

Identifying the Most Important Factors that Contribute to Customers Switching to Another Brand

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Abstract: *There are several factors that can influence customers to change brands like service quality, product quality, price and others. Negative customer experience and customer expectations can reduce the improvement of the brand position of the companies. The implication of Pavlovian marketing strategy can be found important for increasing customer retention and brand awareness among companies. Descriptive research design and the deductive approach is effective to get quantifiable data and analysing those data by the statistical method. The quantitative method is helpful as the survey method can be used to get objective data from participants. There is a significant relationship between the failure to meet the current market trend and customer satisfaction and the switching behaviour of customers. In the case of brand retention, it has been found that attracting customers with different marketing strategies can help improve the newness of the brand perception; it has also been found that increased customer experience and positive reinforcement of the customer's expectation can help improve the brand position of the companies. Due to high exposure to the content as well as positive feedback from the products and services, the overall impression of the brand becomes favourable among the customers*

Keywords: Customer satisfaction, Product quality, market trend, brand switching

I. INTRODUCTION

Brand switching takes place if long-term customers of the company make a choice to buy products from another brand than their usual preference. These customers buy services or products from specific brands. This indicates that they have chosen a particular brand from others based on some features of the quality of the brand (Boz, Korhonen, & Koelsch Sand, 2020). Customers who are brand agnostic might not consider any brand during decision-making about which product they want to buy. There are several reasons that customers want to switch to another brand or it can be said that they can indirectly be forced by their preferred brand to buy from another brand.

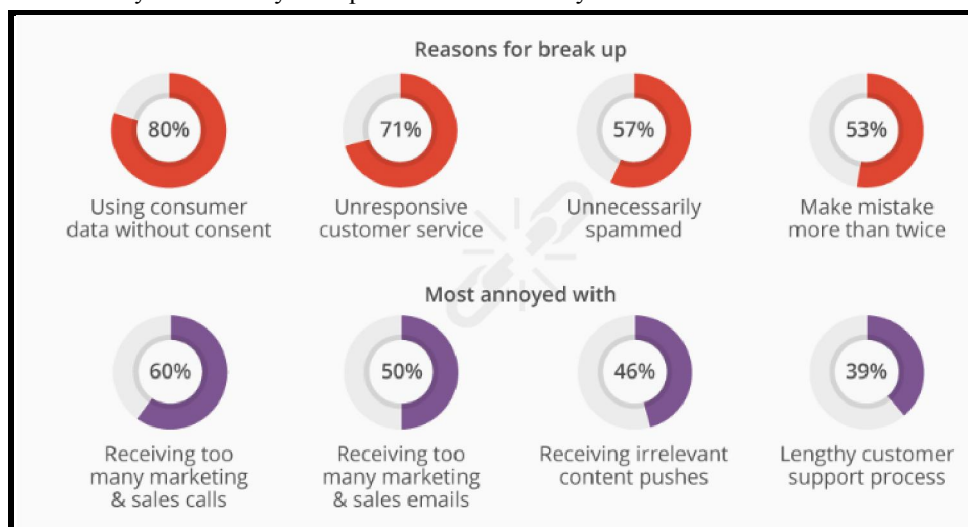


Figure 1: Customers are breaking up with brands (Source: statista.com, 2022)

Based on the above figure it can be seen that customers are switching brands for several reasons such as companies using the data of customers without their consent, receiving continuous emails, and lengthy customer service processes. 71% per cent of customers has been switched their brand to unresponsive customer services. Unresponsive customer service has been taken as the problem.

The aim of this study is to identify the important factors that have an active contribution to the brand switching of customers. The objectives of this study have been given below.

RO1: To evaluate the concept of the brand-switching tendency among customers

RO2: To identify important factors that can affect the brand-switching decision of customers

RO3: To describe various challenges that has been faced by brands to keep their customers in India

RO4: To recommend strategies to overcome challenges and increase customer retention by brands

Research questions have been developed based on the aim of the study.

RQ1: What is the concept of the brand-switching tendency among customers?

RQ2: Why do valuable customers have the tendency to switch brands more often?

RQ3: What is the important factor that has contributed to customer switching to a different brand?

RQ4: What can be recommended strategies to overcome challenges that have been faced by Indian brands?

II. LITERATURE REVIEW

Factors that have contributed to the switching brands of customers

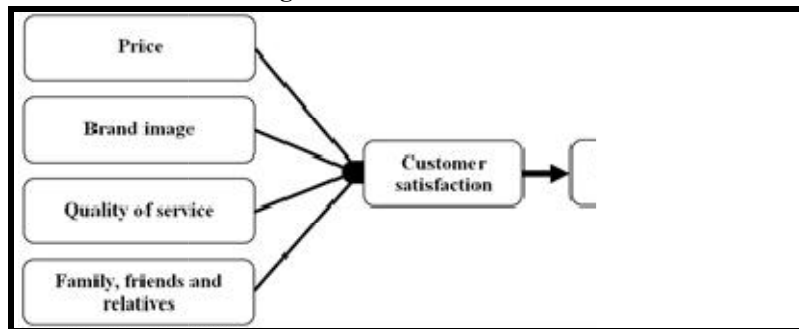


Figure 2: Important factors why customers switch to competitors

(Source: Kumar, Prakash & Kumar, 2021)

The above figure presents why customers are switching to different brands. Customers leave their preferable company for another then it can be assumed that they have faced negative experiences related to customer service. According to the views of (Kumar, Prakash & Kumar, 2021), this can be unhelpful, unresponsiveness, a long time to give respond, complex processes and others. Most of the customers need to feel valued, listen and respected by their choosing brands however, if valuable customers feel that their requests are neglected or unseen then they can not want to buy from those companies. On the other hand, (Tueanrat, Papagiannidis & Alamanos, 2021) stated that customers can leave the company if products or services are unable to meet their preferences and expected quality. Here, several factors can take place like defects, low quality, and unreliable, outdated, technical issues and so on. Lack of customization can be the weather reason that customers switch to different companies.

Strategies for Improving Customer Retention

The above figure depicts that there are companies that can be able to prevent brand switching of customers by following certain strategies.

Companies need to provide value to their customers with services or products to keep brand loyalty. Based on the views of (Libai et al. 2020), companies need to prove quick responses with solutions and responses to the requests of customers therefore customers can feel secure buying products from their chosen brands. In recent years, “wireless telecom companies” in India have faced the most brand-switching behaviour of customers due to the highly competitive market and lack of transparency. On the other hand, (Swaminathan et al.2020) argued that effective customer service

can improve brand loyalty as well as motivate customers in switching brands. Companies can reduce their timing to give response to the concerns of customers. Increasing the transparency of brands can be an effective way to keep valuable customers.

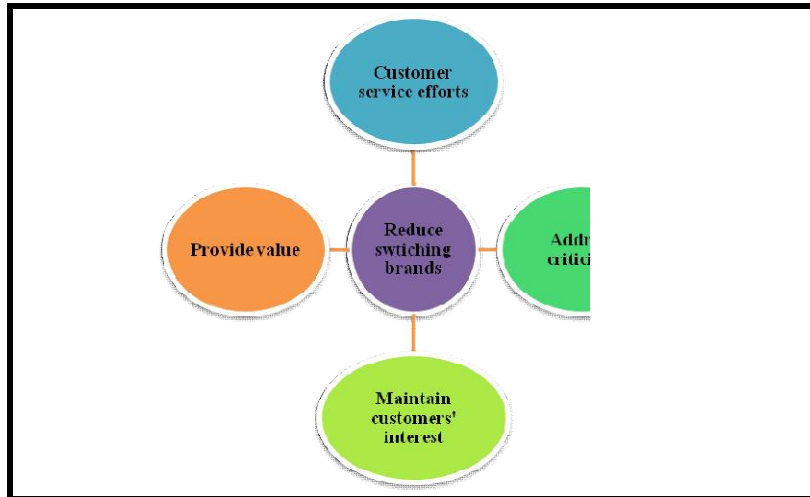


Figure 3: Prevent brand-switching surgeries
(Source: Inleunedby Libai et al. 2020)

Marketing Application “Pavlovian Learning Model” for Customer

As per the views of (Kaur & Malik, 2020), this model claims that perception, interpersonal influences as well as subconscious influences in the consumer behaviour. Based on this theory, brands can persuade their targeted customers to try new bands trough making decisions based on the weak and strong cues. Strong cues like samples of products that may be a more expensive alternative. This is often desired approach for targeting a market that can be characterised by positive brand loyalty. Companies need to use several reinforcing components to keep customers or repetitive buying like’s rewards, incentives, and discounts to the valuable customers. On the contrary (Udall et al.2020) argued that is the insight that repetitive advertising can improve brand recognition. A single exposure can be a weak cue however repetitive exposure can arouse the consciousness of the customers.

III. METHODOLOGY

3.1 Research Design

A descriptive design has been chosen to conduct this current study to gather quantifiable data to analyze statistically a sample population. These quantifiable data have been discovered by using the survey method. Descriptive research design includes the construction of a table of quintiles, means or dispersion measurements like standard deviation variance to examine the research hypothesis. On the other hand, the deductive approach has been used for doing statistical analysis and testing hypotheses. This approach uses quantifiable data to test hypotheses and a conclusion can be drawn based on the objectives (Alam, 2021).

3.2 Data collection

Primary data collection has been done as the data collection method to conduct quantitative research. Therefore, a survey has been conducted to get gathered data from the research sample. Indian customers have been selected as the research population and random sampling has been chosen. 55 people have been selected as the sample size of this study.

3.3 Data analysis

The quantitative method has been used to analyse the gathered data from 55 samples. SPSS tool has been used to analyse quantifiable data. Descriptive statistics have been done to summarise the features of the obtained data set. On

the other hand, regression analysis has been done to test the hypothesis. These methods can provide an overview of the obtained data set and allow identifying of relationships between variables (Aziz and Aftab, 2021).

IV. FINDINGS

4.1 Demographic Analysis

What is your age range?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 35-44	10	18.2	18.2	18.2
18-24	9	16.4	16.4	34.5
25-34	36	65.5	65.5	100.0
Total	55	100.0	100.0	

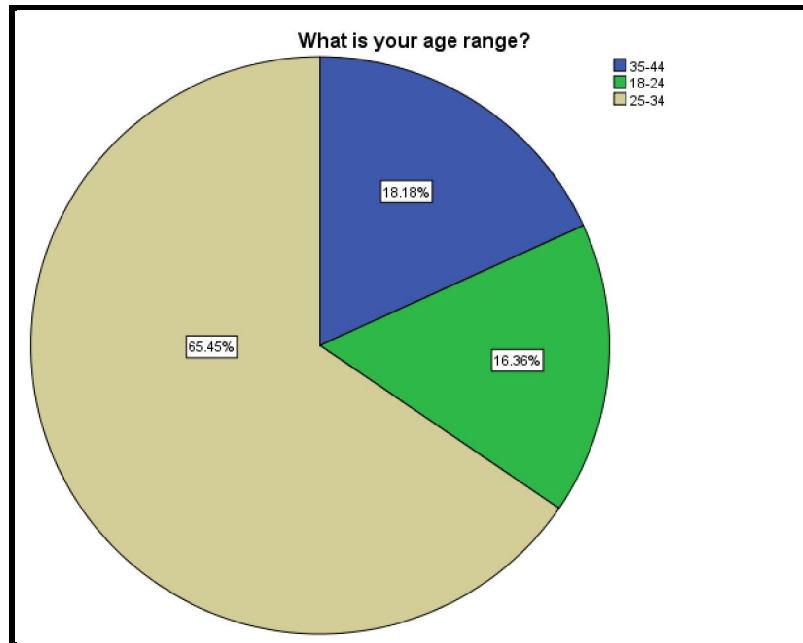


Figure 4: Age renege of the participants

The above figure depicts that the total number frequency is 55 which indicates that 55 people have participated in the survey. The highest number of observed frequencies is 36 for 25 to 34 years of age this indicates that 36 participants belong to this age group and the percentage is 65.45%. There were 9 participants from 18 to 24 and 10 participants from 35 to 44 age group with 16.36% and 18.13% valid per cent respectively.

what is your gender ?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Female	26	47.3	47.3	47.3
Others	9	16.4	16.4	63.6
Male	20	36.4	36.4	100.0
Total	55	100.0	100.0	

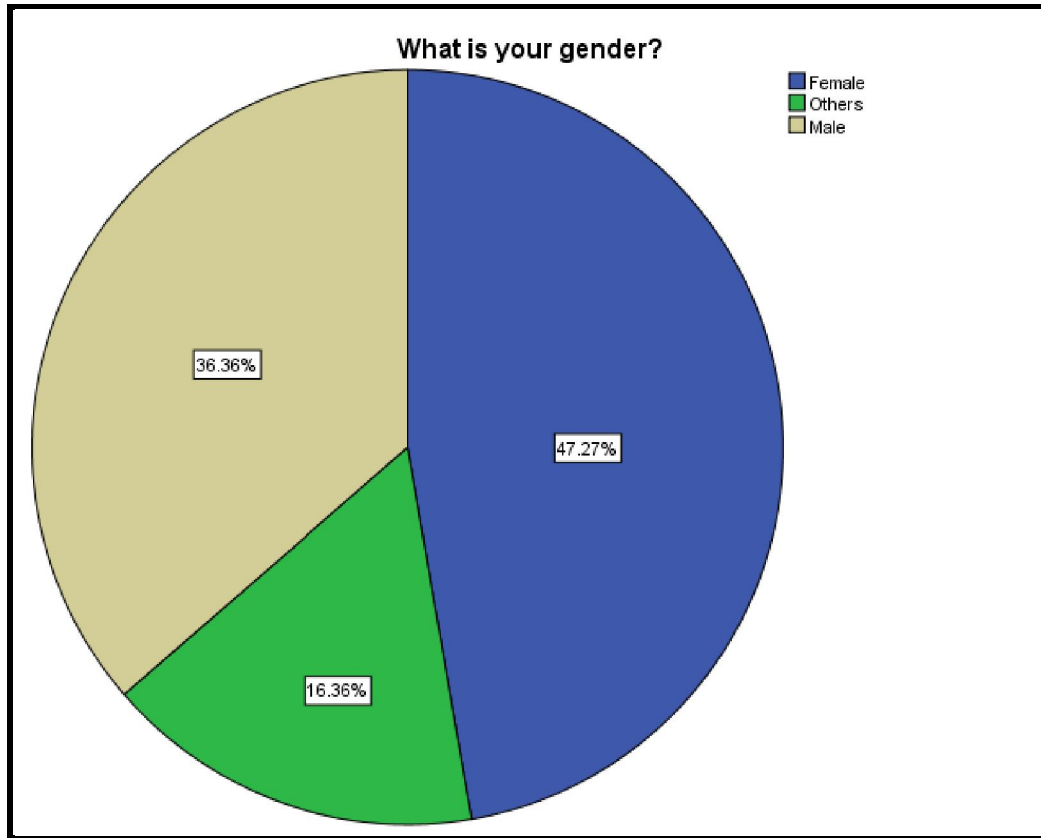


Figure 5: Gender of the participants

The figures depict the obtained frequency value and percentage of the gender of survey participants. From the pie chart, it can be seen that there were 47.27% and 36.36% of participants were a female and male group of participants and the others were 16.36%. The frequency for the female group is 26 and for the male is 20 which indicated those 26 females and 20 males participated in the survey.

What is your monthly income?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 21,000-30,000	14	25.5	25.5	25.5
10,000-20,000	9	16.4	16.4	41.8
21,000-30,000	22	40.0	40.0	81.8
31,000-40,000	10	18.2	18.2	100.0
Total	55	100.0	100.0	

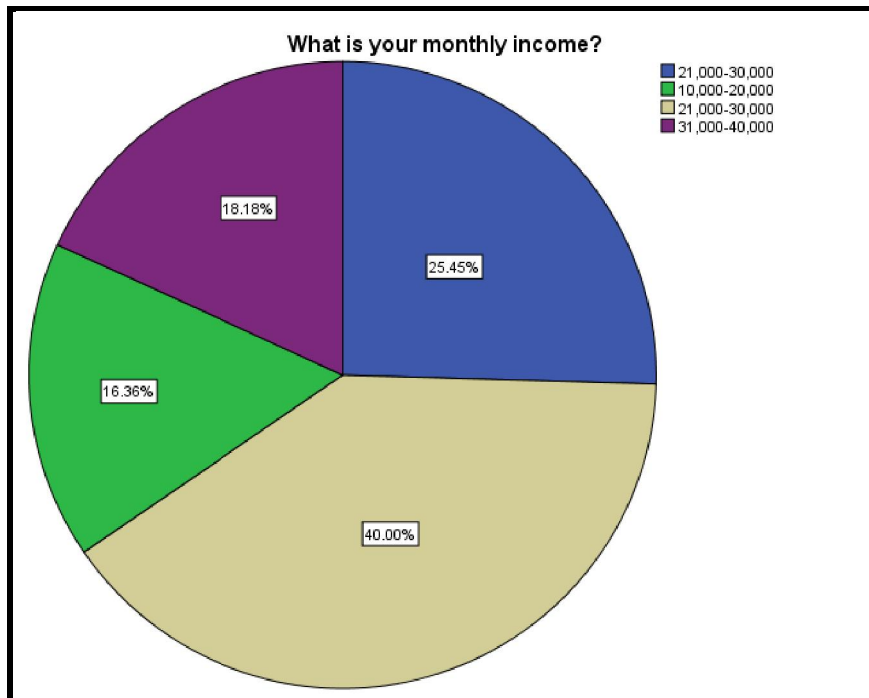


Figure 6: Monthly income of participants

The above figure depicts that there were a total of 55 participants who participated in the survey. From the above figure, it can be seen the total frequency is 36 for the 21,000 to 30,000 monthly income groups and the total percentage is 65.45%. On the other hand, those participants have a 10,000 to 20,000 monthly income the frequency value is 9 and the percentage is 16.4%.

	N	Minimum	Maximum	Mean	Std. Deviation
Customer switching	55	2	5	3.91	1.110
IV1	55	4.00	8.00	6.6182	1.71584
IV2	55	6.00	9.00	7.7818	1.16573
IV3	55	6.00	9.00	7.4000	1.38243
IV4	55	6.00	9.00	7.6000	1.02920
Valid N (listwise)	55				

Figure 7: Descriptive statistics

From the above figure, it can be seen that the total number of participants is 55. The mean of IV1 is 6.61 and the value of the standard deviation is 1.71. On the other hand, the mean for IV2 and IV3 are 7.78 and 7.40 and the values of the standard deviations are 1.16 and 1.38. The results indicate values of standard deviations are lower than the mean value which can be interpreted as data are more clustered to the mean not more spread out (Jaggi et al. 2020).

4.2 Regression Analysis

Hypothesis 1:

H1: There is a significant relationship between the service quality of brands and the switching intention of customers to other brands

H0: There is no significant relationship between the service quality of brands and the switching intention of customers to other brands

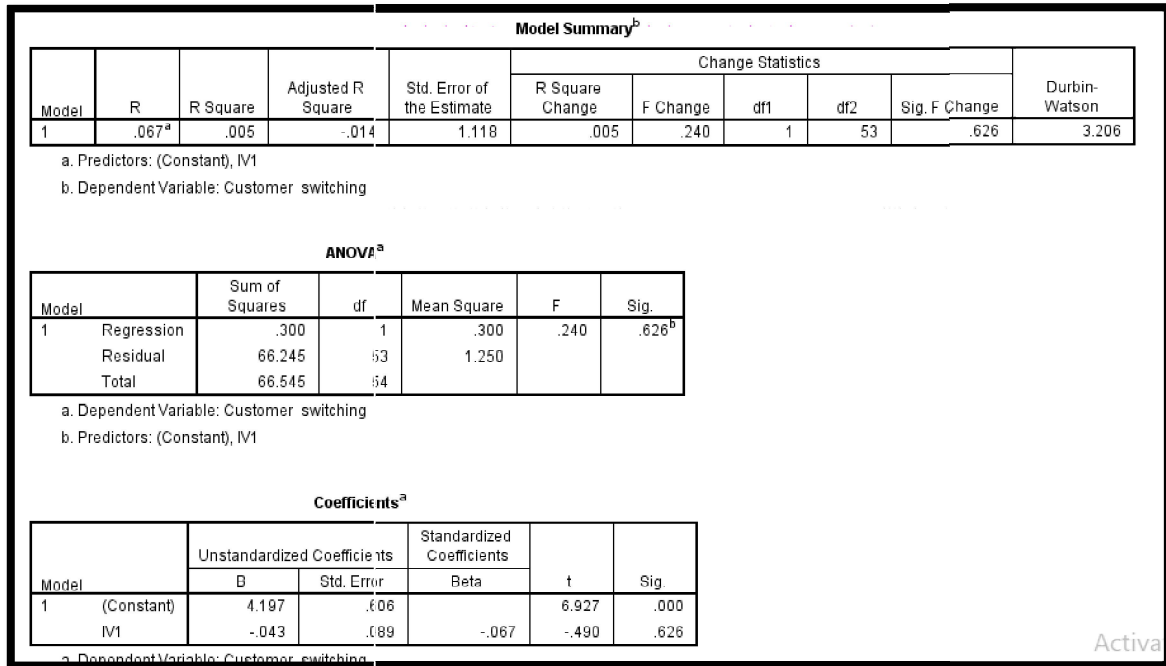


Figure 8: Regression analysis

The significance value is 0.626 which can be seen from the above figure. The obtained significance value is greater than 0.05 and 0.01 therefore it can be said that the alternative hypothesis is rejected and the null hypothesis is accepted. The result indicates that there is no significant relationship between the service quality and the switching intention of customers to other brands

Hypothesis 2:

H1: There is a significant relationship between the price of products and the switching intention of customers to other brands

H2: There is no significant relationship between the price of products and the switching intention of customers to other brands

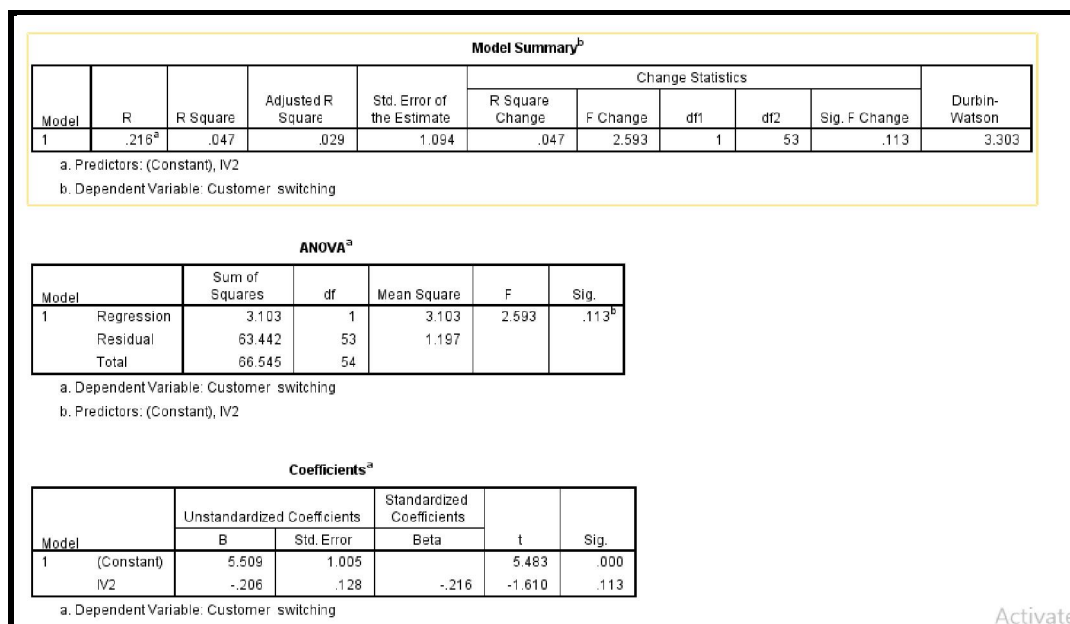


Figure 9: Regression analysis

The above figure depicts the obtained significance value 0.113 which is also greater than 0.05 levels. This result indicates that there is no significant relationship between the price of products and the switching intention of customers to other brands. On the other hand, the F value present is 2.593 indicating a positive correlation between the dependent and independent variables.

Hypothesis 3:

H 1:Customer satisfaction can influence the customer to switch brands to a different brand

H0: There is no significant relationship between customer satisfaction and the switching intention of customers to other brands

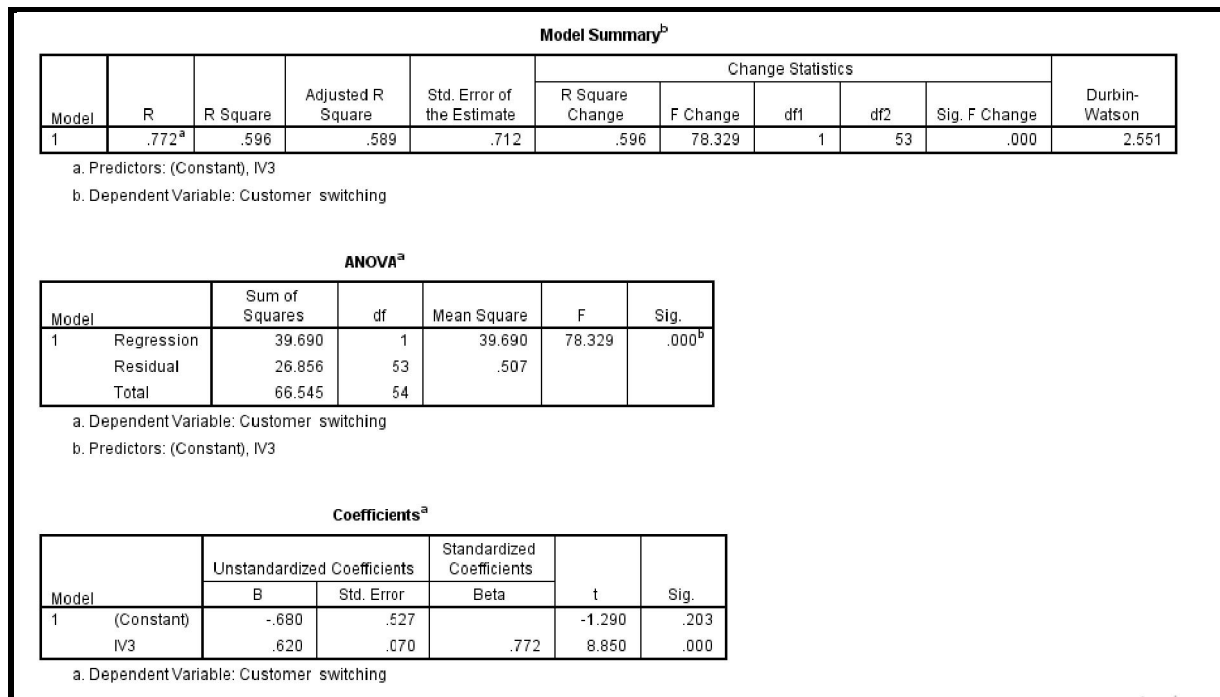


Figure 10: Regression analysis

The above figure shows that the significance value is 0.000 and the F value is 78.32. Therefore it can be said that the significance value is accepted at the 0.05 level therefore alternative hypotheses are accepted. Therefore, it can be said that there is a significant relationship between customer satisfaction and the switching intention of customers to other brands (Sarstedt et al. 2019).

Hypothesis 4:

H1: If companies fail to meet market trends then customers can switch brands

H2:There is no relationship between the market trend and the switching intention of customers to other brands

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.421 ^a	.178	.162	1.016	.178	11.445	1	53	.001	3.311

a. Predictors: (Constant), IV4
b. Dependent Variable: Customer switching

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.818	1	11.818	11.445	.001 ^b
	Residual	54.727	53	1.033		
	Total	66.545	54			

a. Dependent Variable: Customer switching
b. Predictors: (Constant), IV4

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.364	1.030		7.147	.000
	IV4	-.455	.134	-.421	-3.383	.001

Figure 11: Regression analysis

The above figure shows that the significance value is 0.01 which is capped at the 0.01 level therefore it can be said that the alternative hypothesis or H1 is accepted.

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.694	.673	5

Figure 12: Reliability test

The obtained value of Cronbach's is 0.694 which indicates that the test is moderately reliable.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	.217
	df	1
	Sig.	.641

Figure 13: Validity test

The obtained result of approx. chi-square is 0.217 and the significance value is 0.641.

V. DISCUSSION

Customers may feel that services or products are not suited or tailored to their preferences, goals or needs. This can happen due to the lack of value or relevance or low understanding as well as a lack of proper communication with customers. Based on the views of (Uzir et al. 2021), customers can feel that the company do not appreciate or reward their repeat business and loyalty. Customers expect rewards after repetitively buying from the same brand to stay or buy again.

Based on the findings, it can be said that the implication of Pavlovian marketing strategy can be found important for increasing customer retention and brand awareness among the companies. In the case of brand retention, it has been

found that attracting customers with different marketing strategies can help improve the newness of the brand perception, which eventually helps them to generate more attention. Also, using classic behaviourist methods is beneficial to attract customers as they have positive experiences prior to the brand. Based on their experiences, they can alter the expectation of the customers and provide them with greater benefits in their later purchase experiences.

VI. CONCLUSION

It has been found that the increased customer retention will not only help them gain recognition, it will also help to attract new customers by sharing the positive reinforcement provided to the customers. In this way, a brand can overall improve its customer management strategy and increase its competitive advantage by retaining old customers and gaining new customers simultaneously through a singular strategy.

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APPENDIX: SURVEY QUESTIONNAIRE

Survey link: <https://forms.gle/HUnp5s2PC5ELXL899>

- DV Customer switching to different brand
- IV1. Service quality
- IV2 Price
- IV3 Satisfaction of customer
- IV4 Fail to meet market trend

I. Demographics:

1. What is your age range?
2. What is your gender?
3. What is your monthly income?
4. Service quality is more important factor to choose a brand for buying products
5. Brands need to make brand strategy to improve the brand loyalty to gain trust of customers
6. Customers switch brands if they get more affordable options of same product to other brands
7. High price of products can be another factor that customers can switch brand
8. Switching brands can lead the customer turnover as it related with the customer satisfaction
9. Price of the product one of the important factor that is depends on the personal income of the customer
10. Low quality product can be cause of the customer turnover
11. If companies fail to meet need and customer preferences customers can switch brand
12. Companies can fail to keep up with the current market trend
13. Companies need to have proper resources and availability of the products customers can switch brand