

## **Exploring the Customer Opinion on Brand Switching Factors**

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**Abstract:** *In India, the growth of the telecommunication sector can be attributed to the technological advancement, the policies of the government, the Digital India drive and the demographic dividend. With the launch of the Mobile number Portability (MNP), the customers are at ease to change their service providers while retaining the same number. The article attempts to understand the opinion of the customers of mobile service users on the factors influencing switching. The study tries to identify the dominant variables in each of the brand switching factors, examine the difference in the opinion of the customers on the brand switching factors, based on their gender and the inter correlation among the brand switching factors. A sample of 220 customers of mobile phone service providers were selected by convenience sampling. 200 questionnaires were complete and used for analysis. Suitable statistical tools were used to arrive at the findings and conclusions.*

**Key Words:** *Brand switching factors, MNP, mobile service providers, Telecommunication*

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### **I. Introduction**

The Indian telecom market has been consistently growing over the decades and has evolved as the second- largest telecom market with a subscriber base of 1.20 billion. The increased penetration of the mobile phone, the reducing cost, the increased number of internet users, the reforms for the telecom market, technology advancements, and Digital India drive of the Indian government has made the telecom market lucrative.

The Mobile number portability (MNP) allows a customer of a mobile service provider to switch to another service provider without changing his mobile number. This has made retention of customers a challenge for the service providers.

Switching behaviour of the customers means losing existing customers for the organisation, losing profits and market share, hence a matter of serious concern for the organisations. In a technology driven telecommunication sector with competitive call rates and MNP facility that is bound to frequent up gradation of technology and inventions, retaining customers has become a challenge. Switching behaviour among the customers of mobile service providers is high since TRAI permitted national MNP.

The telecommunication industry is experiencing an extensive competition and requires huge investment in technology and infrastructure, while doing so the service providers need to have adequate information on customer loyalty switching intentions of the customers. The study examines the respondents' opinion on the various brand switching factors.

### **II. Review of Literature**

Customer retention is considered to be more profitable than acquiring new customer. (Reichheld, 1996). (Lee, Lee & Feick, 2001) have quoted that in the marketing literature emphasis is on customer retention and protecting the existing customer base in a highly competitive business environment. (Haeckel, Carbone & Berry, 2003; Berry, Wall & Carbone, 2006) in their study have identified that Functional, Mechanical and human service element has an important role in memorable and positive service experience which would help in retaining customers. Deficiency in any of these elements would lead to switching.

Arvind Sahay and Nivedita Sharma (2010) studied the influence of the social groups like family and peers on the switching behaviour and found family to have a stronger influence than the peers. While analysing the effect of price, comparison on brand relationship, it was found that consumers compared prices irrespective of brand relationships. Pratompong Srinuan, Mohammad Tsani Anafari, Erik Bohlin, (2011), in their study on switching behavior of the Thai mobile subscribers found that age, government officer, self-employed, internet use, central region, and southern region, are significant in explaining the switching behavior. The study also shows that large mobile operators will gain than the smaller operators due to switching subscribers.

(Khan et al., 2010) have stated that mobile users shift from one cellular operator to another for better tariffs, plan or service or getting a new carrier. (Boohene & Agyapong, 2011) in their study attempted to understand the antecedents of customer loyalty in telecommunication and found that quality of service and company's image impacted the customer loyalty.

(Gumucio et al., 2012) have stated that network quality, service quality, behaviour of frontline and customer care staff, reasonable pricing, attractive value-added services and many more along with the determinants of customer switching which lead to dissatisfaction among customers. Chadha, Suresh K and Bhandari, Namita (2014), have identified the factors, the reasons for discontinuing the service of cellular operators, namely network, tariffs, technology, advertising and rewards programme. MNP allows the consumers to easily move among the service providers without the hassle of circulating the new number and also increases the competition in the telecom market. (Durukan, Bozacı & Dogan, 2011). MNP focuses on consumer welfare and bringing about healthy competition in the markets. In order to correct market imperfections and to make the economy more efficient, regulations like MNP is required (Durukan et al., 2011).

Oyeni, Omotayo Joseph - Abiodun, Abolaji Joachim (2010) in their research on switching cost and its relationships with customer retention, loyalty and satisfaction in the Nigerian telecommunication market found customer satisfaction to positively affect customer retention and switching cost to significantly affect the level of customer retention. Product usage and related level of satisfaction fail to explain the brand switching behaviour and product involvement was found to moderately impact readiness to switch (Paurav Shukla (2004)). Serkan Aydin, Gökhan Özer, Ömer Arasil, (2005) in their attempt to study the customer satisfaction and trust on and the direct and indirect effect of "switching cost" on customer loyalty, found that switching cost to directly affect loyalty. Moreover it was found that switching cost to have moderator effect on customer satisfaction and trust.

The reasons for a customer switching from one service provider to another would vary like better offers by competitors to customer dissatisfaction (Roos & Gustafsson, 2007). Satish M et al (2011) found that the call rates primarily influenced switching service provider and the other factors identified to influence switching are network coverage, customer care and value added service. The study also revealed that advertisement was the least in influencing the switching behaviour. Kaur, Gurjeet and Sambyal, Ritika (2016), observed that the consumer switching intentions were significantly influenced by service quality, relational quality, price, reputation and image, attitude towards switching, perceived ease of use and usefulness. Aslam, Wajeeha and Frooghi, Reema (2018), in their study on switching behavior among the young adults found pricing and core service failure to have a negative and insignificant impact on switching behavior. Inconvenience, service encounter failures is found to significantly affect switching behavior. Better technology or package was found to be a cause of switching network.

### **III. Research Methodology**

This study is descriptive research with sample of 220 respondents selected using convenience sampling. A structured questionnaire was developed and the respondents were asked to rate their opinion on a five point likert scale, ranging from 1-strongly disagree to 5-strongly agree. The questionnaire adopted the statements of Kaur, Gurjeet and Sambyal, Ritika (2016), used in their study generated from the sources below

- Awareness about Mobile number portability : Rousseau and Venter (1993)
- Satisfaction: Oliver (1980); Goodwin and Ross (1992)
- Trust : Larzelere and Huston (1980); Morgan and Hunt (1994)
- Pricing : Gerpott et al. (2001); Bansal et al. (2005)
- Switching costs: Burnham et al. (2003); Jones, Mothersbaugh, and Beatty (2002)

The questionnaire was constructed and the reliability of the data was checked by using cronbach alpha that yielded a reliability score of greater than 0.8. The data was collected by personal interview and 200 questionnaires were found to be complete in all aspects and useful for analysis. The data collected was analysed with the use of SPSS and the inferences drawn. The statistical tools used are, percentage analysis, 't' test, correlation and Friedman's test.

#### **Objectives**

- To identify the dominant variables in each of the factors influencing brand switching factors.
- To examine the difference among the male and female in their opinion on brand switching factors.
- To study the inter correlation among the brand switching factors.

### **IV. Analysis and Interpretation**

Among the total respondents, the majority of the respondents, 30.4 percent use the mobile service of Airtel, followed by 26.1 percent using Vodafone, 23.2 percent using JIO, 12.2 percent using BSNL and the rest 8.1 percent use other mobile services. The respondents were classified as below 20 years, 21-30 years, 31-40 years, 41-50 years and above 50 years on the basis of their age. Based on the gender of the respondents they were classified as male and female. The respondents were classified as schooling, diploma, undergraduate, post graduate and others based on their educational qualification. The respondents were classified as unmarried and married based on their marital status. The respondents were grouped as students, government employee, private

employee, business and housewife based on their occupation. The respondents were classified based on their profile and are presented in Table 1

**Table 1: Profile of the Respondents**

Sl.No	Profile variables	Percentage
1	<b>Age</b>	
	Below 20 years	13.5
	21-30years	31
	31-40 years	24.5
	41-50 years	20.5
	Above 50years	10.5
2	<b>Gender</b>	
	Male	54.5
	Female	45.5
3	<b>Educational qualification</b>	
	Schooling	12.5
	Diploma	17.5
	Under Graduate	32.5
	Post Graduate	26.5
	Others	11
4	<b>Marital Status</b>	
	Unmarried	42.5
	Married	57.5
5	<b>Occupation</b>	
	Student	25.5
	Govt Employee	13
	Private Employee	20.5
	Business	23.5
	House wife	17.5

Source: Primary Data

Among the 200 respondents, 31 percent of respondents belonged to the age group of 21 to 30 years, 54.5 percent of the respondents are male, 32.5 percent of the respondents are undergraduates, 57.5 percent of the respondents are married and 25.5 percent of the respondents are students.

**4.1 Factors influencing brand switching**

The factors considered for the study are Mobile number portability, Satisfaction, Trust, Price and switching cost. The variables were identified under each factors, the mean scores, standard deviation, mean rank, chi square value was calculated by administering Friedman's test.

**4.1.1 Awareness on Mobile Number Portability**

The variables of awareness on mobile number portability was listed and the mean score, standard deviation, mean rank and Chi-Square value are calculated and presented in the Table2.

**Table 2: Dominant variables in Awareness on Mobile Number Portability**

Sl. No	Variables	Mean	Standard Deviation	Mean Rank	Chi-Square Value
1	Completely aware of MNP	2.05	1.15	2.28	219.896**
2	Know the costs and benefits of MNP	2.05	1.19	2.24	
3	Know the entire porting procedure	2.54	1.41	3.18	
4	MNP improves service quality	2.08	1.21	2.30	

Source: Primary Data \*\* significant at 1 percent

The most important variable on the factor awareness on mobile number portability is “Know the entire porting procedure” with mean score of 2.54, standard deviation of 1.41 and a mean rank of 3.18. The chi square value is significant at 1 percent, leading to the inference that there is a significant difference among the included variables in awareness on mobile number portability.

**4.1.2 Satisfaction**

The mean score, standard deviation, mean rank and chi- square value for the variables on satisfaction are presented in Table3

**Table 3: Dominant variables in Satisfaction**

Sl. No	Variables	Mean	Standard Deviation	Mean Rank	Chi-Square Value
1	The service provider ensures quality services at right time	1.89	1.02	3.52	285.205**
2	Overall the service response is good	1.65	0.77	2.86	
3	Satisfied with the service provider's existing schemes	1.99	1.09	3.80	
4	Satisfied with the way service provider handles the problems	2.18	1.07	4.36	
5	Satisfied with the availability of information about services, call rates, and processing fees	1.71	0.82	3.01	
6	The services satisfy your telecom needs	1.87	0.92	3.45	

Source: Primary Data \*\* significant at 1 percent

Among the statements of satisfaction, the most important statement is “satisfied with the way service provider handles the problem” with a mean score of 2.18, standard deviation of 1.07 and a mean rank of 4.36. The lesser mean is observed in the statement “overall the service response is good” with a mean of 1.65, standard deviation of 0.77 and mean rank of 2.86. The Chi-square value is significant at 1 percent and hence it is inferred that there is a significant difference among the included variables on satisfaction.

#### 4.1.3 Trust

The variables used to measure trust were included and the respondents were asked to rate their opinion on the various statements of trust. The mean score, standard deviation and mean rank were calculated and summarised in Table 4.

**Table 4: Dominant variables in Trust**

Sl. No	Variables	Mean	Standard Deviation	Mean Rank	Chi-Square Value
1	Trust your current service provider	2.19	1.13	4.18	279.971**
2	You feel a sense of loyalty towards your current service provider	2.19	1.13	4.18	
3	The performance of the current service provider always meets your expectations	1.73	0.89	2.84	
4	Service provider is honest and truthful	1.92	0.92	3.40	
5	Service provider treats you fairly and justly	1.85	1.02	3.19	
6	Service provider is sincere in the delivery of mobile services	1.85	0.87	3.22	

Source: Primary Data \*\* significant at 1 percent

The statements “trust your current service provider” and “you feel a sense of loyalty towards your current service provider” are the most important statements in trust with a mean score of 2.19 and standard deviation of 1.13 each. The chi-square value is significant at one percent, it is inferred that there is a significant difference among the included variables on trust.

#### 4.1.4 Price

The variables on price were listed and the mean scores, standard deviation, mean rank and chi square was calculated and is presented in the Table 5.

**Table 5: Dominant variables in Price**

Sl. No	Variables	Mean	Standard Deviation	Mean Rank	Chi-Square Value
1	The cost of services at your service provider is lower than the competitors	2.06	1.07	2.88	145.605**
2	Prices, tariffs, and conditions of your access are affordable or acceptable	1.92	0.94	2.63	
3	Your service provider does not make frequent changes in the local, STD, and ISD charges	1.58	0.93	1.94	
4	Prices for the mobile services are reasonable	1.88	0.72	2.56	

Source: Primary Data \*\* significant at 1 percent

“The cost of services at your service provider is lower than the competitors” is the most important statement on price with a mean score, standard deviation and mean rank of 2.06, 1.07 and 2.88 respectively. It is

inferred that there is a significant difference among the included variables in price since the chi square value is significant at 1 percent.

**4.1.5 Switching cost**

The variables in switching cost were listed and their mean score, standard deviation and mean rank were calculated and presented in the Table6.

**Table 6: Dominant variables in Switching Cost**

Sl. No	Variables	Mean	Standard Deviation	Mean Rank	Chi-Square Value
1	Switching to a new service provider involves a huge cost	1.70	0.77	3.70	233.642**
2	Services offered by other service providers would not match with your expectations	2.01	1.04	4.73	
3	It is difficult to compare other service providers	1.79	0.98	4.01	
4	Switching to a new service provider will probably involve hidden costs/charges	1.64	0.67	3.52	
5	Evaluating other service providers amounts to be a time consuming exercise	1.62	0.81	3.42	
6	It takes time to understand the steps of switching to a new service provide	1.97	0.88	4.61	
7	Lot of formalities involved in switching to a new service provider	1.79	0.86	4.01	

Source: Primary Data \*\* significant at 1 percent

“Services offered by other service providers would not match with your expectations” is the important statement on switching cost with a mean score of 2.01, standard deviation of 1.04 and mean rank of 4.73. The chi square value is found to be significant at one percent, hence it is inferred that there is a significant difference among the included variables on switching cost.

**4.2 Respondents’ opinion on switching factors**

The respondents were classified as male and female to examine the significant difference in their opinion on the brand switching factors. The mean scores of each of the factors were calculated and the ‘t’ test administered. The null hypothesis (H<sub>0</sub>) is framed as there is no significant difference between the gender and the respondents’ opinion on brand switching factors. The results are presented in Table 7.

**Table 7: Respondents opinion on switching factors**

	Switching factors	Mean Scores		t- statistics
		Male	Female	
1	Awareness on Mobile number portability	3.02	1.17	16.560**
2	Satisfaction	2.51	1.12	16.169**
3	Trust	2.59	1.19	14.782**
4	Price	2.40	1.21	13.288**
5	Switching cost	2.36	1.10	16.491**

Source: Primary Data \*\* significant at 1 percent

Among the male respondents it is observed that the highly viewed factor is the awareness on mobile number portability with a mean score of 3.02 followed by Trust with a mean score of 2.59 and followed by satisfaction with a mean score of 2.51. Among the female respondents, the highly viewed factor is Price with a mean score of 1.21, followed by Trust with a mean score of 1.19 and followed by the factor awareness on mobile number portability with a mean score of 1.17. A significant difference is observed between the male and the female with regard to their opinion on switching factors, since the t-statistics are significant at 1 percent. It is inferred that based on the gender of the respondents there exists a significant difference in their opinion on the switching factors.

**4.3 Inter-correlation between the switching factors**

The respondent’s opinion on one of the switching factors may be correlated with the other switching factors since they are interrelated. The intercorrelation among the five switching factors is examined by Karl Pearson correlation coefficient. The level of significance of the correlation coefficient is computed and the results are presented in Table 8

**Table 8: Inter correlation matrix among switching factors**

	Awareness on MNP	Satisfaction	Trust	Price	Switching Cost
Awareness on MNP	1	.973**	.977**	.956**	.956**
Satisfaction	.973**	1	.990**	.980**	.991**
Trust	.977**	.990**	1	.985**	.984**
Price	.956**	.980**	.985**	1	.979**
Switching Cost	.956**	.991**	.984**	.979**	1

\*\*Correlation is significant at the 0.01 level (2-tailed).

It is observed from the correlation matrix that all the switching factors are positively correlated leading to the inference that the respondents opinion on the switching factors are in the same direction. While establishing relationship among the five switching factors namely, awareness on mobile number portability, satisfaction, trust, price and switching cost, it is observed that the correlation coefficients are significant at 1 percent level. The study of the inter correlation matrix reveal that the five factors influence each other in a positive way.

## V. Findings

The variable “Know the entire porting procedure” is found to be the dominant variable in the factor Awareness on mobile number portability. “Satisfied with the way service provider handles the problem” is the variable found to be dominant in the factor Satisfaction. “Trust your current service provider” and “You feel a sense of loyalty towards your current service provider” are the two dominant variables in the factor Trust. “The cost of services at your service provider is lower than the competitors” is the dominant variable in Price. “Services offered by other service providers would not match with your expectations” is the dominant variable in the factor switching cost.

The customers’ opinion on the brand switching factors differs based on the gender of the respondent. The opinion of the male respondents, awareness on mobile number portability, trust and satisfaction are important. The opinion of the female customers, price, trust and awareness on mobile number portability are important.

The inter correlation matrix established among the five factors influencing switching has revealed a positive correlation with each other. This leads to the inference that all the five factors namely awareness on mobile number portability, satisfaction, trust, price and switching cost are interrelated and a change in one factor will lead to a change in another factor also.

## VI. Conclusion and Future direction for research

The findings reveal that the customers consider certain statements to be very important. The customers expect the service providers to handle problems satisfactorily. They view trust and loyalty towards the service provider to be important. The customers’ also consider the price that they pay to the service provider in comparison to that of the competitors and expect the services offered to match their expectations. The service providers will have to build their operation keeping in mind the expectations and try to meet them. Irrespective of Gender the customers view trust to be an important factor; therefore ever operator can devise strategies to build a trust among the customers. The study shows that the five factors awareness of MNP, satisfaction, trust, price and switching cost will have to be cautiously addressed by the service providers.

The study is limited to the five factors that influence brand switching. There are other factors like the network availability, service affordability, service quality; brand image etc can be included to study the switching behaviour of the customers. Further the brand switching behaviour among the customers of other products can be explored.

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