A comparison between switching intention and switching behaviour in the South African mobile telecommunications industry

Rapid technological progress and an increase in the number of mobile network operators (MNOs) worldwide has caused intense competition to develop in the mobile telecommunications industry. Consequently, customer retention strategies have replaced acquisition strategies. In addition, MNOs currently face accelerated switching rates. From a relationship marketing perspective, and considering the financial benefits of customer retention, developing a means to detect and/or prevent switching has become vital. From an academic perspective, researchers have conflicting opinions regarding switching predictors. Also, scant information is available regarding actual switching behaviour as most switching studies measure switching intention. Moreover, counterintuitive results have been found regarding the role of relationship length, depth and breadth in switching.

Research was conducted by Michelle C. van der Merwe, a Doctoral student the Department of Marketing Management, with the purpose of comparing switching intention and switching behaviour in the South African mobile telecommunications industry. The primary objectives for the study were threefold: a) to develop a conceptual switching intention model and test the model using switching intention data (RO1); b) to compare the conceptual switching intention model to actual switching behaviour data (RO2); and c) to investigate the role of relationship characteristics in both switching contexts (RO3). Switching antecedents identified for the study (selected based on their neglect in the literature) were relational switching costs, perceived value and alternative attractiveness. Secondary objectives included an investigation of the direct influence of the aforementioned antecedents on both switching intention and behaviour, and an examination of the interrelationships between these constructs in both switching contexts.

Primary data was collected via an online self-administered survey using a cross-sectional online panel. Survey participants were required to have a contract with a South African MNO. Switching intention and switching behaviour were measured

using separate questionnaires. Existing measurement scales were used (and adapted where necessary). A total of 1 668 surveys were returned.

After data cleaning, the switching intention data (N = 1025) were fitted to the switching intention model using SEM (RO1). Parameter estimates were obtained using maximum likelihood (ML) in AMOS. Bootstrapping confirmed that parameter estimates attained through ML could be reported with confidence. In addition, the EQS package was used to obtain robust ML fit indices (due to the non-normality of the data). The fit indices were as follows: χ^2/df = 6.004 (χ^2 = 966.61; df = 161; p < 0.000); RMSEA = 0.070 [0.066; 0.074]; NNFI = 0.943; CFI = 0.952.

Due to the low number of cases obtained from the switching behaviour sample (N = 135) and the high number of parameters to be estimated (49 parameters), the switching behaviour data could not be fitted to the switching intention model (RO2). However, to allow some comparison, the frameworks of both switching behaviour and intention were compared using stepwise regression (since this technique requires fewer parameters to be estimated). In the switching behaviour context, the three antecedents only explained 12% of variance, whereas the switching intention antecedents explained 52% of variance.

The strongest predictor of switching intention was alternative attractiveness. The relationship strength of the dependent variable and antecedent variables was stronger in the switching intention context than in the switching behaviour context. Findings suggest that switching intention and switching behaviour are intrinsically different. The low percentage of variance accounted for in switching behaviour suggests that factors other than the antecedents investigated drive switching behaviour.

Regarding relationship characteristics (RO3), relationship depth had a weak influence on switching intention, while the influence of relationship length and breadth were negligible. None of the relationship characteristics influenced switching behaviour. The results suggest that customers may perceive the cost of their

monthly bill to cause them to switch. However other factors may influence customers when their actual switching decision is made.

Overall the findings suggest that marketers must take care when assuming that behavioural intention will mirror actual behaviour; and that decision-making for strategic purposes should be based on actual consumer behaviour, rather than intended behaviour.

The research was conducted by Michelle Caroline van der Merwe as part of the fulfilment of the requirements of the [DCom](link) Marketing Management degree in the [Department of Marketing Management](link), under the supervision of [Prof Yolanda Jordaan.](link)