

Who is more likely to stay after service elimination? The analysis of customer reactions and service subscriptions preferences

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Abstract

Service elimination usually has higher churn rates than average churn in service industries, thus customer retention is seen as a tool for enhancing service elimination success. The purpose of this paper is to identify customer retention through a combined analysis of customer reactions and service subscription in case of service elimination. 104 service elimination participants were asked about their reactions regarding the process and service subscription details. The results show that price decrease, tenure and interaction intensity are associated with heightened propensity of repatronage intention during service elimination. Besides these, satisfaction with the service elimination process, NPS and age also play an important role to increase repatronage intention following service elimination. This research contributes to theory and practice in terms of both customer retention and service elimination literature with a combined understanding during service elimination, revealing customer reactions related to the whole process.

Keywords: *service elimination; customer retention; price increase*

Track: Services Marketing