

A Study on Customer Switching Behaviour in Telecommunication Industry with Special Reference to Malappuram District

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Abstract

Brand switching in the telecom domain is the process in which a customer switches from the usage of products/services of a service provider to those being offered by another service provider. Due to fierce market competition, it is highly possible that although customers are satisfied with an existing service/product from a particular service provider, they may switch over to other service providers providing a more customized product at a lower price with a better service. This study examines brand-switching attitude, information sources for brand switching, factors influencing brand switching and brand switching behavior. A survey was conducted among 5 age groups between males and females.

Keywords; switching behaviour, network coverage, value added service

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Introduction

The demand of mobile service keeps increasing around the world due to the improvement of technology in the telecommunication industry. Due to number of factors such as customers' low switching cost, price sensitivity, and availability of Mobile Number Portability (MNP), choices available to customers and there is increase in the brand switching by them across mobile networks. This increased competition among players set pressure on them to find ways and means to retain their customers. In order to survive in this stiff competition market, mobile service providers are eager to implement competitive and attractive promotion package in terms of their products and services to attract more customers. Hence it is important to explore the factors that make the consumer switch towards other cellular network brands. This research aims to investigate customer switching behaviour in the mobile industry, why it takes place and what factors influence to brand switching behaviour of consumer in telecom sector. The Indian telecommunications industry is one of the fastest growing in the world. Government policies and regulatory framework implemented by Telecom Regulatory Authority of India (TRAI) have provided a conducive environment for service providers. This has made the sector more competitive, while enhancing the accessibility of telecommunication services at affordable tariffs to the consumers.

Switching behaviour is a consumer behaviour where the behaviour of the consumers differs based on the satisfactory level of the consumers with the providers or companies. Switching

behaviour can be enunciated as the process of being loyal to one service and switching to another service, due to dissatisfaction or any other problems. Even if a consumer is loyal to a particular brand, if the brand does not satisfy his/her needs, the consumers switch to a competitor brand. There are different factors and determinants which affect the consumers in switching their service from one service to another. The cost which is incurred during the switching process is called switching cost.

CSB may have different switching incidents. The model formulated by contained eight switching incidents. These were (a) pricing (price increase, unfair pricing practices); (b) inconvenience (location, waiting hours); (c) core service failures (billing errors, service catastrophes); (d) service encounter failures (uncaring, impolite, unresponsive and unknowledgeable staff); (e) employee responses to service failures (reluctant response, failure to respond); (f) attraction by competitors (consumers positive responses related to the service provider they switched to); (g) ethical problems (dishonest behaviour, intimidating behaviour, unsafe practices or conflict of interest) and (h) involuntary switching, besides other seldom mentioned incidents (such as customer having shifted locations or service provider having changed alliance). The persons working in this sector were interviewed to understand which factors motivated the customers to switch among service providers.

LITERATURE REVIEW

Canadian Cellular Industry: Consumer Switching Behaviour by Aneeta Sidhu (2002). The author of this paper finds out that customers with one year contract are more likely to switch. Customers find using their services as expensive. Whereas, customers who are attached to the service provider for a long time are less likely to switch. Some of the strategies have been identified like building value for the customers by providing them with better service and reliable reception.

Jessy John (2011) explored the factors that influence customer loyalty of BSNL mobile customers. A Sample of 100 consumers who have BSNL mobile services in Jaipur city were surveyed to assess the reasons behind the hard core customer loyalty even in an environment with high quality alternatives. The author recommended that BSNL mobile service enterprises should work on its problems related to servers in order to further strengthen its customer satisfaction and loyalty.

A Study on Consumer Switching Behaviour in Cellular Service Provider: A Study with reference to Chennai: Far East Journal of Psychology and Business Vol. 2 No 2, February 2011: M.Sathish, K.Santhosh Kumar, K.J.Naveen, V.Jeevanantham, they have attempted to identify the factors that affects the consumers into switching the service provider. To find the major influences that goes into the decision of purchasing a SIM card, to find the likeliness of switching the service provider. The study reveals that call rates play the most important role in switching the service provider followed by network coverage; value added service, Consumer care and advertisement which plays the least important role.

M. Satish and V. Jeevananthan, (2011) identified the factors that influence the consumers to switch the service providers. They concluded that there is a relation between switching the service provider and the factors like poor network coverage, frequent network Problem, High call rates, influence from family and friends.

Richard Lee, Jamie Murphy (2005), explored determinants that cause mobile phone customers to transit from being loyal to switcher. They concluded that there are different factors which affect the Customers to switch from loyalty to switching intentions such as price, technical service quality, functional service quality, switching costs, etc. The result shows that price is the most important factor which affects the customers to switch loyalties to another provider.

STATEMENT OF THE PROBLEM

Brand switching also known as brand jumping refers to the process in which a customer changes from buying one brand of a product to buying another brand. 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.

OBJECTIVES

- To identify the factors that affects the customers into switching the service provider.
- To identify the main competitors in the market.
- To find the most preferred service provider in Malappuram district.

RESEARCH METHODOLOGY

The research design used in this study is descriptive research design.

The research was done using both primary as well as secondary data. A questionnaire is used as instrument for collecting responses online by using simple random sampling technique. The observed variables under study are brand switching, service quality, network coverage and value added services.

Sampling: For this study, I have taken Malappuram district. The respondents will be randomly drawn. So sampling method is used for data collection. The sampling size is 150

Tools Used for Analysis: Simple percentage analysis: The percentage method is used for comparing certain feature. The collected data represented in the form of tables and graphs in order to give effective visualization of comparison made. And chi square test is applied.

Hypothesis : Significant relation between age and switching behaviour

Limitations of the study

- ☐ Though structured schedules were used to collect the information from the respondents, some subjectivity in their responses is possible.
- ☐ The study limited to only one district.

DATA ANALYSIS AND INTERPRETATION

Five age ranges were given in the questionnaire. That is from less than 20 years to more than 50 years. Among the 150 sample most of the respondents are male (100) and others are female (50).

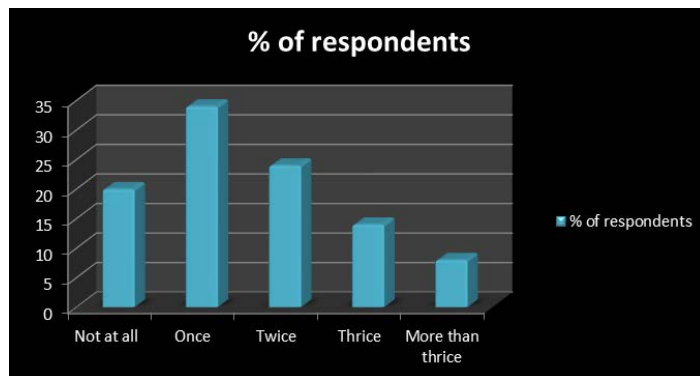
Number of Times Switching the Brand

Respondents were asked about switching mobile service providers. This question was asked for the further direction of

questionnaire and also to analyze the trend of switching mobile service providers in respondents. The responses about switching mobile service providers are given in the following table.

Table and chart 1: Number of times switching the brand by respondent

	No of respondents	% of respondents
Not at all	30	20
Once	51	34
Twice	36	24
Thrice	21	14
More than thrice	12	8
Total	150	100



Above table presents clear picture about results of switching behavior of respondents. There were 20% respondents who have never switched mobile service provider. 34% respondents have switched mobile service providers once in the life. There were 24% respondents who have changed mobile service provider twice in their life. 14% respondents have switched mobile service provider thrice in their life. There were only 8% respondents who have switched mobile service providers for more than thrice. The results suggest that 80% respondents have experienced switching mobile service providers. Majority has done this only for one time.

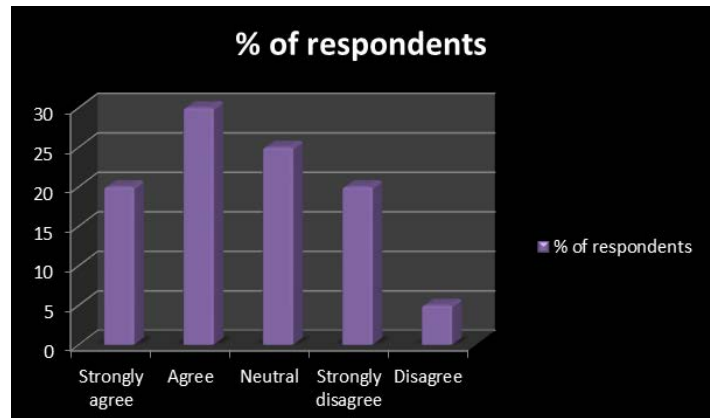
Factors influencing Brand Switching:

Influence of Call Rates among brand switchers: The first question was asked that for did the call rates has influenced you to switch the brand. Literature review has discussed that call rates is the most important factor that influence brand switching behavior.

Table and chart 2: Influence of Call Rates among brand switchers

	No of respondents	% of respondents
Strongly agree	24	20
Agree	36	30
Neutral	30	25
Strongly disagree	24	20

Disagree	6	5
Total	120	100



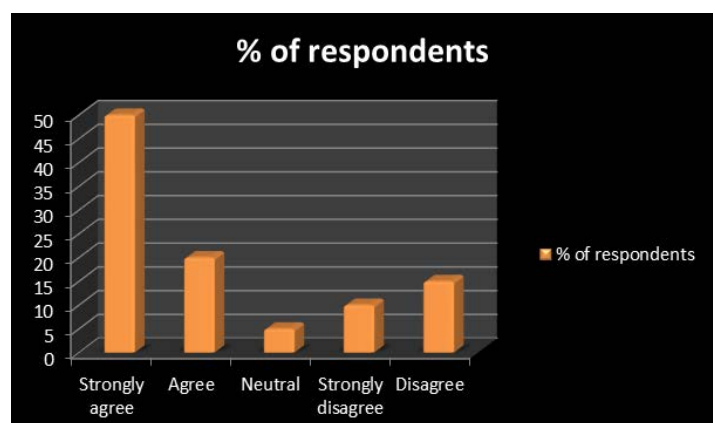
There were 20 % respondents who strongly agreed that call rates are influenced to brand switching. 30 % respondents are agreed brand switching has influenced because of call rates. 25% respondents remained neutral in their opinion. 20 % respondents disagreed to the fact that call rates are influenced to brand switching. 5% of respondents strongly disagreed with this opinion.

Network Coverage is An Influence factor

Respondents were asked that whether Network coverage of previous mobile service provider was poor comparing other service providers.

Table and chart 3: Influence of Network Coverage among brand switchers

	No of respondents	% of respondents
Strongly agree	60	50
Agree	24	20
Neutral	6	5
Strongly disagree	12	10
Disagree	18	15
Total	120	100



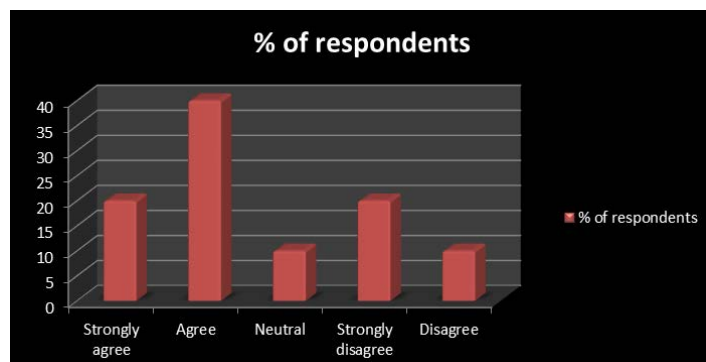
Results suggest that 50% respondents strongly agreed that poor network coverage of previous service provider comparing to current operator that can influenced to switch. 20% respondents agreed, 5% remained neutral, 15% disagreed and 10% respondents strongly disagreed to the fact that they are influenced by network coverage service of previous operator.

Value Added Services is the factor influence

Brand Switching Respondents were asked that whether value added services have encouraged them for brand switching or not.

Table and chart 4 : Influence of Value Added Services among brand switchers

	No of respondents	% of respondents
Strongly agree	24	20
Agree	48	40
Neutral	12	10
Strongly disagree	24	20
Disagree	12	10
Total	120	100

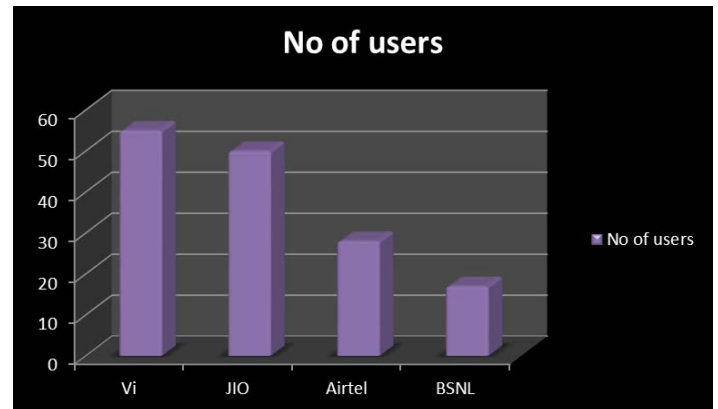


The above table suggests that 20% respondents strongly agreed to the fact that value added services have encouraged them to switch over new service provider. 40% respondents agreed to the fact that value added services of new operator have encouraged them for brand switching. 10% respondents remained neutral in their opinion. 10% respondents disagreed to the fact that value added services of new service provider have encouraged brand switching. 20% respondents strongly disagreed with this opinion.

Most demanded mobile network

Among 150 respondents most of the people preferred Vi and Jio mobile service providers in Malappuram district. The main reason for the preference is because of its wide network coverage and 4G availability.

Service provider	No of users
Vi	55
JIO	50
Airtel	28
BSNL	17
total	150



From the above figure it is clear that most of the respondents preferred Vi network because of its wide coverage and the second preferred network is Jio because of its 4G availability and speed. The other service providers are Airtel and BSNL.

Chi square test

Age	Switching behaviour
20	30
20 - 30	50
30 -40	35
40 – 50	25
50 and more	10

Chi square value = 0.503668

The table value at 5% level of significance is 9.488. Calculated value is less than the table value. So we accept the null hypothesis. That means there is a significant relation between age and switching behaviour.

FINDINGS

1. Respondents who were young have been found very frequent in switching mobile service providers. It has been found that respondents who are older in age have never switching mobile service providers. It can be deduced that these respondents might have some personal or professional reason for changing mobile service providers. It has been found that respondents who are young have switched for more than 3 times since they are using mobile telecommunication.
2. During this pandemic situation most of the respondents wants 4G availability, network coverage and internet availability in their mobile networks. Because of most of them are work from home people and in online classes.
3. Among 150 respondents most of the people preferred Vi and Jio mobile service providers in Malappuram district. The main reason for the preference is because of its wide network coverage and 4G availability.

4. From chi square test, it is clear that there is a significant relation between age and switching behaviour of customers.

SUGGESTIONS

1. It is clear that different groups have different switching behavior , age, gender, marital status and brand have significant dependency on those who switch.
2. Customer care service need to be updated by providing extra options to customers.
3. Mobile service providers have to provide more offers for family and friends.

Enticing offers still hold a major sway.

4. Mobile service provider should satisfy their current consumers by providing them innovative offers.
5. Mobile service provider should accept valid feedbacks from consumers regularly and make sure that they satisfy the consumers.

CONCLUSION

Telecommunication services are globally recognized as one of the driving forces for overall economic development in a nation. They are also one of the prime support services needed for rapid growth and modernization of various sectors of the economy. The Government of India recognizes this fact and hence, has taken several major initiatives to provide a business friendly environment for companies in this sector. This particular research aimed at examining the factors influencing brand switching in telecommunication industry of India. In order to examine the factors triangulation methodology has been adopted. Questionnaire strategy has been used for collecting primary data. There were 80% respondents who have experienced brand switching of service providers at any stage in their life. 20% respondents have never switched mobile service providers. The findings of research suggest that there network coverage has been most influential factor in decisions of customers regarding

brand switching. The results have shown that most of respondents switch mobile service providers in response to network problems. On the other hand service providers charging low call rates have been succeeded in stopping their customers to switch over other service providers. All customers do not value reduction in prices of calls but they value quality of services.

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