Customer Satisfaction and Brand Switching Intention: A Study of Mobile Services in Saudi Arabia

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The purpose of the study is to investigate first, the relationship between the customer satisfaction and brand switching intention into the Saudi Arabian mobile-service market, and second, the association of service quality, customer service, service pricing, and value-added services with the customer satisfaction. Because of the difficulty of having a frame for the mobile-service customers from their providers, a convenience sample of 350 online respondents with the proper surveying techniques was used in data analysis and testing of the research hypotheses. The findings of the study confirm a significant negative relationship between customer satisfaction and brand switching intention. A 4% percent of the change in brand switching intention could be explained by the change in the customer satisfaction. Only three variables; customer service, service pricing, and service quality are critical determinants for mobile-service customer satisfaction. Customer service explained about 22%, whereas service pricing and service quality explained about 5% and 1% of the change in customer satisfaction respectively. The practical value of this study could be enabling the mobile-service providers in Saudi Arabia to well understand the determinants of the customer satisfaction and its negative relationship with brand switching intention. They may take these findings into account when setting marketing strategies to differentiate their brands to satisfy the customer needs and wants, to retain the existing customers and to attract new customers. These strategies have a positive effect on the company’s customer satisfaction that deter brand switching intention, hence increase the company’s competitiveness, market share and profitability.

Keywords: brand, satisfaction, brand switching, service quality, customer service, service price, value-added services

JEL Classification: M31
1. Introduction

Competition in the mobile telecommunication industry has grown dramatically in the recent years. The growth and competition are not only driven by the number of subscribers but also by the variety of service providers on both global and local levels (Awwad and Neimat, 2010). With respect to the local market of Saudi Arabia, competition can be considered high and intense based on some studies conducted by the Communications and Information Technology Commission in 2010, stating that three mobile-service providers are more than enough to have a continuous effective competition in most cases (CITC, 2010).

Namely, the three mobile-service providers in the Saudi Market are: Saudi Telecommunication Company (STC), Mobily from Etisalat United Arab Emirates, and Zain of Kuwait. Despite the fact that each service provider has a different market share, it is possible to say that all service providers have a considerable influence on the market when it comes to retaining existing customers and attracting new ones. In 2008, when all operators went face to face in the market, the number of subscribers was 36 million, and by the end of 2012 they grew to 53 million, an increase of about 50% in less than five years, increasing the revenues of the communication and information technology in Saudi Arabia by 50% (CITC, 2012).

Taking into account the number of mobile-service providers, it is supposed that customer’s brand switching is a bigger challenge for all of the three providers. Brand switching is a result of lacking customer retention (Chadha and Kapoor, 2009). There are many different factors causing brand switching as described by some researchers in different fields. A study conducted in Bahrain revealed that the relationship between customer loyalty and brand switching was poor, whereas the relationship between customer satisfaction and brand switching was strong (Almossawi, 2012).

Wahab et al. (2010) focused on the study of service quality from different dimensions of all services provided by the mobile companies based on an empirical investigation made in Jordan and indicated a strong negative correlation when service quality is related to brand switching. In advanced countries which are more oriented towards customer satisfaction and service quality like Germany, lacking customer service is a considerable factor affecting mobile subscribers switching to another brand (Martins, et al., 2011).

What is really important to note is that the majority of studies found that service prices and call rates are the major determinant of brand switching in almost all cases. Narayan and Jain (2011) found that pricing and call rates are always among the factors determining brand switching based on studies conducted in Korea, Finland and India. However, it has been found that these two factors are the most important determinant in Saudi Arabia according to surveys made by the CITC (2010). The study found that pricing and call rate factors are the major reasons for switching to another operator. Value Added Services was considered in a number of research as a determinant of switching, but may not be a major one (Singla and Bansal, 2010).

Basically, this research will mainly focus on investigating the relationship between customer satisfaction and brand switching intention. The study also investigates the association of customer service, service pricing, service quality, and value added services to customer satisfaction. The main objective is to investigate if these factors have a considerable impact on mobile-service customer satisfaction so that the management of the companies can better understand the market and know how to differentiate their brands and at the same time satisfy the needs and wants of mobile-service customers in Saudi Arabia.

2. Literature Review and Research Hypotheses

2.1. Customer Satisfaction and Brand Switching

Customer satisfaction has the largest attention when it comes to customer retention and loyalty. Customer satisfaction is a subjective concept, therefore, it is subject to different interpretations. Customer satisfaction is mainly a mental comparison between expectations and the perceived performance after a specific purchase (Qi, et al., 2012). A study conducted in Korea concluded that customer satisfaction can be considered as an attitude and judgment, meaning that the customer will compare the encounter with the expectations and can have different encounters in different areas of the service leading to dissatisfaction (Lee, 2010).

Therefore, customer satisfaction is considered a positive determinant of how strong is the relationship between the customer and the product provider. Several authors have linked customer satisfaction and customer loyalty together because of the very close relationship between the two variables and dealt with the two concepts as one in some studies (Santouridis and Trivellas, 2010). Actually, one of the models showed that satisfaction leads to loyalty (Santouridis and Trivellas, 2010). Therefore, satisfaction can be considered a more root factor in a considerable number of occasions. Furthermore, dissatisfied customers are more likely to search for what satisfies them in services provided by other competitors and can influence company’s revenues more than satisfied customer (Andreson and Sullivan, 1993). In the same line, Chi, et al., 2008...
concluded that customer satisfaction is vitally important to the success and profitability for any company. It is considered a part of the company assets and heavily involved in determining the revenue and profits.

Customer satisfaction in the product sector can be measured by the performance of the product and more related to the tangible aspects. However, it is more complicated in the service sector and can be considered a continuous process (Woo and Fock, 1999). The mobile-service is a continuous service which means customers are always in a continuous process of comparing expectations and actual and since it is personal and subjective, it is all about the consumer satisfaction of needs and wants. Min and Wan (2009) identified customer satisfaction as one of the major factors of switching brands and described it as a multidimensional. To be more precise, it is within all services provided by the service firms, therefore, lacking satisfaction in an area of the business could lead to dissatisfaction with the whole service, hence, brand switching.

Based on the previous literature reviews, it is a common saying that customers compare their expectations with the actual product performance. The customers will not be satisfied. They will look for other alternatives, including switching to the competitive brands. The impact of different variables on customer satisfaction has been researched and become an important subject when related to marketing techniques and strategy. In different countries around the world, lacking customer satisfaction induce the customer to change the brand. Therefore, investigating the relationship between customer satisfaction and brand switching has a special concern. Accordingly, the first hypothesis of the study is developed as follows:

H1. Customer satisfaction has a significant negative association with brand switching intention.

2.2. Service Quality

The service quality SERVQUAL instrument has been developed specifically for the service industry as it is very difficult to judge and measure the quality in the service sector (Liao, 2012). Furthermore, service quality is a critical factor in establishing business competitiveness and growth in fierce markets. Saunders and Petzer, 2010 emphasized that service quality is a multi-dimensional concepts and the time dimension has almost the highest weight. In addition, service quality is considered a positive driver for behavioral intentions of leaving, switching or remaining (Saunders and Petzer, 2010). However, other authors such as Rust et al., 1999 and Mittal et al., 1999 consider service quality as a dynamic concept and a service perception so that the encounter may change from one occasion to another, having different effects on customer intention.

Different scales have been used to measure service quality and some of these scales have been criticized, but in general these scales cannot be applied to a specific business (Saunders and Petzer, 2010). What is really important is that customers’ scale of service quality differs from one stage to another. A good example of this can be in the telecom industry. When applying for a mobile-service, a customer may focus on tangible aspects such as furniture and physical surroundings, but at a later stage they are more interested in the intangible aspects such as signal coverage and technical support, hence using another scale of service quality.

Service quality is a heavily dependent on the quality of functional and technical measures and it has a direct impact on customer satisfaction and behavioral intentions (Khan and Manthiri, 2012). Moreover, quality in the service sector is an overall assessment. It is possible to say that in most of the studies, the most critical factors in service quality are: tangibility, responsiveness, assurance and empathy. These aspects have a significant effect on customers’ perception of service quality in the telecommunication sector (Khan and Manthiri, 2012).

Kothari, et al. (2011) see service quality as “differentiation in services” which can be seen as a valid point because if all firms are having the same service quality, customers will not have an intention to switch to other service providers. That is why, quality has a direct relationship in contributing to gain a substantial market share. Crosby, 1979 states that quality is conformance to standards, but this can be quite difficult in the service sector because of the intangibility, heterogeneity and inseparability aspects of the service (Kothari, et al., 2011).

Service quality is not just to attract new customers to the firm’s services, but also to retain and maintain existing customers and induce them for further repurchase intentions (Lee, 2010). Koivisto and Urbaczewski, 2004 says that service quality is a broader scope than usability and network performance, it includes various aspects of customer requirements and perceptions, and service providers’ offers and deliveries. It has been summarized by Chi, et al. (2008) that the most important characteristic of service quality is to fulfill customers’ needs and wants.

When examining previous research and studies; service quality was a major focus to attract and maintain a bigger customer base. If firms can guarantee service quality for customers, then firms are likely to retain and acquire more customers as it is the best way to eliminate uncertainty and gain satisfaction. Accordingly, the second hypothesis of the study is developed as follows:
**H2. Service quality has a significant positive association with customer satisfaction**

**2.3. Service Pricing**

The relationship between the price and brand switching is not only related to the objective cost that is the actual cost of the service, but also to the perceived value as judged by the customers (Salvador, et al., 2006). Therefore, the customer is not only judging the price of the service, but also on continuous evaluation of the value of the received service. According to studies conducted in Pakistan, it has been established that brand switching in the mobile-service sector is impacted directly by price reasonability (Malik, et al., 2012). It is possible to say that customers are looking for reasonable and reliable price, of course they expect good quality with reasonable pricing otherwise they will look elsewhere.

Modern studies stress that monetary cost does not always have to be the most important for the customers because the perception of high quality that comes with high prices is still in existence (Salvador, et al., 2006). This means that customers may pay more at a later stage to avoid inconvenience. The type of payment does not have to be money, but it could be time, sacrifice or effort. Price can be considered a product or service attribute and can have direct and indirect effect on behavioral intentions. Researchers have found that there is a positive correlation between price and switching behaviors and that service providers have an important role in managing customer perception of the price fairness (Herrmann, et al., 2007).

The majority of studies was focusing on price decrease and its effect on customer reaction as part of the marketing strategy and the result was obvious. In most of the cases, there was an increase in customer demand and repurchase from existing customers (Homburg, et al., 2005). It is true that a satisfied customer may tolerate some level of price increase, however, the price increase is most likely to reduce retention rate and detract potential customers. Since the price still has the most important influence on customer intentions, most firms focus their strategies on price to compete with each other. In Thailand, all mobile-service providers adopt this strategy because of its effectiveness in acquiring and maintaining customers (Srinuan, et al., 2011).

It is obvious that customers may always compare prices with the level or superiority of services received. To be more precise, customers are judging the value of the service through the price and price decrease or increase can have a huge impact on customer satisfaction and brand switching in the initial stages in particular (Faryabi, et al., 2012). Accordingly, the third hypothesis of the study is developed as follows:

**H3. Service pricing has a significant positive association with customer satisfaction**

**2.4. Customer Service**

Based on Woo and Fock, 1999 reviews, customer service is ranked fourth among the factors that cause brand switching. However, that does not mean that customer service has to be given the least attention, inversely, it could be seen as the pivot point in brand switching factors. In other words, if the customer is satisfied and the quality of service is very high, the customers may never need to interact with the company’s front office employees. Based on studies from various industries, the human factor is crucial when related to the customer service as the employee has a major impact on the customer experience (Omotayo and Joachim, 2008). Therefore, customer service can be seen as more of a transformation process managed by the front office employee and, if not managed well, it might lead to dissatisfied customers and brand switching.

The level of customer service does not only affect the customer base of the firm and define its profitability, but also can be a competitive advantage if customer service is superior (Carrick, 2010). Having this competitive advantage is a substantial mean in acquiring and maintaining customers for a longer period of time. On the other hand, some authors have classified customer service among the highest factors affecting switching behavior (Narayan and Jain, 2011). Furthermore, customer service is even considered in the initial stages before selecting a particular mobile-service provider in a lot of occasions.

Most of the authors have reached the consensus that customer service is heavily dependent on service employee actions in dealing with customer encounters. That means, basically, the customers will judge the firms’ customer service through dealings with the employees and behavioral intentions can be formulated from this stage (Khan and Manthiri, 2012). It has to be made very clear that customer service is not only concerned with support and solving complaints, but it is also a root factor to cope with customers’ requirements directly or indirectly to attract them more to the firm and avoid unnecessary switching while it can be manageable (Al-Zoubi, 2013).

Customer service was seen as a major factor in customer satisfaction which deter switching to another brand. However, in other research it was ranked third or fourth, but it is still a considerable factor. Customer satisfaction, especially in mobile-service sector can be defined by the level of customer service. Accordingly, the fourth hypothesis of the study is developed as follows:

**H4. Customer service has a significant positive association with customer satisfaction**
2.5. Value-added Services

Value-added services can extend to include the intangible objects like SMS, MMS, WAP, GPRS, music, news, games, video calls, etc. (Santouridis and Trivellas, 2010). However, the variety of these services, the level interface quality, the user’s friendly applications, and the regular updates and upgrades are critical measures of the quality of the value-added services. Furthermore, the way the firm manages support the value-added services is very important in how these services are perceived by the customers (Wu and Frantz, 2012). A good example of this can be segmented or bundling the service even if one particular service serves the same concept. However, in today’s business, it is possible to say that companies without proper value-added services can never survive if mainly relying on the core business.

Some studies have emphasized that value-added services are almost as important as the core business and pricing, and rates of these services should be carefully managed, and customers should have a variety of options (Woo and Fock, 1999). Actually, globalization and high levels of standardization in many industries have forced a lot of companies to compete on different grounds such as value-added services or sometimes called supplementary services. From this point of view, Woo and Fock, 1999 have pointed out that the value-added services might induce customers to switch from one brand to another.

Some researchers may have not given too much concern to the value-added services (VAS), and some others may have not taken VAS at all into account when investigating the switching predictors. However, according to Narayan and Jain, 2011, VAS has been found to be among the highest switching determinants and in some cases it was the second based on studies conducted in advanced countries like Korea. Everywhere, mobile-service is not a unique or distinguishable service, but the collateral benefits and services of VAS are the predictors of which mobile-service provider is the most favorable. That is why, according to statistics, the average number of mobile lines is estimated at 4.6 lines per household in Saudi Arabia. This could mean that customers want to get the most of all mobile-service providers (CITC, 2010).

Overall, almost all of the studies that studied VAS in depth have recommended that mobile-service companies must focus and invest more in VAS as it is a major switching determinant (Chadha and Kapoor, 2009). Moreover, the VAS does not always have to be the same among different regions of the country as customers’ needs can differ substantially in some cases.

VAS has been found to be significant to almost all customers and companies with the appropriate VAS materials can attract more customers and retain others. A study made in Korea revealed that customers did not only focus on the reliability of the VAS but also the contents and its relevance to their preferences in general (Choi, et al., 2008). From these studies, it can be established that VAS is considered one of the key factors in customer satisfaction and switching. Accordingly, the fifth hypothesis of the study is developed as follows:

*H5. Value-added service has a significant positive association with customer satisfaction*

3. Research Method

Based on all of the previously mentioned studies, the researchers are investigating the relationship between the customer satisfaction and brand switching intentions as well as the association of service quality, customer service, service pricing, and value-added services with customer satisfaction. The logic of this is that each of service quality, customer service, service pricing, and value added services affect the customer’s overall customer satisfaction. Hence, the customer’s overall customer satisfaction is the direct variable affecting brand switching. Therefore, the researchers can build the study model depicting five relationships as shown in figure 1.

![Figure 1. The proposed research model](image-url)
4. Data Collection Instrument and Process

To measure the study variables: customer satisfaction, service quality, customer service, service pricing, value added services, and brand switching, a five-point Likert scale was used. The questionnaire was mainly adapted from the study of Wahab, et al. (2010). This study has identified more than seven determinant variables affecting switching. The most previous deeply studied variables were only selected to be studied in the current research. A scale ranging from “5” strongly agree to “1” strongly disagree was used in all of the questions as a step toward hypotheses testing.

In this study, a convenience sampling method has been used. Basically, the population or sampling unit was customers who are currently using the mobile services in Saudi Arabia from all of the three mobile-service providers. The questionnaire that prepared for measuring the data variables was distributed by emails and other social media networks. Google drive was used for that purpose so that no hard copies were distributed. The respondents were not selected since almost everyone has a mobile phone operated by one of the three mobile-service providers. The questionnaire was written in Arabic and English to ensure clarity and to encourage participation of those who do not speak Arabic.

350 questionnaires were completed and the sample characteristics show that 60% are STC customers, 34% Mobily customers and the remaining 6% of customers are for Zain. Also the female respondents represent almost 30% of the sample taken. When looking at the other demographics, it is possible to establish that about 60% of the respondents is aged between 25–35 years old.

In general the sample taken was very realistic and reasonable and has credibility and very low level of survey errors. A good example of this credibility in completing the questionnaire can be seen in the demographics when looking at respondents who are aged less than 25 years, student and with a monthly income of less than 5,000 Riyals, it is clear that the percentage of all of them are about 20% meaning that questionnaires were completed as appropriate and up to the required standards to have a well-balanced accurate sample. This rule can also be applied to respondents aged 46 and above and the monthly income of 35,000 riyals and above.

5. Validity and Reliability of the Survey

SPSS version 21 was used to test the validity and reliability of the survey as follows:

5.1. Validity Testing

To test the validity, factor analysis has been used to identify suitable variables’ related items as shown in table 1. The loading coefficient for every individual item should have a factor loading benchmark of 0.50 or more to be accepted (Churchill, 1979). Table 1 shows all of the items have coefficients of 0.50 and more with the exception of four items “highlighted in gray”. All of these four items which do not meet the criteria of 0.50 benchmark have been excluded from statistical reliability and analytical analysis of the hypotheses testing. Based on our findings in table 2., and usage of principal extraction and Varimax rotation methods, validity testing findings for the study instrument established high loading coefficients.

<table>
<thead>
<tr>
<th>#</th>
<th>Items</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Local call rate inside the network of your Mobile- service provider is high.</td>
<td>Service pricing: .749</td>
</tr>
<tr>
<td>2</td>
<td>Local call rate outside the network of your Mobile-service provider is high.</td>
<td>Service quality: .833</td>
</tr>
<tr>
<td>3</td>
<td>International call rates are high.</td>
<td>Customer service: .743</td>
</tr>
<tr>
<td>4</td>
<td>The calls often get dropped off.</td>
<td>Value-added services: .752</td>
</tr>
<tr>
<td>5</td>
<td>The coverage of the Mobile Operator Network is weak compared to other Mobile Operators Networks.</td>
<td>Customer satisfaction: .806</td>
</tr>
<tr>
<td>6</td>
<td>The weak coverage of the mobile network operator in the highways between KSA cities.</td>
<td>Brand switching: .766</td>
</tr>
<tr>
<td>7</td>
<td>When you visit the company’s offices, you wait for a long time.</td>
<td></td>
</tr>
</tbody>
</table>
When you visit the company’s offices, the employee in charge will not welcome you in an appropriate manner.

When you contact the customer service, rarely the employee in charge will answer you.

When you contact the customer service, your problem will not be solved.

The Value Added Services are weaker than the services provided by other Mobile Operators in KSA.

I cannot easily identify the value added services provided by my Mobile Operator Company.

The services are fluctuating in prices and performance.

The value added services provided by my Mobile operator do not satisfy my ambition.

Your current service provider meets all your pre-purchase expectations.

You are overall satisfied with your service provider.

You want to continue with the current service provider.

If you wish to have one more connection, you would prefer your current service provider.

You would continue with the current operator even if other cellular companies provide cheaper connections.

You would recommend this service provider to your friends/relatives.

In case you decide to switch from one Mobile Operating Company to another because the former lack a special service (For example, Internet service), did you experience that the former Mobile Operating Company approached you and tried acquire you through.

After discussing the previous points, do you have an intention, within one year from now, to switch from your mobile operator company to another one?

I will order more services from current service provider in the future.

I will never ever switch my service provider under any situation.

5.2. Reliability Testing

To test reliability, internal consistency method “Cronbach’s Alpha Coefficient” was used as shown in table 2. According to Malhotra, 2007 all Alpha coefficients must exceed the minimum accepted value of 0.60 and as shown in table 2, all variables have shown Alpha coefficient of more than 0.6. In general, it has been established that reliability testing for all of the five variables is at an acceptable level.

<table>
<thead>
<tr>
<th>Variables</th>
<th>No. of items</th>
<th>Reliability (Cronbach's Alpha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service pricing</td>
<td>3</td>
<td>.779</td>
</tr>
<tr>
<td>Service quality</td>
<td>3</td>
<td>.763</td>
</tr>
<tr>
<td>Customer Service</td>
<td>4</td>
<td>.774</td>
</tr>
</tbody>
</table>
6. Findings and Hypotheses Testing

6.1. Descriptive Findings: Distribution of Times of Brand Switching

Based on the survey, table 3 shows that 129 customers (37%) have switched their mobile-service brand once and 53 customers (15%) have switched twice or more. On the other hand, 168 customers never switched from their brands representing about 48% of the research sample.

<table>
<thead>
<tr>
<th>Description</th>
<th>Frequency n=350</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Times of switching</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not once</td>
<td>168</td>
<td>48%</td>
</tr>
<tr>
<td>Once</td>
<td>129</td>
<td>37%</td>
</tr>
<tr>
<td>Twice or more</td>
<td>53</td>
<td>15%</td>
</tr>
</tbody>
</table>

6.2. Hypotheses Testing

6.2.1. Testing of H1

H1 states that customer satisfaction has a significant negative association with brand switching intention. To test this hypothesis a simple linear regression has been used as shown in table 4. The table shows a weak $R^2$ with a value of 0.04 which implies that switching intention is explained by 4% of the customer satisfaction. The table also shows that $F$ value equals 13.073 with significance level of 0.00. As the significance level is less than 0.05, this indicates the significance of the association between customer satisfaction and brand switching intention. Since $B$ (the slope coefficient of customer satisfaction) equals -0.109, this indicates a negative association between customer satisfaction and brand switching intention. As the customer satisfaction increases, the brand switching intention decreases. This result matches the results of Almossawi (2012).

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>$R^2$</th>
<th>B</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer satisfaction</td>
<td>.196</td>
<td>.038</td>
<td>-.109**</td>
<td>13.073**</td>
</tr>
</tbody>
</table>

Note: ** Marginally significant at the p ≤ 0.05 levels.

6.2.2. Testing of H2, H3, H4, and H5

H2 states that service quality has a significant positive association with customer satisfaction. H3 states that customer service has a significant association with customer satisfaction. H4 states that service pricing has a positive association with customer satisfaction. H5 states that value added service has a positive association with customer satisfaction. To test these hypotheses a stepwise multiple regression has been used as shown in table 5. The table shows that three factors out of four cumulatively explain the change in the customer satisfaction by 28.4%. Customer service contributes to 22% versus 5% for the service pricing, and only 1% for the service quality. Value-added services show no significant association with the customer satisfaction. In this case, H5 should be rejected. One reason might be explaining our findings are that all three mobile service providers in the Saudi market are offering the same package of value added services. In such a case, the customer evaluation of value-added services will not significantly affect the customer’s customer satisfaction. Table 5. Also, shows the slope of coefficients for the three accepted hypothesis, indicating a positive association between each of customer service, service pricing, and service quality on one hand and customer’s customer satisfaction on the other hand. As any of the three factors increase the customer satisfaction will increase, therefore, the brand switching intention will decrease as proved in H1. Accordingly, H2, H3, H4 are accepted and H5 is rejected.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>$R^2$</th>
<th>B</th>
<th>F</th>
</tr>
</thead>
</table>
Table 5. H2, H3, H4, and H5 Testing (Stepwise multiple regression)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>B</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer service</td>
<td>.472</td>
<td>.223</td>
<td>.275**</td>
<td>93.945**</td>
</tr>
<tr>
<td>Service pricing</td>
<td>.523</td>
<td>.274</td>
<td>.200**</td>
<td>61.645**</td>
</tr>
<tr>
<td>Service quality</td>
<td>.532</td>
<td>.284</td>
<td>.083**</td>
<td>43.006**</td>
</tr>
</tbody>
</table>

Note: ** Marginally significant at the p ≤ 0.05 levels

7. Discussion and Managerial Implications

The purpose of the study is to investigate the relationship between the customer satisfaction and brand switching intention into the Saudi Arabian mobile-service market as well as the association of service qualities, customer service, service pricing, and value-added services with the customer satisfaction. The results demonstrated a negative relationship between the customer’s customer satisfaction and brand switching intention. This result matches the study result of Chi, et al., 2008 that when one company provides something that others cannot provide then customers might be induced to switch.

Accordingly, the more the consumer is satisfied with the brand, the less he will have the intention to switch to another brand. The customer satisfaction explains only about 4% of the chance in brand switching intention. The trivial effect of customer satisfaction on brand switching intention can be attributed to the similarity of services and prices presented by the three mobile service providers in the Saudi market. However, this inverse relationship demonstrates that marketers should work on the customer satisfaction to retain their customers and attract more consumers to deal with them.

Three factors affect positively on customer satisfaction. These factors are: customer services, service pricing, and service quality. Service quality is the most important factor that affects customer’s customer satisfaction. It accounts for about 22% of change in customer satisfaction. Marketers have to consider the importance of this variable in affecting the customer satisfaction and retention in setting marketing strategies. Each of service pricing and service quality accounts for about 5% and 1%, respectively, meaning that those two variables are less important compared to customer service in influencing the customer’s customer satisfaction.

As a result, managers need to restructure their differentiation and positioning in a competitive way, focusing on innovation and creativity in terms of customer’s customer satisfaction. They must invest more in R&D to improve the customer satisfaction by doing marketing research to discover the determining factors of customer satisfaction. They must invest heavily in customer service starting by hiring competent staff and training them and also creating customer service programs. Mobile companies in Saudi Arabia can benefit from ideas from other sectors to better retain customers. A good example of this is to adopt the loyalty programs provided by reputable leaders in the hotel industry by benchmarking because benchmarking does not necessarily have to be from the same industry (Heizer and Render, 2008). Furthermore, mobile service providers need to understand and fulfill customers’ needs. With the current substantial advancement in technology and globalization, customers’ expectations and demands grew fast, new and different. That is why these days mobile phones are not only to make phone calls but also for many other uses and these uses have to be supported by good networks and attractive prices.

Pricing and service quality are weak factors in this study. What really aggravate and frustrate customers is when the call rate (service pricing) is high, service quality is low. Based on the findings of this study, 60% of the respondents were STC customers, but when it comes to satisfaction, the biggest share is unsatisfied. That could mean customers are not happy about the service, but they have to sacrifice and expecting something in return such as coverage or convenience. Therefore, it is recommended that mobile companies invest further in service quality and reduce service prices to attract and retain customers.

Based on data findings, there is a potential switching behavior about 52%, which is a relatively high percentage and keen managers can benefit from this point by providing suitable grounds for this portion by different means around the discussed hypotheses. Brand switching is at a static status at the moment, but when the incentives are there, brand switching will be volatile. In this regards, mobile companies must not neglect awareness campaigns and advertisements to educate customers and inform them of the existing and expected services, prices, technical issues, rights, and obligations as a critical step in customer’s overall customer satisfaction. They might also build a strong relationship between customers and service providers.
8. Limitations and Future Research

This research examined the customer satisfaction and brand switching behavior from the perspective of mobile service customers. However, the study did not explore nor examine the perspective of mobile service providers. Therefore, the finding of the study should be read and understood this way. Future research may compare between the perspectives of both the customers and service providers or look for the other 96% determinants of brand switching. Besides, depending on a convenience sample and collecting data online may affect the sample’s representation of the research to the Saudi market of mobile service customers’ universe and hence the data accuracy and the results of this research.

References


