Research Paper

Factors Affecting Brand Switching In Telecommunication Sector

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ABSTRACT:- *The purpose of this study is to identify what are the factors that influence the customer's decision to switch to another telecommunication service company. The scope of the study is very important as mobile service industry is growing rapidly in Pakistan and this industry is facing a huge competition and there is a massive number of users who are switching from one brand to another so our study will be supportive in knowing those factors that influence brand switching and in analyzing the customers preference. Variables of our research are service quality, price, brand image, value offered, trust, satisfaction, customer loyalty where as the dependent variable is switching cost. Different techniques are used to collect data .The data analysis for this research done by using the statistical package SPSS. This research indicates several factors that play an important role in switching consumers in telecom industry*

Keywords:- Service Quality, Brand Image, Trust, Satisfaction, Customer Loyalty

I.   INTRODUCTION

Telecom division played an important role to groom economy of Pakistan. The increased rate of subscribers became from 68,000 in 1996 to 3.3 million by the end-2003; Telecommunication growth time period in Pakistan which lasted for almost five years (2003-2008), made new records. Since 2008 it was noticed that cell phone market experienced 100% increase rate for a few days.

Educational researchers, industry and society are attracted from growing industry. So many learning have been carried out in telecommunication engineering in special states, collection from manufacturing to advertising features of telecommunication production. The background revolves around the factors that are responsible for forcing an individual to switch of its telecommunication brand and the consequences one is facing relating his/her network connection. There are two variables of interest in the context that are dependent variable and the independent variable. Independent variable highlights the factor due to which an individual changes its telecommunication brand. These include low call rates, better packages, and better network coverage. Services like smart share, caller tunes, loan shares, bubble messages etc. The dependent variables define the brand on which an individual is planning to switch off its connection. The relation between the variables is quite distinct because the independent variable that is the factors responsible for brand switching influences greatly on the next brand to be chosen by the individual for further use which is the dependent variable. The nature of participants varies with people who are unsatisfied with the service providers of the connections they are using currently. They wish to change their brands in search of better package plans which not only provides them satisfaction as well as good combination of solutions to all their problems

There are five major telecommunication service companies that are currently functioning in Pakistan including Mobilink, Ufone, Warid, Telenor and Zong. There is a very stiff competition between the firms. The competition between networks based on offers, value added services International roaming, SMS bundle, late night offers and customer service such as Mobilink is the first brand who introduced roaming. This enabled the individuals an opportunity and they did not have to buy additional numbers for usage while travelling to other countries. Telenor was the first company to introduce a service like easy paisa through which one can easily transfer cash as well as pay bills within no time. Moreover Telenor introduced smart share service through which you can transfer credit if one wishes to make an emergency call in case of short of balance. Ufone provided a loan share service to its customers. This added great value as one could easily avail the opportunity and have enough credit in case of emergency. Warid provided an additional opportunity to its customer by not

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deducting tax while recharging a card or loading balance. In fact all companies try to grab their customers by applying different types of strategies and time to time they all are introducing unique packages which help to retain their customers to keep them loyal.

II.   LITERATURE REVIEW

Cellular phone services now days have become clear of their basic role of low cost and also give the privacy to the customer. We are watching that when customer buy cellular phone services not just to be in touch, but to communicate themselves, their position, way of thinking & happiness. The telecommunication network provides value added services which users can relate to his personality and these services meet the requirement of this fast era of technology where we see a continuous addition of value added services. This results in frequent change of customers in services. In past research indicates that the price is key part that the customers change their current service. After the satisfaction of the price different service companies have offered more features like strong network, audibility, customer service, mobile to mobile phone rate, free calls, connection fees, access cost. This can help to grab the customers. (D.S.Chaubey). Users agreement is another significant feature for all the brands. The brand should satisfy the customers with the help of identification of needs and wants of the target customers. The mobile services like Mobilink, Telenor, and Ufone etc target their customer as customer services and the fair price. (Hanif, 2010).The objective of the research is based on the belongings of item for consumption excellence and user agreement in company common task procedures on user buy purpose and additional on user faithfulness. (2010).The objective is to prove the customer preferences and their likeness towards the brand and their purpose is also to find out tentative short reliability manners of customers who fits in young generation (adults age) .Achievements of company depends on various part. Main part is quality of product and organizations keep their focus to provide them quality product.

In our country, Mobile phone users show their interest to send or receive SMS (Short Messaging Service) and through this service customer analyzes the quality of network. The biggest cause may be common changing of consumers in telecommunication department due to adjustments in services packages of telecom service supplier. The findings help telecommunication service providers to formulate the advertising approach and scheming enhanced goods which be capable of enhanced supply which consumer wants in Pakistan.

It is also observed that people have lack of information about the different packages which are introduced by the telecom service companies. There are some other factors which are forced to change the decision of service of the telecom which is associated with the income and the education. (Dr. D.S.Chaubey).The research has concluded with the relationship among commercial public task and consumer approach regarding getting objective and custody in upcoming. According to research, companies select or involve a high level of CSR activities in Pakistan (2010).

III.   METHODOLOGY

Decision of choosing between quantitative and qualitative research design is a difficult job, thus most of the researchers choose the design which they are aware off, the research can be more significant if the design the researcher choose is suitable for his/her research instead of considering the design that is more comfortable to the researchers. We have chosen quantitative research method as it can help us more in identifying and analyzing our desired information. And our aim is to determine the relationship between the switching behaviors due to the value added services provided by the cellular network service provider.

The other reasons for choosing this method is its ordinal in nature and it's a number based research discipline thus it can statistically measure customers attitude, behavior performance etc. The data which we will obtain through quantitative research can be projectable to a large population. Quantitative research has the ability to effectively translate data into easily quantifiable charts and graphs. Quantitative research can be either descriptive or experimental. Experimental research is the one where the subject is measured before and after experiment where as in descriptive research subjects are measured once and it establishes relation between variables since we need to determine the relationship between the switching behaviors due to the value added services provided by the cellular network service provider thus our research will be a descriptive study. Thus we have chosen quantitative research method as it is more suitable for the type of research we are conducting since statistical method is the best method to measure the relationship between different variables.

HYPOTHESIS
H_{01}: Service Quality (S.Q) has an insignificant impact on Switching Cost (S.C).
H_1: Service Quality (S.Q) has significant impact on Switching Cost (S.C).
H_{O2}: Price (P) has an insignificant impact on Switching Cost (S.C).
H_2: Price (P) has significant impact on Switching Cost (S.C).
H_{O3}: Brand image (B.I) has an insignificant impact on Switching Cost (S.C).
H_3: Brand image (B.I) has significant impact on Switching Cost (S.C).

H$_{O4}$: Value Offered (V.O) has an insignificant impact on Switching Cost (S.C).
H$_4$ Value Offered (V.O) has significant impact on Switching Cost (S.C).
H$_{O5}$: Trust (T) has an insignificant impact on Switching Cost (S.C).
H$_5$: Trust (T) has significant impact on Switching Cost (S.C).
H$_{O6}$: Satisfaction (S) has an insignificant impact on Switching Cost (S.C).
H$_6$: Satisfaction (S) has significant impact on Switching Cost (S.C).
H$_{O7}$: Customer Loyalty (C.L) has an insignificant impact on Switching Cost (S.C).
H$_7$: Customer Loyalty (C.L) has significant impact on Switching Cost (S.C).

To generalize from the sample to the population, the sample has to be representative of the population. The safest way to ensure that it is representative is to use a random selection procedure. Thus we have chosen a simple random sampling procedure, to make sure that we have proportional representation of population subgroups (e.g., gender and age).When the sample will not representative of the population the selection can be bias the possibility is that. The source of bias population studies is socioeconomic status or age thus we will try to make sure that people with extreme values for these variables tend not to take part in our research and we will minimize the biasness by randomly selecting the samples. We have chosen the sample size of 50 students. The independent variables of our research are service quality, price, brand image, value offered, trust, satisfaction, customer loyalty where as the dependent variable is switching cost.

The primary data will be collected by surveying. We have chosen questionnaire as our research instrument. As the questionnaires can be given to large groups, respondents can complete the questionnaire at their own convenience, answer questions out of order, skip questions, take several sessions to answer the questions, and write in comments. The cost and time involved in using questionnaires is less than interviews. Data analysis is a statistical procedure which is used to uncover the relationship between different variables. The data analysis for this research will be done by using the statistical package SPSS. The instrument we have designed is reliable and valid since we anticipated the questions which are closely related and relevant to our society, As the use of telecom network and switching from one network to other is a common practice now a days. Especially in youth due to the attractive value added services provided by telecom service industry in Pakistan.

IV. RESULTS

Model Summary					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**
1	.573[a]	.328	.216	.758	2.113
a. Predictors: (Constant), CL, VO, S, P, BI, SQ, T					
b. Dependent Variable: SC					

R^2 shows the relationship between dependent and independent variable. Here the value of R-square is 0.328 that means the independent variables (SQ, P, B.I, V.O, T, S, CL) in the model can predict the 32.8% of the variance in the dependent (S.C). And adjusted R-square shows the more accurate information about the fitness of regression model. Standard error of the estimate is around 0.758.
D.W is used when data is time series and time base, the value of **D.W** is **0 $\square$ D.W $\square$ 4**
• If the value is 2 then auto-correlation
• If the value is greater than 2 then negative auto-correlation
• If the value is less than 2 then positive auto- correlations the value of Durbin Watson in our research is 2.113 which is greater than 2 means that there is **Auto Correlation** between variables. And **Auto-correlation** is the measurement of relationship among the values of single variables.

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.571	1.092		.523	.604
	SQ	.547	.267	.377	2.051	.046
	P	-.054	.212	-.039	-.254	.801
	BI	.208	.181	.191	1.152	.256
	VO	-.190	.186	-.149	-1.023	.312
	T	.225	.354	.127	.636	.528

S	.104	.248	.065	.418	.678
CL	.048	.267	.038	.179	.859
a. Dependent Variable: SC					

Regression equation:

S.C = ☐ + ☐₁ (S.Q) + ☐₂ (P) + ☐₃ (B.I) + ☐₄ (V.O) + ☐₅ (T) + ☐₆ (S) + ☐₇ (C.L) + E$_t$

C.B = ☐ (0.571) + ☐₁ (0.547) + ☐₂ (-0.054) + ☐₃ (0.208) + ☐₄ (-0.190) + ☐₅ (0.225) ☐₆ (0.104) + ☐₇ (0.048) + 0.758

In this regression equation S.C is the dependent variable, and the above coefficient model shows the alpha and beta values. The constant (α) value is 1.935; Terrorism (β₁) value is 0.288 and online shopping (β3) value is 0.100 which positive meaning the relationship between terrorism and consumer behavior is positive and both the variables move together .Political instability (β₂)value is negative 0.026 which means that political instability has negative relationship with consumer behavior. , Beta coefficients indicate the degree of influence the corresponding independent variable has on variations in the dependent variable. The higher the value of beta the more significant the independent variable; and the sign positive and negative indicates the nature of the relationship whether the independent variable and the dependent variable move together or in opposite directions.

Histogram
Dependent Variable: SC

Mean = -8.53E-16
Std. Dev. = 0.926
N = 50
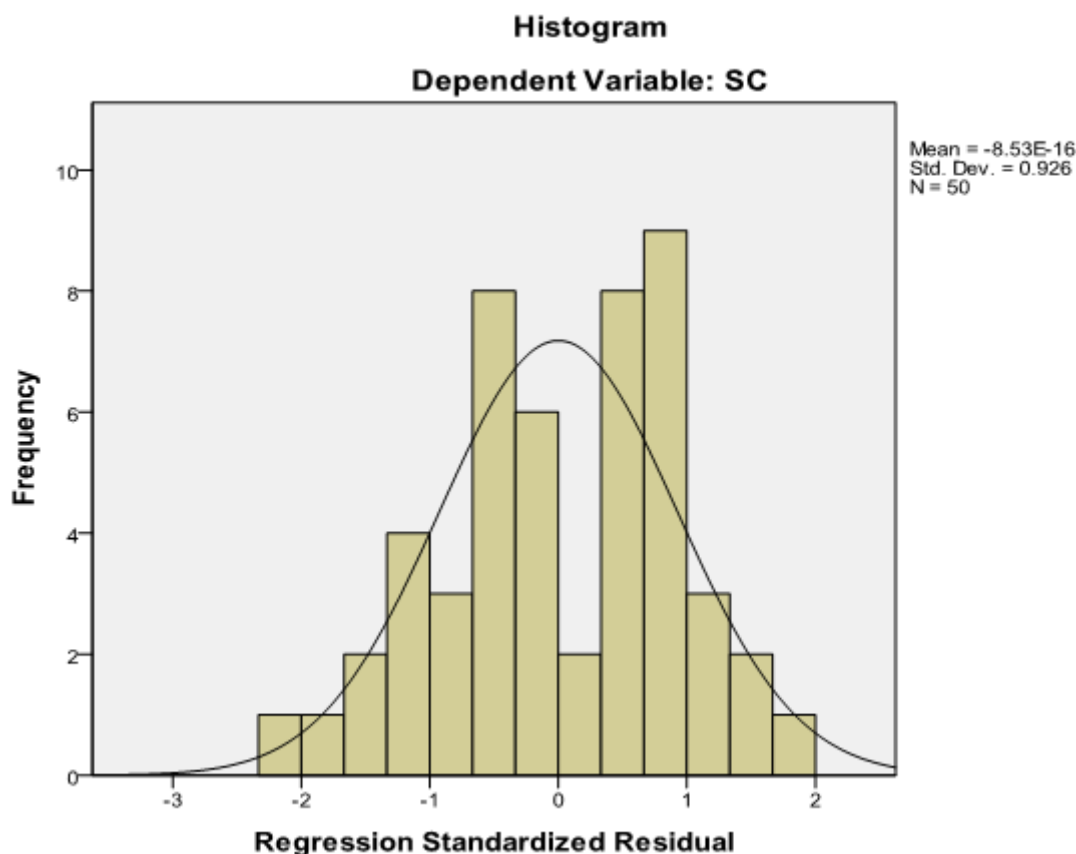
ANOVA^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.794	7	1.685	2.933	.014^a
	Residual	24.126	42	.574		
	Total	35.920	49			
a. Predictors: (Constant), CL, VO, S, P, BI, SQ, T						
b. Dependent Variable: SC						

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Residuals Statistics[a]					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.86	5.11	4.04	.491	50
Residual	-1.584	1.287	.000	.702	50
Std. Predicted Value	-2.405	2.190	.000	1.000	50
Std. Residual	-2.091	1.698	.000	.926	50
a. Dependent Variable: SC					

$H_{01:}$ Service Quality (S.Q) has insignificant impact on Switching Cost (S.C).
H_1: Service Quality (S.Q) has significant impact on Switching Cost (S.C).
Results and findings show that (S.Q) has significant impact on (S.C) hence H_{01} is rejected.

H_{O2}: Price (P) has insignificant impact on Switching Cost (S.C).
H_2: Price (P) has significant impact on Switching Cost (S.C).
Results and findings show that (P) has insignificant impact on (S.C) hence H_{02} is accepted.

H_{O3}: Brand image (B.I) has insignificant impact on Switching Cost (S.C).
H_3: Brand image (B.I) has significant impact on Switching Cost (S.C).
Results and findings show that (B.I) has significant impact on (S.C) hence H_{03} is rejected.

H_{O4}: Value Offered (V.O) has insignificant impact on Switching Cost (S.C).
H_4 Value Offered (V.O) has significant impact on Switching Cost (S.C).
Results and findings show that (V.O) has insignificant impact on (S.C) hence H_{04} is accepted.

H_{O5}: Trust (T) has insignificant impact on Switching Cost (S.C).
H_5: Trust (T) has significant impact on Switching Cost (S.C).
Results and findings show that (T) has significant impact on (S.C) hence H_{05} is rejected.

H_{O6}: Satisfaction (S) has insignificant impact on Switching Cost (S.C).
H_6: Satisfaction (S) has significant impact on Switching Cost (S.C).
Results and findings show that (S) has significant impact on (S.C) hence H_{06} is rejected.

H_{O7}: Customer Loyalty (C.L) has insignificant impact on Switching Cost (S.C).
H_7: Customer Loyalty (C.L) has significant impact on Switching Cost (S.C).
Results and findings show that (C.L) has significant impact on (S.C) hence H_{07} is rejected

V.   CONCLUSION

After the data collection and complete analysis we found that some factors really effects the consumer decision of switching from current service provider to others. We found that service providers should focus on these factors otherwise they will lose their customers. This research indicates that there are five factors play an important role in switching consumers in telecom industry. These factors are:
1. Service Quality   2. Brand Image   3. Trust
4. Satisfaction   5. Customer Loyalty

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