framework*

Appraisal frameworks have been extensively utilized in elucidating consumer behavioral intentions subsequent to service failures (Park and Jang, 2014). Grounded in appraisal theory (Lazarus, 1991), which examines individuals' behaviors through a sequential lens, this framework posits that appraisal leads to affective responses, which in turn prompt coping responses. It delineates individuals' desire for specific outcomes from situations or relationships and their assessment of actual outcomes vis-à-vis desired ones. Following appraisals, individuals experience positive or negative emotional reactions, which subsequently influence coping strategies. This framework has been adapted to service encounters, delineating a sequence from value assessment to satisfaction or dissatisfaction, and ultimately, to behavioral intentions (Gotlieb et al., 1994). In the context of service failure encounters, consumers' perceptions of losses incurred due to service failures provoke dissatisfaction, subsequently fostering switching intentions.

Social psychologists have similarly employed an appraisal framework to elucidate how individuals navigate close relationships following unexpected or adverse events: When individuals encounter transgressions within relationships, they appraise the severity of these transgressions and evaluate their potential to jeopardize the relationship (Afifi and Metts, 1998). Information processing regarding transgressions involves activating sense-making systems (Cloven and Roloff, 1991) to ascertain whether the partner's actions align with prior relationship expectations. Some individuals may even revise their previous beliefs in light of their partner's behavior (Honeycutt, 1993). Subsequent behaviors, such as maintaining or withdrawing from the relationship, are determined by these appraisals (Fincham et al., 1990; Newell and Stutman, 1991).

An appraisal framework furnishes a conceptual underpinning for comprehending consumer behaviors and managing social relationships. Hence, this study adopts an appraisal framework as its conceptual foundation to investigate the impact of relational uncertainty on consumers' switching intentions concerning perceived loss and dissatisfaction with service failures. The conceptual model for this study is delineated in Figure 1.

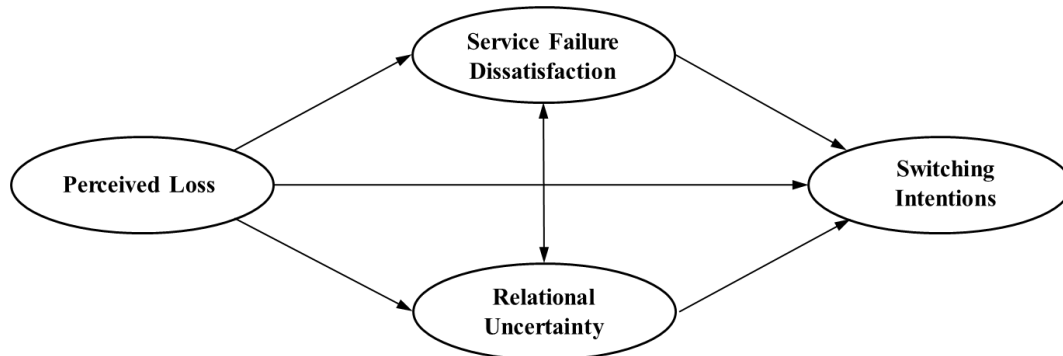


Figure 1. The Conceptual Model

### *Comparing Relational Uncertainty and Dissatisfaction*

This study pioneers the integration of relational uncertainty and dissatisfaction with service failures within an appraisal framework. To delve into the distinct features and correlations of these variables, the research investigates the interconnected pathways through which they shape consumer behavioral intentions.

Relational uncertainty and dissatisfaction with service failures stem from disparate origins and mechanisms. Dissatisfaction with service failures is triggered by specific incidents, rendering it incident-specific and focused on short-term transactional value. In contrast, relational uncertainty is rooted in accumulated relational norms, reflecting concerns about long-term relational value (Knobloch and Solomon, 1999). Despite their conceptual disparity, both factors influence consumer behavioral intentions via the expectancy-disconfirmation paradigm (Lewin, 1938). Dissatisfaction arises when service outcomes diverge from consumer expectations (Oliver, 1993), while relational uncertainty emerges when service providers contravene established relationship norms (Knobloch and Solomon, 2002). Disconfirmation of these resources, whether incident-specific or relationship-specific, heightens arousal levels (Oliver, 1993), intensifying sensitivity towards the incident and mutually exacerbating feelings of relational uncertainty and dissatisfaction with service failures. In essence, while dissatisfaction and relational uncertainty originate from distinct causes (i.e., short-term transactional value versus long-term relational value), they are intertwined in influencing consumer behaviors, such as eliciting negative responses and fostering switching intentions. Building upon these insights, the following hypothesis is posited:

*H<sub>1</sub>. Relational uncertainty and dissatisfaction with a service failure are conceptually distinct but inter-correlated.*

### *Relationship between Dissatisfaction and Switching Intentions*

As discussed earlier, the influential effects of dissatisfaction on behavioral intentions have been stressed in much of literature (Liu and Jang, 2009). However, empirical findings suggest that when dissatisfaction is considered alongside other influential predictors associated with switching intentions, such as satiation (Park and Jang, 2014) or novelty seeking (Steenkamp and Baumgartner, 1992), its influence on switching intentions becomes negligible. Thus, to ascertain its impact on switching intentions in tandem with relational uncertainty, this study scrutinizes the causal relationship between dissatisfaction with a service failure and switching intentions within an established relationship. Consequently, the following hypothesis is posited:

*H<sub>2</sub>. Dissatisfaction with a service failure positively influences consumers' switching intentions.*

### *Relationship between Relational Uncertainty and Switching Intentions*

Theoretical frameworks from both social psychology (e.g., interdependence theory and the relational turbulence model) and traditional consumer behavior theories (e.g., expectancy-disconfirmation theory and appraisal theory) underpin the argument for the negative impact of relational uncertainty on behavioral intentions, as discussed previously. Interdependence theory posits that negative interdependence induces turbulence in relationships (Johnson and Johnson, 2009), while the relational turbulence model highlights the pivotal role of relational uncertainty in jeopardizing relationship well-being (Solomon and Theiss, 2008). Furthermore, relational uncertainty ensues when established relationship norms are challenged by service providers, aligning with a sequential appraisal framework (Fincham et al., 1990; Newell and Stutman, 1991).

Empirical findings corroborate the association between relational uncertainty and various negative outcomes. Previous research indicates that escalating uncertainty triggers pronounced emotional responses (Knobloch and Theiss, 2010; Theiss et al., 2009). For instance, individuals grappling with relational uncertainty tend to appraise unexpected events as more distressing (Knobloch and Solomon, 2002), perceive irritations as more severe (Theiss and Knobloch, 2009), and interpret hurtful episodes as more distressing (Theiss et al., 2009). Moreover, they are more susceptible to experiencing emotions such as anger, sadness, fear, and jealousy (Knobloch and Theiss, 2010). These negative emotions induced by relational uncertainty disrupt goal-oriented behaviors (Mandler, 1984). Berger and Bradac (1982, p.14) noted that "uncertainty diminishes our ability to exert control in the situation and reduces the likelihood



of achieving our goals in the interaction." Consequently, relational uncertainty elicits robust affective and cognitive effects that undermine relationship stability and elevate the probability of relationship termination (Planalp et al., 1988; Siegert and Stamp, 1994). Specifically, in intimate relationships, relational uncertainty distinguishes couples on the brink of divorce from stable marriages (Huston et al., 2001). Additionally, relationship uncertainty distinguishes relationships characterized by higher levels of conflict during the marital dissolution process (Ponzetti and Cate, 1986). Similarly, consumers grappling with relational uncertainty assess service encounters and their relationships with service providers unfavorably, thereby fostering intentions to disengage from these relationships. Hence, drawing from these insights, the following hypothesis is posited:

*H<sub>3</sub>. Relational uncertainty positively influences consumers' switching intentions.*

### *Relationship between Perceived Loss and Switching Intentions*

A service failure encounter can be conceptualized as a sequence of events wherein consumers perceive losses from the service provider while exchanging resources (Smith et al., 1999). Perceived loss stemming from service failures can be delineated into two dimensions (Bagozzi, 1975): economic loss and social loss. Economic loss pertains to consumers' perceptions of utilitarian loss concerning invested economic resources, such as money, goods, or time, whereas social loss encompasses consumers' sentiments of loss regarding psychological or social significance, such as status, esteem, or empathy. Previous literature on consumers' switching behaviors has identified two distinct determinants: economic or cognitive and social or affective (Bolton et al., 2004; Geyskens and Steenkamp, 2000). Economic determinants focus on the economic value of the relationship with the service provider, encompassing considerations of economic satisfaction, perceived price levels, and value for money (Bolton and Lemon, 1999). Social determinants encompass more social and affective aspects, such as trust and commitment (Verhoef, 2003).

A well-established positive relationship between perceived loss and dissatisfaction exists in the literature (Magnini et al., 2007). Therefore, this study refrains from hypothesizing about this relationship, as previous studies in restaurant contexts have evidenced a positive relationship between perceived loss and dissatisfaction with service failures. However, the path (perceived loss-dissatisfaction with service failures) is included in our testing model.

While the effect of perceived loss on dissatisfaction is evident, the direct effect of perceived loss on switching intentions lacks consistency throughout the literature. A unidimensional approach to perceived value significantly influences

behavioral intentions; however, when perceived value is construed as a multidimensional construct (e.g., food, service, and atmospheric value, Park and Jang, 2014; core service and service encounter value, Han et al., 2011), it does not directly influence switching intentions. Hence, to substantiate the direct relationship between perceived loss and switching intentions, this study proposes the following hypotheses:

*H<sub>4a</sub>. Perceived economic loss due to a service failure positively influences consumers' switching intentions.*

*H<sub>4b</sub>. Perceived social loss due to a service failure positively influences consumers' switching intentions.*

### *Relationship between Perceived Loss and Relational Uncertainty*

Within an established relationship, consumers may perceive a service failure incident as an unexpected event, prompting them to reconsider the dynamics of the relationship. The relational turbulence model (Solomon and Knobloch, 2004), which elucidates volatility in ongoing relationships, posits that partner interference incites relational uncertainty. Similarly, consumers may interpret perceived loss due to a service failure as interference by service providers, sparking doubts about the integrity of the established relationship. Furthermore, Mehrabian and Russell's (1974) stimuli-organism-response model suggests that perceived loss can serve as stimuli evoking individuals' emotional states (e.g., relational uncertainty), thereby influencing switching intentions. In essence, escalating perceived losses engender skepticism regarding consumers' reliance on the relationship, thus amplifying relational uncertainty. Consequently, perceived loss is likely to heighten relational uncertainty. Building upon these insights, the following hypotheses are suggested:

*H<sub>5a</sub>. Perceived economic loss due to a service failure positively influences relational uncertainty.*

*H<sub>5b</sub>. Perceived social loss due to a service failure positively influences relational uncertainty.*

The operational model for this study is depicted in Figure 2.

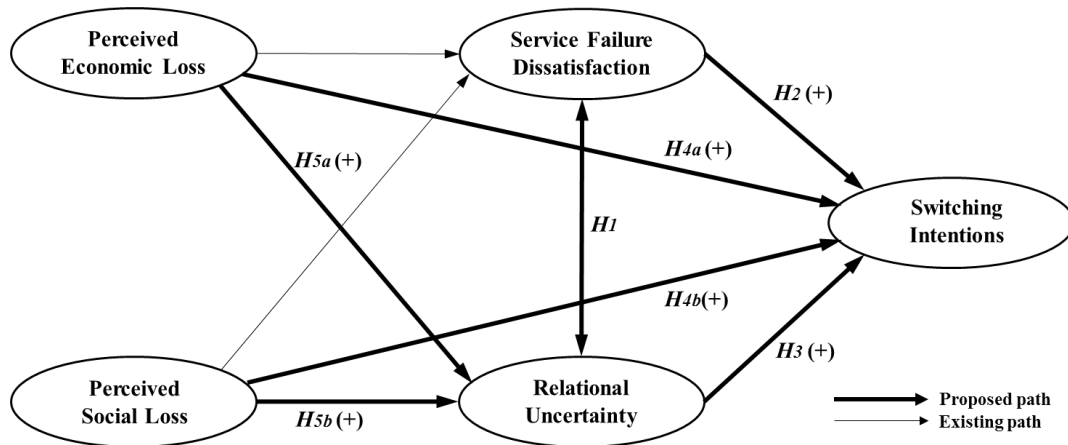


Figure 2. The Proposed Operational Model

## Methodology

### *Research Instrument*

A hypothetical scenario depicting service failures by a restaurant with which consumers have an established, intimate relationship was developed (see Appendix). The self-administered survey questionnaire comprised four sections. In the first section, respondents read a scenario illustrating a consumer-restaurant relationship and rated the level of intimacy in the relationship. Subsequently, respondents encountered a service failure scenario and rated their perceptions of economic/social loss, dissatisfaction with the service failure, and relational uncertainty. Following this, a moderate level of service recovery was presented, and respondents answered questions regarding their switching intentions. Finally, the realism of the scenarios was evaluated, and demographic information (e.g., gender, age, income) was collected.

### *Measurement*

Measurements were adapted from the relevant literature, and modified and rephrased to suit the present research context. The perceived loss measurement comprises three questions for each dimension of perceived loss. For instance, perceived economic loss is gauged by items such as "I feel that I wasted my money with the incident," "I perceive the food as less valuable than I would have before this incident," and "I feel that I wasted my time with the incident." Similarly, perceived social loss is assessed through items like "I feel the restaurant treated me unfairly," "I am supposed to be treated better than I was," and "I feel the restaurant didn't treat me the way that I deserve" (adapted from Bagozzi,

1975). Dissatisfaction was evaluated using three statements, including "I am dissatisfied with the incident," "I am unhappy with the incident," and "I am not pleased with what the restaurant did regarding the incident" (modified from Wan et al., 2011). Relational uncertainty was measured with three items, such as "I feel uncertain about the relationship that I have with the restaurant," "I am confused about the relationship I have with the restaurant," and "the incident causes me to question the relationship that I have with the restaurant" (adapted from Knobloch and Solomon, 1999). Switching intentions were assessed using three statements: "I will not eat at this restaurant in the near future," "I would like to consider another restaurant next time," and "I would dine out at this restaurant in the future" (reverse coded) (drawn from Antón et al., 2007; Maxham and Netemeyer, 2002). All items, except demographic information, were rated on a 7-point Likert scale, ranging from 1 (strongly disagree) to 7 (strongly agree).

### *Sample and Data Collection*

A nationwide web-based survey was conducted by an online marketing firm to gather the data. Eligible participants were recruited through a screening question at the survey's outset, which inquired about their frequency of dining out per week. Subsequently, participants responded to questions regarding a given hypothetical service failure scenario. In total, four hundred and fourteen usable responses were collected.

### *Data Analyses*

To explore the hypothesized relationships, structural equation modeling (SEM) was performed using AMOS. This study adhered to the two-step approach recommended by Anderson and Gerbing (1988). Initially, a confirmatory factor analysis (CFA) employing maximum likelihood estimation was executed to assess the fit and construct validity of the proposed model. The CFA was utilized to examine the first hypothesis: the correlation and independence between dissatisfaction and relational uncertainty. Once the validity of all constructs was established, the structural model was estimated to evaluate the overall fit of the proposed model and scrutinize the causal relationships among the hypothesized constructs ( $H_1$  to  $H_5$ ). Additionally, a mediation analysis of relational uncertainty for the link between perceived loss and switching intentions was conducted.

## Results

### *Sample Profile and Scenario Realism Check*

Out of the 414 participants, 40.8 percent were female and 59.2 percent were male. The average age was 34.1 years. The largest racial category among respondents was Caucasian Americans, accounting for 79.2 percent of the sample. In terms of education levels, 49.7 percent of respondents held a Bachelor's degree or higher. Additionally, 38.6 percent of respondents reported annual household incomes between \$40,000 and \$99,999. As intended, respondents perceived the consumer-service provider relationship depicted in the scenario as intimate (Mean=6.48, Standard deviation=0.758) and realistic (Mean=6.18, Standard deviation=0.879).

Table 1. Descriptive Statistics

Variable	Descriptive	Frequency	Percent
Gender	Female	169	40.8%
	Male	245	59.2%
Age	20-29	182	44.0%
	30-39	123	29.7%
	40-49	61	14.7%
	50-59	30	7.3%
	Over 60	18	4.3%
Ethnicity	Caucasian	328	79.2%
	Other	86	20.8%
Education	High school	59	14.3%
	College degree	149	36.0%
	Bachelor's degree	161	38.9%
	Graduate school	45	10.8%
Income	\$0-19,999	112	27.1%
	\$20,000-39,999	109	26.3%
	\$40,000-59,999	80	19.3%
	\$60,000-99,999	80	19.3%
	\$100,000-149,999	24	5.8%
	\$150,000 or above	9	2.2%
Dining	Once	123	29.7%
Frequency	Twice	150	36.2%
	3 times	94	22.7%
	4 times or more	47	11.4%
Total		414	100%

### *Measurement Model*

To determine the overall fit of the measurement model, a confirmatory factor analysis was conducted. The goodness of fit indicators suggested that the proposed model fit the data well ( $\chi^2=227.622$ ,  $p=0.000$ ,  $\chi^2/df=2.881$ , NFI=0.966,

TLI=0.970, CFI=0.978, RMSEA=0.067). Convergent validity was examined by evaluating the size of the factor loading, composite reliability (CR), and average variance extracted (AVE) (see Table 2). Standardized factor loadings for all items exceeded 0.5 and were significant at the alpha level of 0.001 (Anderson and Gerbing, 1988), indicating convergence of each item on a common point (Hair et al., 2010). CRs for all five constructs surpassed the threshold of 0.7, indicating reliable measurement of the latent variables. AVEs ranged from 0.666 to 0.901, exceeding the recommended threshold of 0.5, suggesting that the constructs explained a significant portion of the variance. Furthermore, internal consistency was satisfactory, with Cronbach's alpha surpassing the minimum requirement of 0.7, signifying high reliability of the multiple measurement items for each construct (Hair et al., 1998). Overall, the results of the confirmatory factor analysis (e.g., factor loadings, CRs, AVEs, and Cronbach's alpha) affirmed the convergent validity of each construct. Discriminant validity was assessed by comparing AVEs with the squared correlations between the constructs (Hair et al., 2010). All squared correlations between the two constructs were lower than the AVEs (see Table 3), supporting the discriminant validity of the constructs. These findings suggest that dissatisfaction and relational uncertainty are distinct constructs, although they may be correlated, providing partial support for  $H_1$ .

Table 2. Results of Confirmatory Factor Analysis

Construct	Item	Standardized loading	Cronbach's alpha	Composite Reliability	AVE
Perceived economic loss	PEL-1	0.798	0.851	0.733	0.666
	PEL-2	0.900			
	PEL-3	0.743			
Perceived social loss	PSL-1	0.841	0.918	0.831	0.800
	PSL-2	0.937			
	PSL-3	0.903			
Service failure dissatisfaction	SFD-1	0.946	0.949	0.929	0.867
	SFD-2	0.948			
	SFD-3	0.898			
Relational uncertainty	RU-1	0.930	0.964	0.931	0.901
	RU-2	0.967			
	RU-3	0.951			
Switching intentions	SI-1	0.993	0.896	0.810	0.792
	SI-2	0.910			
	SI-3	0.749			

Notes:  $\chi^2=227.622$ ,  $p=0.000$ ,  $\chi^2/df=2.881$ , NFI=0.966, TLI=0.970, CFI=0.978, RMSEA=0.067

Table 3. Discriminant Validity

	1	2	3	4	5
Perceived economic loss	(0.666) <sup>a</sup>				
Perceived social loss	0.588 <sup>b</sup>	(0.800)			
Service failure dissatisfaction	0.494	0.570	(0.867)		
Relational uncertainty	0.500	0.548	0.563	(0.901)	
Switching intentions	0.139	0.121	0.084	0.125	(0.792)

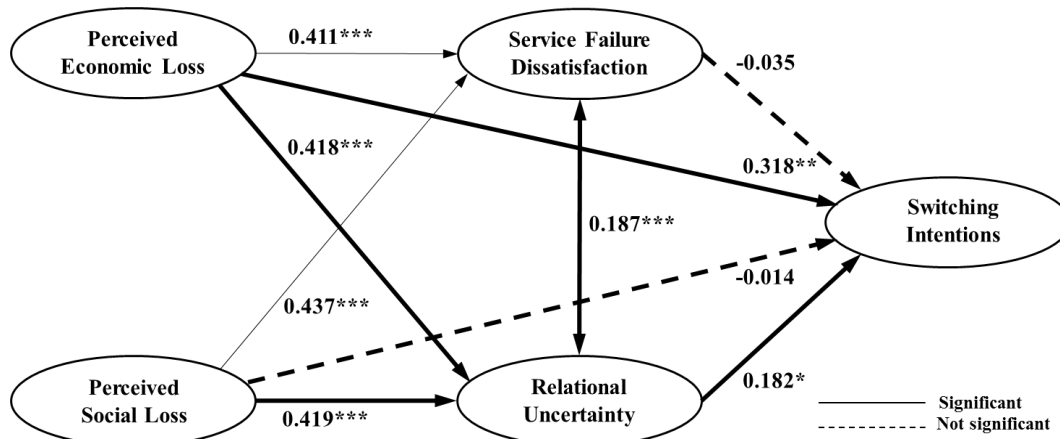
Notes: a: AVE; b: squared correlation

### Structural Model

Following the verification of the measurement model, a structural model was estimated to examine the proposed hypotheses. The goodness-of-fit statistics indicated that the model reasonably fit the data ( $\chi^2=227.622$ ,  $p=0.000$ ,  $\chi^2/df=2.881$ , NFI=0.966, TLI=0.970, CFI=0.978, RMSEA=0.067). As depicted in Figure 3 and Table 4, relational uncertainty and dissatisfaction with a service failure exhibited a significant and positive correlation. Thus, in conjunction with the discriminant analysis results, it can be inferred that relational uncertainty and dissatisfaction are positively inter-correlated but conceptually distinct, supporting  $H_1$ .

Furthermore, the hypothesized relationship between relational uncertainty and switching intentions ( $H_3$ ) was supported. That is, consumers' switching intentions increased as their uncertainty about the relationship heightened. However, contrary to our expectations, the hypothesized relationship between dissatisfaction with a service failure and switching intentions ( $H_2$ ) did not attain significance. This suggests that in an established relationship, dissatisfaction with a service failure may not reliably predict switching intentions.

The hypothesized relationship between perceived loss and switching intentions ( $H_4$ ) was examined by assessing the influence of perceived economic and social loss on switching intentions. Perceived economic loss exhibited a positive impact on switching intentions, supporting  $H_{4a}$ , whereas perceived social loss did not directly influence switching intentions. Moreover, the hypothesized relationship between perceived loss and relational uncertainty ( $H_5$ ) was significant. Both perceived economic and social loss heightened the degree of relational uncertainty, supporting both  $H_{5a}$  and  $H_{5b}$ . These findings suggest that the greater the economic and social losses perceived by consumers in relation to a service failure, the more uncertain they feel about the established relationship.



Note: \*\*\*  $p < 0.001$ ; \*\*  $p < 0.01$ ; \*  $p < 0.05$

Figure 3. Structural Results of the Proposed Model

Table 4. Structural Results of the Proposed Model

Hypothesis	Standardized coefficient	Standard Error	t-Value	Result
$H_1$ SFD ↔ RU	0.187	0.036	5.266***	Supported
$H_2$ SFD → SI	-0.035	0.110	-0.382	Not supported
$H_3$ RU → SI	0.182	0.094	2.088*	Supported
$H_{4a}$ PEL → SI	0.318	0.144	2.607**	Supported
$H_{4b}$ PSL → SI	-0.014	0.110	-0.121	Not supported
$H_{5a}$ PEL → RU	0.418	0.890	5.170***	Supported
$H_{5b}$ PSL → RU	0.419	0.070	5.360***	Supported
PEL → SFD	0.411	0.079	5.108***	-
PSL → SFD	0.437	0.062	5.606***	-

Notes:  $\chi^2=227.622, p=0.000, \chi^2/df=2.881, NFI=0.966, TLI=0.970, CFI=0.978, RMSEA=0.067, *** p < 0.001; ** p < 0.01; * p < 0.05$

### The Mediating Role of Relational Uncertainty

To further explore the mediating role of relational uncertainty in the relationship between perceived loss and switching intentions, the path coefficient between perceived loss and switching intentions in the mediating model was compared with those in the constrained model (Baron and Kenny, 1986). The path between perceived economic loss and switching intentions was significant ( $\gamma_{PEL}=0.208, p < 0.01$ ), albeit lower than the path in the constrained model ( $\gamma_{PEL}=0.258, p < 0.001$ ). Conversely, the path between perceived social loss and switching intentions was not significant ( $\gamma_{PSL}=0.079, p > 0.05$ ). These findings suggest that the effect of perceived economic loss on switching intentions was



partially mediated by relational uncertainty, while the effect of perceived social loss on switching intentions was fully mediated by relational uncertainty.

Additionally, the significant difference in  $\chi^2$  values between the constrained model ( $\chi^2_{(df=48)}=100.624$ ) and the mediating model ( $\chi^2_{(df=47)}=96.652$ ) ( $\Delta\chi^2_{(\Delta df=1)}=3.972, p<0.05$ ) underscores the significance of the mediating model over the constrained model. Overall, the results highlight the influential role of relational uncertainty between perceived loss and switching intentions. Relational uncertainty serves as a full mediator of the effect of perceived social loss on switching intentions and partially mediates the effect of perceived economic loss on switching intentions.

## Discussion & Conclusions

In light of the pivotal role of understanding consumers' switching behaviors within the competitive service sector, this study delved into the influence of relational uncertainty on switching intentions. Despite its significant impact on managing interpersonal relationships, relational uncertainty has garnered relatively little attention in service management literature. To address this gap, this study specifically focused on an established consumer-service provider relationship and examined the distinct yet inter-correlated features of relational uncertainty and dissatisfaction with a service failure. Moreover, it explored the relationships among perceived loss, dissatisfaction with a service failure, relational uncertainty, and switching intentions within the framework of an appraisal model.

This study stands out as the first to integrate relational uncertainty into a model of switching intentions, thereby enhancing our comprehension of switching intentions within established consumer-service provider relationships. Furthermore, it offers valuable insights to managers for effective service and relationship management. By recognizing the influence of relational uncertainty, managers can devise strategies to alleviate uncertainties and foster stronger, more enduring relationships with consumers, thereby reducing the likelihood of switching behaviors.

### *Theoretical Contributions*

This study expands upon previous literature on switching intentions by examining the impact of relational value on a consumer's ability to cope with service failures. Addressing the limitations of prior research, which predominantly focused on transactional value rather than long-term relational value in service encounters (Sheth and Sheth, 2017), this study introduces relational uncertainty as

a novel variable within the appraisal framework. By incorporating relational uncertainty alongside dissatisfaction with a service failure, this study sheds light on the unique dynamics of established consumer-service provider relationships and their influence on switching intentions.

The findings reveal that relational uncertainty and dissatisfaction are distinct yet positively inter-correlated constructs. While both are triggered by expectancy-disconfirmation and elicit arousal, they differ in their primary causes: relational uncertainty stems from a long-term dyadic relational perspective, whereas dissatisfaction arises from incident-specific transactional perspectives. By introducing relational uncertainty as a new variable influencing switching intentions, this study enriches our understanding of consumer behavior within established relationships, highlighting relational uncertainty as a distinctive feature experienced by consumers during periods of relational transition, negatively impacting relationship well-being and switching intentions.

Moreover, this study underscores the significance of relational uncertainty in predicting switching intentions within established consumer-service provider relationships, suggesting that it outweighs dissatisfaction with a service failure. This finding aligns with previous literature indicating that the influence of dissatisfaction diminishes when considering other consumer-specific values and that violating relationship norms threatens relationship well-being (Park and Jang, 2014; Steenkamp and Baumgartner, 1992; Clark and Mill, 1979). By elucidating consumer motivations in stable relationships, this study provides valuable insights into the factors driving consumers to consider relationship termination—specifically, the heightened likelihood of withdrawal when doubts about relationship status increase.

Additionally, this study highlights the mediating role of relational uncertainty in the relationship between perceived loss due to a service failure and switching intentions. The results suggest that relational uncertainty fully mediates the effect of perceived social loss on switching intentions and partially mediates the effect of perceived economic loss. Notably, consumers in established relationships may not be directly influenced by social loss when considering relationship termination, as they tend to be tolerant and generous toward service providers. However, once relational uncertainty sets in, the negative impact of social loss is transferred to switching intentions, emphasizing the pivotal role of relational uncertainty in consumer decision-making processes.

### *Practical Implications*

This study provides valuable insights into the factors driving consumers' switching intentions within established relationships, offering practical implications for service managers seeking to enhance customer retention and

relationship management. Firstly, the findings underscore the significance of relational uncertainty in influencing consumers' decisions to terminate relationships. Contrary to the assumption that established relationships ensure consumer generosity towards service providers' mistakes, this study reveals that consumers are more likely to be influenced by long-term relational factors, such as relational uncertainty, than by incident-specific transactional values like dissatisfaction with a service failure. Therefore, managers should recognize that maintaining an established, stable relationship does not guarantee forgiveness in the face of service failures. Instead, they should proactively address relational uncertainties that arise during service failures to prevent relationship erosion.

Drawing on uncertainty reduction theory (Berger and Calabrese, 1975), managers can mitigate relational uncertainty by providing transparent and comprehensive explanations for service failures. Effective communication and transparency can help restore trust and reinforce the benefits of the established relationship. By promptly addressing customer concerns and providing satisfactory resolutions, managers can demonstrate their commitment to maintaining a positive relationship, thereby mitigating the negative effects of relational uncertainty.

Furthermore, to prevent relationship turmoil, managers should understand and uphold the relationship norms valued by consumers. Social relationship theory (Clark and Mill, 1979) suggests that each relationship is governed by specific norms, influencing individuals' evaluations of relationship quality. By leveraging guest history or records, managers can gain insights into customers' preferred relationship norms and tailor service strategies accordingly. For example, understanding whether customers prioritize communal norms, emphasizing emotional bonds and mutual support, or exchange norms, focusing on reciprocal transactions, can inform targeted service approaches aimed at strengthening the relationship.

In summary, by addressing relational uncertainty and aligning service strategies with customers' relationship norms, managers can foster stronger, more enduring relationships with consumers, thereby enhancing customer retention and loyalty in the face of service failures.

### *Limitations and Future Research Suggestions*

Although this study provides theoretical and practical implications regarding switching intentions in service failures, it is not free of limitations. Firstly, the generalizability of the findings may be constrained due to the use of a hypothetical service failure scenario within a restaurant setting. To enhance external validity, future research could investigate consumers' switching intentions in real-life service encounters across various industries and contexts.

Moreover, consumer responses may vary depending on factors such as the severity of the service failure, effectiveness of service recovery efforts, and situational dynamics. For instance, the purpose of dining or the presence of different types of companions could influence perceptions of relational uncertainty and subsequent switching intentions. Therefore, future studies could explore how variations in service failure magnitude, recovery efforts, and situational factors impact the formation of relational uncertainty and its implications for switching intentions.

Furthermore, examining the role of relational uncertainty in switching intentions could be enriched by manipulating different levels of service failures in conjunction with varying degrees of service recovery efforts or situational contexts. By systematically exploring these factors, researchers can deepen our understanding of how relational uncertainty operates within the dynamics of service encounters and its implications for consumer behavior.

In conclusion, future research endeavors should aim to address these limitations by conducting studies in real-life service contexts, considering diverse situational factors, and systematically manipulating variables related to service failures and recovery efforts. By doing so, researchers can advance our understanding of the complex interplay between relational uncertainty and switching intentions in service encounters.

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### Appendix. A Survey Scenario

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Jack's Steakhouse is located a few blocks from where you live. Jack, an owner of Jack's Steakhouse, is your good friend. You have been going there the last five years. You really enjoy going there – not only for their great food, but also for the really nice people working there. Your relationship with them is not like a regular customer - there is something special. You believe that they genuinely care about you, and you are fond of them too. Overall, your experience with Jack's Steakhouse has been excellent.

You go to Jack's Steakhouse to celebrate your birthday with your friends. You made a reservation requesting the prime rib steak, one of your favorite menu items. As you enter Jack's Steakhouse, you find that the tables are not ready for you. After waiting for about 15 minutes, your group is seated. When a server comes to take your order, you request your favorite prime rib steaks that you asked for in advance. However, the server tells you it is sold out.

Jack comes to your table and apologizes and offers a 20% discount on your meal with free desserts. Having no choice but to order other food, you accept his offer. The right meals are served and you finish dinner.

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