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**A STUDY ON THE FACTORS AFFECTING ON MOBILE USERS' SWITCHING  
BEHAVIOR TOWARDS MOBILE SERVICE PROVIDERS OF WESTERN  
PROVINCE IN SRI LANKA**

**Kumudunie Y. G., Amitha W. A. K.\***

Department of Business Management, Faculty of Management Studies,  
Sabaragamuwa University of Sri Lanka, Belihuloya, Sri Lanka

*amitha1991wak@gmail.com*

**ABSTRACT**

The world is becoming more competitive with the growing of the technology and competition has become a part of the telecommunication industry. With competition, customer switching has become a popular topic in the business world. The Sri Lankan telecommunication industry has high competition due to only five mobile service providers are operating in the industry. In order to retain their current customers, service providers must understand customer switching behavior. With the initially conducted preliminary survey, it was revealed that mobile users who are in the age category of 16-35 years have high switching behaviors towards mobile service providers in Western province in Sri Lanka. Therefore, the objective of the current study was to investigate the factors impact on mobile users who are in the age category of 16-35 years have high switching behaviors towards mobile service providers in Western province in Sri Lanka. The data was collected from 500 mobile service users through self-administered questionnaire using convenience sampling technique. The study was found that Pricing, Inconvenience, Core Service Failure, Employee Responsiveness to Service Failure, Attraction by Competitors and Change in Technology have significant positive impact on customer switching behavior. And Switching Cost and Service Encounter Failure do not impact on customer switching behavior in Sri Lankan telecommunication industry. The outcomes of the study will help the management of mobile service providers in making decisions to retain their current customers and attract new customers from competitors.

**Keywords:** *Customer Switching Behavior, Attraction by Competitors, Core Service Failure, Change in Technology, Inconvenience*

## **1 INTRODUCTION**

The telecommunication service has become an essential service in the world today with the growing of the technology. In the past, mobile service providers only offered the communication facilities like voice calls and SMS. But, with the growing of the technology customers can share information and data within seconds and they can easily connect with anyone through GPS, web and other apps.

The mobile telecommunication market becomes highly competitive in Sri Lanka with the growth of the cellular mobile subscriptions. Therefore, the telecommunication industry has becoming a volatile industry in Sri Lanka. Further, Switching Behavior occurs when customers leave their current service provider in favor of service from other providers. As a result of that original service provider has to lose their profit and on the other hand have to incur cost to attract new customers (Keaveney, 1995). Switching from one service provider to the another service provider has become a critical issue for mobile service firms (Ranganathan, Seo, & Babad, 2006).

As there is a massive competition in the Sri Lankan Telecommunication Industry, companies tend to carry out promotions to persuade customers to switch among the different service providers (Jayawickramaratna, 2014). Therefore, retaining current customers has become a major challenge to all the service providers, since there is a high tendency to switch their subscribers seeking attractive benefits provided by the other competitive service providers thorough promotions.

### **1.1 Research Problem**

In order to identify the age category which has high Switching Behavior among customers who are in different age level, the researcher distributed 60 questionnaires among customers in different age levels to gather data about the Switching Behavior of customers towards mobile service providers in Western province in Sri Lanka.

The researcher identified that customers who belongs to 16-25 age category and 26-35 age category have previously used more service providers and both categories represent same past switching percentages.

Thereafter, the researcher measured the Switching Behavior of customers who belong to two age categories, by using measuring instrument which is developed by Aslam and Frooghi (2018). The scale was a five point likert scale and its cronbach's alpha value is 0.812 which indicates the reliability of the scale.

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**Table 1: Mean Value of Customer's Switching Behavior**

Customer Category	Actual Switching Behavior
16-35 years	3.23
Above 35 years	2.43

According to the Table 1 the mean values of Switching Behavior of customers who are in the age category of 16-35 years is greater than the actual mean value of Switching Behavior of customers who are in the age category of above 35 years and Switching Behavior of customers who are in the age category of 16-35 years (3.23) is much high than other group. Therefore, the research problem of this study is derived as mention below.

*"Why do mobile users who are in the age category of 16-35 years have high Switching Behaviors towards mobile service providers in Western province in Sri Lanka?"*

### **1.2 Research Objectives**

- To identify whether pricing impacts on Switching Behavior of mobile users who are in the age category of 16-35 years in Western province.
- To identify whether Inconvenience impacts on Switching Behavior of mobile users who are in the age category of 16-35 years in Western province.
- To identify whether Core Service Failures impact on Switching Behavior of mobile users who are in the age category of 16-35 years in Western province.
- To identify whether Service Encounter Failures impact on Switching Behavior of mobile users who are in the age category of 16-35 years in Western province.
- To identify whether Employee Responsiveness to Service Failure impacts on Switching Behavior of mobile users who are in the age category of 16-35 years in Western province.
- To identify whether Attraction by Competitor impacts on Switching Behavior of mobile users who are in the age category of 16-35 years in Western province.
- To identify whether Switching Cost impacts on Switching Behavior of mobile users who are in the age category of 16-35 years in Western province.

- To identify whether Change in Technology impacts on Switching Behavior of mobile users who are in the age category of 16-35 years in Western province.

### **1.3 Significance of the Study**

#### *1.3.1 Practical Significance*

This study is helpful to identify the factors affecting customer Switching Behavior. Mobile service providers will be able to understand Switching Behavior of customers from the customer's view point. Based on these factors they can build their future plans. And also service providers will be motivated to pay their attention on customer retention and sustain their membership by developing strategies to influence their current customers to retain. Further, this study provides kind of opportunities to attract new customers for service providers. For that, service providers can create marketing strategies to attract new customers from competitor brand by focusing only factors which lead to Switching Behavior in the mobile service context. Companies will be able to create value to customers from the customer's point of view by understanding their behavior.

#### *1.3.2 Academic Significance*

There are number of researches on customer Switching Behavior in different countries in different industries. Although there are studies on Switching Behavior for mobile services in other contexts, there are no any previous researches on customer Switching Behavior in the Mobile Telecommunication Industry in Sri Lanka apart from the study done by Karunarathna (2013). Therefore, this study will provide a fresh insight into the knowledge regarding customer Switching Behavior and understanding to the service providers regarding the behaviors of Sri Lankan customers by analyzing the factors.

## **2 LITERATURE REVIEW**

### **2.1 Consumer Switching Behavior in Service Industry**

Service providers are mostly concerning on attracting and retaining customers. Service switching involves replacing the current service provider to a new service provider (Bansal & Tayler, as cited in Awwad & Neimat, 2010). Customer's needs are not satisfied when the products are not compatible with their expectations. The customers who are dissatisfied with the products look for alternatives which can satisfy their unmet needs (Pae & Hyun ; Burnham et al., as cited in Msaed, Al-kwif& Ahmed, 2017). At the same time, competitors are looking for attracting those customers who are dissatisfied. Hence, it is

worth to identify the factors impact on customer switching behavior towards telecommunication industry.

Accordingly, the researcher adopts the model developed by Awwad and Neimat (2010) for Jordan context with eight factors to identify the factors that affect to customer switching of mobile services in Sri Lankan context.

### *2.1.1 Pricing*

In telecommunication service, customers always prefer to have low prices in message packages, packages charges, call charges, and in value added service etc (Awan, Nadeem, & Faisal, 2016). A study found that price has a positive and significant relationship with brand switching (Awan et al., 2016; Shujaat, Syed, & Ahmed, 2015).

### *2.1.2 Inconvenience*

This factor includes the critical incidents that customer felt inconvenient about service provider's hours of operation, waiting time to get an appointment, store location and waiting for appointment (Keaveney, 1995). Moreover, a study found that there is a positive and significant impact of Inconvenience on brand switching (Awan et al., 2016).

### *2.1.3 Core Service Failures*

Service failure happens when a service provider delivers a service below than the expected level of service by the consumers (Kazi & Prabhu, 2016). Liang, Ma and Qi (2013) in their study found that Core Service Failure is the largest factor that causes customers to switch. And also, a study found that service failure has positive and significant relationship with brand switching (Awan et al., 2016).

### *2.1.4 Service Encounter Failures*

Service Encounter Failures are the problems which happens as a result of the interaction between the service employee and the customer (Colgate & Hedge, as cited in Narteh, 2013). Awwad and Neimat (2010) found that service encounter failure has a significant impact on switching behavior of mobile users.

### *2.1.5 Employee Responsiveness to Service Failures*

Employee Responsiveness to Service Failures includes switching as a result of service provider's failure to handle the situation in an appropriate manner (Sidhu, 2002 ; Keaveney, 1995). A study done by Awwad & Neimat (2010) in Jordan mobile market, has been found that Employee Responsiveness to

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Service Failures does not impact on the customer Switching Behavior. But, this can be different in Sri Lanka where people perceive the things differently with relevant to their own experience with their mobile service providers.

#### *2.1.6 Attraction by Competitors*

Competitors engage in advertising and promotion by promising to offer incentives and attractive rewards (Narteh, 2013). Customers are aware about what are the alternative service providers in the market and they compare current provider with those providers (Jones, Mothersbaugh & Beatty, as cited in Aslam & Frooghi, 2018). GSMA is the mobile industry's leading data and analysis resource. According to the GSMA Intelligence (2013) Sri Lanka has the highest telecommunication competition after India in the region. Therefore, in a competitive market, customer switches the brand when competitor offers a better package.

#### *2.1.7 Switching Cost*

Switching Cost is an important factor when considering the changing of service provider by the customer, as it involves a cost to change (Fornell, as cited in Lee, Lee, & Feick, 2001). A study conducted by using subscribers of Bangladesh mobile subscribers, showed that Switching Cost has a positive and significant impact on consumer switching resistance (Hossain, Islam, & Mohammad, 2012).

#### *2.1.8 Change in Technology*

Technology is one of the key elements in modern business context as technology changes the needs of consumers. A study done on factors affecting Switching Behavior of mobile service users in Jordan also showed that technology is not affected to Switching Behavior of customers.

### **2.2 Literature Gap**

Jayawickramarathna in 2014 and Karunarathna in 2013 analyzed Customer Switching Behavior in Sri Lankan Telecommunication Industry. But now, the environment is not like as the environment in which those studies were carried out. Hence, now it is not useful to utilize the findings of same studies. Furthermore, those studies were carried out by using a small sample of respondents. Therefore, there is a gap in the body of knowledge on Customer Switching Behavior in Sri Lankan context.

And also, this study used model developed by Awwad and Neimat (2010). Awwad and Neimat (2010) based their model on the famous model developed by Keaveney (1995) which has been used in many studies of Switching

Behavior in service industries in other countries. In Sri Lanka, although there are two studies in Switching Behavior in Telecommunication Industry, those studies were not used a comprehensive model which is used by other contexts to understand the Switching Behavior.

### 3 METHODOLOGY

In this study, the researcher selected deductive approach and developed a model based on the model developed by Awwad and Neimat (2010) on factors affecting Switching Behavior of mobile service user in Jordan. Convenience sampling technique was used to collect data. A well prepared questionnaire based on Awwad and Neimat (2010) was used to collect data from 500 mobile subscribers of some institutes and employees of a garment factory such as Ceylon German Training Technical Institute, Vocational Training Authority, and ABC (Pvt) Ltd. Horana in Western province.

The survey strategy was deployed to collect primary data to conduct the multiple regression in order to identify the factors impact on switching behavior. The study was conducted as a cross sectional study and SPSS 21 used to analyze data.

### 4 DATA ANALYSIS AND RESULTS

Descriptive statistics and inferential statistic are used to analyze the data. Mean and standard deviation are used in descriptive statistics and justify the research problem again (Appendix A). Reliability, Validity and Normality were assured in the study (Appendix B, C & D) and after assessing some key assumptions, multiple regression analysis is used in inferential statistics.

**Table2: Regression Output**

Variable	Regression Coefficient	P value
Constant	-0.448	0.000
Pricing	0.219	0.000
Inconvenience	0.204	0.000
Core Service Failure	0.246	0.000
Employee Responsiveness to Service Failure	0.111	0.002
Attraction by Competitors	0.251	0.000
Change in Technology	0.161	0.000

From the results shown in Table 2 it was revealed that Pricing, Inconvenience, Core Service Failure, Employee Responsiveness to Service Failure, Attraction by competitors and Change in Technology are as the factors impact on customer switching behavior in Telecommunication Industry. Switching Cost and Service Encounter Failure do not show any impact. Finally, the Adjusted R Square value was 73%.

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## 5 DISCUSSION OF THE FINDINGS

Awwad and Neimat (2010) found that Pricing has a significant impact on mobile users' switching in Jordanian mobile industry. According to the regression analysis results, Pricing have a positive ( $\beta_1=0.222$ ) impact on mobile users' Switching Behavior in Sri Lankan context. Therefore, if service provider increase price they will switch their service provider in the Sri Lankan mobile service industry.

Awwad and Neimat (2010), found that Inconvenience have an effect on mobile users' switching. A study found that Inconvenience has a positive and significant impact on brand switching in the telecom industry regarding mobile service providers (Awan et al., 2016). According to the finding of this study the researcher found that Inconvenience have a positive ( $\beta_2=0.198$ ) impact on mobile users' Switching Behavior in Sri Lankan context. Therefore, if customers feel inconvenient, it can be caused for the customer switching in the Sri Lankan Mobile Service Industry.

According to the finding of this study, Core Service Failure ( $\beta_3 =0.250$ ) has a positive impact on mobile users' Switching Behavior in Sri Lankan context. According to that, Sri Lankan mobile subscribers have propensity to switch their service providers if they are suffering with getting the interrupted service from their current service providers.

The researcher found that Service Encounter Failure has not an impact on mobile users' switching behavior in Sri Lankan context. But, this finding is contrast with the findings of Awwad and Neimat(2010) and they found that Service Encounter Failure has a significant effect on mobile users' switching. The service providers in Jordan deal with their customer with uncaring, unresponsive. And also, their employees do not have the knowledge regarding available services. Therefore, it leads customers to switch their service providers in Jordan mobile market (Awwad & Neimat, 2010).

Keaveney(1995) found that Employee Responsiveness to Service Failure has an impact on Switching Behavior in service industry. According to the finding of this study Employee Responsiveness to Service Failure ( $\beta_4 =0.114$ ) have a positive impact on mobile users' Switching Behavior in Sri Lankan context. However, this finding is contrasts with the findings of the (Awwad & Neimat, 2010) study in Jordan market. Because, in Jordan, customers think that employee does the best for them and employees handle situation appropriately.

Aslam and Frooghi (2018) found that Attraction by Competitors have an impact on young adults Switching Behavior in Pakistan Mobile Service Industry. As per the findings of this study, the researcher found that Attraction by Competitors ( $\beta_5 =0.249$ ) has a positive impact on mobile users' Switching

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Behavior in Sri Lankan mobile service industry. Therefore, advertising power between service providers is high in Sri Lanka as there is a high competition between the service providers.

Awwad & Neimat (2010) found Switching Cost as factor that has a significant impact on Switching Behavior in Jordan. In contrast, the findings of the study, the researcher found that Switching Cost has no any impact on the mobile users' Switching Behavior in Sri Lankan context. Similarly, a study done by Karunaratna (2013) in Sri Lankan mobile market, revealed that non- monetary cost discourage switching decision of mobile subscribers.

A study done by Lee and Murphy(2005) found technology as a factor that impact on customers to switch their service provider from loyalty. But, Awwad and Neimat (2010) found that Development of Technology has no any impact on consumer Switching Behavior in Jordan Mobile industry. In contrast, according to the finding of the current study found that Change in Technology ( $\beta_6 = 0.162$ ) have a positive impact on mobile users' Switching Behavior in Sri Lankan context.

## **6 CONCLUSION AND CONTRIBUTIONS**

The current study results prove that Service Encounter Failure and switching Cost do not impact on customer switching behavior in Sri Lankan Mobile Telecommunication Industry.

According to the findings, Sri Lankan mobile users are highly worried regarding the Pricing. And also, the Sri Lankan mobile subscribers are suffering with the Inconvenience. Hence, if they face more inconvenience situations with their service providers, they will switch their service providers. Furthermore, some of Sri Lankan mobile service providers are providing the service with mistakes. Further, the current study revealed that, Sri Lankan mobile subscribers perceive that the service provider's employees do not give their service properly. Further, it proves that the advertising powers between the service providers are high. Therefore, mobile subscribers will switch their service provider by seeking the benefit from the other service providers. Moreover, the findings of the study conclude that Sri Lankan mobile service providers are different in technology. Therefore, it can be considered as a factor that can make customer to switch to the other service provider who has adapted to the new technology in the Mobile Telecommunication Industry.

Inconvenience can be occurred when dealing with customers in any place. Employees must treat their customers well. For that, customer care agents can be well trained and satisfied. Then, ultimately, it will lead to the satisfaction of the customers. Today, the world is building on new technology and it is changing day by day. In Sri Lanka, two service providers out of five are using 4G coverage. Therefore, mobile service providers at least, should match with

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the level of technology which is used by their competitors. The management should focus on their employees when satisfying customers. Because, if employees are satisfied they will give a satisfied service to their customers. On the other hand, if employees are unsatisfied, they will give unsatisfied service. Therefore, the management should make sure that, their employees are working happily.

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## APPENDIX

### Appendix A

Variable	Mean	Standard Deviation
Mobile users' switching behavior	2.73	.579
Pricing	2.16	.610
Inconvenience	2.56	.652
Core Service Failure	2.74	.628
Service Encounter Failure	3.19	.514
Employee Responsiveness to Service Failure	3.24	.438
Attractions by Competitors	2.66	.556
Switching Cost	2.49	.663
Change in Technology	3.33	.740

### Appendix B

Variable	Cronbach's Alpha	N of Items	Comment
Mobile users' switching behavior	0.713	4	Accepted
Pricing	0.706	3	Accepted
Inconvenience	0.734	4	Accepted
Core Service Failure	0.714	3	Accepted
Service Encounter Failure	0.792	4	Accepted
Employee Responsiveness to Service Failure	0.718	5	Accepted
Attractions by Competitors	0.705	3	Accepted
Switching Cost	0.753	4	Accepted
Change in Technology	0.865	3	Accepted

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### Appendix C

Variable	KMO & Bartlett's Value	P value
Mobile users' switching behavior	0.724	0.000
Pricing	0.650	0.000
Inconvenience	0.667	0.000
Core Service Failure	0.672	0.000
Service Encounter Failure	0.770	0.000
Employee Responsiveness to Service Failure	0.756	0.000
Attractions by Competitors	0.635	0.000
Switching Cost	0.683	0.000
Change in Technology	0.710	0.000

### Appendix D

Variable	Descriptives	Statistics
Mobile users' switching behavior	Skewness	0.117
	Kurtosis	-0.411