A Study of Service-Provider Switching Behaviors

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Introduction
During periods of stiff competition in the service industry, consumers have a great number of choices, which translate to more frequent switching from one service provider to another. Although relationship marketing means to establish, maintain, and enhance a continuing relationship (Grönroos 2000), not all relationships can be continued without disruption. Thus, as relationship marketing increases in importance, the issue of understanding consumer switching processes cannot be ignored. Past research on consumer switching has contributed to a deeper understanding of consumer switching behavior (e.g., Keaveney 1995; Bansal and Taylor 2002; Bansal, Taylor, and James 2005; Roos, Edvardsson, and Gustafsson 2004; Roos and Gustafsson 2007). Unfortunately, little has been accomplished in terms of the process of consumer switching in services. These studies have not included a solid theoretical background as a reference.

This study aims to understand why and how consumers engage in service switching. Service-provider switching is defined as a consumer terminating a relationship with a service provider or adding a relationship portfolio with a new provider. When designing a case study, theory plays an important role (Yin 1994). Theory of planned behavior (TPB) is a representative theory that is helpful for understanding human behavior (Ajzen and Fishbein 2001). We propose that the pattern of motivation-intention-actual behavior of TPB is an appropriate analysis tool for understanding the process of switching.

Theoretical Background
Many studies have contributed to the understanding of consumer switching behavior: for example, the motivations behind switching behavior (Keaveney 1995; Bansal, Taylor, and James 2005; Antón, Camarero, and Carrero 2007); the process of switching behavior (Bansal and Taylor 2002; Roos, Edvardsson, and Gustafsson 2004; Roos and Gustafsson 2007); and the cost of switching (Jones, Mothersbaugh, and Beatty 2000; Burnham, Frels, and Mahajan 2003; Vázquez-Carrasco and Foxall 2006). However, most of these studies have failed to present a solid theoretical background for their studies. Consumer switching behavior is complicated (Keaveney 1995), and theory can be a key element in organizing a standardized variable system that can help us to understand the phenomenon more clearly (Yin 1994).

TPB is a representative theory which is often applied in consumer behavior research, used to understand human behavior, (De Cannière, De Pelsmacker, and Geuens 2009; Kwong and Park 2008). According to TPB, human behavior is guided by three factors: behavioral beliefs that produce a favorable or unfavorable attitude toward the behavior; normative beliefs that create pressure to exert social control or subjective norm, and control beliefs that give rise to the perception that such control has been achieved; and the perceived difficulty of the behavior. This combination of attitudes toward the behavior, subjective norms, and perceived control of switching leads to the formation of behavioral intention. The theory is based on the fundamental assumption that antecedent conditions lead to intention, which in turn leads to behavior (Ajzen 1991, 2001). We propose that the pattern of motivation-intention-actual behavior of TPB is an appropriate analysis tool for understanding the process of switching.

Methodology
Case studies are suitable for research questions dealing with the why’s and how’s (Yin 1994). Subjects were obtained through the purposeful sampling method. Twenty respondents were interviewed. The unit of analysis for this study refers to service switching behavior. Although 20 respondents was not a large sample, the study did identify more than 160 switching behaviors across various service industries. According to Patton (1990), qualitative research does not emphasis sample size or its representativeness. The criterion depends on whether the research data is saturated, as to the research topic.

The interviews were semi-structured involving the use of previously prepared rough interview outlines by the researcher. Respondents were asked questions that included: Which services involved switching based on your experience? What factors made you change a service provider? And how was the shift process? Each interview lasted for approximately 50-60 minutes. The data collection process was undertaken and completed based on a repeated procedure. We made a quick record of the verbatim interview transcript following each interview.

In category analysis, repeating phenomena were pinpointed, followed by the identification of important constructs explaining such phenomena. Scenario analysis is the chronology of the story, a descriptive analysis of relevant events that is followed by behavior (Miles and Huberman 1994). By combining both...
methods, the researcher first employed category analysis to abstract important concepts from the respondents’ descriptions and then extrapolated a higher level of concepts based on those descriptions after which an abstraction of an even higher level of concept was made possible.

Analysis and Development of Propositions

Figure 1 shows the model for a universal service-provider switching behavior. The purpose of this study was not to investigate all of the reasons for switching, but offer a consumer switching model based on TPB theoretical referents to guide researchers and managers to understand the process involved in switching service-provider.

Based on the findings, this study modifies the propositions as follows:

Proposition 1: The process of service-provider switching can be identified as motivations, intentions, and the actual outcomes of relationship switching.

Proposition 2: There are four attributes of service-provider switching: attitude toward switching, subjective regulation, perceived behavioral control, and perceived available alternative. These attributes influence service-provider switching directly and interactively.

Proposition 2-1: The attributes of attitude toward switching are core failure, delivery failure, negative emotions, and seeking various service.

Proposition 2-2: The attributes of subjective regulation are following one’s requirement and personal relationship.

Figure 1  Universal Model of Service-Provider Switching Process
Proposition 2-3 : The attributes of perceived behavioral control are economic concern, concern of convenience, both economic and convenience, and perceived self-efficiency.

Proposition 2-4 : The attributes of perceived available alternative are listening to positive word of mouth, and being attracted by other competitors’ services.

Proposition 3 : The intention to switch service-provider can be identified as relationship termination intention (new provider replacing the old), and relationship portfolio intention (addition of new provider while retaining the old). Intentions differ between customers in different service industries.

Proposition 3-1 : Clients of securities firms, dentists, salons, maintenance businesses, and video stores most often have the intention to terminate a relationship.

Proposition 3-2: Clients of insurance companies, restaurants, and department stores most often have relationship portfolio intention.

Proposition 4 : The actual outcomes of switching can be identified as a relationship of loyalty to single-provider and multi-provider relationship development. The outcomes differ between customers in different service industries.

Proposition 4-1 : Clients of securities firms, dentists, salons, and video stores most often have relationships showing loyalty to a single-provider.

Proposition 4-2 : Clients of banks, credit card companies, insurance companies, online shopping, restaurants, and department stores most often develop multi-provider relationships.

Proposition 5: Client switching behavior is a continuous and dynamic configuration, and switching frequency differs between customers in different service industries.

Proposition 5-1 : Switching to new provider and replacing the old provider are most frequently seen in securities, dental clinics, salons, maintenance facilities and video stores.

Proposition 5-2 : the addition of new provider while retaining the old are most frequent in insurance, restaurant, and department industries.

Conclusion

Many studies have contributed to our understanding of consumer switching behavior but failed to provide a solid theoretical background as a reference. Based on the modified TPB, we conducted a qualitative-oriented case study and the data for the study was gathered through semi-structured interviews. Employing both categorical and scenario analysis, we determined the major constructs of customer switching behavior and the relationship between them. In the model, we attribute consumer relationship switching to attitudes regarding behavior, subjective norms, perceived behavioral control, and the obtainment of perceived behavioral offers, each of which has both a direct and interactive effect on switching intentions. On the other hand, the results were used to develop a model of service-provider switching, “relationship termination intention/single relationship loyalty” and “relationship portfolio intention/multiple relationship loyalty”, which differs among various industries. Roos, Edvardsson, and Gustafsson (2004) also confirmed the results in which customers switch either totally or partly to another service provider. Their data showed that customer switching behavior differs between industries, including retailing, banking, insurance, telecommunications, and social insurance system.

Although most service providers hope to maintain continuous relationships (Bendapudi and Berry 1997), dissatisfied customers switch to other providers silently (Voorhees, Brandy, and Horowitz 2006). Those companies are likely to lose on both fronts: first, the lifetime income lost from customers who quit silently, and second, the capacity to redress the type of problems through the feedback from dissatisfied customers (Chebat, Davidow, and Codjovi 2006). Therefore, we aim to discover why and how consumers engage in service switching.

As for the limitations of this study and future studies, we adopted a qualitative-oriented case study and only interviewed 20 individuals, which limited our ability to generalize. Secondly, service-provider switching behavior is difficult to test empirically, due to a lack of operational definitions regarding the models and the propositions. Future studies may try to combine quantitative and qualitative methods, which would be more competitive than adopting only one single method (Creswell and Plano Clark 2007). In addition, customer switching behavior has recently emphasized the importance of emotional experience (Menon and Dubé 2004; Roos and Friman 2008), particularly the negative emotional experience due to switching behavior. The identified emotions are located in the trigger part of the relationship, and expressed by the respondents during the switching process in the form of annoyance, anxiety, disappointment, dissatisfaction, and so on. Therefore, future studies should focus on the critical role of emotions in customer switching processes and identifying the relative frequency of negative emotions in terms of various triggers. Finally, although TPB is a representative theory on understanding human behavior, research based on TPB as well as other theories would be recommended for future studies.
REFERENCES


