Factors Affecting Brand Switching Behaviour of Millennials: Experience from the Sri Lankan Telecommunication Industry

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Abstract

Purpose: The purpose of this study is to identify the factors that influence millennial consumers to engage in brand switching in the mobile network market of Sri Lanka.

Design/methodology/approach: A quantitative study was conducted under the deductive approach to achieve the objectives of the research. The data were collected from 315 university undergraduates in Sri Lanka, who represent a part of the island's millennial population.

Findings: The findings revealed that service quality and price were the major factors that entices customers to switch their telecommunication brand. Moreover, customer satisfaction mediates the impact of service quality and price on such brand switching behaviour. The study also revealed that even if a brand has a good image but cannot provide quality service at an affordable price, it will not be able to retain its existing customers.

Originality and Implications: This study intends to guide the market players in the telecommunication industry to develop sustainable strategies to protect their market share by focusing more on customer retention.

Key Words: Brand Switching, Customer Satisfaction, Service Quality

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INTRODUCTION

The telecommunication sector is making an immense contribution to the national economy, and is able to do so because of the very high demand for communication facilities, including portable mobile phone systems, which are presently viewed as fundamental needs in the present world. Practically, 90% of individuals own cell phones, which they use to stay connected with others. In the modern era, the competition in the mobile telecommunication industry has risen to a significantly high level.

A definitive goal of any business organization is to build up consumer loyalty so as to retain them for the long run. Buyers' post purchase behaviour demonstrates that if the product meets and satisfies the buyer's need, then he/she will continue to remain a steadfast customer (Chaarlas *et al*., 2012). In the mobile network industry, customers are of different types, and among these people millennials demonstrate a somewhat different consumer behaviour. It is empirically evident that if the product or service does not satisfy the millennial consumer group then they will be disappointed and express their displeasure by changing to a different brand and ending their association with the current brand. People are far more likely to change their telecommunication brand than the brands associated with most of the other products and services they use (Guatam and Chandhok, 2011).

Chaarlas *et al*., (2012) identified a few factors that might prompt customers to do brand switching; they are displayed in-store, there is accessibility, value, consistency, price, promotions and receptiveness. The quality of the service provided is what mainly influences buyers to repurchase the same brand. Kouser *et al.,* (2012) explained that providing high quality service resulted in consumers generating a positive verbal feedback, which eventually led to a higher market value of the organisations. According to some researchers, newer technology, better communication and considerate services are the hallmark of quality in the telecommunication industry (Makwana *et al*., 2014). The proposition is for the senior administrators of the telecom companies to pinpoint the factors that influence their positioning in the market vis-à-vis their competitors. The main problem is that service providers are not in complete control of consumers' switching decisions. It is up to the consumer to choose the service provider who will generally be located in close proximity.

The mobile network market in Sri Lanka is oligopolistic, and in the current market the number of service providers is very limited but yet the

competition is very high. There are five mobile phone service operators in Sri Lanka. Dialog Axiata PLC is the market leader having a market share of 44.2%, Mobitel (Pvt.) has a market share of 28.3%, Hutchison Telecommunications Lanka (Pvt.) has a market share of 10.1%, Bharti Airtel Lanka (Pvt.) has a market share of 9.3% and Etisalat Lanka (Pvt.) Ltd. has a market share of 7.8 % (Sri Lanka Telecom PLC, 2018). It shows that although Dialog Axiata is the market leader, its nearest competitor, Mobitel got 800,000 new mobile subscribers in 2018 (Sri Lanka Telecom PLC, 2018). Dialog Axiata needs to pinpoint those factors that caused many of its customers to switch over to a different brand. The objective of this study is to discover the factors that cause the customers of mobile phone service providers to switch their brand.

Although Dialog is the market leader in the Sri Lankan mobile service market, its' competitor Mobitel securing 800,000 new mobile subscribers in the previous year (Sri Lanka Telecom PLC, 2018), is seen as a huge threat for Dialog, being the market leader. It shows that the modern generation has no brand loyalty. They switch the brand according to the facilities provided by the brand. This has some bad implications for the service providers, because getting a new customer can cost five times as much as retaining an existing customer. What is more, increasing customer retention by 5% can increase profits by 25-95%. The success rate of selling to the existing customer is 60-70% while the success rate of selling to the new customer is 5-20% only (Taylor, 2019). Although getting new customers is important, retaining existing customers is essential for the profitability of the organization. The objective of this study is to identify the factors that lead to brand switching, as being aware of the same may help the market players to formulate plans to retain the existing customers.

Previous researchers have done abundant research on brand loyalty and brand switching in various industries. Still, very few researchers have found factors that prompt the customer to switch brands in the mobile service market. It is imperative to fill this gap because the mobile service market is highly volatile and service providers must understand the factors that cause customers to switch brands. Having this information will help mobile service providers to work out strategies to retain their existing customers.

LITERATURE REVIEW

Introduction

The literature review can be divided into two categories, one being a survey article and the other a review that forms part of a research paper, proposal, thesis, or dissertation (Bryman and Bell, 2007). An extensive review of the literature was carried out with the intention of examining the impact of brand image, service quality, price, and customer satisfaction on brand switching behaviour.

The Millennials

Millennials are those who were born between the years 1980–2000 (Senduk, 2017). They are the most recent generation to join the present workforce. A generation can be identified by its date of birth, present age and the significant events that occurred within that period such as wars, economic transitions, and technological developments. What is more significant about millennials is that they were born in the digital age and were much more influenced by new technology than previous generations. Furthermore, it is said that millennials stay in a job for less than three years and they are not loyal by nature (Senduk, 2017). Hence, their personalities, values, viewpoints and expectations differ from other generations.

Service Quality

It can be stated that service quality does vary from situation to situation as well as from person to person. Service quality may be described as a factor in which the actual offerings obtained by customers are compared to their expectations regarding it. A customer's opinion of the delivered performance has a direct association with the customer's demand for enhanced service quality (Guatam and Chandhok, 2011). Different scales through which service quality could be measured can be seen clearly. Some scales have been criticized because these scales cannot be applied in general (Saunders and Petzer, 2010). It can be stated that depending on the customer, the rating of service quality will differ. The telecommunication industry provides a good example of this. When evaluating a mobile network service, a customer might pay attention to intangible elements as well as tangible elements. Service quality, which is closely dependent on the functional quality and technical measures, is known to have a rapid impact on behavioural objectives and customer satisfaction

(Khan and Manthiri, 2012). Furthermore, it can be said that quality within the service sector is a subjective evaluation. It is quite reasonable to say that during previous studies, the most vital elements of the service provided, as perceived by the customer were solidity, communication, reliability, and responsiveness. Those elements have a significant influence on the purchase intention of the customer within the mobile service sector (Khan and Manthiri, 2012). According to Sobia *et al.*, (2015), service quality can be judged by good communication between the provider and customer, the novelty of the service and value-added services. Service quality depends upon assurance, network quality, value-added services and responsiveness (Sarwat *et al.*, 2013).

Service quality is the customer's perception of how well a service satisfies the expectations of the customer. Service quality is commonly understood to be a determinant of competitiveness and a critical prerequisite for establishing a sustainable relationship with customers. Service quality not only helps the network provider to draw in new customers but also retain the existing customers (Lee, 2010).

Service quality is not restricted to the usability and overall performance of the network, but has a broader scope. It consists of numerous factors such as value-added services and other special offers of the service provider (Koivisto and Urbaczewski, 2004). It has been conceded by all that the most vital function of the provider is to fulfil the customers' needs and wants. According to previous studies, service quality draws the primary attention, so it is important to maintain this to develop a larger purchase base. If companies can guarantee a first-rate service to clients, then the companies will probably retain their customers and even collect more customers because of the pleasant manner in which they deal with them and give satisfaction (Chi *et al.*, 2008). Accordingly, the below hypothesis was derived:

H1: Service quality has an impact on the brand switching behaviour of millennials.

Price of the Service

Service pricing is an important factor that may influence the customer to do brand switching. According to Kotler and Armstrong (2010), price is the money that customers pay for the product or service. If the service provider gives excellent service and charges a fair price, that is likely to satisfy the customer (Martin *et al.*, 2007). Therefore, it means that price impacts brand

switching positively. According to Herrmann *et al*., (2007), if a high price is charged by the service provider it can cause a customer to switch the brand. Price does not only mean the service cost, as it is also related to the value as perceived by the customer (Salvador *et al*., 2007). Therefore, when a customer talks about the price, he is referring to the cost as well as the value of service. A research conducted in Pakistan has observed that brand switching by cellular phone customers has frequently been shaped by price rationality (Malik *et al*., 2014). Customers who pay for any service expect a good quality of service; if this is lacking, the customer will go for brand switching. Sometimes, the price of service does not matter to the customer, but the quality of service matters. It means that if the quality of service provided by the service provider is good, then some customers will be willing to pay more money for that because for those customers, quality of service matters a great deal (Salvador *et al*., 2007). Saleh *et al*., (2015) mentioned that when customers pay for any service, they tend to check the worth of the service they are getting by comparing it with competing service providers' charges for that service. Therefore, the price of the service depends upon the quality of service as well as the perceived value of that service. The second hypothesis was derived as follows:

H2: Price has an impact on the brand switching behaviour of millennials.

Brand Image

The brand image must be distinctive and appealing to clients, thus ensuring good recognition among the buyers (Akaah and Pradeep, 1988). Rao and Monroe (1988) suggested that a good brand image helps to obtain a positive response in favour of the company from the buyer. Therefore, customer's satisfaction in buying a famous brand helps to reduce the likelihood of him turning to another brand in the future. The rating of a brand or recommendation for a product is often questioned. Therefore, it is important to build up a good brand image as that is the only way to earn the public's confidence in a company's products and services (Keller, 1993). From the brand image, a customer can identify the brand, quality and characteristics of the brand. Furthermore, recognition of the brand image also reduces the risk of the customer purchasing the product or service from another vendor (Thakor and Katsanis, 1997). According to Aaker (1991), from the brand association, brand personality, brand differentiation, and brand image can be measured. Brand image is based on the impression and emotions of the purchaser as it is the vision ingrained in his mind, distinguishing it from the rest of the brands. It is

the understanding and faith of the buyers in the brand and its productive traits (Faircloth *et al*., 2001). When a customer has a good impression of a brand, he will remember that brand and prefer to continue with the same brand; the customer will even suggest that brand to others (Cahyono *et al*., 2015). Brand image is the distinctive sign containing all pictorial and assessment-based particulars of the relevant brand (Iversen and Hem, 2008). Accordingly, the third hypothesis was derived.

H3: Brand image has an impact on the brand switching of millennials.

Customer Satisfaction

Oliver (1997) defined customer satisfaction as the level of contentment of a consumer, based upon his/her expectations in respect of a product or service of a brand. Many factors determine customer satisfaction in the mobile network market, of which the price and service quality are the most important. From the price, the customer can feel that he/she is getting his money's worth, while from the quality of service, the customer can feel satisfied overall with the service provider (Abdul *et al*., 2018). Govender (2017) cited that there are two types of customer satisfaction, which are transaction-specific satisfaction and cumulative satisfaction. Customer's valuation of service or product after choosing and utilizing it is transaction-specific satisfaction (Wu, 2011). Cumulative satisfaction is a long-term process as it includes the assessment of service or product over a longer period, depending upon its usage and quantity and frequency of purchase (Fornell and Larcker, 1981). In this regard, Oliver (1997) concluded that cumulative satisfaction yields a better prediction of repurchase intention of a customer and a product's economic value. A company's success depends mainly upon market share, its ability to deliver satisfactory services to its customers, and the profit yield, which ultimately depend upon the approach that is used. According to Sarwat *et al*. (2013), price of the service, quality of service, brand image, responsiveness and reliability of the service can affect customer satisfaction. Organisations depend upon customer satisfaction because if the customer is satisfied, then the organisation will be successful, and it can achieve its goals (Abdul *et al*., 2018). Furthermore, satisfied customers are loyal to the brand, and brand loyalty leads to the retention of the customers for a long time. Retention of the existing customer can increase the profit of the organisation by 25-95% (Taylor, 2019). If the service providers can provide excellent service at a fair price and other value-added services, it will lead to customer satisfaction and that will directly lead

to brand loyalty. When a customer is brand loyal, it will increase the profit of the organisation as well as the market share of the company. On the other hand, if the service provider fails to deliver good service and does not fulfil the expectations of the customer, it will affect the organisation's profit as well as its market share (Abdul *et al*., 2018). As per this dicussion, the following hypotheses were developed.

H4: Customer satisfaction has an impact on the brand switching behaviour of millennials.

H5: Customer satisfaction mediates the impact of service quality on the brand switching behaviour of millennials.

H6: Customer satisfaction mediates the impact of the price of the service on the brand switching behaviour of millennials.

H7: Customer satisfaction mediates the impact of the brand image on the brand switching behaviour of millennials.

Brand Switching Behaviour

Kumar and Chaarlas (2011) defined brand switching as the process of going from one brand to another brand of the same type. Economic cycles also impact the brand switching behaviour of consumers. Two contradictory propositions were made in this regard. One was from Porral and Mangin (2015), who suggested that during an economic decline, price-quality perceptions become more obvious, and consumers tend to switch more towards private brands. Contrary to this, Walsh *et al*., (2010) proposed that the only time when consumers switch more towards private brands is during the time of an economic downfall but they tend to switch to manufacturer brands during economic ascension. Traditionally, consumers are divided into two groups in the context of brand switching, which are being loyal to a brand or not being loyal to a brand (Bogomolova and Grudinina, 2011). However, such an approach treats brand switching and brand loyalty as two different entities and unrelated actions in the area of consumer choice. Whereas Al-Kwifi and Zafar (2015) proposed that brand switching and brand loyalty should not be separated and must be seen as behaviours along a continuum, which can be called the brand loyalty-switching continuum. Brand switching can depend upon the switching cost and switching intentions. High switching cost discourages the customer from engaging in brand switching. Furthermore, the intentions of the

customer to go for brand switching also affects brand switching (Mahafuz *et al*., 2017). According to Martin (2008), a consumer who uses two or more brands at the same time, does so if one brand fails to fulfil the consumer's needs. The individual can use the other brand therefore, if needed, and this individual is called a brand switcher. In this regard, a vast body of literature suggests that product brand delivery and dissatisfaction do motivate brand switching among consumers (Pick and Eisend, 2016; Al-Kwifi and Zafar, 2015; Thuy *et al*., 2016). Consumers can switch products among the same brand, or they can switch to a different brand altogether. This depends upon the strategies of service providers regarding the marketing mix (Jiang *et al*., 2010).
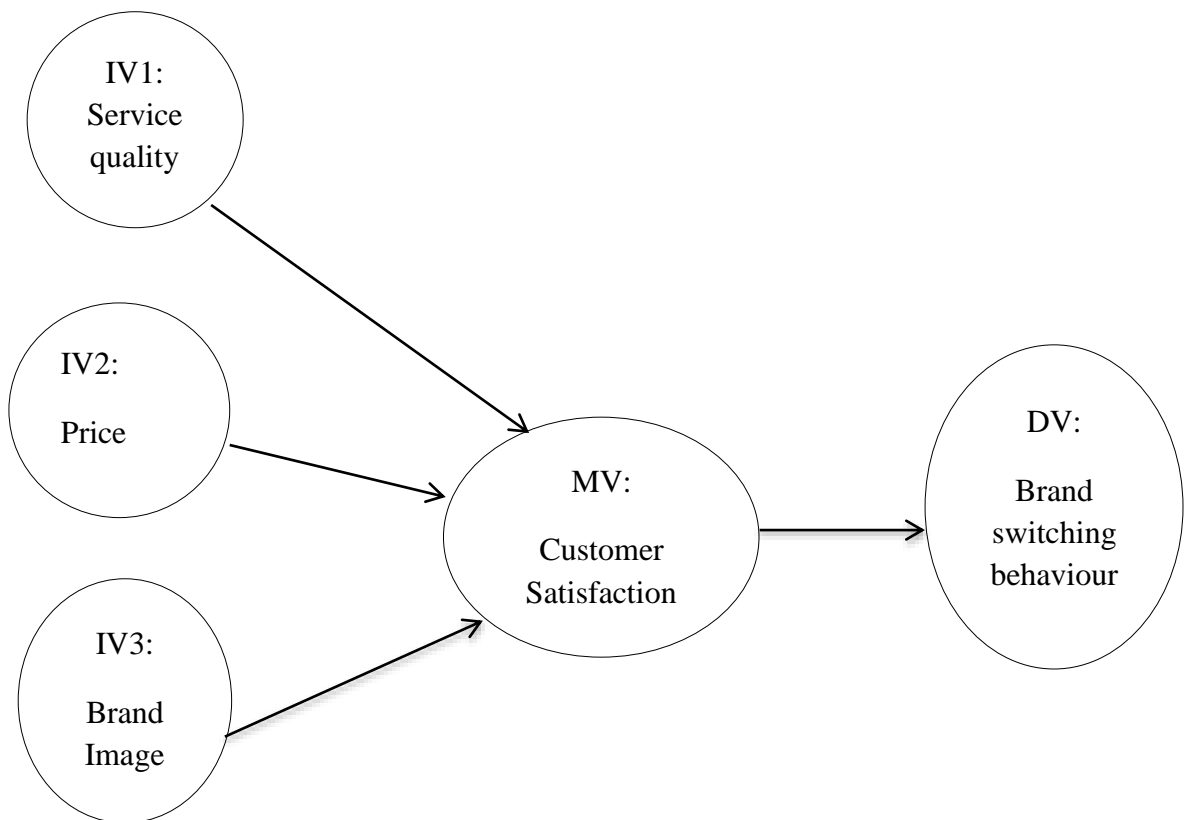

Figure1: Conceptual Framework
Source: Developed by the Researchers (2020)

METHODOLOGY

The study is mainly of a quantitative nature. Adopting the deductive approach, the survey method has been used in the research in answering quantitatively weighted research questions (Dewasiri et al., 2018; Baker et al., 2019) The research focuses on mobile service users in Sri Lanka. The

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population includes millennials in Sri Lanka who are using mobile phones; data was mainly collected from university undergraduates in Sri Lanka as the present undergraduates are all millennials. Researchers used the Rule of Thumb to collect data. According to the Rule of Thumb, a sample size between 30 and 500 can be considered as a good sample (Belle, 2008). Researchers carried out a pilot test first to check whether questions were comprehensive and relevant. Pilot testing can reduce any errors that may be present in the questions. The pilot testing serves to minimize errors to ensure the trustworthiness and reliability of the study. To do this, questionnaires were initially distributed among 15 respondents. As a result, some questions that were repeated were removed, and this also reduced the time required to complete the questionnaire. After the pilot testing, changes were made in the questionnaire to improve the quality of the questionnaire. After the pilot testing, using the convenience sampling technique, questionnaires were distributed among 315 respondents of the population to collect the data.

Table 1: Measures

Variable	Indicators	Source	Measurement
IV1: Service quality	Communication Assurance Reliability	(Khan and Manthiri, 2012), (Sobia *et al*., 2015) (Sarwat *et al*., 2013) (Khan and Manthiri, 2012)	5-point Likert scale
IV2: Price of the service	Quality of service Value for money Fairness	(Saleh *et.al*, 2015) (Martin *et al*., 2007)	5-point Likert scale
IV3: Brand image	Differentiation Association Superiority	(Aaker, 1991) (Aaker, 1991), (Keller, 1993) (Cahyono *et al*.,2015)	5-point Likert scale
MV: Customer satisfaction	Financial satisfaction Cumulative or Overall satisfaction	(Abdul *et al*.,2018) (Govender, 2017) (Abdul *et al*., 2018)	5-point Likert scale
DV: Brand switching behaviour	Switching intention Switching cost	(Mahafuz *et al*., 2017) (Mahafuz *et al*., 2017)	5-point Likert scale

Source: Developed by the Researchers (2020)

ANALYSIS AND FINDINGS

While performing the data analysis, researchers had to determine the accuracy of data and whether any data were missing. Then, descriptive statistics for all the variables were done. Moreover, normality and linearity tests were done. To confirm the accuracy of the measurement model, validity and reliability tests were done (Chin, 1998). To check the relationships among the input variables, a multicollinearity test was conducted, then correlation was done to check the association. Before analysing the data with the software, researchers checked to ascertain whether the data were ready and complete. The researchers distributed the questionnaire among 315 respondents, and collected 302 completed questionnaires; thus, the respondent rate for the survey was 95.59%. At the initial screening nine questionnaires were rejected, and out of the remaining 293, 23 outliers were identified. After removing the 23 outliers, a final sample size of 270 remained. The missing data in some questionnaires rendered them insufficient for analysis, and these questionnaires also represented bias issues (Saunders and Petzer, 2010).

Normality

The normality test indicates whether the data is normally distributed, and it is also used to eliminate any errors in the questions. Skewness and kurtosis values can be used for the normality test. According to Hair *et al*. (2009), to ensure the normality of the variables, the accepted value for skewness should be within −1 to +1, and the value for kurtosis should be −3 to +3. Normality of data was tested. Skewness and kurtosis values of variables and their standard errors are given in Table 2.

Table 2: Normality test

Variable	Skewness	Std. Error of Skewness	Kurtosis	Std. Error of Kurtosis
Service quality	-0.337	0.148	-0.295	0.295
Price of the service	-0.243	0.148	-0.72	0.295
Brand image	-0.239	0.148	-0.274	0.295
Customer satisfaction	-0.456	0.148	-0.138	0.295
Brand switching behaviour	-0.557	0.148	-0.207	0.295

Source: Developed by the Researchers (2020)

Table 2 shows that the values of kurtosis and skewness of all variables are within the normal range. Therefore, it can be concluded that the data is normally distributed.

Linearity

The linearity test shows how independent variables and dependent variable are related (Saunders *et al*., 2009). In the current study, a linearity test was conducted between direct relationships. R square value can be used to test the linearity, and its value should be between +1 to −1. The findings of the current study relating to linearity are given in Table 3.

Table 3: Linearity test

Variables	R square	F	Significance
Service quality and brand switching	0.243	85.931	0.000
Price and brand switching	0.223	76.768	0.000
Brand image and brand switching	0.142	44.181	0.000
Service quality and customer satisfaction	0.363	152.394	0.000
Price and customer satisfaction	0.575	363.153	0.000
Brand image and customer satisfaction	0.339	137.228	0.000
Customer satisfaction and brand switching	0.315	123.381	0.000

Source: Developed by the Researchers (2020)

Table 3 shows that all the relationships are linear. The value of R^2 for service quality and brand switching is 0.243, and it indicates that 24.3% of the variation in brand switching is explained by service quality. Likewise, values of R^2 for the price of the service and brand image with brand switching are 0.223 and 0.142, respectively. It shows that 22.3% and 14.2% deviation in brand switching is explained by the price of the service and brand image, respectively. Similarly, the R^2 values of the brand image, service quality and price with customer satisfaction are 0.339, 0.363 and 0.575 respectively, which show 33.9%, 36.3% and 57.5% deviation in customer satisfaction. Finally, the R^2 value of customer satisfaction and brand switching behaviour is 0.315, which shows that 31.5% deviation in brand switching is explained by customer

satisfaction. Moreover, the significance values of all relationships are less than 0.05, which is an acceptable level.

Validity

If researches are to be used as guides when making decisions, they should be scientifically valid (Bryman and Bell, 2007). The ability of the dataset to answer the research questions satisfactorily can be considered as scientific validity. To determine the validity, the Kaiser-Meyer-Olkin (KMO) test can be used. Usually, the KMO value should be between 0 and 1. According to Kim and Mueller (1978), a KMO value that is close to 1 is acceptable. However, Kaiser (1974) suggested that a KMO value that is greater than or equal to 0.5 is still acceptable. The KMO values of the current study are given in Table 4.

Table 4: KMO test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.916

Source: Developed by the Researchers

Table 4 shows that the value of KMO test is 0.916. Therefore, it can be concluded that the current study is valid.

Reliability

To measure the stability and accuracy of the data, a reliability test can be used. Based on the collected data, reliability was tested for each variable to ensure that the measures consistently reflected the construct that was being measured (Hair *et al*., 2009). To measure reliability, Cronbach's Alpha can be used. According to Flynn *et al*. (1994), the value of Cronbach's Alpha should be greater than or equal to 0.6. When the Cronbach's Alpha value is close to 1, it shows a high reliability of data. Cronbach's Alpha values of the study are given in Table 5.

Table 5: Reliability test

Variables	Cronbach's Alpha	No. of items
Service quality	0.625	3
Price of the service	0.828	3
Brand image	0.708	3

Source: Developed by the Researchers (2020)

Table 5 shows that Cronbach's Alpha(s) of the variables indicate reliability of the current study.

For customer satisfaction and brand switching behaviours, two indicators have been used. Therefore, to check the reliability of these two variables, inter-item correlation can be used. According to Najm (2020), the inter-item correlation value should be 0.3 to 0.8.

Table 6: Reliability test

Variable	Inter-item correlation	Number of items
Customer satisfaction	0.418	2
Brand switching behaviour	0.523	2

Source: Developed by the Researchers (2020)

Table 6 shows that inter-item correlation values of the variables in the current study can be considered as reliable.

Multicollinearity

A linear relationship existing between two or more of the input variables is called multicollinearity (Hawking and Pendleton, 1983). This can affect the regression analysis and the conclusions as well. To check the multicollinearity among input variables, a factor known as Variation Inflation Factor (VIF) is used. If multicollinearity exists among the inputs, variables show the variance or the standard errors are overstated. VIF value should be less than ten while the tolerance level should be greater than 0.1. A tolerance level of 1 indicates there is no multicollinearity, while 0 shows it is perfectly multicollinear (Field, 2005).Table 7 shows the VIF value and tolerance level of each variable.

Table 7*: Multicollinearity test

Variable	VIF	Tolerance
Service quality	1.625	0.615
Price of service	1.654	0.605
Brand image	1.543	0.648

Source: Developed by the Researchers (2020)

Table 7 shows that VIF values are in the normal range and tolerance levels are greater than 0.1, which show that there is no multicollinearity among the input variables.

Correlation

Correlation is a statistical method used to measure how two datasets are associated or related. To determine the correlation, a tool known as Pearson's correlation is used. The correlation coefficient value can be positive or negative, and this shows the direction of the relationship (Bryman and Bell, 2007). The correlation coefficient is usually represented by r, and its value should be between -1 and $+1$. If the value of r is 1, it shows that the relationship is totally positive, and if the value is 0, it shows there is no relationship between the variables (Bryman and Bell, 2007).

Significance value can also be used to decide between the hypotheses. Significance value should be less than 0.05. The values of the correlation coefficients of the current study are given in Table 8.

Table 8: Correlation between variables

		Service quality	Price	Brand image	Customer satisfaction	Brand switching
Service quality	Pearson Correlation	1	0.593[**]	0.629[**]	0.602[**]	0.493[**]
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
	N	270	270	270	270	270
Price	Pearson Correlation	0.593[**]	1	0.620[**]	0.759[**]	0.472[**]
	Sig. (2-tailed)	0.000		0.000	0.000	0.000
	N	270	270	270	270	270
Brand image	Pearson Correlation	0.629[**]	0.620[**]	1	0.582[**]	0.376[**]
	Sig. (2-tailed)	0.000	0.000		0.000	0.000
	N	270	270	270	270	270

Customer satisfaction	Pearson Correlation	0.602^{**}	0.759^{**}	0.582^{**}	1	0.561^{**}
	Sig. (2-tailed)	0.000	0.000	0.000		0.000
	N	270	270	270	270	270
Brand switching	Pearson Correlation	0.493^{**}	0.472^{**}	0.376^{**}	0.561^{**}	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	270	270	270	270	270

Source: Developed by the Researchers (2020)

All Pearson's correlation values are positive, and as significance values are also less than 0.005, it can be concluded that all hypotheses are positively correlated.

Regression Analysis

The statistical tool that is used to find the impact of one variable on the other variable is called linear regression (Bryman and Bell, 2007). Simple linear regression is used, and multiple regressions can be used when there are more than two variables. R square, adjusted R square, significance, beta, and F-values are the critical parameters used to analyse the regression. To tell about the goodness of a fit of the model the R square value can be used. Beta value shows how strongly the independent value influences the dependent variables (Bryman and Bell, 2007). It is also used to determine the results of a hypothesis as to whether it is accepted or rejected. If the P-value is less than 0.05, the active hypothesis is accepted.

The following regression model can be supposed.

Brand switching behaviour = βo + β1 (service quality) + β2 (price) + β3 (brand image)

To find out the values of βo, β1, β2, and β3, the regression analysis was performed.

Table 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.541[a]	0.293	0.285	0.66787

a.   Predictors: (Constant), brand image, price, service quality
Source: Developed by the Researchers (2020)

Table 10: Coefficients[a]

Model	Unstandardized Coefficients		Standardised Coefficients			
	B	Std. Error	Beta	T	Sig.	
(Constant)	1.143	0.293		3.908	0.000	
Service qual	0.429	0.091	0.330	4.694	0.000	.000
Price	0.269	0.067	0.279	3.997	0.000	
Brand image	-0.005	0.091	-0.004	-0.059	0.953	

a.   Dependent Variable: Brand switching
Source: Developed by the Researchers (2020)

Table 9 shows the value of R square as 0.293, and from R square value researchers can tell the goodness of a fit of the proposed model. The value of R square should be between 0 and 1. A value close to 1 indicates high goodness of fit of the model; however, if the value of Rsquare is close to 0 that indicates poor goodness of a fit of the model. The value of R square in this study is 0.293, which shows that 29.3% of the variation in the brand switching behaviour is explained by the brand image, price of the service and quality of service. As the value of R square is close to 0, it can be concluded that the goodness of a fit of the model is low.

For service quality and price p <0.05 so $H1_a$ and $H1_b$ are accepted. This shows that service quality and the price of the service are statistically significant while for brand image, significant value is greater than 0.05. Therefore, H0 is accepted and the final model is:
Brand switching behaviour = 1.143 + 0.429 (service quality) + 0.269 (price)

This equation shows that an increase of 1 unit in the price of the service increases brand switching by 0.269 on average while the other factors remain constant. And an increase in 1 unit of service quality increases brand switching by 0.469 on average while the other factors remain constant. Moreover, it also shows that service quality is the most influential factor for brand switching behaviour in the mobile service market.

To learn about the mediating effect, a Sobel test was conducted by the researchers.

After finding the value of β_0, β_1, β_2 and β_3, the following model can be developed:

Brand switching behaviour = 1.143 + 0.429 (service quality) + 0.269 (price) − 0.005 (brand image)

Sobel Test

The Sobel test that was proposed by Sobel in 1982 is also called Sobel Z statistics and is used to check the mediating effect. A Sobel test is performed to check the mediating effect of the dependent and independent variables in the presence of the mediating variable. Sobel test result has three values, which are the test statistics, standard error and p-value. The value of test statistics should be greater than 1.96, and the value of p should be less than 0.05 (Sobel, 1982). To confirm the mediating effect, the Sobel test was done. The calculations of the current study are given below.

Table 11: Sobel test

Models	Sobel test	p value
Service Quality ⟶ Customer Satisfaction	3.0336	0.0024
Price ⟶ Customer Satisfaction	4.6195	0.0000
Brand Image ⟶ Customer Satisfaction	1.7274	0.0841

Source: Developed by the Researchers (2020)

According to the Sobel test statistics shown in Table 11, the value of the brand image is less than the normal value. Also, the value of p is greater than 0.05 and the Sobel statistics value of service quality and price of the service are 3.033608 and 4.619556 respectively, which is higher than 1.96. Value of p is also less than 0.05. So, it can be concluded that customer satisfaction does not mediate the impact of the brand image on brand switching behaviour. Still, it

mediates the impact of service quality and price of the service on the brand switching behaviour.

DISCUSSION

The seven hypotheses are based on the conceptual framework. Discussion is based on those seven hypotheses. According to Sobia *et al*., (2015) and Sarwat *et al*. (2013), service quality impacts the brand switching behaviour positively while this study also shows the same result. Accordingly, it can be stated that service quality impacts brand switching behaviour positively. Therefore, H1 is accepted. According to Sobia *et al*., (2015), Saleh *et al*. (2015) and Sarwat *et al*. (2013), price of the service has a positive impact on brand switching behaviour while this study also shows the same result. Therefore, it can be concluded that price of the service impacts the brand switching behaviour positively. Therefore, H2 is accepted.

Based on the study conducted by Sobia *et al*., (2015), it was revealed that the brand image impacts the brand switching behaviour positively. However, the current study indicates that brand image has no impact on the brand switching behaviour, which contradicts the findings of the previous researches. This may be attributed to the different sample size and sampling technique. Based on the current study for brand image, the null hypothesis is accepted.

According to Saleh *et al*. (2015), customer satisfaction has a negative impact on brand switching behaviour. As this study shows that customer satisfaction impacts brand switching behaviour positively, both results contradict each other. This may be due to the sampling technique and sample size. Therefore, in this study, the null hypothesis is accepted.

Based on the study conducted by Saleh *et al*. (2015), customer satisfaction mediates the impact of service quality on brand switching behaviour. Abdul *et al*., (2018) also concluded that customer satisfaction mediates the impact of service quality on brand switching, while the current study also shows the same result. Therefore, it can be concluded that customer satisfaction mediates the impact of service quality on brand switching behaviour. Therefore, H5 is accepted.

Based on previous studies conducted by Saleh *et al*. (2015) and Abdul *et al*., (2018), customer satisfaction mediates the impact of the price of service on brand switching behaviour. The current study also shows the same result;

therefore, it can be concluded that customer satisfaction mediates the impact of the price of service on brand switching behaviour. Therefore, H6 is accepted.

According to Abdul *et al*., (2018), customer satisfaction mediates the impact of the brand image on the brand switching behaviour. But, the current study shows that customer satisfaction does not mediate the impact of brand image on the brand switching behaviour. Hence, the results of these studies contradict each other. This may be due to many reasons, but one important reason is that Abdul *et al*., (2018) performed a qualitative study while this study was done quantitatively. Therefore, for this study, the null hypothesis is accepted.

IMPLICATIONS OF THE STUDY

By arriving at a conclusion after answering the research questions, the current study has added to previous research in the field of brand switching behaviour. As mentioned in the introduction, many studies have been conducted on brand switching behaviour in Sri Lanka. Through this study, this paper has definitely contributed to the research area of brand switching in the mobile phone network market in Sri Lanka. Some results are similar to those obtained by other researchers in other countries. However, some results are different from the findings of previous researchers; this may be because of differences in the sampling technique and sample size.

Importantly, the findings of this study might prove helpful to the market players as they could consider those factors while formulating strategies to hold on to existing customers because retaining a customer can generate a 25-95% profit to the organization (Taylor, 2019).

CONCLUSION

There are many factors that impact the brand switching behaviour, but in the current study, researchers merely focused on three factors, namely service quality, price of the service and brand image. According to this study, in the mobile network market, quality and price of the service influence customers the most, and of these two factors, service quality is the factor that has the bigger impact on brand switching behaviour. Customers mainly engage in brand switching due to these factors. Even if a brand has a good image, but is unable to provide the expected quality of service and charges more for it, then it will not be able to retain its existing customers as they will switch to another brand. A secondary objective of the current study was to check the mediation effect of

customer satisfaction on brand switching behaviour. When the researchers checked the mediation effect, results showed that it was mainly the quality and price of service that impacted the brand switching behaviour of customers. Furthermore, even if a brand has a good image, that does not guarantee it can satisfy the customers. It can be concluded that customer satisfaction mediates the impact of the quality and price of the service on brand switching behaviour.

LIMITATIONS OF THE STUDY

The main limitation of the study is that it focused only on mobile service providers. Checking the factors behind the brand switching behaviour in other industries may yield different results. Also, due to the time constraint, only a few indicators were used to measure the variables. If more indicators are used to measure the variables, that might give more accurate results. Another shortcoming is that the R square values are less than 70%, which is a relatively low figure, so it means that other factors could also influence brand switching behaviour. Furthermore, research was limited to checking only the relationship between the variables while there may be possible effects by other factors as well. Moreover, the time available to investigate the research problem was limited. Thus, due to the limited time and large population, the convenience sampling technique was used. It is quite possible that this sampling technique and the data collection method used may have affected the results.

RECOMMENDATIONS

The results of this study could prove helpful to other researchers. Some factors behind the brand switching behaviour in the mobile network market were discussed in the current study, but other researchers might be able to explain these factors in greater detail. Furthermore, gender-wise brand switching behaviour can also be tested, and for future research, more indicators could be used to measure the variables. In a further study the mediating variable could also be replaced by any other variable. In the current study, convenience sampling technique was used and data were collected only from undergraduates of Sri Lankan universities. It is suggested that another sampling technique is used and the sample size increased. A bigger sample size should be collected from across the country. In the results, all R square values were less than 70%, showing that some other factors also influence brand switching. Therefore, in future researches, more factors that influence brand switching should be identified and tested.

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CONFLICT OF INTEREST

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