Factors Affecting Consumer Switching Behavior: Mobile Phone Market in Manchester- United Kingdom

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Abstract- The consumer behavior is always remaining under influence of factors, which simulates the behavior of consumers towards either remain loyal with existing brand or switch towards other brands. This research study is aimed to analyze the switching behavior of mobile users in Manchester, UK, whose behavior is affected toward switching from exiting mobile phones towards new mobile phone. The focus of research study has been set to analyze the relationship between influencing factors (affecting consumer behavior) and switching intentions of consumers regarding their mobile phones. The other focus of the research study is to identify the factors, which de-motivates the behavior of consumers from switching towards other mobile phones. The methodology, adopted for this research study employs the interpretivism philosophy, deductive approach of, qualitative research design for conducting research. The sample of 150 people has been selected to include in research, selected randomly and filling the survey questionnaire for collecting data.

The results of empirical research, based upon research findings, data analysis and matching with previous research studies of literature review, are confirming the influence of factors, which are affecting the switching behavior of mobile users in Manchester. The findings of this research study are confirming the impact of need based and opportunity based behavior, the impact of technology, innovations, changing demographics, brand image, perception, behaviors, attitudes, loyalty, advertising and other factors, which have the significant effect towards stimulating and de-motivating the behavior of mobile users regarding keeping loyal with existing brand or switch towards another brand.

Index Terms- Consumer behavior, Mobile phone, Market tactics, Marketing, Switching behavior

I. INTRODUCTION

The consumer behavior is identifying, searching, selecting and consuming products and services for satisfying their needs and wants (Solomon et al., 2006). Consumer behavior determines how consumers decide to buy our product and what the various factors responsible for this area” (Bhasin, 2010). The consumer behavior study is basically the psychology of consumers, like when, how, why and people buy and use the products for satisfying their needs. From a marketing point of view, the consumer behavior is, “the psychology of how consumers think, feel, reason and select between different alternatives like brands, products and retailers” (Perner, 2006).

The companies are always trying to build mutual relationships with their consumers through delivering better value and fulfilling their commitments, but due to competitive business environment, it’s becoming difficult for marketers to do so. The consumer switching behavior is there in between both, companies and customers, because the consumer switching behavior restricts both parties to make long term relationships and even it breaks the pre-developed long term relationships (Zikiene and Bakanauskas, 2006).

Similarly the consumer switching behavior is basically the behavior of consumers in shifting their attitude from one brand (product) to another brand (product) (Zikiene and Bakanauskas, 2006). For instance, Mr. John was using the Apple iPhone, but with launching of the new Samsung Galaxy, then John has changed its cell phone. The factors, which stimulated the John to change its mobile phone, are many in numbers like price, features, speed etc. Now a day, the consumers are the key focus of marketing and even entire business, because a research state that every year, the 83% brand failed to achieve marketing objectives, and there are 11000 products introduced every year and only 56% products reach to the age of 5 year or more and only 8% new ideas are converted into market offerings. The reason is, because any marketing idea, product or strategy, that is not focusing customers or not designed according to the customer’s needs and wants, becomes failed or not able to deliver its full strength (Bhasin, 2010).

Generally, there are four categories of factors, which highly affect the consumer behavior and also play an important role in switching consumer behavior (appendix 1). The following figure represents the four categories of factors. (a) Cultural Factors are the major influencing factors, which related to the culture, in which the customer is living and their needs and wants are highly affected by culture, which includes the culture, sub-culture and social class. (2) Social factors are societal norms, values and sagas are also affecting the buying behavior of consumers like

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reference groups, family members and role & status of each member in society. (3) Personal factors are the person’s consumer behavior is dependent on personal factors like age, life cycle, occupation, income, lifestyle and personality. (4) Psychological factors are the person’s motivation, perception, learning, beliefs, attitudes and thinking also affects the buying decisions of consumers.

II. PROBLEM STATEMENT

Previous research studies state that the consumer switching behavior is highly dependent on the cause-effect relationship (Njite, Kim and Kim., 2008); (Zikiene and Bakanauskas, 2006) and (Bhasin, 2010). For example, the multiple causes like consumer demographics, marketing offers, economy stage, previous experience and type of consumer needs are reflecting their effects in shape of switching consumer behaviors. This research further explores the relationship (cause-effect) between consumer switching behavior and the causes along with the impact and their way of affecting the consumer behavior.

III. TARGET AREA OF RESEARCH:

This research study is limited to the study of consumer switching behavior, with the perspective of mobile customers in the United Kingdom. The target customer includes the broad range of the population, because almost every person is having a mobile phone. Further, the research study involves the impact assessment towards influencing the consumer switching behavior. The target area of research study has been selected as, “mobile phone industry” of the United Kingdom.

The impact of mobile phones is revolutionary in human life and the number of mobile phones in the world has reached to 1.8 billion cell phones (mobileyouth.org, 2011). The selected industry has been set to conduct research in mobile phone industry of United Kingdom Market. The main reason for selecting Mobile industry is because the mobile phone is being used by everyone and customers of mobile phones belongs to different segments of the market. With the availability of multiple brands in the UK, the mobile market of the United Kingdom is highly differentiated and competition is intense. There are so many mobile brands, like Alcatel, Apple, BlackBerry, HTC, Huawei, LG, Motorola, Nokia, Samsum, Sony Ericsson (Phones4u.co.uk, 2012). There are 33 million mobile phone owners in the UK, which are using the multiple brands of mobile phones (E-consultancy, 2011).

The reason for selecting this industry is because people are frequently changing their mobile phones and select their desired phone phones of different brands. There changing behavior from one brand to another brand includes the multiple reasons, like Mr. John was using the Apple iPhone, but with launching of the new Samsung Galaxy, then John has changed its cell phone. The factors, which stimulated the John to change its mobile phone, are many in numbers like price, features, speed etc. Similarly, the student, when entered into college or university, they prefer to use Nokia handsets (Dutta, 2009). The focus of research is to explore those factors, which are affecting the consumer behavior and stimulate them to switch their buying behavior.

IV. RESEARCH NATURE

This research includes the exploratory studies for highlighting the important factors, which are influencing the behavior of consumers in switching from one brand to another brand. For this purpose, a descriptive research has been performed to highlight the factors and also checked their impact on consumer switching behavior along with their way of influencing consumers. This research study has aimed to explore the factors, which effect on consumer switching behavior and how they affect the consumer behavior in switching from one brand to another brand for buying mobile phones. Further, the research study also explores the factors, which de-motivate the switching behavior of mobile users.

V. RESEARCH QUESTIONS:

For current research, the following research questions have been formulated:

Q1. What are the factors, which affect the consumer behavior towards switching from existing brand to another brand?

Q2. Which strategies can be adopted to discourage the mobile phone consumer switching behavior?

VI. LITERATURE REVIEW:

Relevant studies are providing the in-depth knowledge about the previous studies about the consumer switching behavior and factors, which affect the behavior of consumers. Secondly, the relevant studies are also covering the factors, which de-motivate the switching behavior of consumers. Both categories are discussed with past literature and available knowledge.

6.1 Consumer Switching Behavior:

The consumer switching behavior is being considered as complex study of factors, which stimulate the behavior of consumers towards switching their purchase between brands. The following influencing factors are helpful to understand the cause and effect relationship between different variables and their outcomes towards switching consumer behavior.

6.2 Factors which Discourage Switching Behavior:

There are some strategies, which are frequently used by companies to de-motivate the switching behavior of consumers. The promotion function of marketing mix covers not only about advertising and communications, but also involves the sales promotions (Kotler and Armstrong, 2008), an important and commonly used marketing tool, which also have an objective to keep the company’s customers in relation with company. In other words, the marketing efforts, like sales promotions, advertising and brand loyalty are also other influencing factors, which de-motivate the consumer switching behavior (Nagar, 2009, p35). The arguments by (Marshal et al., 2011, p871) are confirming the claims of both, Kotler and Armstrong (2008) and Nagar (2009). According to the results of a research study, the companies are not only focusing towards selling just products, but also focusing to build long term relationships with their customers. The marketers believe that ensuring loyalty and reducing churn are
two options, which not only develops good relationships with customers but also reduce the switching behavior of customers (Marshall et al., 2011, p871).

To stop the consumers from switching brands, there are also other factors, other than price, benefits etc. The consumer’s emotional intelligence, relationship status and personality factors also play an important role in affecting the consumer switching behavior (Lin, 2010, p3209). By focusing on relationship status factor, the researchers state that when the companies build strong relationships with customers, then this level of relationship demotivates the consumers from switching brands, even in case of service failure. One model presented by (Gönül and Srinivasan, 1997, p185), which surrounds the two important factors, price and promotional coupons. According to this model, there are two influencing factors (variables), which cause the consumer behaviour towards switching, (a) Brand Loyalty Propensity, (b) unobserved heterogeneity. According to this model, the use of promotions and price cuts demotivates the consumer intentions from switching towards other brands. Furthermore, the research study by (Chiu et al., 2005, p1681) are suggesting that companies cademotivate the consumerbehaviour through enhancing their loyalty through using relationship marketing.

6.3 GAP FOUND IN LITERATURE:
The relevant studies in literature review provides the detailed knowledge about consumer switching behavior and the factors, which affect the consumer switching behavior and which demotivates the consumers from switching intentions. The literature review covers the positive arguments and negative arguments about switching behavior and non-switching behavior of consumers. Although there have been found many gaps in literature review such as, the most of literature is about the impact of price, economic factors, technological factors, customer service shopping channel, customer demographics and time limitations etc., But there is less literature about the product related factors and psychological factors of consumers have not been addressed in the literature review. In this research, the focus has been developed towards examining the impact of product related factors and psychological factors towards customer switching behaviors.

VII. HYPOTHESES TO BE TESTED:
The following research hypotheses have been formulated for the research:

H1. The consumer switching behavior of mobile customers in the UK is highly affected through influencing factors.

H2. The only marketing tactics (promotional & loyalty campaigns) de-motivates the switching behavior of consumers

VIII. SAMPLE:
In this research, the random sampling has been decided to select the sample. The survey of 150 people has been conducted by visiting mobile market near Manchester Academy, Manchester, United Kingdom and interviewing the people from there by meeting time and taking time from them.

IX. DATA COLLECTION:
The questionnaire has been given to 150 people for filling their answers. The question had three parts. The first part of questionnaire collected basic details from the mobile users about their mobile, brand, nature of mobile, independent of buying and their likeness to the brand. The second part of questionnaire has been designed for only those people, who are going to change their mobile phone in near future. The last part of the questionnaire was about collecting information from people, who don’t want to change their mobile phones. The second part of the questionnaire would answer the first research question, in which the justification of factors has been confirmed from customers about their switching intentions. The third part of questionnaire helps to answer the second research question of research, in which the impact of factors has been confirmed, which is demotivating the switching intentions of mobile users.

X. ANALYSIS OF FINDINGS

H1. The consumer switching behavior of mobile customers in the UK is highly affected through influencing factors.

The first hypothesis is about analyzing the impact of influencing factors towards switching behavior of mobile users. The findings of empirical research confirm the impact of influencing factors. The survey findings include the collection of information about the different aspects of switching behavior. According to the survey of respondents, the 53% people want to change their mobile because of several reasons, as problems reported, due to problems (23%), old model (28%), getting a good price (15%), don’t like brand (5%), upcoming model is good (19%) and want more specifications (10%). The survey also covers the impact of several other factors, but for justifications of this hypothesis, only these major reasons have been taken in consideration. The 23% people want to change because of a problem that is showing the “impact of need”; means people want to change their mobile because of problem of needs. The 28% people reported that model is old, that is showing “impact of technology”; showing that the behavior of people is also affected due to the impact of technology. The 15% people reported that they are getting a good price of their mobiles is showing the “impact of opportunity”; means people also switch, when they find the opportunity to get price gain or any other better option. The 5% people reported, they don’t like brand that shows the “impact of disliking of brand”. The 19% people reported that the upcoming model is good that means the switching behavior is also contributed by “impact of innovations”. Last the 10% people reported that they want more specifications that mean “impact of changing demographics”; showing people’s behavior is changing due to changing needs of consumers. These are the six major reasons, which are accepted by consumers, which are about to change their mobile phones. On the basis of these findings, this hypothesis is confirmed as true, because the switching behavior of mobile users in Manchester, UK is widely affected by influencing factors such as impact of needs, technology,
opportunities, brand disliking, innovations and changing needs. On the other side, the 47% people don’t want to change their mobiles because their mobile is ok (22%), time limitation (13%), money problems (36%), non-availability on desired phones (7%) and brand likeness (19%). These findings show that the influencing factors heavily contribute towards switching and non-switching behavior of mobile users in Manchester, United Kingdom.

H2. The only marketing tactics (promotional & loyalty campaigns) de-motivates the switching behavior of consumers

The second hypothesis has been formulated about the de-motivating behavior of mobile users in Manchester, United Kingdom. The findings of empirical research and analysis of the findings do not prove this statement. It states, only promotional campaigns and loyalty campaigns are de-motivating the switching behavior of mobile users. According to the results, the two justifications are relevant. First, the 47% mobile users replied that they don’t want to change their mobiles, and they expressed the reasons as, their mobile is ok (22%), time limitation (13%), money problems (36%), non-availability on desired phones (7%), brand likeness (19%) and marketing & promotions (3%). These findings state only 19% people don’t want to change their mobiles because they feel loyalty or like the mobile phone and 3% people don’t want to change because of marketing & promotions by the company, while the rest of the people expressed the other reasons. It means only 22% people are de-motivated because of promotional and loyalty campaigns that means the majority of other factors is significant in de-motivating the mobile users from switching to existing brand to new brands. Secondly, regarding de-motivating factors, the majority of people reported the four factors durable qualities (33%), innovative features (25%) and customization (17%) and customer services (12%). Here again, the only 6% people reported the reason of the company’s advertising. These both arguments are enough for justification about rejection of second hypothesis. In short, it is concluded that although the promotions and loyalty campaigns contribute to de-motivation of switching behavior, but the other factors are more effective, such as offering durable quality, innovative features, customized applications, customer services and accessories etc.

CONCLUSION:

The research findings have provided the response from both mobile users, (a) have switched intentions and (b) have not switched intentions. According to the research findings, the behavior of mobile users is widely affected through influencing factors, which cause them to switch towards others mobile and also de-motivate them to switch towards other mobile. The survey findings also includes the response of users from other aspects as well such as, dependency of buying, mobile usage ratio, the number of mobile they have, kinds of mobile they have, preference towards famous brands and length of buying decisions etc. After screening the conclusion drawn about 148 questionnaires was recorded.

<table>
<thead>
<tr>
<th>Influencing Factors</th>
<th>People with switching intentions</th>
<th>Influencing Factors</th>
<th>People with non-switching intentions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone model is old</td>
<td>28%</td>
<td>Money problems</td>
<td>36%</td>
</tr>
<tr>
<td>Phone is having problem</td>
<td>23%</td>
<td>Existing phone is working well</td>
<td>22%</td>
</tr>
<tr>
<td>Impressed by new Model</td>
<td>19%</td>
<td>They like their phone</td>
<td>19%</td>
</tr>
<tr>
<td>Other</td>
<td>30%</td>
<td>Other</td>
<td>23%</td>
</tr>
</tbody>
</table>

Table 1: Descriptive for different intentions and factors

The first step was to separate the both groups (a) people want to switch and (b) people don’t want to switch. In concluding the research, the only highest responses of each finding are selected for concluding research. The results of empirical research state that 53% people in Manchester, UK are having switching intentions, while the 47% people don’t want to change their mobile phones. Starting from potential switchers, the people were asked to express their reasons for switching. The wider problem has been observed as, people want to change their mobile phone as their model is old (28%) and they want to change their phone, further the other reason were also selected such as, their mobile phone is having problem (23%) and the new model is good enough (19%). The people were also asked to express their next preferred brand, they want to buy and results are showing that most of people in Manchester want to buy the Apple brand (30%), Nokia (22%) and Blackberry (19%). The survey results also provide the justification about the reason for selection such as, new features (29%), good price and quality (27%) and attractive design (20%). These results states that the majority of people in Manchester want to get Apple, Nokia and Blackberry because they have new features, attractive design and good price and quality (influencing factors causing switching behavior of people). The survey also attempts to collect response of people in different situations, such as, once the people has switched from brand due to any reasons, if that problem happens again, then people would switch again towards next brand, as reported by 68% people. Further, the increase in price also causes the switching behavior of mobile users, because only 32% customer reported that they would not change their switching behavior even the price increases. In case the new innovative model comes in the market, the switching behavior of people is also affected by affordability factors (42%). In case, the consumers are dissatisfied, the majority of people (43%) would change again their mobile phones. The impact of good and bad customer services has been observed significant towards purchase behavior (82%). Similarly, the previous bad experiences of quality are also affecting the switching behavior, as reported by 100% people. The niche buying decision of the people is also mostly supported by people (67%) and the popular phones are also attractive for
people (57%). Last the impact of emotional attachment has been recorded significant towards purchase behavior.

Table 2: Miscellaneous switching behaviors

<table>
<thead>
<tr>
<th>Miscellaneous factors affecting switching behaviors</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>People would switch again towards next brand</td>
<td>68%</td>
</tr>
<tr>
<td>People who would not change their switching behavior even the price increases</td>
<td>32%</td>
</tr>
<tr>
<td>Affordability factors</td>
<td>42%</td>
</tr>
<tr>
<td>Dissatisfaction with current brand and intend to switch</td>
<td>43%</td>
</tr>
<tr>
<td>Customer services influence</td>
<td>82%</td>
</tr>
<tr>
<td>Previously dissatisfied customer's switching intentions for the same brand</td>
<td>100%</td>
</tr>
<tr>
<td>Niche buying decision</td>
<td>67%</td>
</tr>
<tr>
<td>Popularity of brand influence</td>
<td>57%</td>
</tr>
</tbody>
</table>

Further the responses of non-switchers have been recorded as well, in which the people are asked to describe their reasons of non-switching from one brand to another brand. The 47% in Manchester, UK don’t want to change their mobile phones and the reasons they express include the money problem most important, as reported by 36% people. Further the reasons have been expressed as existing phone is ok (22%) and they like their phones (19%). These findings are helpful in understanding that people are not going to change because they feel money problem, they don’t feel the need of changing and they like their phones as favor for them. The results of empirical survey also provide the insights about the de-motivating attribute of their existing mobile phones, which restricts them from switching towards other phones. The people in Manchester like their mobile phones, because their phone is having good features (32%), high quality at affordable price (38%), and they are getting innovative features (25%). Last, the result of customer survey also confirms the impact of factors, which cause the loyalty of customers, as reported by people, such as durable quality (33%), innovative features (25%) and Customization & applications (17%). These findings are providing the information to understand about the factors, which de-motivate the switching behaviors of customers. In concluding the results of a research study, the impact of influencing factors has been confirmed towards switching behavior of mobile users. There have been observed many factors which cause the switching behavior of customers, while there are also other factors, which de-motivate the switching behavior. The results of empirical research studies confirm that the switching and non-switching behavior of mobile users is widely affected by a number of factors, so the implications for marketers to understand those both groups of factors to understand the behavior of consumers.

RECOMMENDATIONS:

In collecting the response of mobile users, the focus was towards analyzing the impact of mobile related features, which causes the switching behavior and also de-motivates the switching behavior. The recommendations for researchers are to conduct more detailed studies towards only mobile related features in order to analyze the impact of features, causing switching behavior of consumers. Secondly, in this research study, the very lesser part of de-motivational factors have been included, but it must be explored in order to identify the factors, which de-motivates the consumer behavior, so that companies can understand the available strategies and tools for retaining the customer loyalty with the brand, as they de-motivates the switching intentions of mobile users.

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