

# FACTORS INFLUENCING BRAND SWITCHING BEHAVIOUR OF TELECOM CUSTOMERS

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## Keywords:

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Behaviour.

## ABSTRACT

The factors behind brand switching behaviour of consumers depend on the nature of the business, but generally, poor service quality is a major culprit. The research attempts to identify the factors influencing brand switching behaviour of telecom customers. The data has been collected from 352 telecom service users in Kerala. Hence, it is concluded that there is influence of customer satisfaction, service quality, price and customer loyalty on brand switching behaviour. But, there is no influence of brand image and trust on brand switching behaviour. Service providers should shift focus on building brand image and analyze more carefully the reason for customers to switch brands in their industries in order to increase loyalty among these customers. The telecom companies improve the overall brand images of their companies to improve customer satisfaction and reduce consumer switching from one mobile network operator to another.

## INTRODUCTION

Brand switching behaviour is a concept that has received much attention in recent years owing to its potential to drain a company's profitability and overall performance. It refers to consumers abandoning a product or service in favour of competitors. For example, customers might move funds from one bank to another if they are dissatisfied with the customer service at the first. Consumer-switching behaviour is an ever-present danger for a business – if you don't keep your customers happy, your competitors might directly benefit. There are many factors influencing consumer to switch from one brand to another. Evidence showed that perceived brand image, price, trust, customer loyalty, service quality, and customer satisfaction were the key factors that influence the consumers brand switching behavior.

In telecommunication sector, the brand switching cost is relatively low, so consumers easily switch to another network, which offers competitive prices and quality. The factor behind consumer brand switching includes negative experience of consumer due to poor product quality or service. The intention of this paper is to scrutinize the factors that influencing consumers switching the service provider in telecom industry.

## REVIEW OF LITERATURE

Hugo Ribeiro, et al. (2023) found that internet and television services have the strongest indirect impact on switching intention, mediated by overall satisfaction and loyalty. Additionally, the results indicated that switching costs and barriers do not significantly affect switching intention, and surprisingly, perceived contractual lock-in positively influences switching intention.

Manandhar (2021) found that service quality was ranked most important influencing factor for brand switching, competitive offers were ranked second important factor, while price was ranked comparatively less important factor among the three. The study has included limited variables whereas other factors such as switching cost, brand image, transparency, etc. have also impact on the brand switching behaviour.

Ekene (2021) found that network coverage, price, service quality and customer service have significant positive influence on consumer brand switching behaviour in mobile telecommunication in South-South zone, Nigeria; switching cost has significant negative influence on brand switching behaviour in mobile telecommunication in South-South zone, Nigeria; and sales promotional activities have no significant positive influence on brand switching behaviour in telecommunication in South-South, Nigeria.

Hayman Mamundi (2021) found that brand switching was influenced by price, switching costs, service quality, trust, and brand image. The regression model was also revealed that price, switching costs and brand image have significant positive effects on brand switching. The findings also showed that improvements in trust and service have a tendency of reducing brand switching. Mobile service providers need to their products and services to ensure that mobile subscribers continuously get high quality and reliable mobile services and products on time.

Manzoor, et al. (2020) reveal that price, brand image, network quality, value added services and promotional activities directly influence consumer switching behavior among youngsters.

Chigwende and Govender (2020) that mobile network service providers' brand image positively affects customer satisfaction, a positive relationship exists between mobile network service providers' brand image and consumer brand switching behaviour, customer satisfaction positively affects their loyalty. Corporate brand image indirectly affects customer loyalty through customer satisfaction. The researchers recommend marketers to consider the findings when designing strategies for marketing mobile network services.

Ramnath Babu and Sundar (2019) study identified the push factors (network services, billing system, service encounters, technology, and convenience) and pull factors (reputation, brand image, word-of-mouth recommendation, and pricing) that caused switching as well as the mooring factor (switching cost) that influenced the customers' decision to stay with or switch from the current in-use service provider.

Garg, et al. (2019) reveals that customer satisfaction has positive effects on customer switching. Thus, customer satisfaction is considered a positive determinant of how strong is the relationship between the customer and the product provider.

Salman and Kalyan (2018) found that the younger people are very frequent in switching mobile service providers. They have switched for more than 3 times after started to use mobile telecommunication. But unlike younger people, the old age people never switch their mobile service providers. Another most important finding of the study is that 80 per cent of the respondents have opted for switching their service provider and only 20 per cent are non-switchers. The reasons for switching includes limited budget, attractive Innovation, quench for more entertainments.

Shah, et al. (2018) revealed that quality of service, influence of family, friends & relatives and price structure were among the determining factors that influence customers' satisfaction towards brand switching behaviour. Hopefully, this study will give great understating to telecom industry managers to formulate their strategies specifically suited to esteemed customer and leads towards customer retention.

Uppu, et al. (2016) found that price, quality, product features and applications, competitive offer, after sales services and change in income level, were influencing brand-switching behaviour significantly in the case of mobile services. The quality of services is the most influencing factor, followed by price and product features and applications influencing brand-switching behaviour.

Saeed and Ilhaamie (2014) revealed the fact that brand switching behaviour depends on the marketing strategies that are used by the companies. Also, there is a positive significant relationship between independent variables (religion, Islamic branding and Islamic marketing mix) and dependent variable (brand switching behaviour).

Keaveney (2005) identified that casual factors of switching behaviour, namely, pricing, inconvenience, service failures, and service encounter failures, worker responses to service failures, competitive problems, ethical issues and involuntary switching factors.

Researchers identified several criteria that affect brand switching behaviour such as involvement, price, variety, packaging and dissatisfaction (Shukla, 2004).

**H1:** Customer satisfaction has significantly influences brand-switching behaviour.

**H2:** Service quality has significantly influences brand-switching behaviour.

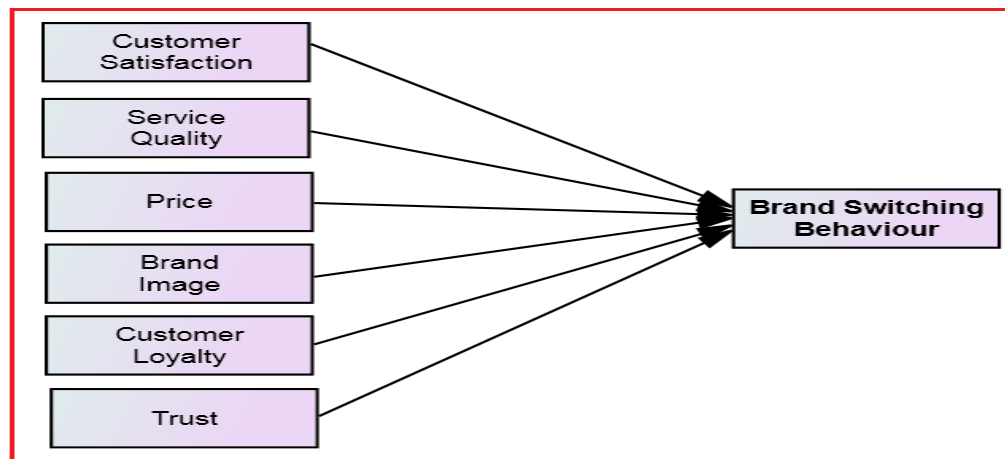
**H3:** Price has significantly influences brand-switching behaviour.

**H4:** Brand image has significantly influences brand-switching behaviour.

**H5:** Customer loyalty has significantly influences brand-switching behaviour.

**H6:** Trust has significantly influences brand-switching behaviour.

## FRAMEWORK



**Figure 1: Conceptual framework**

## NEED FOR THE STUDY

The findings of this study will help Telecom service provider authorities and policy makers. This study will help the factors influencing brand switching behaviour of telecom customers. Findings from this study can help Telecom service provider authorities retain their customers.

## OBJECTIVES

- To discover the influence of customer satisfaction on brand switching behaviour among the telecom customers.
- To identify the influence of service quality on brand switching behaviour among the telecom customers.
- To access influence of price on brand switching behaviour among the telecom customers.
- To discover the influence of brand image on brand switching behaviour among the telecom customers.

- To identify the influence of customer loyalty on brand switching behaviour among the telecom customers.
- To access influence of trust on brand switching behaviour among the telecom customers.

## RESEARCH DESIGN

In order to explore the factors influencing brand switching behaviour of telecom customers a descriptive research design is employed by the researcher. Data is collected from customers of telecom service providers in Kerala through a structured and standard questionnaire. This descriptive research design is employed to explore the relationship between brand image, price, trust, customer loyalty, service quality, customer satisfaction and brand switching behaviour.

## QUESTIONNAIRE DESIGN

Data is collected from customers of telecom service providers in Kerala through a well-designed questionnaire. The questionnaire construction for this study is divided into eight parts. The first part of the questionnaire is arranged in such a way to know the demographics profile of telecom service users in Kerala, the second part is brand image, the third part is price, the fourth part is trust, the fifth part is customer loyalty, the sixth part is service quality, the seventh part is customer satisfaction, and the eighth part is brand switching behaviour. Except first part, all the four sections are constructed with multiple choice questions. The first part is set up as a category and the other three as a measuring scaling technique.

**Table 1: Questionnaire Construction**

S.No.	Variable	Items	Author
1	Demographic Profile	8	---
2	Brand Image	8	Hayman Mamundi, 2021
3	Price	7	
4	Trust	7	
5	Customer Loyalty	3	Hugo Ribeiro, 2024
6	Service Quality	4	Almaiah, et al. 2022
7	Customer Satisfaction	7	Bakhtiar Tijjang, et al. 2023
8	Brand Switching Behaviour	8	Hayman Mamundi, 2021

## RELIABILITY

Pilot study was done to confirm that the results of this study questionnaire are reliable. The questionnaires are verified by involving 352 telecom service users in Kerala. Based on the telecom service user's opinion, some changes are made in the questionnaire. Cronbach's alpha tool is employed to test the reliability of the research variables. All the variables of this questionnaire are above 0.70 which shows that it is reliable. This means that the set of questionnaire has a high reliability value. Based on this result, it is statistically recommended that the questionnaire set can be implemented for final data collection of the research.

**Table 2: Reliability of the research**

S.No.	Variable	Items	Cronbach's Alpha
1	Brand Image	8	0.92
2	Price	7	0.91
3	Trust	7	0.86

4	Customer Loyalty	3	0.78
5	Service Quality	4	0.84
6	Customer Satisfaction	7	0.89
7	Brand Switching Behaviour	8	0.80

### SAMPLING TECHNIQUE

In this study, convenience sampling technique has been applied to collect the primary data from the telecom service users in Kerala. In this way 352 telecom service users are approached to collect the primary data in Kerala.

### STATISTICAL TOOLS

Path analysis is used to estimate model by probing the relationship between brand image, price, trust, customer loyalty, service quality, customer satisfaction and brand switching behaviour.

### RESULTS AND DISCUSSION

The table 3 presents the mode summary of factors influencing brand switching behaviour of telecom customers. The path model presented, along with mode summary to verify the model fitness. The Chi-square statistic is 2.103 with  $p > 0.05$ .

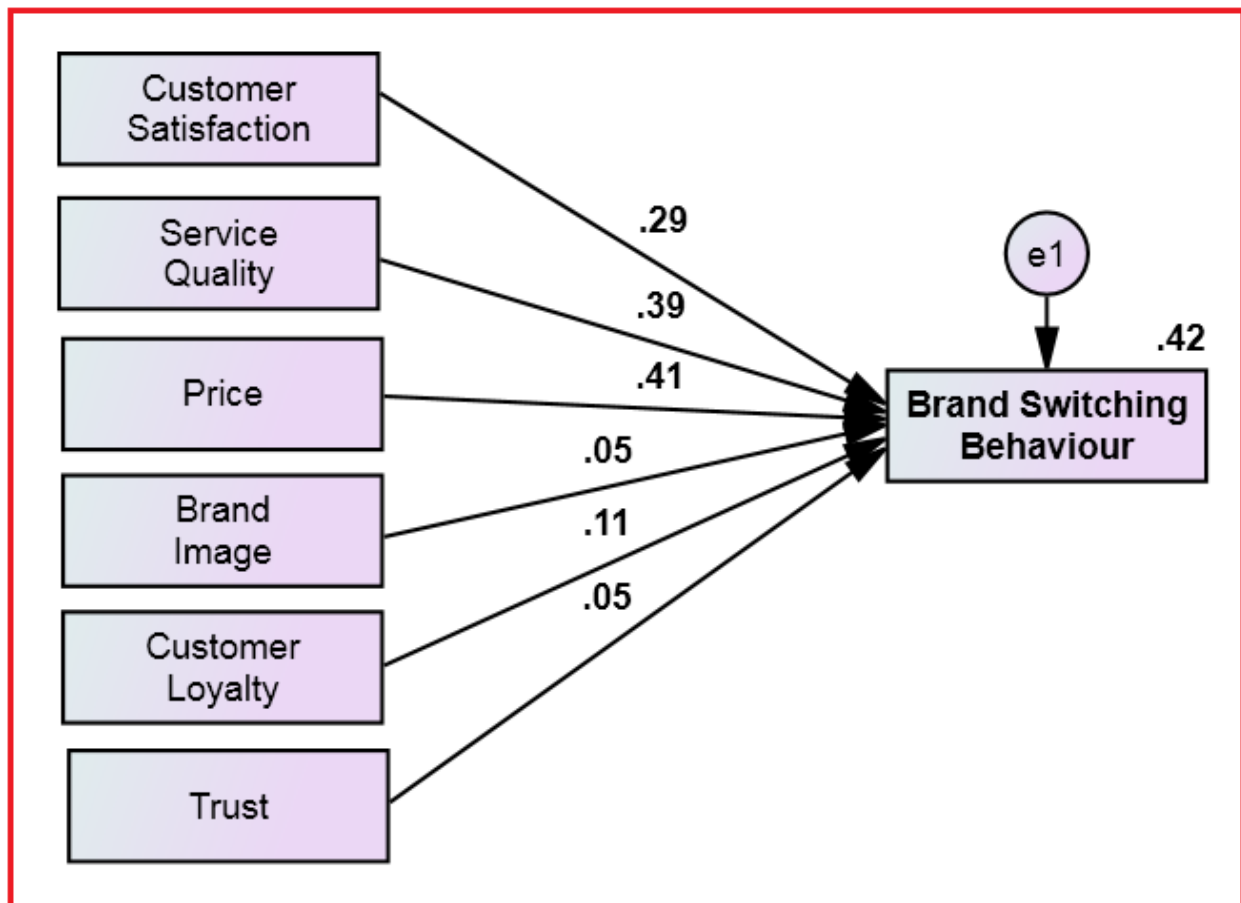


Figure 2: Factors influencing brand switching behaviour

Table 3: Model fit indication of SEM

S.No.		Model Fit Indicators	Suggested standards (Premapriya, et al. 2016)	Calculated Values
1	Chi-Square Test	Chi-Square	---	2.103
		p	> 0.050	0.689
2	Goodness Fit	GFI	> 0.90	0.999
		AGFI		0.999
		CFI		0.999
		NFI		0.999
3	Badness Fit	RMR	< 0.080	0.001
		RMSEA		0.001

Source: Primary data

The table illustrates the model fit statistics such as RMSEA, RMR, NFI, CFI, AGFI and GFI. RMR and RMSEA are within than the recommended limit i.e., RMR and RMSEA is less than 0.08 (Indra, Balaji and Velaudham, 2020; Velaudham and Baskar, 2016). AGFI and GFI are within than the recommended limit i.e., AGFI and GFI values are greater than 0.90 (Kantiah Alias Deepak and Velaudham, 2019; Velaudham and Baskar, 2015). All the model fit statistics imply a moderately model fit (Premapriya, et al. 2016; Victor and Velaudham, 2020) NFI and CFI values are greater than 0.90 (Reena, et al. 2019; Velaudham & Baskar, 2015).

**Table 4: Regression Weights**

DV		IV	Estimate	S.E.	C.R.	Beta	P Value
Brand Switching Behaviour	<---	Customer Satisfaction	0.225	0.023	9.741	0.286	0.001
Brand Switching Behaviour	<---	Service Quality	0.292	0.022	13.300	0.391	0.001
Brand Switching Behaviour	<---	Price	0.270	0.019	14.036	0.413	0.001
Brand Switching Behaviour	<---	Brand Image	0.032	0.018	1.754	0.052	0.079
Brand Switching Behaviour	<---	Customer Loyalty	0.054	0.014	3.704	0.109	0.001
Brand Switching Behaviour	<---	Trust	0.027	0.015	1.740	0.051	0.082

Source: primary data

**H<sub>1</sub>:** Customer satisfaction significantly influences brand switching behaviour among the telecom customers.

The hypothesis was tested in path model. The finding of the analysis demonstrated that the C.R. value is 9.741;  $\beta$  value is 0.286 and p value is significant. The value of  $\beta$  is 0.286 that customer satisfaction explains 28.6 percent of the brand switching behaviour among the telecom customers. Therefore, the hypothesis is accepted. Hence, the result demonstrated that the customer satisfaction significantly influences brand switching behaviour among the telecom customers in Kerala. Hugo



Ribeiro, et al. (2023); Chigwende and Govender (2020); Garg, et al. (2019); Shah, et al. (2018) found that brand switching behaviour was influenced by customer satisfaction.

**H<sub>2</sub>:** Service quality significantly influences brand switching behaviour among the telecom customers.

The hypothesis was tested in path model. The finding of the analysis demonstrated that the C.R. value is 13.300;  $\beta$  value is 0.391 and p value is significant. The value of  $\beta$  is 0.391 that service quality explains 39.1 percent of the brand switching behaviour among the telecom customers. Therefore, the hypothesis is accepted. Hence, the result demonstrated that the service quality significantly influences brand switching behaviour among the telecom customers in Kerala. Manandhar (2021); Ekene (2021); Hayman Mamundi (2021); Uppu, et al. (2016) found that brand switching behaviour was influenced by service quality.

**H<sub>3</sub>:** Price significantly influences brand switching behaviour among the telecom customers.

The hypothesis was tested in path model. The finding of the analysis demonstrated that the C.R. value is 14.036;  $\beta$  value is 0.413 and p value is significant. The value of  $\beta$  is 0.413 that price explains 41.3 percent of the brand switching behaviour among the telecom customers. Therefore, the hypothesis is accepted. Hence, the result demonstrated that the price significantly influences brand switching behaviour among the telecom customers in Kerala. Ekene (2021); Manzoor, et al. (2020); Shah, et al. (2018); Uppu, et al. (2016); Keaveney (2005) found that brand switching behaviour was influenced by price.

**H<sub>4</sub>:** Brand image significantly influences brand switching behaviour among the telecom customers.

The hypothesis was tested in path model. The finding of the analysis demonstrated that the C.R. value is 1.754;  $\beta$  value is 0.052 and p value is not significant. The value of  $\beta$  is 0.052 that brand image explains 5.2 percent of the brand switching behaviour among the telecom customers. Therefore, the hypothesis is not accepted. Hence, the result demonstrated that the brand image did not significantly influences brand switching behaviour among the telecom customers in Kerala. Manandhar (2021); Hayman Mamundi (2021); Manzoor, et al. (2020); Chigwende and Govender (2020) identified that brand switching behaviour was influenced by brand image.

**H<sub>5</sub>:** Customer loyalty significantly influences brand switching behaviour among the telecom customers.

The hypothesis was tested in path model. The finding of the analysis demonstrated that the C.R. value is 3.704;  $\beta$  value is 0.109 and p value is significant. The value of  $\beta$  is 0.109 that customer loyalty explains 10.9 percent of the brand switching behaviour among the telecom customers. Therefore, the hypothesis is accepted. Hence, the result demonstrated that the customer loyalty significantly influences brand switching behaviour among the telecom customers in Kerala. Chigwende and Govender (2020) identified that brand switching behaviour was influenced by customer loyalty.

**H<sub>6</sub>:** Trust significantly influences brand switching behaviour among the telecom customers.

The hypothesis was tested in path model. The finding of the analysis demonstrated that the C.R. value is 1.740;  $\beta$  value is 0.051 and p value is not significant. The value of  $\beta$  is 0.051 that trust explains 5.1 percent of the brand switching behaviour among the telecom customers. Therefore, the hypothesis is not accepted. Hence, the result demonstrated that the trust did not significantly influences brand switching behaviour among the telecom customers in Kerala.

## FINDINGS

- Customer satisfaction significantly influences brand switching behaviour among the telecom customers in Kerala. Hugo Ribeiro, et al. (2023); Chigwende and Govender (2020); Garg, et al. (2019); Shah, et al. (2018) found that brand switching behaviour was influenced by customer satisfaction. The result demonstrated that the service quality significantly influences brand switching behaviour among the telecom customers in Kerala. Manandhar (2021); Ekene (2021); Hayman Mamundi (2021); Uppu, et al. (2016) found that brand switching behaviour was influenced by service quality.
- Price significantly influences brand switching behaviour among the telecom customers in Kerala. Ekene (2021); Manzoor, et al. (2020); Shah, et al. (2018); Uppu, et al. (2016); Keaveney (2005) found that brand switching behaviour was influenced by price. The result demonstrated that the brand image did not significantly influences brand switching behaviour among the telecom customers in Kerala. Manandhar (2021); Hayman Mamundi (2021); Manzoor, et al. (2020); Chigwende and Govender (2020) identified that brand switching behaviour was influenced by brand image.
- Customer loyalty significantly influences brand switching behaviour among the telecom customers in Kerala. Chigwende and Govender (2020) identified that brand switching behaviour was influenced by customer loyalty. The result demonstrated that the trust did not significantly influences brand switching behaviour among the telecom customers in Kerala.

## SUGGESTIONS

- It is suggested that creating avenues to listen to the voice of the consumer or increasing efforts to make the user talk freely with the service provider might increase the consumer involvement and increases the brand loyalty.
- Offering free minutes or discounts to take few simple surveys about the customer satisfaction about the service could be a good beginning.
- Service providers should develop policies to ensure that there is enhanced quality of service, affordable and attractive packages for customers. Service providers also improve their quality, especially in compliance management, handling the consumer with multi-brand preference, and service quality.
- Service providers also monitor and ensure that their network service is always strong in order to discourage their subscribers from migrating to other brands.
- Service providers should shift focus on building brand image and analyze more carefully the reason for customers to switch brands in their industries in order to increase loyalty among these customers.

## CONCLUSION

The research attempts to identify the factors influencing brand switching behaviour of telecom customers. The data has been collected from 352 telecom service users in Kerala. Hence, it is concluded that there is influence of customer satisfaction, service quality, price and customer loyalty on brand switching behaviour. But, there is no influence of brand image and trust on brand switching behaviour. Service providers should shift focus on building brand image and analyze more carefully the reason for customers to switch brands in their industries in order to increase loyalty among these customers. The telecom companies improve the overall brand images of their companies to improve customer satisfaction and reduce consumer switching from one mobile network operator to another.



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