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Exit strategies of loyalty programs

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Exit Strategies of Loyalty Programs

Lena-Marie Rehn

Abstract: Loyalty programs are a widespread marketing tool whose contribution to a company's economic success is still being questioned. From a marketing relationship perspective, they cannot be terminated easily and their elimination has to be reasoned. This qualitative study examines why companies end their loyalty programs and how their termination is processed. In five different cases that I present, results reveal that conflicts with partners and unfavorable cost-benefit ratios are determinants of the program terminations. Customer information and regulatory issues on reward validation characterize the process of withdrawal. The exit strategy "phase out slowly" is adopted most commonly.

Keywords: Loyalty Program · Exit Strategy · Relationship Marketing

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Introduction

Loyalty programs have been a more frequently implemented marketing tool in recent years. Their existence is widespread across a variety of industries, such as the hotel business, retailing and financial services (Dorotic, Bijmolt, & Verhoef, 2012; Zhang & Breugelmans, 2012). In the US, membership in these programs grew by 25.5% to 3.3 billion from 2012 to 2014. Despite signing up for the programs, more than half of the members do not participate in them (J. Berry, 2015). When observing this development, one questions whether loyalty programs represent an effective marketing tool at all and whether their implementation and maintenance is worth the money and resources dedicated to them (Cigliano et al., 2000). It is still in question whether such programs really increase loyalty and hence profits (Dowling & Uncles, 1997; Shugan, 2005; Tillmanns & Wissmann, 2012). Loyalty program members are assumed to be price sensitive cherry-pickers who do not enhance revenue (Lal & Bell, 2003) and would shop at the focal store anyway (Wright & Sparks, 1999). Murthi, Steffes, and Rasheed (2011) even concluded for the credit card industry that loyalty program members generate less profit than non-members do.

Recent examples of terminated loyalty programs are evidence that managers perceived the expected value of the program to be too low to continue its management (Ansic & Pugh, 1999): Coles supermarket in Australia stopped its program, eBay terminated its Anything Points program for US customers (Nunes & Dréze, 2006), Amazon (Amazon, 2015) and Obi (Schlautmann, 2007) stepped out of the German Payback program, and the Safeway club card is also no longer available, thereby saving the company immense marketing costs (Kumar & Reinartz, 2012; Safeway, 2015). A common argument for shutting down a loyalty program is to pursue an everyday low-price strategy instead (Monroe, 1979; Rosenthal, 2013; Safeway, 2015; Vizard, 2014; Waterhouse, 2013).

While there is plenty of evidence in business, scientific research still lacks the thorough investigation of loyalty program terminations. This is needed, as a loyalty program cannot enter and exit the market as easily as a breakfast cereal (Hitsch, 2006). Once a program has been introduced, managers are very reluctant to terminate it (Uncles, Dowling, & Hammond, 2003): The aim of a loyalty program is the establishment of a long-lasting relationship with high attitudinal loyalty (Bolton, Kannan, & Bramlett, 2000) between the company and the customer (Hennig-Thurau, 2000; Morgan & Hunt, 1994; Odekerken-Schröder, Hennig-Thurau, & Knaevelsrud, 2010). This long-term commitment between the parties is a major barrier to the termination of an existing loyalty program (Gundlach, Achrol, & Mentzer, 1995).

Another barrier to ending an unsuccessful loyalty program is the competitive situation. Do companies hold on to the program only because other competitors are offering them (Leenheer & Bijmolt, 2003)? A common argument in loyalty program literature is that the program has no marketing impact, because in a competitive market every player offers such a program and thus the market returns to stasis (Leenheer et al., 2007; Meyer-Waarden, 2007; Meyer-Waarden & Benavent, 2009). Competition is one of the major reasons for exiting a market (Karakaya, 2000), but in

the case of loyalty programs it is one of the reasons to remain there. Firms learn from competitors that offering a loyalty program is a good strategy, hence they adopt it. They reproduce the successful campaigns of others, which results in a bias against alternatives. Risk aversion can explain why firms stick to their current loyalty program and do not consider withdrawing from it (Denrell & March, 2001), even though it might be the better strategy regarding costs and customer acceptance. New alternatives do not have a chance, since termination is a risky option if all competitors have a loyalty program. Offering a loyalty program has become institutionalized in particular industries. However, S. S. Singh, Jain, and Krishnan (2008) analyze in a game theoretic model that there can be market equilibrium without every player offering a loyalty program in a competitive market.

A third reason why companies avoid the termination of their loyalty programs is that they expect the measure to be costly (Nargundkar & Karakaya, 1996; Porter, 1976). Furthermore, the termination may affect the company's image negatively (Cigliano et al., 2000). Ultimately, the termination has to be decided on by management. Here, subjective and objective reasoning may vary (Biyalogorsky, Boulding, & Staelin, 2006; Nargundkar & Karakaya, 1996; Porter, 1976; Yuen Kong & Hamilton, 1993).

The focus on customer relationship management as a corporate strategy (Kumar & Reinartz, 2012) as well as the institutionalization of loyalty programs show the barriers to and the difficulties of their termination (Porter, 1976). Thus, the exit strategy for a loyalty program needs special consideration. Research on strategic management shows that if companies make better exit decisions they can prevent the loss of substantial economic resources (Horn, Lovallo, & Viguerie, 2006). Managing the ending process of a loyalty program is important, as the company does not want to lose its customers by only changing their marketing approach (Alajoutsijärvi, Möller, & Tähtinen, 2000; L. L. Berry, 1983; Tähtinen & Havila, 2004).

There is only one study that has outlined the possible consequences of a hypothetical loyalty program termination (Melnyk & Bijmolt, 2015), but no study has evaluated how a termination has been reasoned and processed. Therefore, I conducted a qualitative study with five different cases of termination to answer the following research questions:

1. Why does a company decide to quit its loyalty program? Thus, I want to analyze different antecedents of a loyalty program termination and the reasons why a company stops its program.
2. How is the termination been carried out? Here, I want to identify the underlying processes and ascertain whether different strategies are used.

From a management perspective, this study gives hints as to when, i.e. in what situations, and how an unsuccessful loyalty program should be terminated. Managers

of an unfruitful loyalty program may think about whether to stop their program. The analysis of different cases can provide insights into how to pursue this termination.

Research on exit decisions has mainly been conducted from the customer's point of view: Why do customers end their relationship with a firm and what are the consequences (Hirschman, 1970; Lemon, White, & Winer, 2002; Odekerken-Schröder, Hennig-Thurau, & Knaevelsrud, 2010; Robert A. Ping, 1994; J. Singh, 1990)? However, little research has been done to analyze the termination of a customer-firm relationship from a company's point of view (Helm, Rolfes, & Günter, 2006). This is especially important, as withdrawing companies do not want to terminate the relationship with the customer (L. L. Berry, 1983), they simply want to abandon a specific marketing tool. Thus, how a program is terminated needs special attention. This study is therefore an important contribution from a theoretical perspective to loyalty program research as it is the first to analyze a loyalty program termination and the underlying strategies from a company's point of view (Dorotic, Bijmolt, & Verhoef, 2012).

The article is structured as follows: First, a review of literature on exit strategies is presented. Then, the methodological approach and the results of the case study are outlined. The article closes with a discussion.

Literature Review

Nowadays, management and science see exiting as an opportunity and no longer as a failure (Nargundkar & Karakaya, 1996). Exit decisions concern modifications in corporate strategies and thus this research entails a strategic dimension (Burgelman, 1994; Decker & Mellewigt, 2007; Nargundkar & Karakaya, 1996). In management studies, an exit strategy is defined as "*a plan for disposing of a business [...]*" and includes "*[...] identifying and selecting exit options, identifying and removing obstacles, and preparing and implementing a plan [...]*" (Bloomsbury, 2007). Thus, an exit strategy comprises a systematic approach to dissolving a business. In this article, I analyze companies approaches to terminating a loyalty program, i.e. the dissolution of a marketing tool. Subsequently, I identify different options and obstacles and conclude with a plan of how to terminate a loyalty program.

In the course of this endeavour, I integrate my empirical analysis into current exit research in management and marketing. By and large, scientific studies in this domain analyze exit decisions for business exits and corporate restructuring (Bova et al., 2014; Decker & Mellewigt, 2007), such as in the areas of finance (e.g. takeovers (Makamson, 2010), buyout funds (Fürth & Rauch, 2015)) and entrepreneurship (Bessler & Kurth, 2007; Guo, Lou, & Pérez-Castrillo, 2015; Wang & Sim, 2001). Moreover, the dissolution of inter-organizational relationships (Broschak & Block, 2014; Tahtinen & Halinen, 2002) and product elimination (Schmidt & Calantone, 2002) covers exit research. However, few insights can be found on the strategic termination of a marketing tool (Kahn & Louie, 1990; Messner & Reinhard, 2012).

Generally, exit research can be subdivided into the factors that influence the exit decision (Burgelman, 1994; Sea Jin & Singh, 1999; Tahtinen & Halinen, 2002), the process (Elfenbein & Knott, 2015; Matthyssens & Pauwels, 2000; Tahtinen & Halinen, 2002) and its different strategies (DeTienne, McKelvie, & Chandler, 2015), and the consequences and outcomes of an exit decision (Decker & Mellewigt, 2007). The antecedents of exit decisions are thereby the most widely investigated research area. Consequently, I will broadly outline the most common aspects of these factors for the different areas of research in management and marketing.

Antecedents of Exit Decisions

Regarding business exits, research covers the closing down of a whole business, a branch or a division (Karakaya, 2000), exit from a market (Dixit & Chintagunta, 2007; Matthyssens & Pauwels, 2000; Sousa & Tan, 2015) or a distribution channel (Syam & Bhatnagar, 2010). The antecedents are manifold and can be subdivided into market-level factors (Decker & Mellewigt, 2007; Dixit & Chintagunta, 2007; Van Kranenburg, Palm, & Pfann, 2002), firm-specific effects (Van Kranenburg, Palm, & Pfann, 2002), strategic, and macroeconomic aspects (Campbell, 1998; Hopenhayn, 1992; Van Kranenburg, Palm, & Pfann, 2002).

Market-level factors that influence a business exit are based on the lack of customer demand, for example due to poor product performance (Fornell & Wernerfelt, 1987; Karakaya, 2000). Other aspects are the competitive situation (Boeker et al., 1997; Karakaya, 2000; Kim, Bridges, & Srivastava, 1999) such as the market entry position (Robinson & Min, 2002). Moreover, a change in legal guidelines (Heinzen York, 2011) and industry growth (Ilmakunnas & Topi, 1999) may invoke exit decisions.

Firm-specific effects (Van Kranenburg, Palm, & Pfann, 2002) analyze aspects such as the role of managerial capabilities in exit decisions (Chang, 1996; Fortune & Mitchell, 2012; Pennings, Lee, & Van Witteloostuijn, 1998), firm size (Deily, 1991; Mata, Portugal, & Guimaraes, 1995) and the age of the firm (Disney, Haskel, & Heden, 2003), or the resource fit between the parent company and the business unit that is to be dissolved (Sea Jin & Singh, 1999). A further example is that of family-owned companies that cannot find a successor and as a result have to find a way to terminate their business (Karakaya, 2000).

Some businesses are terminated because the strategic fit between business units is missing (Decker & Mellewigt, 2007; Karakaya, 2000). This is illustrated in the recent example of e.on, a German electric utility service provider: After a political transition in the energy market, some business units no longer suited the company's strategy. Consequently, e.on sold these business units and dissolved the divisions (e.on, 2014). Macroeconomic antecedents refer to the occurrence of business exits over the business cycle (Campbell, 1998).

Divergent research on exit strategies analyzes the antecedents of inter-organizational relationship dissolution. This includes topics such as the dissolution of market ties (Jensen, 2006), the ending of a channel relationship (Hibbard, Kumar, & Stern, 2001; Robert A. Ping, 1999) or of an agency-client relationship (Baker, Faulkner, & Fisher, 1998; Broschak & Block, 2014; Tahtinen & Halinen, 2002).

Antecedents of inter-organizational relationship dissolution are mostly contextually embedded and actor-driven (Halinen & Tähtinen, 2002). Overall, the degree of loyalty and the costs of exit determine the termination decision (Robert A. Ping, 1999). This is underlined by the individual and structural attachment between organizations (Harrison, 2004; Ryan & Blois, 2010; Seabright, Levinthal, & Fichman, 1992) or the occurrence of destructive acts (Hibbard, Kumar, & Stern, 2001). Furthermore, managerial exits (Broschak & Block, 2014) and status anxiety, reasoned by the quality of the firm's partner (Jensen, 2006), provide an impetus for relationship dissolution. Changes affecting the resource fit between the organizations (Seabright, Levinthal, & Fichman, 1992) as well as an unprofitable relationship (Helm, Rolfes, & Günter, 2006) and the competitive situation (Baker, Faulkner, & Fisher, 1998) can expedite its dissolution. The termination of market ties in network structures is more likely for unequal actors, e.g. ties between firms with high and low centrality (Polidoro, Ahuja, & Mitchell, 2011; Rowley et al., 2005).

Further research on exit decisions can be found in the domain of product elimination (Biyalogorsky, Boulding, & Staelin, 2006; Greenley & Bayus, 1994; Hitsch, 2006; Karakaya, 2000). Influencing factors are, for example, the commitment of managers (Schmidt & Calantone, 2002), performance judgments (Green, Welsh, & Dehler, 2003), or a declining stage in the product life cycle (Yuen Kong & Hamilton, 1993).

Exit Strategies

As regards how to eliminate a product, Avlonitis (1983) determines different types of exit strategy: (1) phase out slowly; (2) phase out immediately; (3) sell out; and (4) harvesting. "Phase out slowly" means that an unsuccessful product is still offered, but parallel to this a new, better developed product is introduced to the market (Avlonitis, 1983). Current contracts and orders are still processed, but after their fulfillment, production of the unsuccessful product is stopped (Mitchell, Taylor, & Tanyel, 1997). This is different to the "phase out immediately" strategy (Karakaya, 2000; Mitchell, Taylor, & Tanyel, 1997). Here, directly after the exit decision, products are no longer offered. In conjunction with this strategy, the "sell out" strategy (Karakaya, 2000; Mitchell, Taylor, & Tanyel, 1997) includes the disposal of a whole business or specific business units (Jain, 1985). The fourth strategy is "harvesting" (Feldman & Page, 1985). This means a short-term acceleration of profit before the product is terminated. Harvesting comprises a conscious strategic decision based on a changing environment. A common approach is to sell products for a higher price but at little cost, for example by lowering marketing expenditures (Feldman & Page, 1985).

The explicit evaluation of different exit strategies varies greatly between the different research streams on exit. Research on business exit processes and strategies tends more to model imitating and learning behavior (Bergh & Lim, 2007; Dixit & Chintagunta, 2007; Gaba & Terlaak, 2013). DeTienne, McKelvie, and Chandler (2015) define a typology of distinguished entrepreneurial exit strategies. The process of inter-firm relationship dissolution is investigated against the background of personal relationship dissolution strategies (Baxter, 1985; Giller & Matear, 2001; Halinen & Tähtinen, 2002; Pressey & Mathews, 2003) and its divergent communication strategies (Alajoutsijärvi, Möller, & Tähtinen, 2000). However, the termination of a loyalty program does not imply the closing down of a business, nor is a personal relationship directly involved. Thus, an exit strategy typology from the product management field, i.e. the different exit strategies for product elimination (Avlonitis, 1983), is more appropriate in the following analysis (Greenley & Bayus, 1994; Mitchell, Taylor, & Tanyel, 1997).

Pursuing an exit decision has consequences for all stakeholders. These can be positive, such as an improvement in firm performance (Bergh, Dewitt, & Johnson, 2008; Chang, 1996; Jain, 1985; Nargundkar & Karakaya, 1996; Pazgal, Soberman, & Thomadsen, 2013) or a higher market share for the competitors (Karakaya, 2000). Negative impacts arise e.g. for employees, whose career is threatened as exit causes uncertainty and fear (Decker & Mellewigt, 2007), for suppliers due to less business (Syam & Bhatnagar, 2010), and for loyal consumers who cannot find a satisfactory alternative to the eliminated product (Karakaya, 2000).

Variant research on exit focusing on consumers as customers (Tahtinen & Halinen, 2002) is based on social psychology (Baxter, 1985) and Hirschman (1970)'s Exit, Voice, Loyalty model. The dissolved relationships which have been studied in this vein of research are brand-consumer relationships (Perrin-Martinenq, 2004) and service relationships (Alvarez, Casielles, & Martin, 2011; Bowden, Gabbott, & Naumann, 2015; Michalski, 2004). The antecedents and processes of relationship dissolution gained special interest (Michalski, 2004; Tahtinen & Halinen, 2002; Tähtinen & Havila, 2004). Insights from this research stream can be drawn from unilaterally terminated relationships (Baxter, 1985; Harrison, 2004). However, the relationship ending is seen as a decision process taken by the customer, thus only small comparisons can be drawn with the present study, such as from the methodological point of view (Michalski, 2004)

Loyalty Programs

The study on hand identifies factors that influence the decision to terminate a loyalty program. Furthermore, the process of termination is analyzed and categorized according to exit strategies in the literature. While doing so, I define loyalty programs as a structured marketing tool, which rewards and thus encourages long-term loyal behavior (Dorotic, Bijmolt, & Verhoef, 2012; Sharp & Sharp, 1997). On the one hand there are the types of loyalty program that can be introduced by one company, i.e. as a stand-alone program (SAP). On the other hand, there are the multi-vendor loyalty

programs (MVLP), which offer benefits from different partners across a broad range of business sectors (Dorotic et al., 2011; Rese et al., 2013; Schumann, Wunderlich, & Evanschitzky, 2014).

Research on loyalty programs focuses first on its adoption by companies and customers, second on its effect on customer behavior and firm effectiveness. Overall, the design of the loyalty program impacts its effectiveness. The analysis of different reward types and rewarding mechanisms constitutes another broad research stream of loyalty programs (Blattberg, Kim, & Neslin, 2008; Dorotic, Bijmolt, & Verhoef, 2012; Tillmanns & Wissmann, 2012).

Factors which influence the introduction of a loyalty program depend on the competitive situation of the company, the products and services it offers, and divergent customer profitability (Kopalle & Neslin, 2003; Leenheer & Bijmolt, 2003, 2008). The acceptance of a loyalty program from the customer's point of view is tied to its perceived benefits as well as on the customer's individual traits and demands (Demoulin & Zidda, 2009; Meyer-Waarden & Benavent, 2009).

It is commonly argued that loyalty programs enhance customers' purchase behavior through the reward mechanism (Evanschitzky et al., 2012; Leenheer et al., 2007; Liu, 2007; Meyer-Waarden, 2007); the cost-effectiveness for firms is still in question, however (Liu & Yang, 2009; Tillmanns & Wissmann, 2012). Generally, the success of a loyalty program depends on its specific design, e.g. the type of program (Rese et al., 2013) or the type of reward offered (Youjae & Hoseong, 2003).

Although the literature on loyalty programs has undergone tremendous development during the last 15 years, the termination of a loyalty program has not been a popular research topic so far (Dorotic, Bijmolt, & Verhoef, 2012). This is a similar trend to strategic management research, which offers abundant insights into market entry decisions, but little knowledge on market exit (Elfenbein & Knott, 2015). There has been only one scientific study regarding the possible consequences for customers of the hypothetical case of a loyalty program termination (Melnyk & Bijmolt, 2015). Results of this study show that price-sensitive customers will not stay with the company after a loyalty program is terminated. This effect is especially prevalent if the loyalty program offers a high financial benefit. However, the study does not consider why and how a loyalty program is terminated. Thus, I aim to fill this research gap.

Loyalty programs are a marketing tool for pursuing a customer relationship-focused strategy (Kumar & Reinartz, 2012). The primary focus is on establishing and maintaining strong and long-term relationships (L. L. Berry, 1983). In the event that a loyalty program ceases to exist, companies do not want to lose their customers. They still pursue a relationship strategy, but without a specific tool. That is why exit strategies for loyalty programs might differ from those for business exits, inter-organizational dissolutions or product eliminations. The relationship continues and is not totally dissolved (Tähtinen & Havila, 2004). The vein of research on termination shows us that a successful exit strategy can help to achieve the continuation of this relationship (Horn, Lovallo, & Viguerie, 2006).

Against the conceptual background of different exit strategies for product elimination, I want to analyze various cases of loyalty program termination to identify different exit strategies for loyalty programs. Research in management and marketing has shown that different situations and different relationships need diversified handling where terminations are concerned (Avlonitis, 1983; DeTienne, McKelvie, & Chandler, 2015; Giller & Matear, 2001).

In the following section I present the results of interviews with former marketing managers who have presided over an actual terminated loyalty program, after posing the questions to them of why and how their program was shut down and what the customers' reactions were.

Methodological Approach

Exit strategies for loyalty programs have not been a topic researched so far and thus an explorative, inductive approach is appropriate (Giller & Matear, 2001). Applying a qualitative method, I want to identify the reasons why loyalty programs are terminated and how the process of dissolution is conducted. I therefore compare different loyalty program terminations in an embedded, explorative and multiple case design (Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Yin, 2003). By comparing loyalty program terminations in different industries, one can identify similarities and differences (Eisenhardt, 1989). A qualitative approach, especially with a case study, is a common method in research on exit strategies (Burgelman, 1994; Giller & Matear, 2001; Matthyssens & Pauwels, 2000; Pressey & Mathews, 2003) and loyalty programs (Hutchinson et al., 2015) and therefore suitable for the current research.

During summer 2014, I conducted 11 qualitative interviews with former marketing managers and directors who had been involved in a loyalty program termination (Challagalla, Murtha, & Jaworski, 2014; Eisenhardt & Graebner, 2007). The interview material covers nearly eight hours, with one interview lasting on average more than 40 minutes. They comprise five different cases in which a loyalty program was terminated. I detected the cases by desk research and approached the companies directly to ask for an interview. Furthermore, after a few interviews the experts referred me to other contacts.

The sampling covers all possible cases: the termination of a multi-vendor program, the exit from a multi-vendor program, and the termination of a stand-alone program. The mechanisms in each loyalty program functioned in the conventional way: For each purchase, customers gathered loyalty points and could redeem them after reaching a certain threshold. Besides interviews, I scrutinized different newspaper articles and press releases about the termination.

To guarantee the anonymity of the experts, I will not depict the names of the programs but only describe them briefly. This is unusual for a case study, but nevertheless the exit strategies described here offer rich learnings on their implications

for company management (De Reuver, Bouwman, & Haaker, 2013; Sullivan & Lines, 2012).

Case one deals with the termination of a multi-vendor loyalty program. An operating company managed the program and the main partners and associates were the founders of the program. The program offered benefits from different partners in the commercial and service sectors. It was established in order to gain customer insights and to attract new customers by the cross-usage function of the program. Furthermore, various competitors of the founding partners had also established such a program, hence the managers decided to pursue a “me too” strategy (Leenheer et al., 2007; Meyer-Waarden, 2007; Meyer-Waarden & Benavent, 2009). After seven years, the program was shut down. I talked to five different managers who were involved in the case: two of them were members of the managing board of the program’s operating service company. I obtained their view of how their program had been terminated and of the exits of different partners from the programs’ perspective. Three other interviews were conducted with managers of former partner companies in the loyalty program. Thus, one can analyze *case one* from two different angles: First, I see what happens when a multi-vendor program is stopped; moreover, I can analyze what affects the withdrawal from a multi-vendor program.

Case two also deals with the dissolution of a multi-vendor program. The regional program was managed by its own operating company and was shut down after three years. The founders of the operating company were also partners and associates in the multi-vendor program. The different regional partners offered benefits in the commerce, e-commerce and service sectors. In this case, I talked to two people. One manager was a member of the operating board of the program; the other interview partner was manager of one of the partnering companies to which the program belonged before it was transferred to its own association. Here, I only analyze the views on how the termination of the program was conducted.

Case three explains the termination of another regional multi-vendor loyalty program. Again, an operating company managed the program and the founders were also partners in the program. Regional services and stores offered benefits. The program lasted seven years. The interview partner was one of the founders and manager of the program.

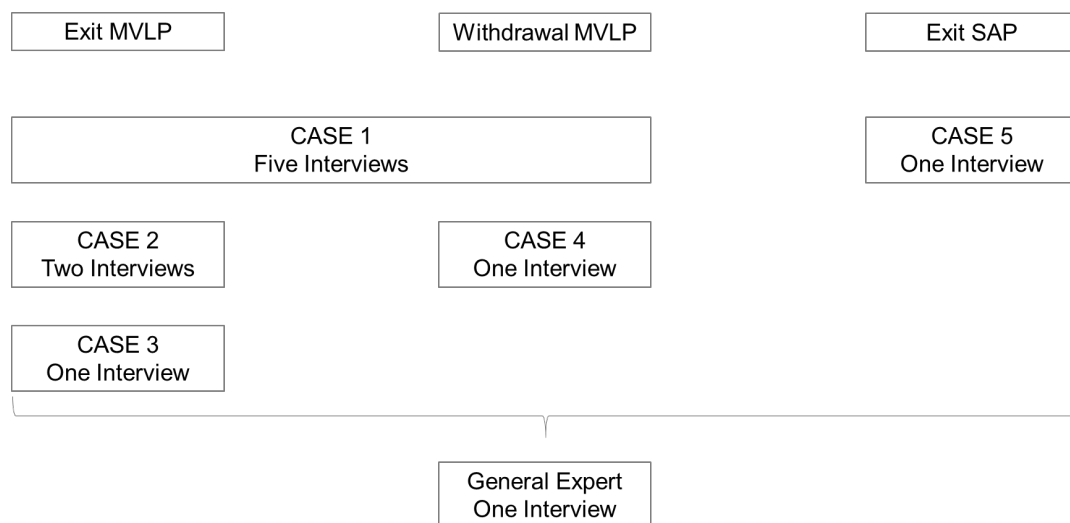
Case four comprises one interview and explains the company view while withdrawing from a multi-vendor program. The online company offers services in the tourism industry and already had its own stand-alone program. Joining another program was motivated by generating new distribution channels, attracting new customers and raising brand awareness. After three years with the multi-vendor program, the company ended its participation.

The last case, *case five*, explains how and why a company stopped its stand-alone program. The program was offered for over eleven years and consisted of different promotions. The motivation to offer a loyalty program was argued by a “me too”

strategy: competitors were offering such a program, thus the focal company did the same to stay attractive in the market (Leenheer et al., 2007; Meyer-Waarden, 2007; Meyer-Waarden & Benavent, 2009).

I conducted one further interview with a consultant and expert in this field. The expert was not able to talk about a specific case, but explained an exit strategy based on profound and long-term knowledge of customer relationship management. Figure 1 presents an overview of the five different cases.

Fig. 1: Overview of cases

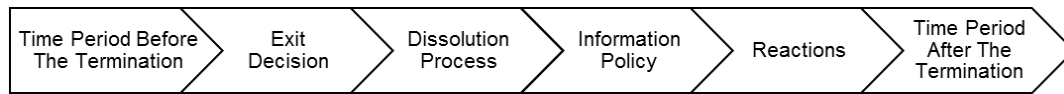


Guidelines were drawn up for the interviews to deal with the questions of how and why the termination was discussed and decided, what role internal management acceptance played (Ritter & Geersbro, 2011), how the companies informed their employees and their customers of the termination (Balachandra, Brockhoff, & Pearson, 1996), and how the process of phasing out was conducted (Sea Jin & Singh, 1999). This is especially important, as a loyalty program is not a simple product that can be taken from the market easily (Mitchell, Taylor, & Tanyel, 1997). Loyalty points that have been earned over a long period constitute liabilities for the companies. Customers still have the right to redeem their points (Shugan, 2005). Thus, the process of phasing out has to be planned strategically (Sea Jin & Singh, 1999).

Results

I transcribed the interviews and coded them by applying MAXQDA software (Odekerken-Schröder, Hennig-Thurau, & Knaevelsrud, 2010). To ensure the reliability of the coding, two independent coders carried out the analysis. A clear coding guideline gave objectivity. I calculated a Cohen's KAPPA (Cohen, 1960) of 0.67 on the basis of the segment agreement in percentage, which can be seen as an appropriate and reliable measure (Döring & Bortz, 2016). Figure 2 depicts the six main categories.

Fig. 1: Overview Code System



They are taken deductively (Mayring, 2010) from the interview guidelines as well as from analyzed exit processes by Burgelman (1994) and Halinen and Tähtinen (2002). Burgelman (1994)'s empirical case study identifies different stages of strategic business exit based on grounded theory (Glaser & Strauss, 1967). Halinen and Tähtinen (2002) developed a conceptual model that distinguishes different stages of the ending process of a business relationship. They build on theory development of interpersonal relationship dissolution (Duck, 1982; Robert A Ping & Dwyer, 1992). Both exit processes described are adapted and modified to fit the loyalty program termination context.

First, I analyzed the aspects that characterized the period before the exit. The subcategories are, for example, the competitive situation or the internal acceptance of the loyalty program. Growing doubts about the programs viability (Burgelman, 1994) mark this assessment stage (Halinen & Tähtinen, 2002). This stage captures all exit preceding aspects in one category. In the case of strategic business exits, Burgelman (1994) further elaborates on this phase. The second category describes the exit decision-making stage (Burgelman, 1994; Halinen & Tähtinen, 2002). Who was involved in the exit decision and what are the final reasons for the exit?

The next category analyzes the process of dissolution. How was the termination actually conducted? This stage is particular for a marketing tool and deductively taken from the interview guideline (Mayring, 2010). Furthermore, I coded how the focal companies informed not only the public but also (service) partners and employees, in the fourth category (Burgelman, 1994; Halinen & Tähtinen, 2002). Revisiting the framework of Halinen and Tähtinen (2002) this can be seen as the disengagement stage.

Category five captures the subsequent reactions of the different stakeholders (Messner & Reinhard, 2012). Halinen and Tähtinen (2002) model a communication stage before the disengagement stage. However, as the termination of a loyalty program is only unilateral (Alajoutsijärvi, Möller, & Tähtinen, 2000) and not disputable, only stakeholder reactions are evaluated. The last category, the aftermath stage (Halinen & Tähtinen, 2002), describes what other marketing investments the focal companies made after terminating their loyalty program. For each of the five cases, I inductively analyze different subcategories and can thus compare what characterizes the different exit reasons and processes. Overall, 402 codings are identified, which are classified in 6 main categories and 39 subcategories. An overview of all codes and sub codes can be found in the appendix.

Time Period Before The Termination

When asking the managers about the time period before the termination, only in cases one, two and three did some managers mention that the program was seen as a success in the beginning; management had invested in the program in terms of know-how and marketing. However, most of the aspects mentioned show instead the program's mismanagement (Burgelman, 1994).

One of the aspects which was mentioned in nearly all cases (except case three), was the unsuccessfully operationalized design of the loyalty program. In *case one*, both the withdrawing partners and the operating managers claimed that the service offered by one partner was not particularly compatible with the program, although this partner dominated the programs' marketing. Their offering did not yield the possibility to gather a certain number of loyalty points and the program was not aligned with corporate strategy (also mentioned in *case five*). Moreover, the financial organization of the gathering and redeeming of loyalty points between the different partners resulted in heavy liabilities for the companies in *case one*. This constituted a definite competitive disadvantage vis-à-vis other loyalty programs.

Another decisive point in the time before the exit of the multi-vendor programs in *cases one, two and three* was the unsuccessful partner management. The managers discussed the success of their partners and tried to attract new partners for the multi-vendor program and make the program more attractive, so that the remaining partners would not leave. Special efforts were made to acquire companies offering a service category missing so far from the loyalty program.

Furthermore, the managers observed little cross-usage between the different partners of the program in *cases one and two*. The multi-vendor program was used more as a stand-alone program. Additionally, the manager interviewed in *case three* highlighted the exit of an important partner as a critical event.

In the case of a withdrawal from a multi-vendor program, in *case four*, the costs of participation in the program's network were considered to be too high and the participation in the multi-vendor program was cannibalizing the company's own stand-alone program.

These obstacles led to low internal acceptance of the loyalty program, as mentioned in *cases one, two and five*. The managers interviewed did not see the relevance of the program for their company. In *case one*, this was the situation on both sides, from the partner managers as well as from the operating point of view, and thus low acceptance was mutually reinforced. This is in line with the lack of manager commitment as an antecedent of product elimination decisions (Schmidt & Calantone, 2002).

The absence of the program's viability can be seen in low customer activity (*case one, three and four*) and the lack of additional revenue and profit from participating in the loyalty program, which marked the time before the exit of the multi-vendor program

in *cases two* and *three* and the withdrawal from the multi-vendor program in *cases one* and *four*. The managers interviewed argued that there was little additional revenue compared to the costs of participation in the multi-vendor program. Similarly, the decision to terminate the development of a new product is based on performance judgments (Green, Welsh, & Dehler, 2003). To counteract these complications, only the partners interviewed in *case two* mentioned that the program needed new investments in its design in order to remain competitive.

In all five cases, the managers' main claim was that the program, i.e. either its collaboration with partner companies or its design, had been unsuccessfully put into operation. This led to low customer activity and revenue and, as a result, to low internal acceptance of the program itself. How the concluding exit decision was conducted will be described next:

Exit Decision

Only in *case one* did the managers of the multi-vendor program analyze first of all divergent scenarios for continuing with the program in a different way. In the other cases, management focused directly on the exit decision (Burgelman, 1994; Halinen & Tähtinen, 2002). In *cases one* and *three*, there were no internal queries; management accepted this decision. However, in *cases two* and *five*, the managers interviewed often mentioned the discussion about the termination with different partners and associates. The termination of the program was not easy to conduct, as not every person involved accepted it. However, the expert who was interviewed claims that the decision has to be made for economic reasons and without personal reasoning by the managers responsible (Ritter & Geersbro, 2011).

Regarding time, the decision to withdraw from the program was discussed for more than a year on average. Only in *case two* did management set a deadline by which a decision had to be made.

From analyzing the five cases, one can state that economic reasoning determined the decision to exit a loyalty program. Marketing costs were higher than the additional revenue associated with the program. Furthermore, in *cases two* and *five*, the obsolete program design and the unfulfilled need for investments further supported the decision to exit.

Only in *case one* did the exit of important partners from the multi-vendor program determine its dissolution. As the main partners left the program because of a poor cost-benefit ratio, the conclusion was then to shut down the whole multi-vendor program. The decision to terminate the entire multi-vendor program was made relatively quickly after the withdrawal of the main partners. This underlines the importance of the partners and the absence of a possibility to pursue the program without them.

Dissolution Process

After the decision was taken to exit the multi-vendor program, in *cases one* and *two*, an internal outsourcing project group was established, which organized the complete dissolution process. This group consisted of the remaining employees who had not yet left the company. The tasks dealt with by this group were, e.g. key account management of the partners, a marketing plan to inform the customers, and the technical dissolution of the program. In none of the cases was external help asked for while processing the dissolution; only in *case two* the managers asked for legal advice.

Legal issues between partner management teams as well as service partners impair the process of dissolution. In the case of the withdrawal from a multi-vendor program, the contracts just had to be terminated. The withdrawing partners only had to organize technically that members of the loyalty program could no longer gather loyalty points. This had to be implemented in the company's organization, e.g. by informing the service partners. Compared with the exit of an entire loyalty program, a withdrawal is easy to arrange, as loyalty program members lose just one partner but the program remains. Shutting down a whole multi-vendor program demands a different type of organization.

In nearly all cases, members could no longer gather loyalty points after the program's termination had been announced. Only in *case two* could members still gather loyalty points during a particular time slot. However, members could still redeem their loyalty points until a certain point in time. This was defined by the terms and conditions of the loyalty program. In *cases one* and *two*, redemption was possible for three more years. *Case five* offered the loyalty program in a defined time slot and discontinued the gathering and redeeming of loyalty points after the exit decision.

The main function of the loyalty program, the gathering and redeeming of loyalty points, is not stopped immediately, but phased out smoothly by giving members the possibility to redeem their remaining points according to the terms and conditions, as in *cases one* to *four*. This corresponds to the exit strategy "phase out slowly". Only *case five* stopped its program instantly, as in the "phase out immediately" strategy (Avlonitis, 1983; Karakaya, 2000).

Information Policy

Next, I asked the managers how they informed their employees, (service) partners and, most importantly, their customers about the termination (Burgelman, 1994; Halinen & Tähtinen, 2002). The information policy in *cases one* and *two* is characterized by the information to the partners. Here, a whole multi-vendor program was shut down and the remaining partners had to be informed about the contract termination. Informing the partners was a top-management priority in both cases and was carried out personally. In nearly all cases, the employees were informed in meetings and via e-mail. A prescribed terminology was created with which the call center and the front-desk employees answered questions about the loyalty program's termination.

In *cases one* and *two*, customers were informed via mail and websites. The mailing was a regular one, informing the recipients of their current number of loyalty points. The managers who were interviewed emphasized that the communication was silent and no more information than necessary was given. The procedure was similar in *cases four* and *five*. In contrast, in *case three* the manager interviewed reported that the information was not silent, as customers were told why the multi-vendor program had been shut down. In addition to press releases, in *case two* a print campaign was pursued in newspapers to inform the public about the termination.

To sum up: in each case, customers were adequately informed from the management's point of view. According to the expert interviewed, the information policy has to be aligned with the corporate communication strategy.

Reactions

The reactions of the different stakeholders are the next focal topic in the termination process (Messner & Reinhard, 2012). As I have explained, the reason why the multi-vendor program in *case one* was dissolved, was the exit of important partners. The remaining partners in the program reacted mostly negatively and with frustration. The consequence was that they also left the program or had their contracts terminated by the operating company. However, reactions thereafter were mixed. Some partners were even relieved that the program had been stopped. The mixed reactions of the partners could also be seen in the other cases: some partners regretted the decision, but mostly there was understanding of the economic arguments.

Furthermore, the employees' reactions in *cases one* and *two* were mixed: The employees who were directly involved with the program regretted the decision. Some reacted negatively, were shocked; others reacted more indifferently. Overall, they quickly found new work.

It is the customers' reactions that are the most interesting. In all cases, the managers interviewed reported that the reactions were less negative than expected. However, the managers admitted that the degree of regret and pity arising from customers was not so high as to warrant top-management priority. Thus, there could have been negative reactions, but these were not forwarded to top-management. According to them, customers reacted very indifferently – only a few complained or were confused after the program termination. The customers' questions dealt mainly with the remaining points. In *case five*, the manager interviewed explicitly stated that there was no loss in revenue due to the termination. However, the managers admitted that reactions would be very different a few years later with regard to customers' social media activity (Hennig-Thurau et al., 2010).

The expert interviewed confirmed the indifferent reactions, as an unsuccessful loyalty program can reason this: The program is not very attractive for the customers;

they do not make use of the program. Thus, the program is terminated and reactions are indifferent as the customers have hardly been aware of it.

Time Period After The Termination

The final category captures the aftermath stage: what happens after the termination (Halinen & Tähtinen, 2002)? It is surprising that many of the partners, who left a multi-vendor program, as in *cases one to four*, founded their own stand-alone programs or joined a different multi-vendor program. The companies did not want to miss out on the benefits of a loyalty program in the form of personalized marketing (Dorotic, Bijmolt, & Verhoef, 2012). With improved organization the earlier mentioned obstacles, such as the lack of cross-usage, high financial liabilities, or a missing strategic fit, can be removed. In *case two*, the management of the operating company gave special help to the remaining partners to install new stand-alone programs by offering them customer data while the old program was still existent. Thus, the partners could actively approach the customers and enlist them in their new program. Only in *case five* did the focal company not directly start or adopt a new program. During the time of the interview, the marketing department was focusing on sponsoring activities, regional events and was considering a digital loyalty program. Other remaining companies or those who had withdrawn were concentrating more on their service quality. Interestingly, the operating company in *case one* tried to sell the remaining data, but could not find a buyer. However, only a small amount of remaining points was redeemed in the end and so the operating company of the now terminated multi-vendor program retained a profit.

Overall, it is surprising that the focal companies stopped or withdrew from a loyalty program, but in nearly all cases they started new ones. This shows that management was generally convinced of this relationship-focused marketing tool, but that the direct operationalization was not functioning and they needed to find a new approach.

Discussion

To summarize the analysis of the different cases, one can say that the antecedents to the terminations were mostly an unfavorable cost-benefit relationship based on diminishing customer interest, and unsuccessful cooperation (Green, Welsh, & Dehler, 2003). Especially in the case of a multi-vendor program, partner management is a crucial aspect. Stopping a multi-vendor program demands more effort on the organizational side than withdrawing from a multi-vendor program or discontinuing a stand-alone program. In *cases one and two*, project groups were set up to carry out the dissolution (Balachandra, Brockhoff, & Pearson, 1996). This additional effort is in line with research on organizational delays in exit decisions: multiple stakeholders incur problems with joint-decision making, and the separation of ownership and control is associated with a significantly delayed exit (Elfenbein & Knott, 2015).

The policy of allowing continued redemption was established by the general terms and conditions. A point validity of three years was a common strategy. This is a type of

“trap door” that the companies had integrated in their program. However, no manager disclosed that they had intended an exit strategy while implementing the program (Ferguson, 2007). Members were given time to redeem their remaining loyalty points, which is recommended by business reports. The remaining loyalty points were calculated in favor of the members, however they were not granted any extra generosity (Ferguson, 2007).

The “phase out slowly” exit strategy was applied in nearly all cases, which is in line with research on product eliminations (Avlonitis, 1983). By slowly exiting, companies underline that they do not want to lose its customer but just abandon a marketing tool. Only in *case five* the program was phased out immediately. The difference in these cases is that *case five* is the only one with a stand-alone program and the company offered it as part of a promotion in a defined time slot. A more simply designed program is therefore easier to end.

If these business strategies are compared to the exit strategies explained in literature on personal relationships, it can be said that exiting a loyalty program is a “fait accompli” – a direct, unilateral disengagement strategy on the part of the company offering the program (Alajoutsijärvi, Möller, & Tähtinen, 2000; Baxter, 1985; Giller & Matear, 2001; Pressey & Mathews, 2003). Furthermore, the results on hand are in line with the study on inter-firm relationships by Giller and Matear (2001). Here, all illustrated cases involved a direct, unilateral termination strategy as well.

In four out of the five cases, customers were informed neutrally and in silent fashion. In only one case, the company explained explicitly in the communication strategy why the program was to be shut down. The consequences of the loyalty program termination were, from the managements’ point of view, not particularly negative. According to them, customers reacted indifferently or with little pity. In contrast to the literature on post-termination responses in brand relationships (Odekerken-Schröder, Hennig-Thurau, & Knaevelsrud, 2010) and strategic exits from sponsoring (Messner & Reinhard, 2012), this is astonishing. Surprisingly, in nearly all cases the companies established a new program after leaving the old loyalty program.

Although this study provides important insights into how to exit a loyalty program, it has some limitations. It is the first qualitative analysis to uncover a new phenomenon (Matthyssens & Pauwels, 2000). A qualitative study can only give hints on contents, but cannot quantify the results. Further research should analyze the termination process in a quantitative way, such as a Bayesian learning model that captures the strategic decision of a company, whether to stay with its loyalty program or to exit from this type of strategy (Dixit & Chintagunta, 2007). However, longer term panel data sets with information on starting and terminating a loyalty program (Gaba & Terlaak, 2013; Van Kranenburg, Palm, & Pfann, 2002) are not yet available as examples of loyalty program terminations have only recently emerged.

Moreover, the sample of five anonymous cases is limited in its implications (Nunes & Dréze, 2006). I only talked to a maximum of five people in one case and so a holistic

view of each case and deep insights into the company are constrained. Limited data bases are a common phenomenon in studies on exits, as this is a topic with negative connotations and one that requires confidential treatment (Helm, Rolfes, & Günter, 2006). Based on the limited case number, only two different exit strategies are identified. In comparison to other research on relationship ending, this yields little variance (DeTienne, McKelvie, & Chandler, 2015; Michalski, 2004).

As mentioned in the literature review, research on exit decisions is structured by antecedents, processes and consequences. This study covers the antecedents and processes of a loyalty program termination, but I only asked about the consequences regarding stakeholder reactions based on the management perspective. Further studies should focus on detailed customer reactions (Dorotic, Bijmolt, & Verhoef, 2012). Melnyk and Bijmolt (2015) ask in a hypothetical manner how customers would react to a loyalty program termination. However, different methodological designs such as real data analysis or scenario-based experiments are needed. Furthermore, the way in which customers are informed of the termination (Messner & Reinhard, 2012; Wagner, Hennig-Thurau, & Rudolph, 2009) and whether they receive compensation (Melnyk & Bijmolt, 2015; Roschk & Gelbrich, 2014; Wagner, Hennig-Thurau, & Rudolph, 2009) for losing the loyalty program are factors that may affect their reactions.

Companies that shut down their programs state that they are pursuing an everyday low price strategy instead of offering a loyalty program (Monroe, 1979; Rosenthal, 2013; Safeway, 2015; Vizard, 2014; Waterhouse, 2013). Thus, the impact of those different strategical approaches on customer behavior and revenue margin provide opportunities for further research: Is it worth focusing on few customers with high customer value or should every customer receive loyalty benefits?

Analyzing the exit strategy of loyalty programs is important from both a managerial and a theoretical angle. Marketing managers are often faced with strategic questions, the answers of which will have a long-term impact on the focal company. In the case of loyalty programs, this research can give hints as to why and how a loyalty program should be terminated. This study depicts that the exit strategy “phase out slowly” is the most common and publicly accepted one. The empirical results show that the process can be structured by the terms and conditions and that the impact of the termination on consumer behavior is not significantly negative. Thus, managers do not have to dread the termination of their loyalty program as far as their customers’ reactions are concerned. Yet the case may be different today, as social media enables faster and uncontrollable communication (Hennig-Thurau et al., 2010). Customers who have not been adequately informed of or reacted negatively to the termination may spread their resentment and thus harm other existing relationships (Tähtinen & Havila, 2004).

As the marketing managers mentioned in the interviews, the market for loyalty programs will change in the future: They propose a stronger focus of multi-vendor loyalty programs and a redesign towards digital loyalty programs. Today’s marketing managers have to be prepared for changes to their programs. I hope that this study will help them to draw the right conclusions.

Current literature on customer relationships normally focuses on the existing relationship and demonstrates how to shape this relationship, e.g. via the design of the loyalty rewards (Zhang & Breugelmans, 2012). The theoretical impact of this research question is the evaluation of the strategic decision to terminate a loyalty program from the company's point of view. By analyzing manager interviews on a loyalty program termination, the study reveals important insights into company-level information, which are rarely identified in research on relationship ending (Tähtinen & Havila, 2004). This study contributes to literature by analyzing the terminations' antecedents, and describing and identifying different dissolution processes (Matthyssens & Pauwels, 2000; Michalski, 2004). This is especially interesting since a loyalty program is a marketing tool whose aim is to build a long-term relationship. Investigating its dissolution will make a strong theoretical contribution to relationship marketing (Morgan & Hunt, 1994) and the general discussion on the effectiveness of loyalty programs (Shugan, 2005).

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Appendix

Code System

Code	Subcodes	Case	Description	#
				402
		Time Period Before The Termination	What happened before the termination? What was the situation? What marked the success or the failure of the loyalty program (LP)?	
	Successful LP		Indicators of the former success of the LP	
		Stopping a MVLP	Case 1	3
			Case 3	3
	Conducted Investments		Investments in the LP before the exit	
		Stopping a MVLP	Case 2	4
			Case 3	4
	Ineffective Design		The design of the former LP is not adequate to be a successful LP	
		Stopping a MVLP	Case 1	7
			Case 2	3
		Withdrawal from a MVLP	Case 1	3
			Case 4	2
		Stopping a SAP	Case 5	2
	Strategic Alignment		How does the LP fit the general company strategy?	
		Stopping a MVLP	Case 1	3
		Withdrawal from a MVLP	Case 1	2
		Stopping a SAP	Case 5	2
	Competitive Situation		Describes the competitive situation of the LP before the exit	
		Stopping a MVLP	Case 1	7
			Case 2	4
	Partner Management		Difficulties in attracting new partners and retaining old ones	
		Stopping a MVLP	Case 1	8
			Case 2	8
			Case 3	5
	MVLP as SAP		The MVLP is only used as an SAP; No cross usage	
		Stopping a MVLP	Case 1	2
			Case 2	1
		Withdrawal from a MVLP	Case 1	2
	Exit Partner		Partner of the MVLP exited the program	
		Stopping a MVLP	Case 3	1
	Cannibalization		Cannibalization with other LP	
		Withdrawal from a MVLP	Case 4	1
	Internal Acceptance		The LP is not accepted by the management and other internal stakeholders	
		Stopping a MVLP	Case 1	6
			Case 2	9
		Withdrawal from a MVLP	Case 1	4

	Stopping a SAP	Case 5	5
Little Activity		Customers do not use the LP	
	Stopping a MVLP	Case 1	1
		Case 3	3
	Withdrawal from a MVLP	Case 1	2
		Case 4	1
Revenue		Revenue of the LP before the exit	
	Stopping a MVLP	Case 2	1
		Case 3	1
	Withdrawal from a MVLP	Case 1	4
		Case 4	1
New Investments		New Investments, which have to be done with the LP	
	Stopping a MVLP	Case 2	6
Exit Decision		What prompted the exit decision? What are the exact reasons? Who decided the exit? How was the exit accepted internally?	
Scenario Analysis		Evaluation of different scenarios to not terminate the LP	
	Stopping a MVLP	Case 1	3
Management Acceptance		Internal queries about the termination; which roles did different managers play?	
	General		1
	Stopping a MVLP	Case 1	1
		Case 2	4
		Case 3	1
	Withdrawal from a MVLP	Case 1	1
	Stopping a SAP	Case 5	4
Who decided?		Who made the decision to terminate the LP?	
	General		1
	Stopping a MVLP	Case 1	1
		Case 2	6
	Stopping a SAP	Case 5	2
Time to Decision		How long was the time from the first indication of an unsuccessful LP to the final decision to terminate it?	
	Stopping a MVLP	Case 1	6
		Case 2	4
		Case 3	2
	Withdrawal from a MVLP	Case 1	4
		Case 4	1
Reasons for Exit		Reasons why the LP is terminated	
	General		3
	Stopping a MVLP	Case 1	11
		Case 2	4
		Case 3	1
	Withdrawal from a MVLP	Case 1	8
		Case 4	1

		Stopping a SAP	Case 5	1
Dissolution Process			How was the LP termination conducted?	
	External Help		Was the exit process accompanied by external help (consulting etc.)?	
		Stopping a MVLP	Case 1	1
			Case 2	3
		Withdrawal from a MVLP	Case 1	2
	Legal Issues		How was the dissolution legally performed?	
		General		2
		Stopping a MVLP	Case 1	4
			Case 2	3
		Withdrawal from a MVLP	Case 1	6
		Stopping a SAP	Case 5	2
	Loyalty Points		How was the redemption of the remaining loyalty points organized?	
		General		1
		Stopping a MVLP	Case 1	4
			Case 2	2
			Case 3	1
		Withdrawal from a MVLP	Case 1	3
			Case 4	1
		Stopping a SAP	Case 5	2
	Infrastructure after Termination		Service Provider, Organization after the dissolution	
		Stopping a MVLP	Case 1	7
			Case 2	7
		Withdrawal from a MVLP	Case 1	5
Information Policy			How were stakeholders informed?	
	Partners		How were partner companies informed about the termination?	
		Stopping a MVLP	Case 1	3
			Case 2	7
	Service Partners		How were service providers informed about the termination?	
		Stopping a MVLP	Case 2	1
		Withdrawal from a MVLP	Case 1	1
			Case 4	1
	Employees		How were the employees informed about the termination?	
		Stopping a MVLP	Case 2	5
		Withdrawal from a MVLP	Case 4	1
	Prescribed Terminology		A prescribed terminology was provided for the call center and the service encounters	
		General		1
		Stopping a MVLP	Case 1	1
			Case 2	3
		Withdrawal from a MVLP	Case 1	1
		Stopping a SAP	Case 5	1
	Public		How were the public/customers informed?	

	General			3
	Stopping a MVLP	Case 1		3
		Case 2		9
		Case 3		3
	Withdrawal from a MVLP	Case 1		9
		Case 4		2
	Stopping a SAP	Case 5		3
	Strategic Alignment	Communication strategy has to fit the corporate strategy		
	General			2
Reactions		How did stakeholders react towards the termination?		
	Partners	Reactions of the partner companies to the exit of LP		
	Stopping a MVLP	Case 1		5
		Case 2		3
		Case 3		2
	Withdrawal from a MVLP	Case 1		5
	Stopping a SAP	Case 5		2
	Employees	Reactions of the employees after the exit decision		
	Stopping a MVLP	Case 2		5
	Withdrawal from a MVLP	Case 1		2
	Customers	Customers' reactions after the termination		
	General			3
	Stopping a MVLP	Case 1		5
		Case 2		7
		Case 3		2
	Withdrawal from a MVLP	Case 1		11
		Case 4		1
	Stopping a SAP	Case 5		5
Time Period After The Termination		What happened after the termination? How were marketing resources invested?		
	New SAP	Former partners introduced a new SAP after the termination		
	Stopping a MVLP	Case 2		8
		Case 3		2
	Withdrawal from a MVLP	Case 1		6
		Case 4		3
	New MVLP	Former partners joined a new MVLP		
	Stopping a MVLP	Case 2		1
	Withdrawal from a MVLP	Case 1		2
		Case 4		1
	Data	How did the company deal with the remaining customer data?		
	Stopping a MVLP	Case 1		1
	Withdrawal from a MVLP	Case 1		1
		Case 4		1
	Revenue	Revenue situation after the termination		
	Stopping a MVLP	Case 1		1

	Service Quality	Investment in service quality rather than in new programs	
	Stopping a MVLP	Case 2	2
	Withdrawal from a MVLP	Case 1	2
	Digital LP	New LP with a digital solution	
	Stopping a SAP	Case 5	3
	Regional	Regional events instead of a LP	
	Stopping a SAP	Case 5	1
	Sponsoring	Marketing budget is invested in sponsoring activities	
	Stopping a SAP	Case 5	1