

SECURING BUSINESS-TO-BUSINESS RELATIONSHIPS: THE IMPACT OF SWITCHING COSTS

Paper Research by: Blut M, Evanschitzky H, Backhaus C, Rudd J, Marck M. (2015). Industrial Marketing Management. UK.

- **Uncertainty and Risk Costs** associated to the use of new Product
- **Search Costs**
- **Cognitive Costs:** Acquisition of new skills
- **Set up Costs**

Procedure Switching Costs



- **Sunk Costs:** Monetary losses such as fees to break contracts or fees to adopt new brand provider
- **Lost Performance Costs:** Lost benefits or privileges such as loss of reward points, special status, etc.

Financial Switching Costs



- **Brand Relationship Loss Costs:** losses associated to cross-selling and losses of power strong brands.
- **Personal Relationship Costs:** Loss of your service representatives, quit social bonds

Relational Switching Costs

