# PROPENSITY TO CUSTOMER SWITCHING IN THE FIELD OF MOBILE PHONE SERVICES IN SRILANKA

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**Abstract**

In Sri Lanka, telecommunications service industry is a high velocity industry in the current business context and the mobile phone usage has drastically increased during the last few years. As a result of that number of service providers entering the field has created an intensified competition. Due to this severe competition, the service providers face a huge challenge on how to retain their existing subscribers. This is because of high tendency of customer switching among different service providers. Therefore, this study was focused on addressing this major issue of customer switching in the mobile phones service industry in Sri Lanka. The survey method was used to conduct the study and the sample consisted of 280 respondents. A structured questionnaire was used to collect data. The study was conducted in Southern and Sabaragamuwa provinces in Sri Lanka at the mid of year 2010. The results show a high propensity of switching among the service providers in the mobile phone services industry in Sri Lanka. Most of the subscribers have shifted their first brand. Thus, it was reported that 259 subscribers out of 280 subscribers in the sample have changed their first brand for various reasons. It was identified that mobile phone subscribers are highly price sensitive. Therefore, the rates charged are the major concern for their switching decisions. Meanwhile, many mobile customers have shifted seeking more benefits and convenient services. Further, non-monetary switching cost plays a major role as a switching barrier over monetary switching costs.

*Keywords:* Customer Switching; Mobile Phone; Switching Costs; Switching Motives.

## 1. Introduction

Attracting and retaining customers is the major focus by service providers in the current competitive business context (Roos, 1999). Particularly, retaining current customers and make them loyal is critical for the survival of a company (Mellens et al., 1996). In modern competitive business environment, the role of services is gaining increasingly more importance in the means of satisfying customer needs and retaining them. Accordingly, more research in marketing milieu is focused on services (Fine, 2008). The trend in marketing towards building relationships with customers continues to grow, and marketers have become increasingly interested in retaining customers over long-term (Lemon et al., 2002). Customer retention is a major goal for the success of a business and this has significant magnitude in the services context where no tangible product is available. Thus, customer retention has become a major concern for many businesses (Ang & Buttle, 2006; Petruzzellis et al., 2008; Terblanche & Hofmeyr, 2005). Customer retention is exceptionally important because acquiring a new customer is far more expensive than keeping an existing one (Kotler & Armstrong, 2004; Zeithmal, Berry & Parasuraman, 1996). To retain customers, their needs, and wants should be successfully satisfied. It is noticeable that a highly satisfied customer stays loyal longer, talks favourably about the company products and services, pay less attention on competing brands, and less sensitive to price and offers of competing brands (Bowen & Shoemaker, 1998). Even though customer retention is a primary goal, customer switching has become a major intricacy today. Therefore, the most of scholars have addressed this issue of customer switching which is the opposite of customer retention(Ahmad & Buttle, 2001; Bitner, 1990; Keaveney, 1995; Patterson & Smith, 2003). Customer switching behaviour in the services context such as insurance industry (Crosby & Stephens, 1987) and banking industry (Rust & Zahorik, 1993) has been paid a greater attention.

Due to the higher attraction and demand for the mobile phone services, the number of service providers is increased daily. Accordingly, the competition in the mobile telecommunications market has also grown at an unprecedented rate during past several years. This has created an intensified competition among them. Therefore, the major challenge faced by the service providers today is how to retain their subscribers, since there is a higher tendency of mobile subscribers to switch among service providers seeking attractive packages with fascinating features. Therefore, telecommunications is a major industry in which customers frequently switch among service providers in current business context. Therefore, this study focuses on this major issue of customer switching in the field of mobile phone services industry.

## 2. Problem Statement

During the last decade, the telecommunications industry played as a high velocity industry throughout the world and this trend is dynamically grown up. It is apparent the essentiality of having an effective communication among people in favour of the benefit of development of the countries. Due to this rapid development of the telecommunications industry, the distance between countries is getting reduced and people living all around the world are getting closer. When examining the telecommunications industry, the most dynamic change can be identified in the field of mobile phone sector. Within the telecommunications industry, the mobile phone plays a leading role by means of communication to exchange information, ideas, and connect people with each other. The mobile phone is a stronger tool today, which strengthens the relationships or social bonds among family members, friends, and other interesting parties (Wei & Lo, 2006). In past few years, worldwide mobile phone usage increased quite fast. Especially in Asian developing countries, such as Sri Lanka, the demand for mobile phone usage has significantly increased during last decade, and this emerging trend is dynamically grown up. Our mobile phones are the ways wherein people can reach us, and in the same way we can reach the necessary people. This would be one of the most important benefits of using a mobile phone. The mobile phone today is not merely a device used to communicate through voice messages and written short messages (SMS). It has evolved to perform more than what it was initially intended to do, and today a mobile phone is more like a mini computer. For the usage of a mobile phone, linking with a service provider is essential and many service providers facilitate different types of services and features to satisfy their subscribers. In the other words, there is no use of mobile phone without having a subscription with a service provider. Each mobile phone user should subscribe to a particular mobile service connection. Thus, the most important feature in the mobile telecommunication industry is, once customers have been acquired and connected to the telecommunications network of a particular operator, their long-term links with the focal operator are of greater importance to the success of the company in competitive markets than they are in other industries (Gerpott et al., 2001). However, same as in other industries, the customers tend to shift from one service provider to the other seeking more attributes and amenities in the mobile phone service industry as well. Customers may switch brands due to different kinds of negative experiences such as inconvenience, unfair or high pricing, core service and service encounter failures, and failure to respond the customer complaints and requests in a proper way etc. (Keaveney, 1995). Further, customers will be persuaded to leave the existing brand and stick to other competitive brands due to attractive offers provided by competitors. Therefore, customer switching in the telecommunications industry is a major concern (Eshghi et al., 2007; Oyeniyi & Abiodun, 2010; Pric, 2006). Further, it is important to study the customer switching behaviour since it has a major negative impact on market share and profitability (Rust & Zahorik, 1993). Therefore, this study addresses this major issue of customer switching in the field of mobile phone services industry.

## 3. Literature Review

### *3.1 Customer Switching and Switching Costs*

The other extreme side of customer retention is customer switching. Customers may switch existing brand and stick to a competing brand due to different reasons. At the same time, competitors are always looking for attracting competitors' customers, because of intense competition. Therefore, it is the huge challenge to remain customers with the existing brand and not let them to leave or switch. When a customer left a brand, it would not be easy to turn him back in. Ahmad & Buttle (2001) present six types of defectors identified by DeSouza (1992), such as price - for a lower price, product - for a superior product, service - for a better service, market - for a different market, technological - a customer that has converted from using one technology to another, organizational -switches due to political pressure. Bitner (1990) has conducted an empirical research study to investigate reasons that cause customer loyalty due to lack of ability to switch. According to Bitner (1990), those key factors are time or money constraints, lack of alternatives, switching costs, and habit.

Keaveney (1995) has conducted a significant exploratory study on customer switching behaviour in service industries including forty-five different kinds of services. Customer reasons for switching the services have been classified into eight general categories. According to the study conducted by Keaveney (1995), the variable of 'pricing' has recorded as the third largest switching category by 30% of respondents. The sub categories of pricing included high prices, price increases, unfair pricing tactics, and deceptive pricing practices. Customers have switched at all the above four types of situations since those four types of pricing categories affect them negatively. The 'inconvenience' is another important factor causes customers to switch. Customers have felt inconvenience by the service provider's location, hours of operation, waiting time for service, or waiting time to get an appointment. 'Core service failures' have been reported as the largest category by 44% of respondents, which cause service switching. These core service failures have included all critical incidents that happened due to mistakes or other technical problems with the service itself. Three sub categories of core service failures have represented 'mistakes' (a series of mistakes, decreases in levels of service, multiple mistakes, single big mistakes, incomplete service provision and incidents in which the service provider was unable to deliver the service), 'billing errors' (incorrect billing and failures to correct billing in a timely manner) and 'service catastrophes' (damage to the customer and his family, pets or belongings). 'Service encounter failures' defined as personal interactions between customers and employees of service firms reported as the second largest category of service switching. These failures attributed to some aspect of behaviours or attitudes of employees. The attitudes and behaviour patterns of employees are extremely important specially in the case of delivering services since employees' performance and their interaction with customers take part in a crucial role due to intangibility nature of the service. These service encounter failures included uncaring, impoliteness, unresponsiveness, and unknowledgeability.

According to Keaveney (1995), the next important factor, which causes customer switching, includes 'employee responses to service failures'. This category includes critical switching incidents not because of a service failure, but service providers' failures to handle the situation in an appropriate manner. This factor includes three sub categories such as 'reluctant responses', 'failure to respond' and 'patently negative responses' which means the service provider attributed blame for the failure to the customer. When the existing service provider does not deliver the service in a satisfactory level, customer may search alternative service providers. In such a situation, when customers perceive that competitors provide a better service attributable to high quality, reliability, and friendliness etc. than existing service provider, they would switch. It is apparent that competitors always follow different kinds of effective marketing strategies to attract customers of their competitors. Therefore, Keaveney (1995) has used the next factor as 'attraction by competitors' which influence customer switching.

'Ethical problems' has been idetified as another important factor for switching behaviour by Keaveney (1995). The ethics can be identifiedas "the study of morality"(Velasquez, 1998: pp: 07). By morality, Velasques (1998) defines as "the standards that an individual or a goup has about what is right and wrong or good and evil" (Velasquez, 1998: pp: 08). Thus, if they perceive any ethical problems in relation with a particular service provider, they would probably switch the service. This category of ethical problems includes critical switching incidents such as illegal, immoral, unsafe, unhealthy, or other kinds of behaviours that deviated widely from social norms. Keaveney (1995) has presented four sub categories of unethical behaviours as 'dishonest behaviour' (such as cheating, stealing personal belongings or money, charging for work not performed or suggesting unneeded services), 'intimidating behaviour' (such as threatening or overly aggressive selling behaviour), unsafe or unhealthy practices' and 'conflicts of interest'. According to the model of Keaveney (1995), the final factor is 'involuntary switching' due to factors largely beyond the control of either the customer or the service provider. This can be identified as two forms such as customer move and service provider move.

Patterson & Smith (2003) have explored the switching barriers and propensity to stay with service providers by a cross-cultural study across two diverse cultures, Australia (Western, individualistic culture) and Thailand (Eastern, collectivist culture). Six potential switching barriers such as search costs, loss of social bonds, setup costs, functional risk, attractiveness of alternatives, and loss of special treatment benefits have been examined. Pirc (2006) admits that understanding customer propensity to react to competitors marketing actions to switch can provide valuable insight in the study of determinants of relationship maintenance and customer loyalty. Hence, he defines customer propensity to switch as the expressed likelihood by the customer of positively reacting to competitors' offers. Pric (2006) has conducted an empirical study to investigate the role and influence of the product (mobile phone) as a part of consumption-system on customer loyalty and customer switching intentions to mobile service providers. According to Pric (2006), mobile service usage has a curvilinear effect on propensity to switch. Regarding the propensity to switch service providers, the mobile service budgetary constraint has also influenced while mobile phone budgetary constraint and income have not influenced. Therefore, he states that when addressing customer from the price perspective, the service price should put adjusted and not the mobile phone prices as customers think in mental accounts terms. The length of experience and type of the service whether contract or prepaid, have not played an important role. It is reported that involvement in mobile

services and mobile phone purchase involvements drive up the risk of customer leaving. Eshghi et al. (2007) investigating the determinants of the propensity to switch wireless service providers, reports that until a few years ago, wireless telephone customers in the United States have faced significant costs in switching from one wireless service provider to another because doing so would have meant the loss of a phone number known by friends, relatives and business associates. As a result, a vast majority of customers have tended to stay with their wireless service provider regardless of their satisfaction with the service.
Switching cost is one of the mostly discussed contemporary issues when evaluating the customer satisfaction and loyalty on retention. (Keveaney, 1995; Deng et al., 2009; Eshghi et al., 2007; Jonathan et al., 2001). Switching costs play a major role to discourage customers' switching decisions. Whenever consumers switch service providers they incur different types of costs such as psychological, emotional, search effort (time), and even economic. Switching cost is conceptualized as the perception of the magnitude of the additional costs required to terminate a relationship and secure an alternative one (Patterson & Smith, 2003). Switching costs are treated as "costs that are incurred by consumers for terminating transaction relationships and initiating a new relation" (Oyeniyi & Abiodun, 2010; pp: 112). According to Oyeniyi & Abiodun (2010), a number of critical costs have to be considered when determining switching in the telecommunications service. According to that, it involves costs of informing others such as friends, colleagues, and business associates etc. about the change, costs of acquiring new service package or connection, costs associated with breaking long standing relationship with the service provider, and costs of searching and dealing with new service provider etc.

## 4. Research Objectives

The major focus of this study is to evaluate the nature of the switching behaviour of mobile phone subscribers. Therefore, the key objectives of this study can be enumerated as follows,

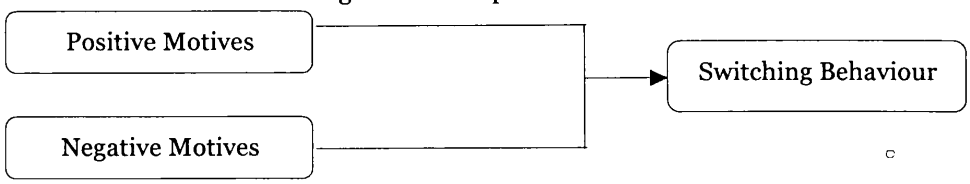
- Evaluate the nature of mobile phone subscribers among different service providers
- Evaluate the role of switching costs in mobile phone subscribers' switching decisions
- Identify the major reasons for switching behaviour in the mobile phone service industry

## 5. Study Design and Methods

Customer switching has become a major issue and mostly addressed concept in the marketing literature. Especially, the switching has been paid a greater attention in the consumer behaviour studies since marketers face greater difficulties in their long-term survival and growth. Since this has become a key issue, this study attempts to identify the factors affecting switching decisions in the field of mobile phone services industry while evaluating the nature of switching among different service providers. Therefore, this study could be identified as a more descriptive research study in nature. The survey method was used as the main research method to conduct the study. The population consists of mobile phones subscribers whose primary purpose of usage of mobiles is communication. Therefore, the mobile user whose primary purpose is the business is not included for this study. The convenience sampling was used as the sampling technique and consisted of 280 mobile phones subscribers. The study was conducted at Southern and Sabaragamuwa provinces in Sri Lanka.

As mentioned, the literature is rich with the different factors, which cause the impact of switching. Moreover, Keaveney (1995) has identified eight major factors and twenty-four sub factors, which cause the switching in various fields. This study was also focused to identify those switching factors or motives in the field of mobile phone services industry. In analysing those motives, it could be categorized them either as positive or negative. Accordingly, this study attempts to identify both positive and negative motives for the cause of switching.

Figure 1: Conceptual Framework




## 6. Results and Discussion

### *6.1 Switching Behaviour among Competing Brands*

It is important to identify how mobile subscribers have switched among different brands. This could be identified observing Table 1 which illustrates how mobile phone subscribers in the sample have switched among different service providers. The sample is represented by 154 Brand 1 subscribers. While 05 Smart prepaid subscribers remain without a change their package, other 149 subscribers have made in different combinations. Hence, 31 Brand 1 subscribers have changed their package either from prepaid to postpaid or postpaid to prepaid, 79 Brand 2 subscribers, 21 Brand 3 subscribers, 16 Brand 04 subscribers, and 02 Brand 05 subscribers have shifted to Brand 1. Most of these customers were attracted due to the lower rates of Brand 1 when compared to other brands.

There are 106 Brand 2 subscribers in the sample. There are 16 subscribers remaining with Brand 2, as their first package, without having a change. Meanwhile, 29 Brand 1 subscribers have shifted to Brand 2 since Brand 1 had not a good coverage a few years ago. Further, 19 Brand 3 subscribers and 05 Brand 4 subscribers have shifted to Brand 2. While Brand 2 has achieved the highest geographic coverage, Brand 3 and Brand 4 showed a poor coverage.

Brand 3 has attracted 02 Brand 2 subscribers and single Brand 1 and Brand 4 subscribers each. There are 07 Brand 4 subscribers in the sample made shifting 05 from Brand 2 and 02 from Brand 1. Brand 5 has attracted 03 Brand 1, 05 Brand 2 and 01 Brand 3 subscribers.

Further, it can be noted that Brand 2 subscribers (for instance 128 subscribers) have reported the highest number of switches compared to other brands while Brand 1 subscribers have reported 66 switches. Many of Brand 3 subscribers, for instance 41 subscribers, have switched to other brands and remaining is reported as 04 subscribers. At the same time, 22 subscribers from Brand4 have switched to other brands and the remaining is only 07. While 02 subscribers from Brand 5 have reported switches, 09 switches have reported to Brand 5.

Table 1: The Nature of Subscribers' Switching Behaviour among Service Providers

| | | Switched to | | | | | |
|---|---|---|---|---|---|---|---|
| Switching form | Brand | Brand 1 | Brand 2 | Brand 3 | Brand 4 | Brand 5 | Total |
| | Brand 1 | 31 | 29 | 01 | 02 | 03 | 66 |
| | Brand 2 | 79 | 37 | 02 | 05 | 05 | 128 |
| | Brand 3 | 21 | 19 | 0 | 0 | 01 | 41 |
| | Brand 4 | 16 | 05 | 01 | 0 | 0 | 22 |
| | Brand 5 | 02 | 0 | 0 | 0 | 0 | 02 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Total switches | 149 | 90 | 04 | 07 | 09 | 259 |
| Total Subscribers | 154 | 106 | 04 | 07 | 09 | 280 |

Source: Research Data, 2010

### *6.2 Switching Motives*

Table 2 shows the major reasons for shifting the subscribers among different brands or packages. Mobile phone subscribers were asked to mention three reasons, which cause their switching behaviour. Some respondents had mentioned all three reasons, while some had one or two reasons. Those reasons can be classified into two categories as positive and negative according to the perceptions of subscribers. Accordingly, 104 Brand 1 subscribers expressed the major reason to shift to Brand 1 is the low rates compared to competing brands.

The highest switching category consists of 115 subscribers due to move to special packages. Specially, many government employees including teachers, banking employees, and other employees in different government institutions have moved to Brand 1 'Upahara' package. Meanwhile, most of private banks and companies have moved to corporate packages introduced by Brand 2. Further, 13 subscribers expressed that they shifted from prepaid to postpaid since they had perceived monthly payment is convenient for them, while 21 subscribers stated they moved from postpaid to prepaid packages since they had perceived the card connection is convenient for them. This moving, from postpaid to prepaid, has been done due to more opportunities such as rewarding benefits, easy reload facilities, and some control of calls, since the number of calls are limited to the existing balance.

Table 2: Major Reasons for Switching

| Positive Motives | Frequency |
|---|---|
| Low rates | 104 |
| Move to special packages and convenient packages | 115 |
| Used by many people (e.g. friends) | 17 |
| For economic benefits | 14 |
| Free services | 11 |
| Technology and attractive features | 09 |

| Negative Motives | Frequency |
|---|---|
| High rates | 70 |
| Poor Coverage | 38 |
| Unpleasant Experience | 22 |
| Deceptive pricing practices | 13 |

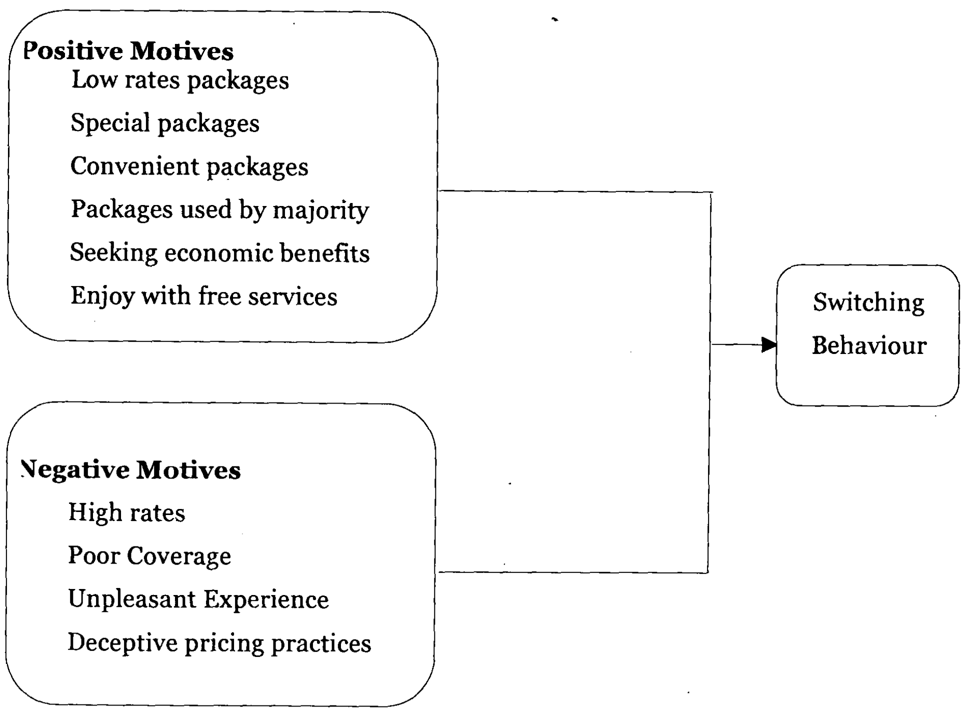
Source: Research Data, 2010)

Moreover, 17 individuals stated that they were persuaded to shift to a particular brand due to high usage of that brand by most of people, especially friends. Thus, 15 such respondents have shifted to Brand 1 since most of people enjoy Brand 1 at low rates. Therefore, if most of people have Brand 1 connections, they can enjoy with very lower rates within their network. However, 02 individuals had shifted to Brand 2 because of their friends. Some individuals change their package from time to time for seeking economic benefits. Accordingly, 14 individuals responded that they always change their mobile phone service connection to earn economic benefits. At the same time, 11 responded that they shifted to enjoy with free services offered. The industry is rapidly developed and technology is upgraded. Therefore, innovative seekers always would like to enjoy with new technology and attractive features. There were 09 respondents that shifted seeking such high technology and attractive features.

At the same time, some of them revealed that major reason to leave the former brand is high rates charged by the previous service provider, for instance 70 subscribers have expressed this. Therefore, low rates are treated as positive and high rates are treated as negative motive. Meanwhile, 13 subscribers expressed about deceptive pricing practices. They meant that some monthly bills were complicated and charges were not clear. Some prepaid packages had also reported problems in respect to charges. The other major negative reason was encountered as poor geographic coverage. Brand 1, 2 and 3 still struggle with this problem. Therefore, it has become a huge challenge to attract subscribers for them. Brand 1 also faced this challenge earlier. It was reported that 29 Brand 1 subscribers shifted to Brand 2 due to poor coverage of Brand 1. Today, Brand 1 has overcome this problem into some extent. However, Brand 2 still has the highest geographic coverage in Sri Lanka.

The other negative reason for switching was identified as the unpleasant service experience. These were due to poor understanding of customer needs, poor level of listening to subscribers, less response rate of customer complaints & grievances, and insufficient level of feedback. Thus, 22 respondents expressed their negative experience in this type and this can be considered as a major issue to be addressed. Therefore, service providers have paid greater attention to understand customer needs and upgraded the level of service with high priority to customer care during last few years. Another category includes shift to other brands due to breaching the agreement or relationship with previous service provider. They had breached the relationship without making settle down the monthly bill. Therefore, they have been blacklisted and can not subscribe to any package of previous service provider. This is, however, an unethical practice. Accordingly, based on the factors identified for switching decision and explained in the text, the initial conceptual framework can be extended as follows.

Figure 2: Extended Conceptual Framework



### *6.3 Switching Costs*

Table 3 illustrates the mobile subscribers' perceptions towards switching costs involved when changing the service provider. In mobile phone service market, subscribers basically encounter two types of switching costs such as monetary and non-monetary (social cost). Monetary switching costs were classified as initial cost (paid amount to purchase the existing package) and new cost (which has to be incurred in purchasing a new package with the decision of brand switching). The mobile phone subscribers' responses of major two brands (Brand 1 and Brand 2) were evaluated on comparative basis using *t-test*. The results show that the perceptions towards initial cost, new cost, and deposit cost are taken same fashion for both Brand 1 and Brand 2 subscribers and no significant differences. Mobile subscribers were asked whether their switching decision is discouraged by initial cost which has been already spent on purchasing the existing brand. The responses have reported the low mean values means that that initial cost incurred is not a switching barrier. When moving to another package, mobile customers have to spend some money again to purchase the new package. Hence, mobile subscribers were asked whether their switching decision is discouraged by new cost, which has to be incurred on purchasing the new package. The responses have again reported the lower mean values 2.35 for Brand 1 and 2.38 for Brand 2.

Table 3: Perceived Mean Comparison of Switching Costs

| Variable | Mean (Brand 1) | Mean (Brand 2) | Mean Difference | *t* Value | Significance Level |
|---|---|---|---|---|---|
| Initial cost | 2.31 | 2.43 | 0.12 | 1.151 | 0.251 |
| New cost | 2.35 | 2.38 | 0.03 | 0.260 | 0.795 |
| Non-monetary cost | 3.76 | 4.30 | 0.54 | 4.338 | 0.000 |
| *Grand Mean* | *2.66* | *2.86* | *0.20* | *2.552* | *0.011* |

Source: Research Data, 2010

However, non-monetary switching (social) costs have a significant difference between two players. Non-monetary costs involve the energy cost, time cost, and emotional cost. Emotional costs are interpreted by different names such as psychological costs and psychic costs. Due to the nature of the service, the mobile phone connection is considered as a long-term communication linkage or relationship with the service provider and the subscriber and nobody wishes to breach the relationship often. This is because, we build up some relationships with many parties such as colleagues, clients, and business partners through the network of our mobile phone. It is the most easiest and fast way of connecting. When we change our mobile connection, it influences our communication linkage and relationship negatively. We would breach our relationship with other parties and they would be unable to contact us unless we inform our new mobile number to them. Therefore, the mobile SIM number plays a key role to continue our relationships. This is a special type of situation and cost due to the nature of the service. Mobile subscribers were asked whether their switching decision is discouraged by such non-monetary switching costs. Due to inconvenience and problems encountered with switching decisions, mobile phone subscribers attempt to retain with the existing service provider in long run. Both Brand 1 and Brand 2 subscribers have perceived non-monetary switching costs as a high switching barrier. While Brand 2 subscribers have perceived higher level mean value 4.30, Brand 1 subscribers have perceived mean value of 3.76. Since Brand 2 subscribers have perceived higher mean value in non-monetary switching costs over Brand 1, a significant difference ($P<0.05$) has been existed between the mean values of two players. Therefore, this non-monetary switching cost is treated as special type of situation and type of cost due to the nature of the service. Many mobile phone subscribers are indifferent to change their mobile phone number since it affects negatively to the relationships built through the mobile phone network. Hence, they exhibit a level of loyalty towards the existing brand.

## 7. Conclusion

A severe competition has been existed in the field of mobile phone services industry in Sri Lanka, the service providers face a huge challenge on how to retain their existing subscribers. This is because of high tendency of customer switching among different service providers. Therefore, this study was focused on addressing this major issue of customer switching in the mobile phones service industry in Sri Lanka. The survey method was used to conduct the study and the sample consisted of 280 respondents. The results show a high propensity of mobile phone subscribers towards switching among different service providers. Most of the subscribers have shifted their first brand. Thus, it was reported that 259 out of 280 subscribers in the sample have changed their first brand for various reasons. Accordingly, mobile subscribers have exhibited both positive and negative reasons for switching. low rates, special packages and convenient packages, used by many people, economic benefits, free services, and technology and attractive features were identified as positive motives while high rates, poor coverage, unpleasant experience, and deceptive pricing practices were identified as negative reasons. It was evaluated the types of switching costs with respect to switching decision. Accordingly, it shows that the monetary cost is not major factor, which discourages switching behaviour. However, the non-monetary (social) cost plays a major role in discouraging switching decision in the mobile phone services industry.

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