



## FACTORS BEHIND BRAND SWITCHING IN CELLULAR NETWORKS

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### ABSTRACT

*Factors affecting customer satisfaction has great importance in order to know the reasons and facts that are responsible behind switching in cellular network. Customers are satisfied, when their desires, wishes & needs are fulfill by any brand, used by them. In case of different brands of cellular network like ufone, factors like: Price, service quality, trust and brand loyalty play a great role in customer satisfaction & their brand switching. For this research study, the sample is taken from larkana city. The sample consists of the three batches of Shaheed Mohtarma Benazir Bhutto Medical University Larkana (SMBBMU) and BBA & MBA students of Shaheed Zulfiqar Ali Bhutto Institute of Science and Technology Larkana (SZABIST). Total population consists of 1048 (738 from SMBBMU & 310 from SZABIST). The sample respondents are selected through convenience sampling technique, total sample size is of 104. The analysis of the data will be done through SPSS. Regression method will be used for research. This study will examine which factors influence more to customers in brand switching.*

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**Keywords:** Prices, Service quality, Trust, Brand loyalty and brand switching.

### INTRODUCTION

Brand switching is the process in which consumer switches from the usage of one product to another product but of same category. In our daily life consumers switch from one brand to another

brand although are highly satisfied from it. This study will examine the switching behavior of different consumers of cellular network (Ufone) so for this study a sample of students from SZABIST Larkana Campus and Shaheed Mohtarma Benazir Bhutto Medical University Larkana (SMBBMU) is selected. Data will be collected through Questionnaire by using convenient sampling method. Following the data collection, the study will identify the factors that cause consumers to brand switching.

### **Background of the Study**

Telecommunication sector in Pakistan has shown the high growth from last decade as compared to other sectors in contribution to national economy. Local and International companies started their operations and created a high competition in the telecom sector. This intense competition has caused brand conscious consumers as well as consumers moving from one brand to another so this study is being conducted to know the factors which cause consumers to switch from one network to another network.

### **Significance**

This study will examine the different factors which lead consumers to brand switching. It will also determine the brand loyalty of consumers with preferred cellular networks. This study will also examine the ratio of usage of cellular network as Ufone.

## **LITERATURE REVIEW**

[Kumar and Charlas \(2011\)](#) identified that Brand switching is the process in which consumer switches from the usage of one product to another product but of same category. In our daily life consumers switch from one brand to another brand although are highly satisfied from it. Mobile Phone has been an important tool helping people to communicate as in talking, messaging and also being used in listening radio, watching video clips, capturing photos and videos so it's a personal device used for entertainment as well. There are many factors behind brand loyalty; such as; price, quality, quantity and of course availability, and it's not always easy to switch brands. To make consumers think about switching a brand, involves advertising by Competitor Company and they apply almost all techniques to make consumers believe that they will get extra benefits if they switch brand; the useful method is to compare the prices and this easily hits consumers with tight budgets. But definitely it's not always price, quality does matter.

### **Brand Loyalty**

[Jacoby \(1971\)](#) suggests that Brand loyalty is the purchase response of an individual or consumer for one or more alternative brands over a time period deciding from a set of alternative Brands.

### **Importance of Brand Loyalty**

Aaker (1991) and Reichheld (1996) suggest that brand loyalty is become very much important factor for marketers and consumer researchers. Study suggests that an organization which is having so many loyal customers will lead them to greater share and high profit (Buzzell *et al.*, 1975), (Raj, 1985), and (Jensen and Hansen, 2006). Dick and Basu (1994) suggest that brand loyal customers will engage in positive word of mouth for company and even do not accept the marketing strategies of competitors.

### **Price**

According to Kotler and Armstrong (2010) price is one the important factor which plays a vital role in brand switching, price is that amount which consumer pays for any product or service, while purchasing or using of that product or service. If service providers charge price sensible and give the better services than it will create customer satisfaction and very less consumer will switch to another brand, because price fairness is an extremely significant concern that leads toward satisfaction (Martin *et al.*, 2007). That's mean price has a positive impact on brand switching. If service provider charge high price than more consumers will switch to another brand (Herrmann *et al.*, 2007).

### **Service Quality**

Service quality is defined as approach which can be known as the services received by customers as compared to expectations regarding it (Parasuraman *et al.*, 1988). As Guatam and Chandhok (2011) suggest that Customers expectations and perceived performance having the direct relationship for the better experience of the perceived service quality. Service quality can measured through following factors:

- A) Responsiveness
- B) Assurance
- C) Customer Perceived Network Quality
- D) Value Added Services

### **Trust**

Trust is considered as important factor to build the relationships among the customers and the organization. It is trust which makes customer closer to the organization (Morgan and Hunt, 1994). Trust is build when organization promises to provide the quality service to customers and it is successful to provide them that service quality then the trust is build (Nawaz and Usman, 2011).

## **RESEARCH METHODOLOGY**

Cellular network of Pakistan has been selected for the research. The study is limited to cellular network providers Ufone. This study will examine the different factors which causes consumers to switch from one brand to another. The Sample includes the respondents from two universities of

Larkana which are SZABIST and SMBBMU. The sample in this study includes the students from BBA & MBA SZABIST and 3rd, 4th & 5th year students from SMBBMU. Overall population is 310 respondents from SZABIST and 738 respondents from SMBBMU. Data will be collected by developing questionnaire and surveying from these institutes so out of total population of 1048 respondents, 104 respondents sample is selected. The research design will be descriptive research. Convenience sampling technique will be used for collection of data and regression method. SPSS Software will be used for data analysis.

### Hypothesis

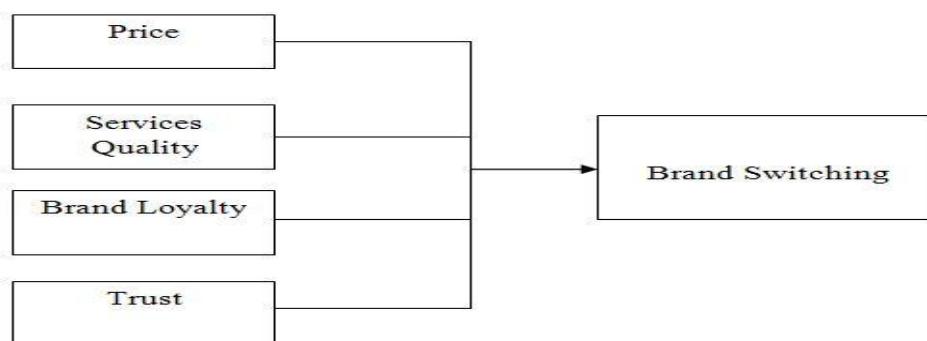
**H1:** Price is positively associated with Brand Switching.

**H2:** Service quality is negatively associated with Brand Switching.

**H3:** Brand Loyalty has a negative impact on Brand switching.

**H4:** Trust has a negative impact on Brand Switching.

### Schematic Diagram



### Research Method

This study has been conducted in order to know the different factors which cause customers to switch from one brand to another brand in cellular networks. The study is applicable to all networks working in Pakistan as Ufone, Telenor, Mobilink, Warid and Zong.

### Research design and Data Collection

In order to test the hypothesis the survey was conducted to gather data by using the convenience sampling technique. The sample includes the respondents from two Institutes of Larkana which are SZABIST and SMBBMU. The sample in this study includes the students from BBA & MBA SZABIST and 3rd, 4th & 5th year students from SMBBMU. Overall population is 310 respondents from SZABIST and 738 respondents from SMBBMU which combine states the total population of 1048 respondents. Data has been collected by developing questionnaire and surveying from these institutes so out of total population of 1048 respondents, 104 respondents sample is selected. Regression method has been used for data analysis. SPSS has also been used for data analysis.

Questionnaire has been filled individually from every respondent in the sample. A scale was developed in order to measure the response related to the study. Through this dependent variable (brand switching) and independent variables (Service Quality, Price, Brand Loyalty and Trust) has been measured by asking questions which were being developed on the basis of the grounded theories. The questionnaire consists of 14 different questions and 5 points likert scale (1= Strongly Agree and 5= Strongly Disagree) has been used in order to measure the factors and effect of these factors.

## RESULTS

Results obtained from the data analysis on SPSS. The results consist of case processing summary, reliability statistics, correlation and regression analysis.

### 4.2. Reliability Statistics

**Table-4.1. Reliability Statistics**

Cronbach's Alpha	N of Items
.637	5

The analysis has been taken to know the reliability of the scale that measures the dependent variable (Brand Switching) and the independent variables (Service quality, price, trust and brand loyalty). Total number of items or variables is five. This reliability statistics of these variables indicates the cronbach's Alpha value of 0.637 which shows that the items which have been measured are reliable. Internationally cronbach's Alpha value 0.7 or more than it is accepted but at national level 0.6 or above it is accepted so according to reliability results items or variables are reliable which shows that survey has been conducted properly and proper response has been given by respondents.

**Table-4.5. Correlations**

	Brand switch	Service quality	Price	Trust	Brand Loyalty
Brand switch	1	-	-	-	-
Service quality	.506**	1	-	-	-
Price	.326**	.348**	1	-	-
Trust	.592**	.522**	.316**	1	-
Brand Loyalty	-.277**	-.066	-.165	-.118	1

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

Bivariate correlation test assist to make the conclusion about the relationship among the dependent and independent variables that how much effect independent variables, service quality, price, trust and brand loyalty cause at dependent variable, brand switching. The result of correlation analysis illustrates that value of service quality 0.506 which shows that service quality has a positive relationship with brand switching which is not supporting to the hypothesis that service quality is

negatively associated with brand switching. It means that even though the service quality has been provided but customers switch to another brand. The result of correlation analysis illustrates that value of price is 0.326 which shows that price has a positive relationship with brand switching so it shows that higher the price higher will be the brand switching and lesser the price lesser will be the brand switching. The result of correlation analysis illustrates that value of trust is 0.59 which shows that trust has positive relationship with brand switching. It is not matching with the hypothesis of the study which is that trust has a negative impact on the brand switching means that higher the trust lesser will be the brand switching and lesser the trust higher will be the brand switching but result is vice versa which gives the positive relationship between the independent variable, trust and the dependent variable, brand switching. The result of correlation analysis illustrates that value of brand loyalty is -0.277 which shows that brand loyalty has a negative relationship with brand switching. It means if brand loyalty is high then brand switching will be less and if brand loyalty is low then there will be high brand switching. It is clear that if customers are brand loyal with the mobile operators then customers will continue using that mobile network and will not switch to another mobile network.

**Table-4.6.** Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.672 <sup>a</sup>	.452	.430	.63910

a. Predictors: (Constant), BrandLoyalty, Servicequality, Price, Trust

The model summary tells us that how much our model is fit. The model summary gives the value of R which stands for the correlation of the variables. The value of R is 0.672 so it shows the positive relationship between the dependent variable, Brand switching and the independent variables, Service Quality, Price, Trust and Brand Loyalty. The value of R Square shows that the variability in the dependent variable, Brand Switching is explained 45.2% by the variability in the independent variables, Service Quality, Price, Trust and Brand loyalty. It shows that the linear combination of independent variables in the regression analysis predicts total variance of dependent variable by 45.2% and 54.8% are the other factors which influence the customers to switch brand.

**Table-4.7.** ANOVA<sup>b</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	33.369	4	8.342	20.424	.000 <sup>a</sup>
	Residual	40.437	99	.408		
	Total	73.805	103			

a. Predictors: (Constant), BrandLoyalty, Servicequality, Price, Trust

b. Dependent Variable: Brandswitch

Actual significant value is 0.05 and this table shows the sig value of 0.00 so according to it sig value  $0.00 < 0.05$  which shows that there is an association between the dependent variable, Brand switching and the independent variables, Service Quality, Price, Trust and Brand Loyalty.

**Table-4.8.** Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.181	.446		2.651	.009
	Servicequality	.375	.134	.250	2.795	.006
	Price	.066	.071	.075	.923	.359
	Trust	.373	.080	.414	4.670	.000
	BrandLoyalty	-.486	.184	-.200	-	.010
					2.639	

a. Dependent Variable: Brandswitch

### Regression Equation

$$Y = a + bx_1 + cx_2 + dx_3 + ex_4$$

Here, dependent variable is brand switching and the independent variables are Price, Service quality, Trust and Brand loyalty.

Regression equation for this study is given below:

$$\text{Brand switching} = 1.181 + 0.375(\text{Service quality}) + 0.066(\text{Price}) + 0.373(\text{Trust}) + (-0.486)(\text{Brand loyalty})$$

From the regression equation it is clear that if 1 unit of service quality increase, which the independent variable in this study is, there will be a 0.375 unit increase in brand switching. As the other variable is price so shown in the table 4.5 that if the 1 unit increases in price then 0.066 unit increase will occur in brand switching. Simultaneously, the three independent variables are positively correlated except brand loyalty, because it shows negative impact on brand switching.

**H1:** Service quality is negatively associated with Brand Switching.

Above table shows the value of unstandardized coefficient B is 0.375 so this shows the positive relation between the service quality and the brand switching. So this hypothesis has been rejected.

**H2:** Price is positively associated with Brand Switching.

Above table shows the value of the price is of unstandardized coefficient B is 0.066 So this shows the positive relationship between the price and the brand switching. According to this, hypothesis has been accepted.

**H3:** Trust has a negative impact on Brand Switching.

The result of the unstandardized coefficient of trust is 0.373 which shows the positive relationship so this hypothesis has been rejected.

**H4:** Brand Loyalty has a negative impact on Brand switching.

## CONCLUSION AND SUMMARY

This study has been conducted to know the different factors which influence customers to switch brand in cellular networks. The data has been analyzed and hypothesis has been developed on the basis of the grounded theories. The survey has been conducted to know the effect of the different independent variables as service quality, price, trust and the brand loyalty on the dependent variable brand switching and hypothesis has been tested. The different results of correlation and regression analysis shown that H1: Service quality is negatively associated with Brand Switching has not been supported so this hypothesis has been rejected. This shows that service quality does not influence customers to switch the network. The results also suggest that H2: Price is positively associated with Brand Switching is supported so this hypothesis has been accepted. Result illustrates that H3: Trust has a negative impact on Brand Switching. This hypothesis has not been supported which shows that there is a positive relationship between the trust and the brand switching. The results also support the H4: Brand Loyalty has a negative impact on Brand switching. So the results suggest if there is high brand loyalty then brand switching will be less.

So cellular organizations have to be careful regarding it that the needs, wants and the expectations of the customers has to be analyzed and then formulate the appropriate strategies to focus.

## Limitations

The study is limited to only two institutes of Larkana which are SZABIST and SMBBMU. This study can be done at other areas but due to lack of time research will be conducted from these institutes. There are five network providers operating in Pakistan as Ufone, Telenor, Mobilink, Warid and Zong but we have chosen only Ufone. The sample can be of large size but we choose 104 respondents out of 1048 population of respondents.

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