

**EXPERIENCE WITHOUT CHOICE: RETHINKING CUSTOMER SATISFACTION
IN NON-COMPETITIVE SERVICE ENVIRONMENTS****Djazabel Petrov**

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<https://orcid.org/0009-0004-7455-0360>**ABSTRACT**

Customer experience research has traditionally focused on competitive markets in which consumers can choose among alternative providers. Yet many essential services operate in contexts where switching is constrained or impossible, including public administration, regulated utilities, mandatory healthcare systems, and dominant digital platforms. In such environments, dissatisfaction does not lead to exit, challenging the foundations of prevailing satisfaction–loyalty models. This paper develops a theory-building framework, grounded in a pilot qualitative study, to explain how satisfaction emerges when customers cannot realistically change providers. Drawing on customer experience theory, institutional trust literature, procedural justice research, behavioral economics, reactance theory, and Hirschman’s exit–voice framework, the study introduces the concept of Experience Without Choice (EWC). The paper argues that satisfaction in these settings depends primarily on perceived fairness, transparency, predictability, and institutional trust, though psychological reactance may counteract these effects when legitimacy is low. A conceptual model and testable hypotheses are presented, informed by pilot findings. By reframing customer experience beyond competitive exchange, the study contributes to marketing, service management, and public administration research.

Keywords:

customer experience, customer satisfaction, public services, monopolies, institutional trust, procedural justice, digital platforms

1. INTRODUCTION

Customer experience (CX) has become a central construct in contemporary marketing and service research. Extensive evidence shows that positive experiences increase satisfaction, loyalty, and long-term engagement (Lemon & Verhoef, 2016). However, most of this literature assumes competitive markets in which customers can switch providers when dissatisfied.

In many real-world contexts, this assumption does not hold. Citizens cannot choose their tax authority, immigration office, or licensing agency. Utility providers often operate as natural monopolies. Patients in public healthcare systems may be assigned to specific providers. Even in digital markets, dominant platforms can limit meaningful alternatives through network effects and data lock-in, creating *de facto* non-competitive conditions despite formal market plurality (Kenney & Zysman, 2019).

This situation raises a fundamental question: *How does customer satisfaction form when consumers cannot realistically switch providers?*

Existing CX models offer limited insight because they are grounded in voluntary exchange relationships. For example, consistency across service channels can build trust in competitive digital retail settings (e.g., Jarrar, 2026), yet the relevance of such mechanisms in mandatory or monopolistic contexts remains unclear. This paper argues that non-competitive environments represent a qualitatively different domain of customer experience requiring distinct theoretical assumptions. It introduces the concept of **Experience Without Choice (EWC)** to describe service interactions in which customers have no meaningful exit option.

To build and ground this framework, we conducted a pilot qualitative study with individuals who regularly interact with EWC services. Their insights informed the development of our theoretical model and hypotheses. The paper proceeds as follows: after reviewing relevant literature and outlining our methodology, we present the EWC construct, propose a conceptual model with testable hypotheses, and discuss boundary conditions. We conclude with theoretical contributions, managerial implications, and a detailed empirical agenda.

2. METHODOLOGY: A THEORY-BUILDING APPROACH WITH A PILOT STUDY

Given the nascent nature of the EWC construct and the absence of an integrated framework spanning marketing, public administration, and platform studies, we employed a **theory-building approach** (MacInnis, 2011; Yadav, 2010) that combined systematic literature review with a pilot qualitative study. The process involved four stages:

1. **Systematic problematization** – We identified the implicit assumption of customer choice in dominant CX frameworks (Alvesson & Sandberg, 2011) and delineated contexts where this assumption fails.
2. **Integrative synthesis** – We reviewed literature from five distinct streams: customer experience management, service quality, institutional trust, procedural justice, and behavioral economics. Each stream was examined for its explanatory power in low-choice settings.
3. **Pilot qualitative study** – To ground the conceptual development in real-world experiences, we conducted semi-structured interviews with 14 individuals across two EWC contexts: a mandatory public service (tax administration, immigration) and a dominant digital platform (social media). Participants were recruited through professional networks and screened for at least two years of interaction with the focal service. Interviews lasted 35–55 minutes, were transcribed, and analyzed using template analysis (King, 2004) with a priori themes from the literature and emergent codes.
4. **Construct elaboration** – Through iterative analysis of the pilot data and illustrative cases, we refined the EWC construct, developed its dimensions, and mapped relationships into a testable model.

This multi-method approach ensures that the resulting framework is both grounded in existing theory and informed by preliminary empirical insights.

3. LIMITATIONS OF TRADITIONAL CUSTOMER EXPERIENCE MODELS

Classical CX frameworks link satisfaction to behavioral outcomes such as repurchase and loyalty (Verhoef et al., 2009). These relationships depend on the availability of alternatives. When switching is not feasible, continued usage no longer signals preference but necessity. Service quality research similarly assumes that competition disciplines providers and motivates improvement (Parasuraman et al., 1988). In monopolistic or mandatory contexts, such incentives may be weak or absent.

Digital platform dominance further complicates this assumption. Users may technically have alternatives, yet switching can be impractical due to ecosystem dependence or loss of accumulated data and social connections. These conditions create environments that function as non-competitive despite formal market plurality. Moreover, the distinction between **de jure EWC** (legal or regulatory monopoly, e.g., tax authority) and **de facto EWC** (economic or technological lock-in, e.g., dominant social media platform) is critical: the former involves obligatory participation, the latter involves voluntary entry with high exit costs. Both constrain choice but may trigger different psychological responses.

4. THEORETICAL FOUNDATIONS**4.1 Exit, Voice, and Loyalty**

Hirschman (1970) proposed that dissatisfied individuals respond through exit, voice, or loyalty. In EWC contexts, exit is constrained, making voice and passive acceptance the primary responses. Satisfaction may therefore depend less on outcomes and more on perceived fairness and responsiveness.

4.2 Procedural Justice

Procedural justice research demonstrates that people evaluate not only outcomes but also the fairness of decision processes (Thibaut & Walker, 1975). Individuals are more likely to accept unfavorable results when procedures are transparent and respectful (Tyler, 1990).

4.3 Institutional Trust

In non-competitive environments, trust shifts from individual service encounters to the institution itself. Institutional trust reflects confidence in competence, integrity, and legitimacy (Mayer et al., 1995). Consistent service delivery can strengthen such trust by signaling reliability.

4.4 Psychological Reactance

An important counterforce to adaptation is psychological reactance (Brehm, 1966). When individuals perceive that their freedom to choose is eliminated or threatened, they experience motivational arousal to restore that freedom. In EWC contexts, reactance may lead to negative satisfaction, resistance, or active voice behaviors, especially when the restricting entity is perceived as illegitimate. Thus, whether customers adapt or react depends critically on perceived legitimacy and the justification for the lack of choice.

4.5 Behavioral Adaptation

When change is not possible, individuals often adjust expectations downward to reduce cognitive dissonance. This adaptation can produce moderate satisfaction even when objective performance is limited (Festinger, 1957).

4.6 Public Service Logic

Public administration research emphasizes legitimacy, accountability, and responsiveness rather than market competition (Osborne et al., 2013). Citizen satisfaction depends heavily on transparency and fairness.

5. PILOT STUDY: PRELIMINARY EMPIRICAL INSIGHTS

To ensure our conceptual framework reflects lived experiences, we conducted a pilot qualitative study. Below we summarize the design and key findings that informed model development.

5.1 Sample and Procedure

Fourteen participants (eight female, six male; ages 24–61) were recruited via professional networks. Seven had extensive experience with a **mandatory public service** (tax filing or immigration processing); seven were active users of a **dominant digital platform** (Facebook or Instagram) for at least three years. Semi-structured interviews explored perceptions of choice, satisfaction, fairness, trust, and reactions to service failures. Interviews were transcribed and analyzed using template analysis, combining a priori themes from the literature (e.g., fairness, trust) with emergent codes.

5.2 Key Findings

Choice constraint awareness. All participants acknowledged that they felt they had “no real choice” in the service. Public service users described it as “just something you have to do”; digital platform users cited network effects: “All my friends and family are there; leaving would mean losing my social life.”

Procedural fairness matters more than outcome. Even when outcomes were unfavorable (e.g., a tax audit or a platform ban), participants who described the process as transparent and respectful reported higher satisfaction. A tax filer noted: “I got audited, but the officer explained everything step by step and was polite. I was okay with it.” Conversely, a platform user who was banned without explanation said: “I had no idea why; it felt arbitrary and unfair.”

Institutional trust mediates. Participants who expressed trust in the overarching institution (e.g., the tax authority or the platform company) were more forgiving of individual failures. Trust often derived from perceived competence (“They usually get it right”) and integrity (“I believe they try to be fair”).

Legitimacy triggers adaptation or reactance. When participants viewed the lack of choice as legitimate (e.g., “Taxes are necessary for society”), they adapted and reported moderate satisfaction. When they saw the restriction as unjust (e.g., “The platform is a monopoly that exploits users”), they expressed reactance: anger, resistance, and vocal criticism, even when service quality was adequate.

Predictability reduces stress. Consistent procedures and clear timelines were mentioned repeatedly as factors that “make the experience tolerable” and “let you plan ahead.” Unpredictability, such as random service delays, was a major source of dissatisfaction.

5.3 Integration into the Theoretical Model

These pilot insights reinforced the relevance of procedural justice, institutional trust, and legitimacy as central to satisfaction in EWC contexts. They also validated the inclusion of reactance as a countervailing force. Accordingly, our conceptual model positions **perceived fairness** as a proximal antecedent of **institutional trust**, with **predictability** strengthening that relationship. **Legitimacy** moderates whether the absence of choice leads to **adaptation** (and thus satisfaction) or **reactance** (and dissatisfaction). The pilot findings also highlighted that the distinction between de jure and de facto EWC may affect legitimacy perceptions, a boundary condition we incorporate in the model.

6. CONCEPTUALIZING EXPERIENCE WITHOUT CHOICE

6.1 Definition

Experience Without Choice (EWC) refers to service interactions in which customers cannot realistically switch providers due to structural, legal, technological, or practical constraints. EWC exists on a continuum: at one end are pure monopolies with mandatory participation (e.g., tax collection); at the other end are markets with high switching costs but formal choice (e.g., mobile network operators). The explanatory power of the EWC framework increases as perceived freedom of choice decreases.

6.2 Distinction from Related Constructs

EWC differs from:

- **Switching barriers** (costly but possible exit)
- **Customer captivity** (dependence with potential alternatives)

- **Forced consumption** (lack of voluntary decision)
- **Limited competition** (few providers but real choice)

In EWC, alternatives are absent or not meaningfully available.

6.3 Table 1: *Competitive vs. EWC Contexts*

Dimension	Competitive Markets	Experience Without Choice
Switching ability	High	Minimal or none
Meaning of continued use	Preference	Necessity
Evaluation focus	Outcomes	Processes
Role of price	Market-driven	Often regulated
Institutional authority	Low (private firms)	High in de jure EWC; variable in de facto EWC
Primary psychological response	Satisfaction → loyalty	Adaptation or reactance depending on legitimacy

7. DRIVERS OF SATISFACTION IN EWC

In non-competitive environments, customers evaluate services primarily through process-related criteria rather than outcome optimization. However, the effects are moderated by the perceived legitimacy of the restricting institution and by the presence of reactance.

7.1 Procedural Transparency

Clear rules reduce uncertainty and perceived arbitrariness, thereby enhancing fairness perceptions.

7.2 Perceived Fairness

Equal treatment increases acceptance of outcomes, even when outcomes are unfavorable.

7.3 Predictability

Reliable timelines and consistent procedures enable planning and reduce stress, strengthening the fairness–trust link.

7.4 Institutional Trust

Confidence in competence and integrity becomes central, serving as the primary mediator between process evaluations and satisfaction.

7.5 Psychological Adaptation vs. Reactance

When legitimacy is high, customers adapt expectations and may report moderate satisfaction despite constraints. When legitimacy is low, reactance prevails, amplifying negative responses to service shortcomings.

7.6 Table 2: *Determinants of Satisfaction in EWC*

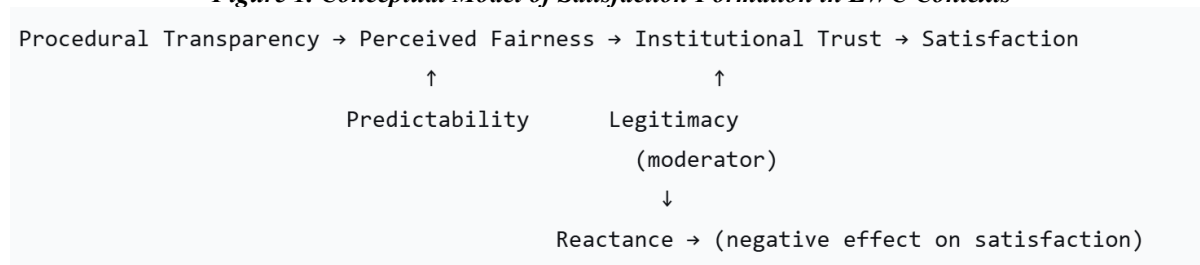
Construct	Theoretical Basis	Expected Influence
Procedural transparency	Procedural justice	Positive
Perceived fairness	Equity theory	Positive
Predictability	Uncertainty reduction	Moderating (strengthens fairness→trust)
Institutional trust	Trust theory	Strong positive (mediating)

Construct	Theoretical Basis	Expected Influence
Legitimacy	Institutional theory	Moderating (affects adaptation vs. reactance)
Psychological reactance	Reactance theory	Negative (when legitimacy low)

8. CONCEPTUAL MODEL

The proposed model (Figure 1) integrates these relationships. Unlike traditional CX frameworks focused on competitive outcomes, this model emphasizes process-based evaluations leading to institutional trust as the primary mediator of satisfaction. Predictability strengthens the fairness–trust relationship, and legitimacy determines whether customers adapt or experience reactance, which in turn moderates the trust–satisfaction link.

Figure 1. Conceptual Model of Satisfaction Formation in EWC Contexts



9. RESEARCH HYPOTHESES

Based on the theoretical synthesis and pilot study insights, we propose the following testable hypotheses:

H1: Procedural transparency positively influences perceived fairness in EWC contexts.

H2: Perceived fairness positively affects institutional trust.

H3: Institutional trust is positively associated with customer satisfaction when switching is not feasible, and this relationship mediates the effects of perceived fairness on satisfaction.

H4: Predictability positively moderates the relationship between perceived fairness and institutional trust, such that the positive effect of fairness on trust is stronger when predictability is high.

H5a: Legitimacy moderates the relationship between institutional trust and satisfaction: when legitimacy is high, the positive effect of trust on satisfaction is strengthened.

H5b: Legitimacy moderates the direct effect of the lack of choice on reactance: when legitimacy is low, the absence of choice elicits stronger psychological reactance, which negatively affects satisfaction.

10. BOUNDARY CONDITIONS

The framework applies primarily to services characterized by:

- Legal or structural monopoly
- Mandatory participation
- High switching costs with no practical alternatives
- Strong institutional authority (in de jure EWC) or network-effect lock-in (in de facto EWC)

10.1 Applicability to Partially Competitive Environments

Some services fall between competitive and non-competitive conditions. Examples include regulated utilities with regional providers or digital platforms with strong network effects. In such contexts, alternatives may exist formally but remain impractical. EWC is best understood as a continuum: its relevance increases as perceived freedom of choice decreases.

10.2 De Jure vs. De Facto EWC

We distinguish two archetypes:

- **De jure EWC:** Legally mandated services (e.g., tax authorities, immigration). Here, legitimacy is often based on legal authority; reactance may be tempered by civic duty.

- **De facto EWC:** Economically locked-in services (e.g., dominant digital platforms). Here, users voluntarily entered but face high exit costs; reactance may be stronger because the restriction of choice is perceived as a market failure rather than a legal necessity.

Pilot participants in de facto EWC contexts expressed more reactance and demanded “a real alternative,” supporting this distinction. Future research should test whether the model holds across both archetypes or requires separate specification.

11. ILLUSTRATIVE CONTEXTS

EWC conditions are common in:

- Tax and licensing agencies
- Public utilities (water, electricity)
- Immigration and border control systems
- Mandatory healthcare schemes (e.g., single-payer systems)
- Dominant digital platforms (social media, operating systems, cloud services)

These examples highlight the broad societal relevance of the concept.

12. PROPOSED EMPIRICAL AGENDA

To move the conceptual framework toward empirical validation, we recommend a multi-method research agenda.

12.1 Scale Development for EWC

A necessary first step is to develop and validate a measure of *perceived freedom of choice* that captures the continuum nature of EWC. This scale should distinguish between:

- Structural constraints (e.g., “There is no other provider I can use”)
- Practical constraints (e.g., “Switching would be too costly or complicated”)
- Perceived legitimacy (e.g., “The restriction on choice is justified”)

12.2 Quantitative Testing

- **Experimental vignettes:** Manipulate choice (present vs. absent) and legitimacy (high vs. low) to test causal effects on satisfaction, trust, and reactance.
- **Survey studies:** Collect data from users of public services (e.g., DMV, tax filers) and digital platforms (e.g., social media users) to test the full model using structural equation modeling.
- **Multi-group analysis:** Compare de jure EWC contexts (e.g., tax authorities) with de facto EWC contexts (e.g., dominant digital platforms) to assess model invariance.

12.3 Qualitative Comparative Analysis (QCA)

Given the complexity of EWC contexts, fuzzy-set QCA can identify necessary and sufficient combinations of transparency, fairness, trust, and legitimacy that lead to high satisfaction. This approach is particularly suited for boundary condition exploration.

12.4 Longitudinal Designs

Satisfaction in EWC contexts may evolve over time as adaptation occurs. Longitudinal studies tracking customers before, during, and after critical service encounters (e.g., immigration processing) can capture dynamic changes in trust and reactance.

13. THEORETICAL CONTRIBUTIONS

This study contributes to marketing, service management, and public administration scholarship in five ways:

1. **Challenging the choice assumption** – It critiques and extends the dominant CX paradigm by demonstrating that satisfaction can form and persist even when exit is impossible, thereby broadening the scope of customer experience theory.
2. **Integrating cross-disciplinary insights** – By synthesizing procedural justice, institutional trust, reactance theory, and behavioral adaptation, the framework offers a more complete explanation of satisfaction under constraint than any single literature alone.
3. **Introducing the EWC construct** – The paper provides a clear definition, distinguishes EWC from related concepts, and specifies its dimensional structure, enabling future empirical operationalization.
4. **Providing preliminary empirical grounding** – The pilot study offers initial evidence that the core mechanisms (fairness, trust, legitimacy, reactance) resonate with real-world experiences, strengthening the credibility of the framework.

5. **Proposing a testable model** – The hypotheses and empirical agenda provide a roadmap for scholars to validate and refine the framework across diverse contexts.

14. MANAGERIAL IMPLICATIONS

Organizations operating without competitive pressure should prioritize procedural quality over outcome differentiation. Transparent rules, consistent timelines, respectful treatment, and clear communication strengthen institutional trust, which substitutes for market-based discipline. Moreover, managers must recognize that legitimacy matters: when customers perceive that the lack of choice is unjustified, reactance may undermine even well-designed processes. For digital platforms facing antitrust scrutiny, proactively communicating the value of ecosystem integration and offering realistic portability options may mitigate reactance and preserve satisfaction.

15. CONCLUSION

A substantial portion of service interactions occurs in environments where customers lack meaningful choice. Traditional CX models offer limited explanatory power in such contexts. This paper develops a theory of Experience Without Choice, informed by a pilot qualitative study, emphasizing fairness, transparency, predictability, and institutional trust as key drivers of satisfaction, while acknowledging that reactance can derail satisfaction when legitimacy is absent. By providing a conceptual model, testable hypotheses, and a detailed empirical agenda, we invite future research to validate and extend this framework across sectors and cultures. Understanding how satisfaction is built without the discipline of choice is not only academically important but also essential for designing fair and effective services in the public and digital spheres.

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