

Brand Switchover Behavior in Customers using Telecommunication Services

¹Dr. Noor Shah Bukhari, ²Saifullah Shaikh, ³Dr. Sajid Hussain Mirani, ⁴Dr. Hussain
Amar, ⁵Sarfraz Ahmed Bhutto, ⁶Qamar Abbas Mangi

Abstract

Pakistan is considered as a market which is growing in terms of customers using telecommunication services. Telecommunication market has also become competitive and has provided different alternatives to customers. Due to competitive market customers show Brand Switchover Behavior. Brand Switchover Behavior has remained a point of concern for companies as it badly affects the concept of retaining a customer. This study identifies the factors influencing and affecting on Brand Switchover Behavior of customers using telecommunication services in the province of Sindh. A survey was conducted from 300 respondents selected by using convenient sampling and data was analyzed using Factor Analysis technique. Results suggest that Brand Switchover Behavior of customers using telecommunication services in Sindh is influenced by Value Added Services and Pricing Strategies.

Keywords: Telecommunication Services, Brand Switchover Behavior, customers

I. Introduction

Telecommunication Sector is very important in the growth and development of a country as it creates opportunities and revenues which ultimately strengthen the economy (Munir et al, 2011) . Telecommunication sector started in Pakistan at the time of independence when Posts and Telegraph department was established in 1947. It further grew with conversion of Posts and Telegraph department into Pakistan Telecommunication Corporation (PTC) in 1991 which became Pakistan Telecommunication Corporation Limited (PTCL).After this mobile communication industry started with several cellular network. Now Pakistan is considered a very lucrative market for in Telecommunication Sector with invent and extensive usage of internet connectivity. According to Annual Report 2019 by Pakistan Telecommunication Authority around 549.6 Billion has been generated by telecommunication sector in Pakistan which is expected to further increase and sufficient to make

¹ Professor, Department of Public Administration, Shah Abdul Latif University Khairpur, Sindh Pakistan

² Assistant Professor, Institute of Commerce, Shah Abdul Latif University Khairpur, Sindh Pakistan

³ Assistant Professor, Department of Public Administration, Shah Abdul Latif University Khairpur, Sindh Pakistan

⁴ Lecturer, Government Islamia Arts, Commerce College & Postgraduate studies Centre Sukkur, Sindh Pakistan

⁵ PhD Scholar, Institute of Commerce, Shah Abdul Latif University Khairpur, Sindh Pakistan

⁶ PhD Scholar, Institute of Commerce, Shah Abdul Latif University Khairpur, Sindh Pakistan

telecommunication sector as an important sector of the economy. This study is intended to understand the factors which are affecting the customers of telecommunication services to switch the brands in Sindh. This study is significant because by understanding telecommunication sector this study guarantees a descent input for telecommunication sector for taking important factors to limit those factors which can break company customer bond and relation. This study is also significant because it would be used by cellular companies to bring necessary changes which can retain their customers or increase it by attracting newer customers. This will not only increase the revenue of telecommunication industry but also boost up the economy.

Research Problem

Telecommunication sector is one of growing sectors in any economy including economy of Pakistan and it helps people to use vital services which generate important revenue which ultimately helps economy to grow (Zaman & Hashim, 2010). If important factors that affect on switching behavior of brands in telecommunication sector are identified than it will help service providers to improve on those factors which may help in retaining and attracting other customers which not only helps in their revenue and helping economy but also generates healthy competition in the economy (Kaur & Malhotra, 2014). Research problem for this study is to understand the factors that are affecting in brand switchover behavior in customers using telecommunication services in Sindh.

Objectives of the Study

Study contains following objectives

- (1) To comprehend the Brand Switching Behavior in customers using telecommunication services in province of Sindh.
- (2) To depict factors affecting Brand Switching Behavior in customers using telecommunication services in province of Sindh.

II. Literature Review

Sharma et al. (2012) found in their research that people do consider and act as watchdogs on the pricing tactics and patterns employed by companies and their understanding with reference to behavior of staff, adaptable pricing, reliable products, care of individual and general customers and reliable brands determines the switching behavior of brands by customers in telecom industry. Jan (2011) collectively researched on satisfaction of customers with reference to telecommunication industry and they finalized that value added services like portability of mobile numbers, networking chains, packages and qualitative services are the factors that can impact on customers loyalty with current brand or switching of brands in telecom industry.

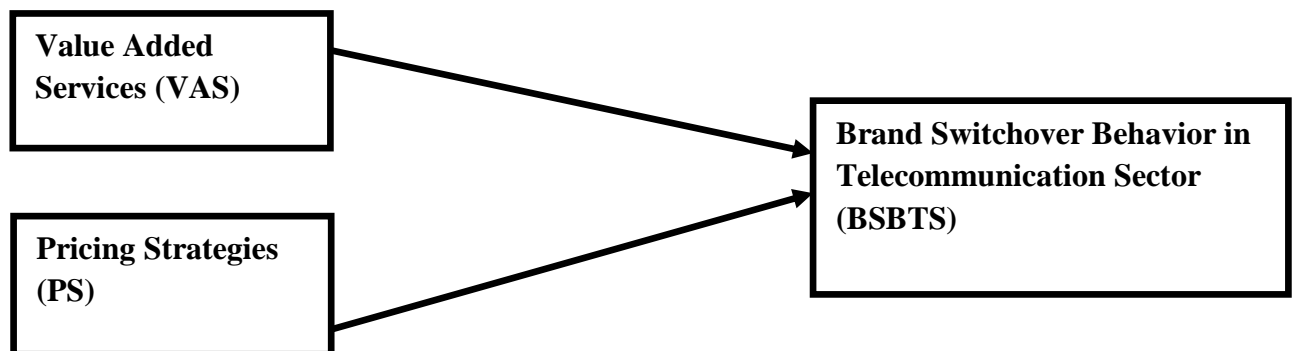
Kumaraval and kandasamy (2011) researched on switching behavior and patterns in different mobile companies and found out that it is the value that a company is providing to customers can only retain customer and

avoid switching. They gave a conclusion that image of the brand and strong customer equity and loyal customers can be affecting factors on switching over in telecommunication industry. They further said that good level of services along with portable numbers can satisfy customers which may stop their switching to any other network.

Satish et al. (2011) worked on brand switching behavior and tried to extract the actual factors which are affecting on brand switchover behavior in telecommunication industry. They found out that i mostly the valued added services like bad network exposure and continuous networking issues, increased call charges along with social pressure force a person to switch the brand in telecom industry. Oyeniya and Abiodun (2010) while researching on factors affecting brand switching behavior in telecommunication sector found out that its basically the value added services and affective pricing strategies which become the deciding factors for customers of telecom industry to stick to same brand or to get switched away from present brand that they are using. Dick and Basu (1994) found out in their research regarding pricing factors as potential factor that may force a customer to switch a brand in mobile and telecommunication industry and forced companies to control pricing factors like cost of switching, staff attitude, quick and on time information and advertising offers to avoid switching of brands in telecom industry.

Study Model

Figure No: (01)



Above study model for has bee and developed based on literature available on Brand Switchover Behavior in Telecommunication Sector (BSBTS). Considering the literature available this model is signifying that Brand Switchover Behavior in Telecommunication Sector (BSBTS) is influenced and affected by Value Added Services (VAS) and Pricing Strategies (PS). So in this model Brand Switchover Behavior in Telecommunication Sector (BSBTS) is used as dependent variable and Value Added Services (VAS) and Pricing Strategies (PS) have been used as independent variables and the factors affecting Brand Switchover Behavior in Telecommunication Sector (BSBTS).

Hypotheses

Following hypotheses have been generated through literature available

H: 1: Value Added Services is a factor that affects Brand Switching Behavior of customers using Telecommunication services in province of Sindh.

H: 2: Pricing Strategies is a factor that affects Brand Switching Behavior of customers using Telecommunication services in province of Sindh.

III. Methodology

Methodology which has been used in this study is Quantitative Methodology. Population of this study comprises of customers who are using telecommunication services in Province of Sindh. All types of customers using telecommunication services in Province of Sindh have been taken as sample. Primary data is used to collect data in this study. Tabachnick and Fidell (2001) suggest that sample size should be 300 if study uses Factor Analysis in the study. Nunnally (1978) suggest that sample size in a study using Factor Analysis sample should be based on 1 item to 10 responses. As in this study has applied Factor Analysis has been used as Analysis technique so Nunnally (1978) criteria suggests a sample size of 190 as 19 items are there in this study and Tabachnick and Fidell (2001) criteria suggests sample size of 300. So sample size for this particular study is 300. Convenient Sampling Method has been used in this study. Questionnaire which was adopted by Khushbu et al (2014) has been used in this study.

IV. Analysis and Results

SPSS software is used for analysis of data

Factor Analysis

This technique has been applied in order to get a proper understanding of the factors that are affecting and influencing on Brand Switchover Behavior of customers using telecommunication services in Province of Sindh. Analysis and Results of Factor Analysis are given below

(a)Data Suitability

Table No: (01)

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.653
Bartlett's Test of Sphericity	Approx. Chi-Square	1.462E3
	Df	325
	Sig.	.000

Above results suggest that data is suitable to conduct a Factor Analysis as KMO test value is .653 which is greater than 0.50 as cut off value for KMO Test is greater than 0.50 and value of Bartlett's Test of Sphericity is significant.

(b) Extraction of Factors

Table No: (02)

Variable	Initial Eigen Values	% Variance	Cumulative Variance
VAS	1.512	38.2%	38.2%
PS	1.150	22.4%	60.6%

Eigen Values describe that 2 factors were taken for further analysis as only two factors had Eigen values greater than 1. These two factors explain 60.6% of variance.

(c) Rotated Component Matrix using Varimax Rotation

Extracted factors have been made subject to Varimax Rotation and results are described below

Table No: (03)

	Component	
	1	2
VAS3	.724	
VAS2	.676	
VAS1	.632	
VAS4	.628	
VAS9	.625	
VAS6	.614	
EVAS7	.612	
VAS8	.611	
VAS5	.607	
VAS10	.601	
PS1		.810
PS4		.798
PS2		.733
PS3		.721
PS5		.712
PS8		.708
PS7		.609
PS6		.605
PS9		.599
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		
a. Rotation converged in 2 iterations.		

Scores with high loadings imply that Brand Switchover Behavior of customers using telecommunication services in Province of Sindh is affected by above extracted two factors.

Hypotheses and Results

Different Hypotheses and their results based on Factor Analysis technique have been discussed and given below.

H:1:Value Added Services is a factor that affect Brand Switching Behavior of customers using Telecommunication services in Province of Sindh.

Result of Factor Analysis confirms that Value Added Services is a factor as it has Eigen Value of 1.512 which is greater than 1 and it strongly affects Brand Switching Behavior of customers using Telecommunication services in Province of Sindh as its items have strong loadings (.724,.676,.632,.628,.625,.614,.612,.611,.607 and .601). Hence Hypothesis is accepted.

H:2:Pricing Strategies is a factor that affect Brand Switching Behavior of customers using Telecommunication services in Province of Sindh.

Result of Factor Analysis confirms that Value Added Services is a factor as it has Eigen Value of 1.150 which is greater than 1 and it strongly affects Brand Switching Behavior of customers using Telecommunication services in Province of Sindh as its items have strong loadings (.810, .798,.733,.721,.712,.609,.605 and .599). Hence Hypothesis is accepted.

V. Conclusion

This particular study focuses on Brand Switchover Behavior of customers using telecommunication services in Province of Sindh which is an important aspect with regards to consumer behavior. Analysis and results of the study have shown that Brand Switchover Behavior of customers using telecommunication services in Province of Sindh is affected by Value Added Services and Pricing Strategies provided by companies. Findings of this study is very much in line with previous studies conducted on this topic and this study and its results support the results of studies conducted by (Makwana et al, 2014), (Sathish et al, 2011) and (Zaman and Hashim, 2010). Smilarity of results shows that the findings of this study can be generalized and considered as general opinion of customers using telecommunication services. This generates a point that telecommunication service providers need to look at and focus on these factors as they can generate new customers and retain and stop existing customers. This study has not only contributed to telecommunication sector but this kind of unique study has created new avenues and areas that can be explored by future researchers which can contribute the whole society and economy of Pakistan.

References

1. Dick, A.S. and Basu, KI (1994). Customer Loyalty: Toward Integrated Conceptual Framework, *Journal of the Academy of Marketing Science*, 22 (2) 99-113.
2. John, J (2011). An Analysis on the Customer Loyalty in Telecom Sector: Special Reference to Bharath Sanchar Nigam Limited, India. *African Journal of Marketing Management* 3(1), 1-5.
3. Kaur, K., & Malhotra, N. (2014). TELECOMMUNICATIONS AND ECONOMIC GROWTH IN INDIA. *IMPACT: International Journal of Research in Business Management (IMPACT: IJRBM)* , 02 (05), 31-46.
4. Kumaravel and Kandasamy (2011). Impact of Mobile Number Portability on Mobile Users Switchover Behavior-Indian Mobile Market, *Journal of Arts, Science and Commerce*, 2 (4) 200-205.

5. Makwana, K., Sharman, N. and Arora, S. (2014). Factors Influencing Consumer Brand Switching Behaviour in Telecommunication Industry: An Empirical Study. *Prestige- E Journals of Management and Research*, 1(1).
6. Munir, A., Saddozai, A. K., khattak, B. k., & Hashim, D. H. (2011). Porter Five Forces Analysis of Pakistan Mobiles Communication Limited. *Interdisciplinary Journal Of Contemporary Research In Business* , 03 (05), 704-712.
7. Nunnally, J. O. (1978). *Psychometric Theory*. New York: McGraw-Hill.
8. Oyeniyi, J. and Abiodun, J. (2010). Switching Cost and Customers Loyalty in the Mobile Phone Market: the Nigerian Experience. *Business Intelligence Journal*.3 (1), 111-121.
9. Sathish, M; Kumar, K; Naveen, K and Jeevanantham, V (2011). A Study on Consumer Switching Behavior in Cellular Service Provider: A Study With Reference to Chennai. *Far East Journal of Psychology and Business*. V 2 (2) 71-81.
10. Sharma, P., Chen, Ivy S. N. Luk and Sheriff, T.K. (2012). Gender and Age as Moderator in the Service Evaluation Process. *Journal of Service Marketing*, 26 (2), 102-114.
11. Tabachnick, B. G., & Fidell, L. S. (2001). *Using multivariate statistics* (4th edn). New York: HarperCollins. Chapter 13.
12. Zaman, K. U., & Hashim, S. (2010). A comparative study on the affect of telecommunication sector investment on foreign and domestic trade in Pakistan. *African Journal of Business Management* , 04 (04), 357-361.