



FACTORS INFLUENCING CUSTOMERS BEHAVIOR AND MOBILE-PHONE COMPANIES SWITCHING IN THE TELECOMMUNICATIONS INDUSTRY: THE CASE STUDY OF TANZANIA.

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Abstract

Technological breakthrough brought unforeseen competition among mobile networks. Customers now are having choices on the network providers they can take the service from than it was a decade ago. The study examined factors influencing customer behavior and the switching between mobile phone providers in the Dar es-salaam region in Tanzania by means of descriptive analyses. A cross-sectional study was conducted and a total of 285 questionnaires were distributed. The results show that most customers have subscriptions to more than two brands of telecommunications. Multiple subscriptions go hand in hand with the desire to minimize switching costs in the form of the termination of transaction relationships and the initiation of a new service relationship. In addition, the results show that customers prioritize service quality, service costs as well as innovation and brand network distribution when switching behavior. Other important factors are brand image, data protection and security aspects as well as customer care. The managerial implication of this study is that telecommunications company managers must strive to increase consumer brand equity by paying more attention to brand loyalty and awareness.

Keywords: Telecommunication industry customer-switching behavior, brand loyalty, brand subscription.

Introduction

The telecommunications industry includes cable companies, internet service providers, satellite companies, and telephone companies. The telecommunications industry is susceptible to the slightest change in technological and economic factors. All players in the industry have pursued different strategies to overcome challenges and connect the world with wireless and broadband connections that give momentum. The development of telecommunications is one of the sources to ensure the functioning and recovery of the state economy (Tumbay et al., 2019). As a result, the boundary between markets is constantly shifting as technological innovations allow new services to be offered and new companies to enter the industry (Stone, 2015).

There are so many previous researchers address issues of consumer switch behavior from one brand to another one. although these researchers mentioned different reasons drives customer to switch may be according to the geographic reason, economic factor and sometimes also social factor. But all these scenarios and concept help us to generate the view of the study and clear picture the grounded concept. (Hayat et al., 2020) mentioned

service quality and price were the major factor that entices customers to switch their brand switch behavior. although high quality service can include customer care, networking coverage area, video conferencing techniques, game, in order to attract new customer and convincing them to switch their service provider (Malhotra & Batra, 2019). Hence; network coverage, price, service quality and customer service have significant positive influence on consumer brand switching behavior especially to the youth, (Bansaal & Singh, 2019; Jan & Matolia, 2019; Kukreja & Ajagaonkar, 2020; Mnzooe et al., 2020). According to (Goh et al., 2020) denied service quality and value-added service do not have a positive impact on customer satisfaction. (Sharma & Panga, 2018) stated satisfaction is one among the factor significantly reduce the intention customers to switch the brand.

Furthermore; customer satisfaction has positive effects on customer switching; thus, customer satisfaction is considered a positive determinant of how strong relationship between the customer and the brand provider (Garga et al., 2019). More ever also brand image positively affect customer satisfaction (Chigwende & Govender, 2020). Above researches shows there are relationship between customer satisfaction and brand switching behavior. Although different factors mentioned in previous studies to reasons out for consumer switching brand but, in this study, there is one additional indicator shows that customer are not satisfied from where they are, more than one subscription, this shows customers try to find the best brand, so it prompts them to use more than one brand to find the best service.

Despite the presence of multiple cellular network operators and therefore competition, challenges related to lack of internet connectivity, high costs for services and related products, and network problems still exist. Because of these factors, there is a certain customer switching behavior between the network operators. While this is good for customers as it offers flexibility and the pursuit of high-quality service, on the other hand, mobile companies strive to win customers and improve their services while at the same time experiencing decline in revenue (Agubor et al., 2015). The aim of this study is therefore to assess the factors driving customer switching between cellular network operators in Dar es-salaam, Tanzania, and to determine the factors that are used by customers when choosing a telecommunications brand and their relationship. (Goh et al., 2020)

Literature Review

The Howard-Sheth Model of consumer buying behavior

The model was developed in 1969 and integrates a number of variables that explain consumer buying behavior. According to the model, three aspects are important in the purchase decision: 1. extensive problem-solving in which a customer has no basic information or knowledge about the brand and has no preferences for a product 2. limited problem-solving where customers have little or no market knowledge limited knowledge of what to buy so they rely on comparative brand information by switching to different brands. 3. habitual response behavior in which customers know and can differentiate between different brands. This theory is important in explaining consumer behavior in the telecommunications industry.

Pull – Push mooring theory in switching behaviour

(Wang et al., 2019) Explained; pull push theory on the basis of three looking ahead 1. Why people move from one place to another at a certain period of time 2. Decision to switch based on period usage in the incumbent service, similar to human migration 3. Through switching may not involving physical movement.

Telecommunication Industry between Africa and Tanzania.

However, the global telecommunications industry has seen many technological revolutions and a significant shift in service mode (Hui, 2012). Although the global telecommunications services market size was estimated at \$ 1,657.7 billion in 2020 and will grow at an average annual growth rate of 5.4% from 2021 to 2028, customer propensity for next generation technologies and smartphones is one of the key factors for this development (Market analysis report, 2021). As a result, we have seen significant improvements in data speed lately, moving from generation to generation in Global System for Mobile communications (GSM) and Code Division Multiple Access (CDMA).

For example, we had the third generation (3G), the fourth generation (4G) and now a step towards the commercialization of fifth generation networks (5G). The advent of data connectivity has made it possible to reduce the length of time it takes to transfer large amounts of data from days to hours and now to a few seconds. (Market Analysis Report, 2021).

Despite this global development, the quality of mobile services in African countries is still poor. Although the free-market economy has allowed multinational telecommunications companies to flow into African countries, thereby increasing competition and efficiency in the provision of services, internet connectivity is still low and expensive in many countries. Nigeria, for example, has the largest number of internet users in the world with more than 154 million internet users; this is the highest number in all of Africa, the next comes in Egypt with 54.74 million, 74 percent of web traffic was generated via smartphones and around 24 percent via PC devices. This is partly because mobile connections are cheaper and don't require the infrastructure that traditional desktop PCs with landline internet connectivity require (O'Dea, 2020). However, most countries in Africa suffer from a lack of infrastructure, lack of access to electricity and insufficient power supply, internet connectivity and latency, and high mobile devices costs (Business Chief, 2020; Campos, 2018).

In the context of Tanzania, the telecommunications sector is one of the fastest growing sectors and its contribution to the country's GDP is around 1.9%. The mobile network operators in Tanzania include Tanzania Telecommunications Company Limited (TTCL), Zanzibar Telecommunications Limited (ZANTEL), Vodacom Tanzania Limited, MIC Tanzania Limited (TIGO), Airtel Tanzania Limited, Smile and Viettel (HALOTEL). The operators' subscription market shares are Vodacom (32%), Airtel (27%), Tigo (26%), Halotel (11%), TTCL (2%) and smile (0.002%) (Telcom statistics March 2020).

Customer switching behavior.

According to Nimako (2012), switching behavior can take place in two ways, either as a partial or complete switch from one company to another. This may be due to strong competition and therefore offering customers multiple options, a wide range of tariffs, and multiple products and services. As a result, branding continues to be one of the important elements in the telecommunications sector. Vranesovic and Stancec (2003) claim that the main purpose of branding is to get customers to choose your product in order to create customer loyalty by identifying and differentiating quality and origin. This also includes the creation of added value and innovative strategies to arouse customer interest. In addition, a study by Silva (2009) in the telecommunications industry in Sri Lanka found that the most important factor for the continuation of an existing service provider is the ability of the service provider to offer the customer added value.

Furthermore ; In a highly competitive market, such as mobile telecommunications, where margins are getting smaller and traditional products and services like mobile voice are reaching saturation, deriving more value from existing customers is undoubtedly a significant business challenge (Morgan & Govender, 2017) . Telecom sector is characterized by intense competition as a consequence of low switching costs and price sensitivity among customers (Saroha & Diwan, 2020). Switching intentions predict both actual staying and switching behavior (Kaur Sahi et al., 2016) . The interaction effects of switching costs upon the service quality-perceived value link and the satisfaction-loyalty link are explored (Edward et al., 2010). Hence , switching for customer is found to be dependent on satisfaction level with the service provider, attitude and loyalty of the customer variables, intended switching (i.e. intention to churn) and distraction (Pathak & Rastogi, 2007) . Despite , Increasing customer disloyalty can threaten the going concern of a firm and thus precipitate its collapse (Inegbedion & Obadiaru, 2019). Regarding , also sales promotion has a direct relationship with switching cost (Thaichon & Quach, 2016)

Customer affecting customer switching behaviour.

Privacy ; As the use of mobile payment application increases, users' concerns about privacy grow, as evidenced by the multiple measures taken by users to secure their personal information , while vendors of mobile payment applications require users to disclose highly sensitive information to process online transactions. Users may switch to alternative platforms if they believe that the incumbent service vendor is unable or unwilling to properly protect their personal information (Wang et al., 2019).

Price ; There was indirect relationship between price and customer satisfaction. Also consumer buying behaviour played between price and customer satisfaction. The direct relationship of consumer purchase behavior towards customer satisfaction . There are various ground realities of the study price has been diagnosed since long in the literature, price play vital role in switching behaviour from one service to another. And this influence competition among telecoms operating companies should offer packages and call rate at cheap rate (Ali Qalati et al., 2019).

Brand image ; During the purchase decision making process the brand image plays an important role, moreover, there is a greater chance of a consumer to purchase well-known brands having positive image, because good image of a brand will enhance its perceived value for the consumer and The brand image helps consumer to evaluate which brand is a better choice for them to purchase, which means, the higher brand image resulted in the higher purchase intention (Yaseen & Mazahir, 2019).

service quality; means clients and how better policies can be worked out to meet client expectations and how the quality of service represents a focused evaluation of the acknowledged fundamentals of service, such as comparative quality, physical surroundings quality, and the consequent quality in order to meet customer expectation (Hadi et al., 2019) .

Research Methodology.

The study present descriptive research design by using cross tabulation were being employed in order to analyze the data have been collected. Set of structured questionnaires was distributed to 200 respondents for the purpose of data collection. While primary data was obtained through administered survey questionnaire and secondary data was collected by reviews and existing articles. Hence, the study sampling data of respondents are simple randomly drawn from each area of Dar es salaam (Tanzania).

Result and analysis.

Table 1. Demographic Profile of the respondents

Item	Attributes	Frequency	Percentage
Gender	Female	106	53.0
	Male	94	47.0
Age	18-35	176	88
	35-45	18	9
	45-55	5	2.5
	55 above	1	0.5
Education Qualifications	Primary education	17	8.5
	Secondary education	34	17
	College education	132	66
	University education	17	8.5
Occupation/profession	Public service	19	9.5
	Businessman	35	17.5
	Students	136	68
	Others	10	5

In terms of the demographic profile of the respondents 106 (53%) were female and 94 (47%) were male (Table 1). In terms of age, the majority of respondents between 18 and 35 years of age were 176 (88%), followed by 35-45 (9%). This suggests that most of the respondents were young people who are more alert and flexible about technology adoption. In relation to the level of education, the majority had a university degree 132 (66%) or a secondary degree 34 (17). This suggests that many of those surveyed are aware of the dynamics of mobile technology.

Table 2. Customer subscription of mobile service providers toward gender.

No	Subscription	Female	Male	Total
1	One	14	15	29
2	Two	54	39	93
3	Three	25	17	42
4	More than three	13	23	36
5	Total	106	94	200

The status of the customer's subscription with various telecommunications brands

We rated the status of respondents subscribing to different brands of telecommunications (Table 2). The results show that most of the customers are subscribed to two telecom brands 93 (46.5%). A total of 43 (21%) and 36 (18%) are subscribed to three and two telecom brands respectively. Hence, male subscribed more than three telecom brands compare to female most they have two brands of subscription. The drive of this result either may cause of female are more sensitive with the price and cost compare to male for them they are focusing with the service offering with these service providers. This suggests that there is a tendency in Tanzania's telecommunications sector for customers to switch from one to another brands of telecommunications. This study corroborates with what was found in Australia by Lee and Murphy (2005). In addition, the study shows that the type of switch is more partial than the full switch. Associated with this are the buyer's switching costs for the termination of transaction relationships and the initiation of a new service relationship. For example, in a telecommunications sector, these costs include notifying others of a change of cellular service provider (e.g., friends and business partners), the costs of acquiring new cell phone connections and the costs of terminating the long-term service relationship with the company.

Table 3, Customer favorite brand toward Gender of respondents.

No		Airtel	Halotel	Tigo	TTCL	Vodacom	Total
1	Female	18	24	33	10	21	106
2	Male	14	19	24	10	27	94
3	Total	32	43	57	20	48	200

Table 4 shown ages of respondents toward their favorite mobile brand operators. Tigo shown to be the most favorable brand for the age between 18- 30 with 50 respondents followed by Vodacom 42 respondents and Halotel 41 respondents. Compare to the other age group 18 – 30 age group it seems to have the most mobile service users followed by 30- 45 age group.

Table 4, Customer favorite brand toward age of respondents.

No		Airtel	Halotel	Tigo	TTCL	Vodacom	Total
1.	18-30	28	41	50	15	42	176
2.	30-45	3	1	5	4	5	18
3.	45-55	0	1	2	1	1	5
4.	55 above	1	0	0	0	0	1
5.	Total	43	43	57	20	48	200

Table 3 shown gender respondents toward their favorite brand, where by 33 female respondents leading for using Tigo. Followed by Halotel 24 respondents and Vodacom 21 respondents. Hence, 27 male respondents leading for using Vodacom, followed by Tigo 24 respondents and Halotel 19 respondents.

Table 5. Attitude of customers on their choices of a telecom brand toward Age respondents.

No.	Variables	18-35	35-45	45-55	55 above	Total
1	Price/ cost	66	7	0	0	73
2	Brand image	8	3	8	0	11
3	Service offering	65	4	1	0	70
4	Best customer care	10	3	2	0	15
5	Technology	18	0	2	1	21
6	Best data protection and security	9	1	0	0	10
	Total	176	18	5	1	200

Table 5 above shown the different of age of respondents regarding attitude on their choices of a telecom brand, the table shown age 18 – 35 respondents have much concern about price/cost of the service and service offering followed by the age between 35- 45 have the same reasons when they make choice of their telecom brand. Hence, age 45-55 they only concern about brand image of the company telecom providers, While Age 55 above they are none of all reasons.

Accordingly to Bansal & Singh, (2019) mentioned, service quality , price , trust and brand image are most factors drive youth to switch from one mobile phone service to another . Back to table 3 above The reasons out of the age between 18- 35 respondents concern more about the price cost of the services is because most of these age financially are still dependent, unemployed, and they try to balancing their expenditures. Compare to the age of 45 above, most are concern more about the brand image of the company and their selves image matter.

Table 6. Attitude of customers on their choices of a telecom brand toward gender respondents.

No.	Detail	Female	Male	Total
1	Price / cost	42	31	73
2	Brand image	6	5	11
3	Service offering	34	36	70
4	Best customer care	9	6	15
5	Technology	8	13	21
6	Best data protection and security	7	3	10
	Total	106	94	200

(Martins et al., 2013) State , switching cost especially learning cost , transaction cost and contractual cost . Effective pricing strategies can drive consumer switching (Philip Kotler, 2002b, 2002a) . consumer loyalty brand switching can happen with different reason like 1) better price ii) better quality iii) better service segment iv) better service and v) better features , (Bansal & Manjit, 2019) . While (Philip Kotler, 2002b, 2002a) address effective pricing strategies can drive consumer switching . Hence , switching cost especially learning cost , transaction cost and contractual cost (Martins et al., 2013) . Despite the reviewed above table 6 shown female respondents has much concern with the price/cost of the service of mobile providers. while males concerning more about service offering.

Table 7. Attitude of customers on their choices of a telecom brand toward respondents' levels of their

No	Detail	Primary level	Secondary level	Undergraduate	Post graduate	Total
1	Price/ cost	8	12	49	4	73
2	Brand image	1	1	8	1	11
3	Service offering	5	7	51	7	70
4	Best customer care	1	4	8	2	15
5	Technology	1	8	9	3	21
6	Best data protection and Security	1	2	7	0	10
	Total	17	34	132	17	200

Table 7. has shown the relationship variables of the mobile service providers and qualification level of education . Undergraduate are more concern with service offering more than post graduate and the rest . While postgraduate are no longer care about data protection followed by primary level and secondary level , but for the case of undergraduate the data shown , they are more concern in every variable regarding mobile service providers.

Most of the undergraduate students in Tanzania are ranked between age of 18-35, automatically is youth age. As table 7 shown above, undergraduate level are the one concern more about price/cost compare to other level of education. While post graduate are more concern with the service offering. Conceptual wise undergraduate consist bachelor degree and diploma level while post graduate consist masters level and PhD. This implies the fact that post graduate level mostly are employed, finance freedom, independent while undergraduate was not.

Table 8. Attitudes of customers on their choice of a telecom brand.

No	Variables.	Respondents	Frequency
1	Price/cost	60	30
2	Brand image	12	6
3	Service offering	90	45
4	Best customer care	10	5
5	Technology	17	8.5
6	Best data protection and security	11	5.5

Table 8, presents the customers attitudes of a certain telecom brand. Based on these findings, the major factors that customers seemed to put at the center when selecting telecom brand are the quality of services 90 (45%), followed by service charges/cost 60 (30%) and innovation and brandnetwork distribution 17 (8.5%). These results confirm what Keelson (2012) found in Ghana, according to which service reliability and cost savings are what drive customers, especially students, to decide which cellular brand is the best. Similar studies by Komwihangilo, (2016), Frica(2017), Haque et al. (2020), Shah, Husnain and Zubairshah, 2018, Hidayati et al., 2018)) point outthat price, quality of service, advertising and brand network distribution are important factors. Other important factors are brand image 12 (6%), data protection and security issues 11 (5.5) andcustomer care 10 (5%). This is also confirmed by a study by Lunn & Lyons (2018), in which it is argued that willingness to switch is not just a characteristic of a particular social group, but is morecomplex and context-dependent.

Conclusion and managerial implications

The study aimed to analyze the factors influencing customers behavior and mobile-phone companies switching in the telecommunications industry in Tanzania. The results show that most customers have subscriptions to more than two brands of telecommunications. This tendency is linked to the desire to minimize switching costs in the form of ending transaction relationships and initiating a new service relationship. In addition, the results show that customers prioritize service quality, service costs as well as innovation and brand network distribution when switching behavior. Other important factors are brand image, data protection and security aspects as well as customer care. The managerial implication of the study is that telecommunications company managers must strive to increase consumer brand equity by paying more attention to price/cost of their service and service offering. Awareness of customer will bring brand loyalty increases and is sustained, it can have a high positive impact on consumer brand adoption, which in turn benefits businesses in terms of increasing reputation and increasing revenue generation.

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