Towards a Comprehensive Definition and Typology of Consumer Switching Behaviour: Unearthing research gaps


Abstract— The paper proposes a global definition of consumer switching behaviour (CSB) and presents a comprehensive conceptualization of CSB typology that require future research attention. The paper discusses research gaps emerging from the object of switching behaviour, bi-directionality of CSB, context of switching, voluntariness of switching, partiality of switching behaviour, time dimensions in switching, segments of switching behaviour, switching as an outcome and a process, consciousness and complexity of the switching process, cognitive and affective dimensions of switching process, and intentions and actual switching phenomena. The paper contributes to the body of knowledge in the area of consumer switching behaviour.

Index Terms— consumer switching behaviour, switching process, switching outcome, switching typology, switching context.

I. INTRODUCTION

The subject of Consumer Switching Behaviour (CSB) has gained considerable attention, since the past decade, among scholars and practitioners in the marketing literature. This is probably because of consumer switching is likely impact on the survival, profitability and growth of the business enterprise [1]. The subject of CSB has been examined in different service contexts, from competitive and non-competitive industries [2], banking service [3], [4], online shopping and online auctions [5], hair styling service [6], to auto repair services [7]. While there is a great deal of research work conducted to identify the factors that affect CSB, few authors have attempted to define and examine the nature and dimensions of the concept of CSB. No previous study has presented a concise and yet comprehensive definition of CSB and its typology. This conceptual paper attempts to fill this gap in the CSB literature. It seeks to provide a comprehensive conceptualisation of the typologies and dimensions of the CSB concept for the purpose of generating further theoretical discourse and avenues for future research. The usefulness of this is to highlight critical areas for future research agenda to increase understanding of the phenomenon for managerial implications.

II. DEFINITION OF CONCEPT

The subject of CSB has been variously defined and conceptualized from different perspectives in the marketing literature. “Switching” refers to a behaviour that a consumer exhibits in which he/she does not only intends to, but actually changes or replaces a current service provider or product manufacturer during a time period [1], [8], [9]. CSB has also been referred to as customer defect or churn or customer exit [10]. According to [11], service switching indicates a person’s desire to replace/change his/her current service provider with another/competitor. This definition focuses on consumer switching in services context and postulates that switching demonstrates a person’s desire or intention to switch which is an implied result of a switching behaviour. Again, CSB has been described as the process of replacing or exchanging the current product/service provider with another product/service provider [1], [8], [9]. This definition implies that consumer switching is a process which involves series of activities and/or stages through which a consumers passes in changing or exchanging service providers. This process may involve cognitive, affective and behaviour issues that may have considerable impact on the final decision to switch and could also provide scholars and practitioners with insight into managing consumer switching behaviour.

Reference [12] have criticized most definitions of consumer switching (e.g. [9], [6], [1]) as narrow. According to the authors, consumer switching involves more than change of a service provider. The authors attempted to propose their “single comprehensive definition for consumer switching” and adapted a definition from [13], and stated that “Consumer switching is a relatively permanent moving of a collectivity. Consumer switching occurs from one service provider to another and is preceded by decision making on the part of the switcher on the basis of a set of values. It results in changes in the interactional system of the switchers.” (p. 198). First, this definition attempts to provide support for the fact that switching is an intentional or conscious process by which consumers move away from one service provider to another. Second, the definition emphasizes that switching is a two way concept, involving a switch from and a switch to phenomenon. Third, from systems’ approach, the authors implied that the movement is based on a set of value considerations that are in the internal and external market environment as a complex system of interrelated and interdependent factors. This definition also introduces the component of relative permanence indicating time period considerations in consumer switching.

Unfortunately, the definition of [12] is not significantly different in content from those they criticized in that the
consideration of a lot of factors based on a set of values by the consumer is captured in switching as a process, which is implied in previous definitions. Again, not all consumers switching could be relatively permanent, it could possibly be temporary depending on the industry context. For example, in the mobile telecom industry, a consumer may be a subscriber to more than one mobile telecom network for different purposes, and may switch back and forth within short periods to use the different set of services from competitor service providers that may not be of a permanent nature.

Many authors agree that CSB refers to the process of replacing or exchanging the current product/service provider with another product/service provider [9], [1], [8]. Consumers may switch from one product/service provider to the other, switch from one store to the other, or switch from consumption/use of one brand of a product to the other. Moreover, CSB has been described as the decision a customer makes to stop purchasing particular product or patronizing the service firm completely [14], [15]. Interestingly, switching behaviour may be a complex process and may involve both a partial and total switch depending on the industry context [2].

Based on the above empirical and logical argument, the paper offers the following definition of CSB: Consumer switching behaviour refers to the process by which a consumer abandons his/her relationship with a current service/product provider and replaces it with a competitor partially or entirely for a given time period.

III. TYPOLOGY OF SWITCHING BEHAVIOUR CONCEPT

The above definition has several implications for marketing theory in understanding the typology and multifaceted nature of CSB that are potentially useful for scholars and practitioners alike. This section describes the typological dimensions of the CSB concept depicted in Fig. 1.

A. Object of switching

Consumer switching as a behaviour could be targeted at an object, which could be switching a service provider or anything offered by a service provider (offerings). Based on the specific offerings of the firm, marketers and scholars could study consumer switching for a specific service or product brand such as painting service switching, mobile SMS switching, mobile internet switching, social networking switching, distribution channel switching, among others. Most of the research work done are in the areas of consumer switching service providers (e.g. [9], [1], [8]), few studies have examined consumer switching of specific services provided by service providers. For example, a service provider in the mobile telecommunication industry may provide several services like internet services, SMS, Video conferencing, e-payment systems, Automated Teller Machine services, among others. For each of these services, it would be crucial to examine the CSB pattern and drivers for managerial implications. Therefore, it will be useful for future research to be extended to examining consumer switching of specific services offered by a service provider.

B. Bi-directionality of switching

Switching is a two-way phenomenon; it involves switching from a service provider and switching to another one. Thus,
Switching can be total or partial. It is total where a consumer ends the entire relationship with a firm and moves to a competitor, and it is partial where a consumer switches from using some of the offerings of a firm to use some offerings from a competitor. Here the competitor, also implied in the proposed definition of CSB in the present paper, could be either another firm’s product/services or a substitute service from the same firm. In a competitive situation where a firm offers two products that are substitutes, consumers may switch from one brand to the other. Thus, switching between the use of substitute offerings of the same firm could be described as switching within, a kind of partial switching. Reference [7] found that in the context of non-competitive, monopolistic industry, although consumers are aware of the non-existence of switching possibility, they find other ways of expression their frustration in their behaviour ranging in behaviour of a retaliation nature to outright rejection of the services offered, which has been described as internal switching. This is also a kind of partial switching.

Till now little is empirically known about the impact of partial switching on customers commitment and overall loyalty to a service provider in B2B and B2C contexts. Again, partial switchers are likely to reduce their spending on other services offered a current service provider. Research is needed to unearth the significant differences in wallet share between partial and total switchers in both B2B and B2C service contexts.

Moreover, regarding switching within a service provider’s services, there is little empirical research in the similarities and differences in CSB for competing services offered by the same service provider. For example, in the telecommunication services, a service provider may offer both mobile telecommunication services and fixed line services for long distance calls. Therefore, research is needed to unearth CSB for competing services of the same service provider and what factors drive such switching behaviour.

E. Partiality of switching

The usefulness of the environment for switching to be complete the consumer should not only have switched from but also should have switched to a competing service provider [12]. Conceptualizing switching behaviour as a bi-directional phenomenon provides critical areas that researchers and practitioners need to investigate. Thus, not only should research focus on the factors that cause the consumers to switch from a current service provider but also the factors that cause the consumer to switch to a new service provider. This is supported by the empirical work of [6] who examined the bi-directionality of the switching process and called the switch from factors, Push factors, and the switch to factors, Pull factors. Similarly, [12] maintain that examining switching behaviour from the switch from perspective alone is myopic as it presents the switching process as an un-linear relationship instead of bi-linear relationship.

C. Context of switching

Switching may be driven by micro and macro factors within the business environment. On the one hand, switching could be influenced by factors within the micro business environment that can be greatly controlled in the firm-consumer relationship, such as service quality, price, cost of production, unavailability of supply, among others. This can be termed as micro level switching. On the other hand, switching may be necessitated by factors within the macro business environment that are not easily controlled by the firm-customer relationship, such as government policy. This can be termed as macro level switching. Thus, consumer switching is not only affected by micro marketing variables that focus on the interactions between the consumer and the service provider, but also it is likely to be impacted by macro business environment issues such as industry policy and ethical standards, government policies, religion and the like as rooted in the currently emerging network perspective of marketing [16], [17]. According to the network view of marketing, many stakeholders, actors and factors in the business environment could play significant role in firm-customer interaction, some of which are in the external/macro business environment. Much of the previous studies on CSB have focused on micro factors affecting firm-customer relationship that induce CSB. More empirical studies are needed to examine the impact of macro environmental factors on CSB. The usefulness of the distinction in micro and macro business environment-induced switching lies in the fact that researchers may have to extend their attempt to conceptualise CSB to include macro factors in the business environment as recommended by [12] in a system’s theory of consumer switching.

D. Voluntariness of switching

Switching can be voluntary or involuntary. Consumers may be forced by circumstances beyond their control to switch service providers making switching involuntary, and consumers may willingly switch as a result of consideration of critical factors, making switching voluntary. It must be noted that whether switching is voluntary or involuntary the consumer first conceives the intention to switch, but in the latter the intention is induced by factors beyond the control of the consumer such as change of location, or demand of a switch by important others like employer, business partners, among others [1]. Till now little is known empirically regarding the extent to which involuntary switching behaviour can affect customer loyalty. Thus, customer can be forced to or prevented from switching as a result of some long-term contractual relationship, say taking of long-term loan from a bank. This can induce some disloyal behaviour from customers. Again, research is needed to identify the key drivers of voluntary and involuntary switching behaviour in business-to-business (B2B) research contexts.

F. Segments of switching behaviour

Depending on the switching decision process, switching behaviour may include those who actually switch, called Switchers [12], those who may be considering switching or have the intention to switch in the near future, termed considerers [18], those who do not wish to switch at all in the near future even though they have some reasons to do so, termed non-switchers, or stayers [2], those switchers who return back to the former service provider after switching, referred to as return switchers or return migrants [6], and those switchers who keep on switching from many

www.theinternationaljournal.org > R|SSM: Volume: 02, Number: 03, July-2012
different service providers, termed habitual switchers or polygamous buyers [6].

More research is needed to explore the conditions under which switchers are willing to return back to their former service providers and the managerial strategies to adopt in handling these segments of CSB in different industry contexts. Again, more empirical evidence is required in the area of differences in perceived service quality, customer satisfaction, customer effort and wallet share among these three groups: switchers, considerers and non-switchers.

G. Length of switching period

Depending on the service context and intention of the consumer, switching may be permanent or temporary. It could be permanent where a consumer switches to another service provider for a relatively permanent period with the intention of not returning back at all. This is likened to permanent immigrant as postulated in the Push-Pull-Mooring consumer behaviour model based on migration theory in the human geography literature [6], [19]. One the other hand, consumer switching could be temporary where the consumer switches for a period, be it short or long, with the intention of returning to the former service provider on condition that certain conditions in both micro and macro market environment may favour the consumer; this is likened to temporary immigrants who move away from their place of origin to another with the intention of returning based on some condition within and without their control.

What factors are likely to induce permanent and temporary switching behaviour, and to what extent could service providers influence the permanency and temporality in CSB in different industry contexts? These areas call for empirical research to enhance understanding of the concept of CSB for theoretical and managerial implications.

H. Switching as an outcome and a process

Switching is both an outcome and a process. On the one hand, switching may be the outcome of ineffective internal organizational service delivery system, which can cause a consumer to actually change over to a competitor service provider. On the other hand, CSB could be a process involving a set of psychological and emotional tendencies in the consumer that result in a decision to switch. The process of switching may start with a factors that triggers an intention to switch, which puts the customer on a switching path and with the occurrence of some unresolved problems and/or critical incidents, will eventually cause the consumer to finally decide to switch to a competitor service provider as conceptualized in the Switching Path Analysis Technique (SPAT) in the Catalytic Switching Model [20].

Understanding of the process and outcome of the CSB is of paramount importance to scholars and practitioners. It could provide further investigations into organizational strategies for preventing or minimizing the switching behaviour as an outcome. It could also provide insight into empirical investigations towards understanding different stages of the switching process and how service providers could cause consumers in the switching path to abort their intention to switch. Till now little is known empirically about the critical factors that influence customers’ ability and willingness to abort their intention to switch. This calls for future empirical research about intention abortion factors and their impact on customer loyalty and wallet share in different service contexts.

1. Consciousness of the switching process

Like all behaviours, CSB may involve either a conscious or unconscious process of decision making and action that could be influenced by many extricating factors. Previous studies do not seem to support the fact that every decision leading to a behavior is unconscious decision making process [21]. Proponents of Unconscious Thought Theory (UTT) agree that UTT is not applicable in every circumstance in consumer behaviour [21], [22]. On the other hand, there is evidence from many previous studies that switching process involves conscious decision making process as opined by the Rational Choice Theory [23], which states that “the consumer has ability or skill in computation that enables the calculation of which option will maximize his or her perceived value and selects accordingly” (p.187). Such previous studies include those that apply the Theory of Reasoned Action (TRA) and Theory of Planned Behaviour (TPB) [24], [25], [9], The Stimulus-Object-Response (SOR), Agency Theory, Systems Theory, among others. Several previous studies have shown that the switching process involves conscious decision. For example, some customers complain many times before they finally switch implying that their intentions to switch are developed and determined through calculated decision making process [2]. Again, it has been found that some consumers may not complain but purposefully decide to switch a service provider in search of better value elsewhere [26]. Moreover, in some cases consumers may discuss their switching decision with service provider and if no positive responses and adjustments are made by the current service provider, then they finally switch [26], [2]. Thus, consumers are almost always aware of their decision to switch, and their intentions to switch are usually influenced through conscious thought processes rather than unconscious decisions.

The implication of this is that research is needed to establish any evidence for unconscious switching behaviour among consumers in any service context. Again, more research is required to understand the length of time it takes for consumers to resolve to switch in B2B context since industrial consumers appear to choose their strategic business partners carefully, requiring more time and effort.

J. Complexity of switching process

Complexity of switching refers to whether switching is simple or complex. Just as becoming a customer or purchasing and consuming a product or service involves a number of decision making processes from prospecting and conception of the purchasing idea to the final decision to patronize or buy, so it appears to be with ending a relationship with a service provider. The exit-and-replace service provider behaviour of a consumer could be a simply one, but in most cases it could involve a set of complex mental or emotional considerations.

The simplicity or complexity of the switching process depends on a number of factors, including the sacrifices to be made (switching cost), factors influencing the decision to switch in a particular time period, among others. For
instance, a simple switching process may start with an experience of core service failure that may induce the intention to switch which in turn leads actual switching in search for better service quality. On the other hand, the switching process may be a complex one involving a number of interrelated and combined factors that trigger the intention to switch. A perceived trivial factor coupled with other later trivial or vital factors, could lead to a decision to actually switch to a competitor firm [1], [26].

Previous research has found that switching process may involve a simple one-time incidence that the consumer experiences with the service provider which causes the consumer to have the intention and later, to actually switch [1], [26]. However, the complexity of switching process has not received much attention from scholars. It was [1] who, in an exploratory study of more than 500 service customers through grounded theory development process, first attempted to examine simple and complex incidents that caused consumers to switch service providers. She defined a simple incident as one involving one category or factor, say price related issues or core service related. She also defined a complex incident as one that involves more than one category or factor. The author found that forty-five percent of the respondents described switching incidents composed of a single factor or category, in which the most frequently mentioned problems were core service failure, pricing and service encounter failures. It was also found that 55% of critical switching incidents were complex, in which those involving two factors was 36%, composed of core service failure in all cases and one more factor such as unsatisfactory response to service failure.

Following the exploratory work of [1], reference [26] sought to examine the extent to which single and multiple incidents may motivate consumer switching behaviour. They used a cross-sectional survey method to explore the phenomenon in the Asian banking market in which respondents were not only asked to describe the reason which had caused them to switch, but also to weight each reason up to 100%. Their study found that about one-third of the respondents switched banks due to one single factor, notably service failure or pricing problems, and 76% of the switching was found to be complex, involving service failure, pricing and inconvenience. They called for further study to investigate simple and complex incidence among consumers of other service industries.

Significantly, [2] describe the elements of the process as triggers, switching path and switching determinants. They maintain that the triggers are what causes consumer to start thinking about their need for switching. This in turn puts the consumer on a switching path, and what the consumers express on their path as reasons for switching is referred to as switching determinants. These studies portray that switching is a complex phenomenon and may involve the combination of industry and competition-specific factors related to actual consumer switching, called configuration. Configuration represents the energy that determines the kind of changes in the consumer switching behaviour, whether the consumer will switch the services provider totally or switch partially from using some of the services of the service provider or switch internally reflecting a behavioural change in pattern of usage, especially in non-competitor settings [2].

The energy of the configurations of factors may be combination of situational, influential and Reactional triggers. Situational triggers involve certain factors in the consumers’ own life such as demographic changes or changes in work situations that result in switching considerations. Influential triggers are factors related competitive situation that can cause consumers to consider switching. Reactional triggers refer to critical incidents in the interactions between customers and service providers that may cause consumers in the switching path (considering switching) to finally switch. Reactional triggers seem carry more energy in the switch process. Significantly, these studies provide theoretical insight into the relative importance of various triggers and determinants in facilitating the consumers’ decision to switch.

This phenomenon of simple and complex switching needs to be understood in different context for a better conceptualization of the switching process because it could provide scholars, practitioners and educators with the relative importance of switching factors that contribute to consumer switching. This is another area for future research.

K. Cognitive and affect dimensions of switching process

The importance of the role of cognitive and affective dimension of behavior in general and consumer behaviour in particular has long been recognized in the psychology and marketing literature. Though there is no generally accepted definition of cognitive and affective domains of behavior, the two are overlapping dimensions of attitude in some human behaviors [26]. However difficult the two terms may be, most scholars from different schools of human behaviour thought agree that cognitive dimensions of behaviour could be described as mental attitudes that involve judgements or appraisal of and reactions to people and things and include cognitive attitudes like belief, judgements and thoughts associated with an object [27], [28]. Cognitive dimensions of behaviour principally border on mental attitudinal tendencies by which individual consumers consciously makes subjective, logical and rational judgement towards the achievement of an intended outcome. Affective dimension, on the other, could be described as spontaneous responses and/or emotions and feelings experienced toward an object, person, or event that creates a state of readiness [27], [28]. In the light of cross-cultural research, a well established fact is that a small number of emotions have inter-translatable names and universally recognizable expressions, which according to Ekman and Friesen (1989) are happiness, sadness, fear, anger, surprise, and disgust.

Previous studies such as [4] - [12] have mostly emphasized the cognitive dimensions of the switching process using theories like Theory of Planned Behaviour (TPB) [24] and Pull-Pull-Mooring Theory [19]. The cognitive based theories have established that actual switching is determined by intention to switch, which in turn is influenced by many cognitive variables like attitude towards switching, perceived behavioural control and subjective norms.

Studies explaining consumer switching process based on cognitive theories alone are limited since they do not provide adequate explanation needed to fully comprehend the complexity of the phenomenon. This is because the role of emotions and feelings has been found in many studies in
the marketing literature to be an important component of the consumer consumption satisfaction experience that affects the entire consumer-firm relationship. For example, it is argued that “during the consumption experience, various types of emotions can be elicited, and these customer emotions convey important information on how the customer will ultimately assess the service encounter and subsequently, the overall relationship quality” [29].

In managing the total customer experience in the service environment, emotional reaction is part of a quality and favourable experience. This is consistent with the findings of [30] on utilitarian and hedonic consumption judgments, who argue that “...satisfaction is naturally tied to cognitive judgments and to affective reactions elicited in consumption” (p. 451). Reference [29] found that negative emotions have a stronger effect on satisfaction with quality than positive emotions.

Reference [1] was among the first to suggest that future research should examine cognitive and affective dimensions of the CSB. In this regard, some previous studies have made some significant attempts to examine the affective nature of the consumer switching process (e.g. [31]) confirming that feeling depicts involvement and manifest during the firm-customer interactions and value creation processes. Reference [31] empirically established that anger mediates the relationship between satisfaction and consumer switching intention. They maintain that satisfaction/dissatisfaction with a service provider may not necessarily lead to consumer switching intention until the dissatisfaction is so serious that it leads to anger which in turn results in consumers’ eventual switching. Thus, their study highlights the significant role of anger in causing consumer switching intentions. Reference [32] examined the predicting role of switching determinants in Spanish environment and found that anger incident, a typical emotional construct, could help in explaining the consumers’ intention to switch. Similarly, reference [33] in a study in mobile telephony context found that anger incidents significantly affected consumers switching intention.

In view of the above, more studies are required to substantially explore the gap that exist in the consumer switching literature regarding role of cognitive and affective factors (e.g. feeling of anger, disappointment, regret, frustration and happiness that emerge in the switching process. This gap is crucial to fill to provide a better understanding of the emotional nature of the switching process and its role in the switching to and switching from decisions. This gap has received considerably limited research agenda for a long time. Therefore, affective models of consumer switching should provide new findings to further our understanding of CSB.

L. Intentions vs. actual switching

Though various empirical studies have established that intention is a strong predictor of behaviour [24], it is a common knowledge that having intentions to do something does not necessarily translate into actual behaviour. Many studies have also found that switching process is triggered by many switching incidents or antecedents such as satisfaction, service quality, service failure, service recovery failure complaining, competition, ethical problems among others [1], [2], [7]. Such factors may be antecedents to switching intentions, but not necessarily causing actual consumer switching decision.

In the consumer switching behaviour literature, as far as the researcher knows, no study has been done to specifically explore the factors that mediate intention to switch and actual switching behaviour, and in particular in developing country context. Research is needed to explore the intervening factors that can mediate the relationship between switching intentions and actual switching behaviour in the switching process to provide theoretical and empirical basis towards understanding the critical factors that could result in abortion of switching intention in consumers or accelerate switching intentions. More empirical study is required to fill up this gap in the CSB literature.

IV. CONCLUSION

The purpose of the paper was to provide a comprehensive definition of CSB and its typology towards unearthing research gaps. The paper proposes that CSB refers to the process by which a consumer abandons his/her relationship with a current service/product provider and replaces it with a competitor partially or entirely for a given time period.

In terms of the object of switching behaviour, CSB may be targeted at the service provider and/or the services of the service provider. Switching is bi-directional involving switching from and switching to phenomenon. Switching behaviour may occur within the context of the firm-customer relationship or within the broader context of firm-stakeholder relationship. Switching may be voluntary or involuntary, partial or total, permanent or temporary. By their switching behaviour, customers may be identified as switchers, considerers and stayers. Switching behaviour may be an outcome or a process, and may involve conscious decision making process. Switching process may be simple or complex involving cognitive and affect dimensions, and could be examined and studied using intentions or actual switching behaviour. The paper highlights areas for future research in the area of CSB in different industry context in both developing and developed countries.

REFERENCES


Simon G. Nimako (B.Ed, MSc. PhD candidate). This author was born in Ghana, obtained his Bachelor of Education in Management Studies Education from University of Education, Winneba (UEW) in 2006 and obtained his Master of Science in Marketing and e-Commerce from Lulea University of Technology, Sweden in 2009. He became a Senior Member (SM) of UEW in 2010. Currently, he is a PhD student at the Accra Institute of Technology, Ghana. His research interest is in the area of Marketing, Business Management, Organizational Behaviour and Business Ethics.