Consumer Switching Behaviour: A Theoretical Review and Research agenda


Abstract— The paper extensively reviews the literature on theories of Consumer Switching Behaviour (CSB) and proposes a synthesized model of CSB for explaining the phenomenon in the context of mobile telecommunication industry in developing countries. The proposed model extends existing Push-Pull-Mooring Theory of consumer switching by incorporating the influence of government policy, switching intention abortion factors as well as the psychological, emotional and behavioural consequence of switching on consumer and their former and new service providers. Future research to test the proposed model is suggested. It contributes to the consumer behaviour literature.

Index Terms— switching behaviour, switching theories, synthesized switching model.

I. INTRODUCTION

BUSINESS organizations in today’s dynamic marketplace are increasingly being customer-oriented, realizing the importance of keeping customers in a long-term relationship. Though customer retention is crucial, it is equally important to explore and examine the factors that can cause customers to switch service firms. This is simply because to keep current customers, it is important for firms to understand why customer switches. Conceptually, consumer retention and consumer switching behaviour are two different marketing constructs that have unique theoretical and managerial implications. The subject of Consumer Switching Behaviour (CSB) has gained considerable attention, since the past decade, among scholars and practitioners in the marketing literature, probably, because of its likely impact on the survival, profitability and growth of the business enterprise [1], [2].

Many attempts have been made in the past to present theories on CSB in different context. However, in more recent times more theories have been developed in the CSB literature. The present paper attempts to provide more current and chronological review of existing theories on CSB. It also proposes research agenda for developing theories of CSB in developing country context in general and in the mobile telephony context in particular.

II. THEORETICAL REVIEW

The following sub-section discusses the main theories that have been developed in an attempt to conceptualise consumer switching behaviour from different industry contexts, their methodological approaches, results and limitations.

A. Product Importance Model-Based switching model [3]

Reference [3] presented a model for explaining consumer switching in the hospitality industry, specifically in the lodging sector. Their study was based on the three broad factors, Context, Control, and Consumer, as developed by [4] in their “Product Importance Model.” According to the Product Importance Model, [4] maintain that consumers consider different products to vary in importance. As a result, for any given product, the importance varies over a given group of consumers [5]. These authors described product importance as “the extent to which a consumer links a product to the salient endurance or situation specific goals.” By implication products can be perceived as instrumental or enduring. It is instrumental where their importance is temporary and fades away once the purpose of owning it is achieved [4]. Thus, consumers will switch their product provider easily after using products/services with an instrumental importance. For example, the importance of a restaurant or wine or hotel selected for a birthday party fades once the function is over.

Again, instrumental importance is displayed when a consumer selects fine wines on an anniversary celebration due to the influence of the occasion. But to a wine connoisseur, the type of wine has an enduring importance. They will always choose to select a fine wine. Thus, the importance attached to having fine wine is not just sparked by an occasion but is intrinsically driven.

Their study found that under Context destination variable played the greatest role in consumer switching. Under Control, they found that special deals such as price discounting were most important factors. Finally, the authors found that, under the category of Consumer, family was a major influencer of the service determinants. This model is limited to the hospitality and hotel industry considerably since in other service contexts like mobile telephony, use of services is not occasion-driven and the importance of a service does not expire or fade with use.

B. A Model of consumers’ service switching Behaviour [1]

One of the earliest theoretical frameworks for explaining consumer switching was proposed by [1]. The author made an initial attempt to develop a generalised model of service switching through an exploratory study using grounded theory techniques to classify problems, incidents and non-service factors that could induce service switching as well as
the consequence of CSB. Using a sample of over 500 respondents in some 45 different kinds of services in North American context, the study found, in addition to seldom-mentioned incidents, eight causal antecedents to service switching behaviour. These antecedents were price, inconvenience, core service failure, service encounter failure, involuntary, switching ethical problems, attraction by competition, and employee response to service failure. For each of these categories, the author identified several sub-categories. For example, under price, the author identified four sub-categories, namely: high prices, deceptive prices, unfair pricing practices, and price increases (see Figure 1 for details).

The study also produced some initial empirical evidence on the relative importance of switching incidents. It 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 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. The most mentioned critical incidents were in the category of core service failure (44%), followed by service encounter failure (34%) and price (30%) and the least important factors were involuntary switching and ethical problems. Moreover, the study provided empirical evidence on the consequence of switching behaviour. It found that 75% of switchers have told at least one person who is proximate relative, co-workers or friend. Most of the switchers engaged in active search for new providers and 85% of them found new service providers through active search, while the others found new providers through marketing communication such as direct marketing, sales promotion and advertising media.

However, Keaveney noted that this initial model requires further empirical evidence for its validation and application to different service contexts using different methodology [1]. Their study was a generalised model and its applicability may not be adequate in identifying all the attendants and consequence of consumer switching. Again, the authors noted the need for future research to test actual cause and effect among the identified variables of their study, to examine the switching process itself in terms of the cognitive and affective dimensions, and to conduct parallel study among other service providers.

C. Service Provider Switching Model [2]

Reference [3] conducted an initial study into the switching process and developed the “Service Provider Switching Model” (SPSM). The authors were the first to develop a theoretically grounded predictive model for customer switching process in service industry. Their main purpose was to extend the attitude behaviour literature to marketing phenomena by exploring the relationship between general attitude (service quality) and specific behaviour (switching service providers). Their model, SPSM, was based on the Theory of Planned Behaviour (TPB) [7]. The authors integrated the constructs of service quality and satisfaction and other variables suggested in prior marketing research into the Theory of Planned Behavior (TPB) to examine the factors that influence consumer-switching. In adapting the TPB, [3] argued that:

...because prior research suggests that service quality/satisfaction and switching costs are important determinants of switching, and also because it is believed that service quality should be conceptualized as a general attitude, it seems appropriate to look at attitude behavior models that incorporate perceived costs and concerns themselves with voluntary switching... the TPB shows promise. (p. 201).

The Theory of Planned Behaviour (TPB) is an expectancy-value model proposed in the psychology literature that provides a framework to study and explain behaviour from intentions in virtually any human behaviour context [7]. The TPB assumes that human beings are rational and makes systematic use of information available to them and that people consider the implications of their actions before they decide to engage or not in certain behaviour. The TPB asserts that behaviour is determined by Perceived Behavioural Control (PBC) and the intentions to engage in that particular behaviour. Thus, intentions and PBC directly predict behaviour. The central factor in the TPB is the intention to perform a given behaviour [7]. Intentions

![Diagram of consumers' service switching Behaviour](image)

**Fig. 1. A Model of consumers’ service switching Behaviour [1]**

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capture the motivational factors that influence behaviour and indicate how hard people will work to achieve a given behaviour. The individual’s intentions to perform a specific behaviour is held to be determined by a combination of attitudes toward the behaviour (favourable or unfavourable), subjective norms (perception of social pressures to perform or not to perform the behaviour), and perceived behaviour control (the perceived difficulty or ease of performing the behaviour). The model has been empirically tested and validated in several social science context, and has been practically useful in explaining behaviour ranging from shoplifting [8], job search [9] to attending a language rights rally [10]. In their SPSM (Figure 2), [3] conceptualized Switching Behaviour and Switching Intentions as dependent variables. They identified and included the following variables as independent: service quality, perceived relevance, satisfaction, attitude toward switching, subjective norms, and perceived switching cost.

One of the limitations of the SPSM is that it uses the TPB which examines only cognitive dimensions and ignores the affective dimensions or factors that can induce switching intentions. Again, as admitted by the authors, the SPSM is limited to few mediating and moderating factors that could lead to consumer service switching. Their study recommended the inclusion of other variables found in other studies for a comprehensive model of consumer switching process.


Reference [11] proposed a model for describing the consumer switching process indicating the various stages involved in the consumer switching process. According to the author, the model purposefully provides a methodology for analyzing relationships using switching behaviour as a reference point. The Switching Path Analysis (SPAT) covers the ending of the former relationship and the beginning of a new one. The model suggests that three main elements that are involved in the switching process are triggers, switching path and switching determinants. They maintain that the triggers are what causes a consumer to start thinking about their need for switching [11]. This in turn puts the consumer on a switching path, and what the consumer expresses on their path as reasons for switching is referred to as switching determinants. The model emphasizes the fact that the results of the switching process can be either that consumer totally or partially switches.

Later, [12] introduced the concept of configuration into the switching path model. According to the authors, 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. 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 to 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. According to the authors, Reactional triggers seem to 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.

E. The Switching Process in Retail Banking [13]

Reference [13] proposed a model of consumer switching behavior in the retail banking industry (Figure 3) using a sample of 694 respondents in Australia and New Zealand banking industries. Based on existing literature in the consumer complaining behaviour literature, the authors argued that the consumer switching process in retail banks usually starts with a dissatisfaction or problem situation in the service provider-consumer relationship to which the consumer may either make complaint or not make complaint. The authors maintain that consumers are more likely to complain where the problem is more of a manifest kind that present clear evidence that a problem exist such as billing errors and service mistakes. On the other and, consumers are more likely to avoid complaining where the problem is one of judgement that are characterized by the degree of uncertainty and perceptions involved such as inconvenience of location and pricing problems. They maintain that consumers who experience judgemental problems are more likely to avoid making formal complaint;
rather they quit and switch to other service providers. Through a cross-sectional survey using self-administered structure questionnaire, and the use of quantitative techniques in their analysis, the authors found that three categories of problems generally influence consumers switching behaviour.

These were: core service failure, pricing problems and denied services. In addition, consumers’ evaluation of service recovery was also identified as an important factor influencing switching decisions. Again, “pricing problems” was the most important factor influencing switching decision, contradicting a bit of the findings of [1] that core service failure was the most important determinant of consumer switching. It also found that although majority of the defecting consumers voiced their complaints, they were silent about their pricing problems.

The study contributed to extant literature on consumer switching by introducing the influence of consumer complaint behaviour as a determinant of CSB. Their study was limited in many respects. First it was related to only the retail banking industry which makes it narrow in providing explanation for all factors affecting consumer switching in other industries like the mobile telecom settings. Again, it focused more on the transactional issues that cause service switching. Above all it examined only one side of consumer switching, thus, the switched from dimension, but did not examine the issues in the switched to dimensions.

F. A Three-Component Model of Consumer Commitment to Service Provider [14]

Reference [14] made another attempt to provide a framework for understanding consumer switching from a relational perspective instead of transactional perspective. Their purpose was to address the role of consumer commitment on consumer switching intentions. In this model, the consumer is equated to an employee and the service provider was equated to an employer. The authors addressed the multi-dimensionality of the commitment construct which, though is central to the relationship marketing paradigm, has been loosely defined. The authors drew on [15] concept of commitment in organisational behaviour literature by to develop “A three-Component- Model of Customer Commitment to Service Providers” (see Figure 4).

Reference [15] conceptualized commitment as three dimensional (affective, normative, and continuance commitment). The Meyer and Herscovitch framework is appealing in building and understanding consumer switching since commitment is central to the relationship paradigm [16]. According to [15] is “A force that binds an individual to a course of action of relevance to one or more targets. As such, commitment is distinguishable from exchange based forms of motivation and from target relevant attitudes and can influence behaviour even in the absence of intrinsic motivation or positive attitudes.” (p. 301).

In organizational behaviour, commitment is treated as a psychological force that has positive effects on the organisation. Employees who exhibit commitment to an organisation are likely to show positive outcomes that are reflected in the length of time a person stays with the organization, the endurance an individual stays with the organization or is prepared to endure hardship with an organisation, works longer, protects company assets, shares beliefs and goals, is a happy employee, and invests freely in achieving the desired outcome [17]. In a similar way, [14] contended that, when the commitment theory is examined in the light of consumer switching, commitment should be perceived as the positive psychological motivation that will provoke an enduring relationship between the consumer and the service provider. The authors found empirical support to the fact that consumer commitment to a service provider can be conceptualised as a three-fold construct. Consumers may stay because they want to (affective commitment) or ought to (continuance commitment) or have to (normative commitment). The authors proposed the inclusion of all the three types of commitment in future studies to better understand the consumers’ willingness to stay or switch from a service provider.

Some of the limitations of this model are that it is limited to the auto-repair industry. Again, though it improves the existing uni-dimensionality of commitment in the marketing literature to a multi-dimensionality, it focuses on only one side of the concept of switching, where the consumers switches from one service provider and not issues regarding the switching to a new relationship with another service provider.
G. Push-Pull-Mooring (PPM) Migration Model of Service Switching [18]

Bansal et al. (2005) attempted again to present a unifying framework for understanding the complexity of the process of consumer switching, called Push-Pull-Mooring (PPM) migration model (see Fig. 5). The authors identified the issue of linearity that is displayed by existing models of consumer switching and indicated the need for a more elaborate framework that would minimize the risk of developing strategies that either overemphasize or underestimate the significance of certain variables as pointed out by [19]. This time, the authors borrowed ideas from human geography to explain marketing phenomenon. To them the movement of people from one place to another in human geography provided a correspondence between consumers switching from one service provider to the other. Reference [18] modelled consumer switching intention utilizing the adapted human migration models for examining consumer switching. This seemed appropriate and reflected the work of [20] who had already indicated the similarity between consumer-switching and human migration, showing that just as individuals shop for goods by comparing prices and many other feathers, potential migrants compare the attributes of alternative locations and express those preferences by moving to the location that best satisfies them [20]. The PPM model of migration was first developed by [21] and [22] and modified by [23]. This theory holds that negative factors existing at the origin push people away, while positive factors at the destination pull people in. These push and pull factors do not work interdependently with the mooring factors.

The authors admitted that their model, though comprehensive did not capture every possible moderating factor such as culture and personality traits, and called on future research to utilise the PPM model in filling up other gaps in the switching behaviour literature.

H. General System Theory of Consumer Switching (GSTCS) [24]

In the GSTCS the authors argue that besides the PPM framework of [18], most other models have viewed the consumer switching process as uni-linear, or simply as a cause-effect type of relationship and are restrictive and do not reflect, in reality, all of the components of a given phenomenon. The authors maintain that the consumer-service supplier relationship can be viewed as a system in which a change in the nature of one component affects every other component [25], which is perfectly captured by The General Systems Theory (GST). Based on the GST, the authors propose an alternative framework of consumer switching for the hospitality industry, thus the GSTCS, to examine dimensions of consumer switching phenomenon that are deeply interrelated. The authors traced the conceptualization and philosophical roots to the General Systems Theory (GST) to the German philosopher Hegel (1770–1831) and the biologist [26] Bertalanffy (1955). In applying the GST to consumer switching, the authors indentified the following elements as the basic elements of the Switching System: the consumer, the regulatory subsystem, feedback loop, the external environment, and internal resources of a firm. One limitation of this theory is that it is yet to be empirically validated.

I. Agency Theory of Consumer Switching [27]

Reference [27] attempted to propose a framework for understanding consumer switching based on the agency theory. Their purpose was to use the agency theory to emphasize switching cost and introduce new categorization of such costs, address the relationship between switching and untapped issues such as information utilities, risk attitudes of buyers and marketers, and moral hazards, and to address the cross-cultural, cross-context and cross-industry empirical testing and verification of several controversies of switching behaviour.
Agency theory holds that an agency relationship exists when one or more individuals hire others, called agents in order to delegate responsibilities to them. This relationship thrives on the assumption that those agents are able to perform those duties and responsibilities to the best of their expertise in a particular area of specialization. The rights and responsibilities of the principal and the agents are spelt out clearly in the contractual relationship. The terms and conditions governing the relationship regarding the chosen compensation arrangement for agents, information system for monitoring, allocation of ownership rights are clearly outlined [28].

In their conceptual paper, [27] conceptualized the switching behaviour decision situation phases as analogous to agency relationship. In their perspective, the process of switching behaviour include need recognition, information search and processing, evaluation of motives for/barrier to switching, the switching action and post-switching evaluations are mainly the genuine responsibility of the brand switcher. The brand switcher is equated to the principal and the service provider is equated to the agent. The consumer (principal) and two agents competing to introduce their services to the principal where one of them is the present brand (actual agent) aiming to retain the principal, and the other is the new brand (potential agent aiming to attract the principal). Each of these agents could motivate or discourage the switching decision [27].

This agency situation is expected to involve three agency cost, each of which is acting as a barrier or motive for switching. These are information asymmetry, moral hazard and discrepancy in risk attitude. Their study provides new directions for extending the theoretical basis of the switching behaviour phenomenon. This model however requires further empirical validations in different industry contexts.

J. Prospect Theory of switching behavior [29]

More recently, [29] have also presented a proposed theoretical framework for consumer switching behaviour that is applicable to both industrial and consumer markets. Their theoretical model utilised the Prospect theory developed by [30] to explain the attitude of consumers toward the risk of switching from one service provider to the other.

The prospect theory (Kahneman and Tversky, 1979) has been found as a replacement of the expected utility theory as the model of choice (Plous, 1993) in explaining people’s aversion to risk, which has been a topic of interest to sociologists, economists and business psychologists. Prospect theory states that an individual in a loss situation is more likely to make a risky financial decision than when they are in a gain frame. The theory basically maintains that a person’s tendency to make a more or less risk-averse decision actually varies in accordance with the frame in which they find themselves at the time of making that decision; where there is a tendency to risk aversion in a gain frame and toward risk acceptance in a loss frame.

According to [29], prospect theory is applicable to the switching behaviour context in that, if a customer has a strong relationship with a service provider they are in a positive frame; so prospect theory predicts that risk aversion will be displayed when considering switching, even if using that new service provider offers a significant advantage. This outcome occurs because switching firm involves a certain amount of risk, as there are unknown factors to consider. In the opposite situation, where a customer is within a relationship with a service provider and then that firm increase, say their price, then the customer's frame becomes a loss situation. Thus, prospect theory predicts that switching is more likely as there should be a more positive attitude to risk displayed in this frame. (p. 874).

One major limitation of this model is that it requires empirical validation of its constructs in different industry contexts for its generalisability.

A summary of the reviewed theoretical models are presented in Table 1.

III. LITERATURE GAPS AND RESEARCH AGENDA

First of all, from the theoretical models reviewed so far, with the exception of generalised models of consumer switching of service providers (e.g. [1], [6], [14]), few theoretical models in the extant literature focus specifically on the phenomenon of consumer switching in specific industry context; this dearth of theoretical models is especially acute in research on CSB in the mobile telecommunication industry. Differences in phenomenon may differ from culture to culture and from one industry context to the other, therefore for a phenomenon to be well understood, a variety of theories are needed to provide a variety of frameworks for examining the phenomenon in question within specific contexts. In the words of [31]:

"...without adequate theories, it is not clear what guidelines would be involved to determine the types of migration (consumer-switching), social and economic data to be collected or how such information would contribute to the cumulative undertaking of (consumer-switching) process migration (p. 274).

It becomes critically important to extend our understanding of consumer switching behaviour in the mobile telephony industry in developing country context because "...theoretical grounding for the study of the consumer-switching phenomenon is required if the objective of systematic investigation is to be accomplished” [6, p.201].

Much of the CSB literature focus on the phenomenon in developed country industry contexts in general. Little is known about CSB phenomenon in developing country context. Given that developed and developing countries are significantly different in many respects [32] and [33], it becomes critically important to examine CSB from developing country contexts to better conceptualise the
Developing countries’ mobile telephony market has witnessed a tremendous increase in subscriber growth rate as well as revenue rate for most firms in the industry. There are over 68 mobile telecom operators in developing countries in Africa and the Middle East.

Competition has been keen in the industry over the past two decades following the deregulation in telecommunication sector in many developing countries in Africa and Asia. Consequently it has become more easier than ever, for customers to switch to use other service providers network services for different mobile services – internet, call, SMS, MMS, Conference calls, among others. Switching between telecommunication services is also becoming easier following the implementation of Number Portability Policy (NPP) in many developing countries like Ghana. As a result consumers could use the same mobile telephone number on different mobile telecom networks. Again, the proliferation of mobile devices and their corresponding low cost has also enhanced the possession or use of more than one mobile phone by individual customers. Consequently, consumers are able to use more than two service providers’ networks concurrently and thus could easily switch to a competitor service provider in a matter of seconds and at the least displeasure or interruption in service quality. The advancement in technology, desire to increase market share, developed regulatory frameworks, new government policy (e.g.: mobile number portability), increased expertise and the number of industry players, have set the tone for increased competition that has implications for consumer switching behaviour.

This proposed study will attempt to fill this gap by developing and empirically validating a conceptual model of CSB in the context of mobile telecommunication networks in developing country context. It will utilise constructs in the existing marketing literature as well as draw on the existing models and exploratory critical incidents technique to develop context-specific variables towards A Synthesized Model of Consumer Switching (SMCS) that explains consumer switching in mobile telecommunication industry in developing country contexts.

The conceptual framework, the SMCS, will include push, pull and mooring factors adopted from the Push-Pull-Mooring Theory (PPMT) in conceptualising the antecedents and moderators of switching intention and behaviour. It will extend the PPMT by including government policy of mobile number portability as a macro business environment factor that could influence CSB as suggested by recent theories [24].

Again, the SMCS will extend the PPMT by using abortion theory to understand the factors that can cause consumers to abort their intention to switch (intention abortion factors) in their switching process or path. Moreover, the proposed model will further the PPMT model by using stimulus-response theory to conceptualise the psychological, emotional and behavioural consequence of switching on the individual switcher in relation to the former service provider and the new service provider, and the conditions under which switchers are likely to switch back to their former service provider. Furthermore, the proposed model will examine the influence of selected demographic, psychographic, religious, and other consumer characteristics on CSB.

IV. FUTURE RESEARCH

It is hoped that this literature review will be followed by an empirical study to test the proposed model of CSB in Ghana’s mobile telecommunication industry (GMTI). It will be a cross-sectional survey of customers of the five full licensed and operating mobile telecommunication operators in Ghana. This study will unearth the critical and unique antecedents and consequence of CSB in developing country context in general, and in GMTI in particular to further theoretical discourse and offer useful managerial implications. It is also proposed that future research should develop more theories and models to explain CSB in different industry contexts.

V. CONCLUSION

This paper presents a comprehensive review of key
theories and models of CSB, their limitations and contributions. It justifies the need for more theoretical models in understanding the concept of CSB from different industry contexts in developing countries. Given that switching is more prevalent in competitive business environments, and the keen competition in the GMTI, the paper, proposes a synthesized model of consumer for the mobile telecommunication industry in developing countries like Ghana.

REFERENCES


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