

**SWITCHING INTENTIONS OF MOBILE PREPAID TELECOMMUNICATION
CUSTOMERS IN SOUTH AFRICA**

A Dissertation

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Wits Business School

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Masters of Management in Strategic Marketing

By

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DECLARATION

This thesis titled “**Switching Intentions of Mobile Prepaid Telecommunication Customers in South Africa**” is being submitted for the Degree of Masters of Management in Strategic Marketing at the University of the Witwatersrand Business School, Johannesburg. I hereby declare that this thesis is my own, unaided work and that all the information used has been acknowledged and referenced. I further declare that this thesis has not been submitted before for any degree or examination at any other University.



Lionel Khoza

8 December 2020

Date

ABSTRACT

The South African prepaid mobile telecommunications market has become increasingly competitive, with the late entrants to the market viz. Cell C and Telkom Mobile resorting to price as a weapon to differentiate themselves. This has led to the incumbents i.e. Vodacom and MTN to (reluctantly) join in the price war thereby triggering a dynamic competitive landscape that is characterised by high levels of churn. The incumbents' appetite to join the price war is suspicious, it suggests that these service providers are not conscious to the comprehensive factors behind the mobile prepaid customers' desire to switch between competitors, they seem to perceive price as the only trigger.

A self-administered quantitative study comprising of both online and offline surveys was conducted to understand the underlying factors and variables behind the mobile prepaid customers' switching intention in South Africa. The study employed the PPM (Push-Pull-Mooring) framework, which Bansal et al. (2005) demonstrated its pragmatism, empirical validity and its applicability as a research framework to understand consumer switching intentions and behaviour.

The results of the study indicates that perceived poor customer satisfaction and high prices are push factors that have a significant contribution to the mobile network prepaid switching intention. Perceived good competitor reputation and attractive alternatives were found to be salient pull factors of the customer switching intention whilst, switching costs as a mooring effect were not significant to deter customers from switching to an alternative service provider.

Managers need to consider developing hybrid plans (between prepaid/postpaid) that supports the average spend per user revealed in this study. Moreover, they need to fully understand the prepaid customer purchase decision journey to tighten the marketing mix of their propositions. Offering low perceived pricing should not be at an expense of their network investment. Relationship building initiatives such as loyalty programs should be developed to build loyalty and deter customers from switching.

Keywords: competition, switching intention, churn, mobile prepaid customers

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“Education is the great engine of personal development. It is through education that the daughter of a peasant can become a doctor, that a son of a mineworker can become the head of the mine, that a child of farm workers can become the president of a great nation. It is what we make out of what we have, not what we are given, that separates one person from another” President Nelson Mandela.

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CHAPTER 1: INTRODUCTION

This chapter will embark on a comprehensive review of literature that is pertinent to the topic under investigation. The chapter will begin with the background of the South African mobile network market, and move on to discuss the customer switching intentions and the PPM research framework in relation to the topic under investigation.

1.1 Background of the mobile network industry

South Africa is the most advanced telecoms market in Africa in terms of network technology and services. The mobile network industry is characterised by the latest technology such as smartphones devices from all the leading mobile device manufacturers such as Apple, Samsung, Huawei, Sony etc. which are powered by the latest and fastest 5 generation (5G) network which according to (Mcleod, 2019). Rain, (the data-only network operator) “is the first company in South Africa to launch this (5G) network commercially”. Mcleod (2019) further denotes that the other mobile operators, such as Vodacom and MTN, “are unable to launch 5G services until they get access to more spectrum from communications regulator Icasa (i.e. the Independent Communications Authority of South Africa)” as a result, the 5 generation network is only available in selected areas, leaving the industry to be dominated by 3G and 4G networks.

The industry is represented by full network operators (i.e. those that run their own mobile network infrastructure) viz. Vodacom, MTN, Cell C and Telkom Mobile, as well as the mobile virtual network operators (i.e. MVNO) that do not have or run a mobile network infrastructure, thus rely on the full network providers listed above to offer products and services. The MVNO in South Africa includes but not limited to FNB Connect, Virgin Mobile, MRPmobile most of which run on the Cell C network. These players have sparked a major competition in the industry that is driven by aggressively priced products and services.

Vodacom and MTN enjoy the first mover advantage thus account for 71% of the total mobile market share. Telkom Mobile as the last mover is punching above its weight, it has seen greater growth compared to the other players as evidenced by Figure 1 below which is adopted from (“Mobile market share 2019: Vodacom vs MTN vs Cell C vs Telkom”, 2019).

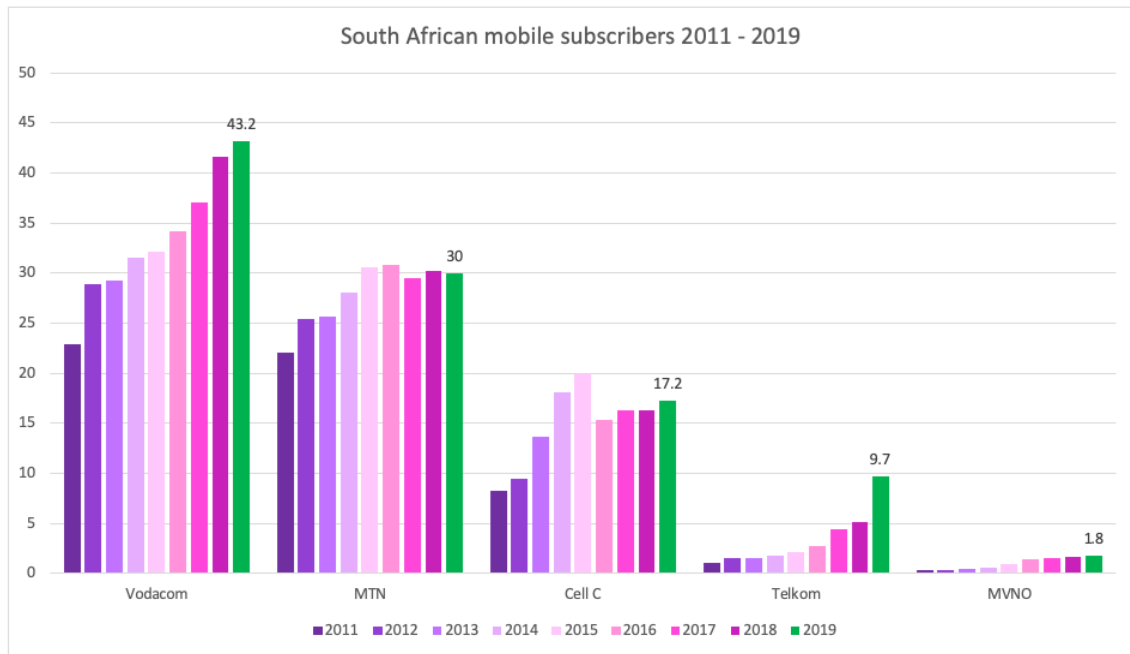


Figure 1: South African Mobile Subscribers 2011-2019

The South African mobile industry is experiencing high levels of mobile SIM penetration, meaning that the number of active SIM cards in the market is greater than the South African population. This is as a result of many subscribers having more than one SIM card. In 2010, the South Africa's mobile industry had a total of 51.6 million subscribers which represented a penetration rate of 105% (Bronkhorst, 2013). This increased to 172% in 2019 as a result of a 97% growth in the number of mobile subscribers from 51.6 million in 2010 to 102 million subscribers in 2019 (“Mobile market share 2019: Vodacom vs MTN vs Cell C vs Telkom”, 2019).

1.2 The South African mobile prepaid market

The South African mobile prepaid market is highly dynamic and very competitive. This competition has been aided by the low switching costs that the regulator (ICASA) has enabled through Mobile Number Portability (MNP) service, which allows customers to switch between service providers without losing their cellphone number, this has resulted in high levels of customer churn rate in the mobile network industry.

Pursuant to Figure 2 which is adapted from (O'Dea, 2020), the prepaid mobile market generated a total of \$3.8 billion in 2018 in which the prepaid mobile data revenue grew by 96% from 2015 to 2018 whereas voice and messaging revenue decreased by 4% and 35% respectively.

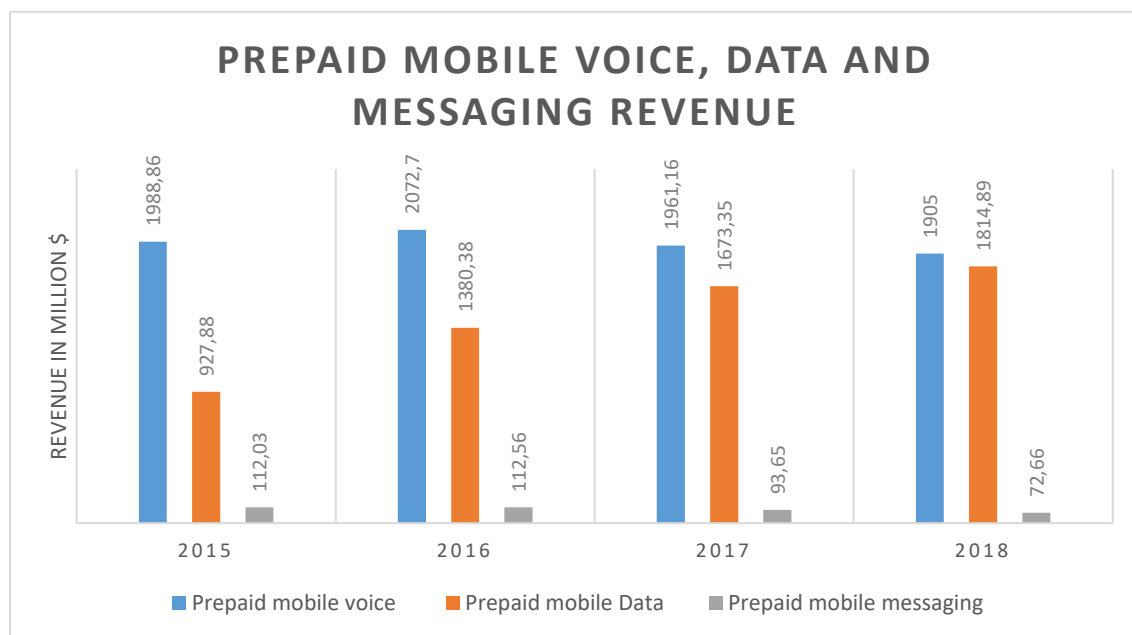


Figure 2: South African prepaid mobile telecommunication revenue from 2015-2018

McKane (2019) reported that the mobile prepaid market has a total of 83,1 million subscribers of which Vodacom is a market leader with 37.9 million prepaid subscribers followed by MTN with 23.3 million and Cell C by 12.5 million as well as Telkom Mobile

with 9.4 million prepaid subscribers as denoted in Figure 3 below. The split between contract and prepaid subscribers by MVNOs is not known.

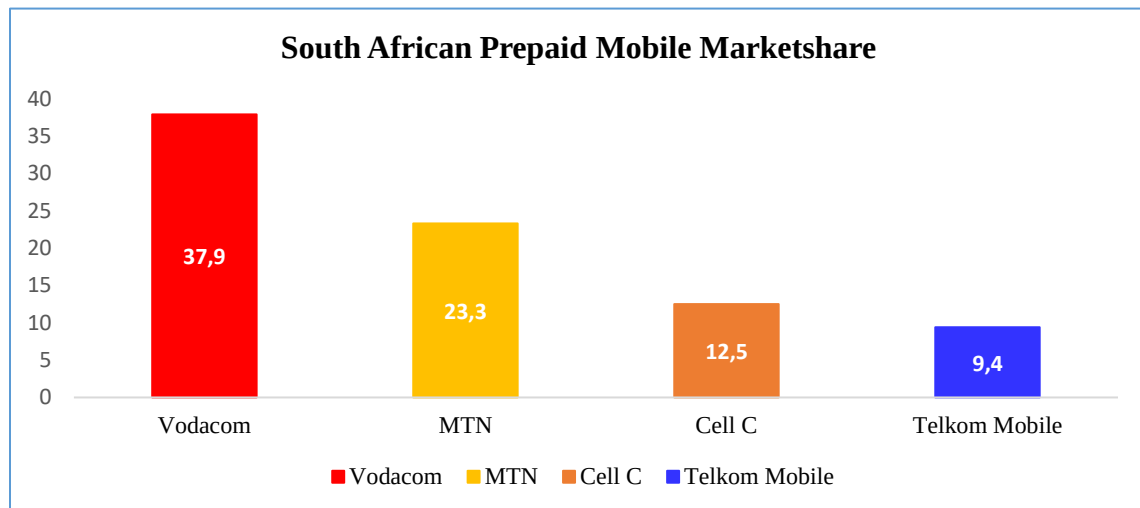


Figure 3: South African Prepaid Mobile Market Share

There has been a raging debate in South Africa around mobile data prices which are perceived by subscribers to be very high resulting in the coining of social media hashtag, “#DataMustFall” see (“#Datamustfall: SA data more expensive than in rival and neighboring economies”. 2019). In light of this, the competition commission conducted a study focusing on prepaid data pricing in South Africa and found that Vodacom and MTN “were charging far more for data in SA than in the other countries in which they operated” (Hosken, 2019). Albeit this adverse finding, Vodacom and MTN have recorded a growth in their subscriber base as seen in their 2018 financial year. The latter grew its subscriber by 1.7 million whereas the former grew by 1.5 million.

Telkom mobile which is perceived to be a low price provider registered the highest growth of 4.5 million subscribers. Whilst MTN has seen growth in subscribers, Rangongo (2018) denotes that “MTN lost more than 800,000 pre-paid subscribers in 90 days”. The underlying reasons that have led these customers to switch from MTN to other service providers is unknown, however, Rangongo (2018) speculates that “increasingly competitive pricing” might have been the reason for the customers to switch. Moreover, it

was further reported by Faku (2019) that MTN lost 1.9 million subscribers from December 2018 to June 2019.

The fact that all the service providers recorded growth in subscribers even those (viz. Vodacom and MTN) that have been found to be highly priced by the Competition Commission suggests that not all subscribers are driven by low price. It will therefore be interesting to know what other elements of the product proposition could have resulted in the subscriber growth especially from subscribers that have switched from one mobile service provider such as MTN to others, considering that the mobile network market is highly penetrated and therefore saturated.

1.3 Research purpose

The purpose of this study is to provide an empirical account of the prominent reasons that might lead customers to develop an intention to switch from one service provider to another. In particular, the study investigates the extent to which the pull factors (Customer satisfaction, price and network quality), push factors (attractive of alternative, peer influence and competitor reputation) and mooring factors (relationship cost, procedural cost and financial cost) are relevant to the prepaid mobile customers' switching intention. Moreover, the study attempts to empirically determine which of the push, pull and mooring factors are influential to the switching intentions of the mobile prepaid customers in the South African mobile network industry.

1.4 Background to the problem statement

The South African prepaid market is characterised by high levels of rivalry between the service providers in which Vodacom and MTN as market leaders have respectively acquired 44% and 32% market share, and Cell C and Telkom Mobile as market challengers, have only managed to gain 17% and 5% of the market share respectively ("South African mobile market share: Vodacom vs MTN vs Cell C vs Telkom," 2018). These market challengers have opted to primarily focus on price to increase their market share resulting in increased competition and churn.

Rangongo (2018) denotes that “MTN lost more than 800,000 pre-paid subscribers in South Africa in 90 days”, whereas, McKane (2019) asserts that “Vodacom prepaid customers declined by 337,000 over the three-month period”, reasons for this decline is not empirically known, although Rangongo (2018) suggests that these subscribers might have switched due to competitive pricing. This assertion is blind to the latest South African Telecommunications Sentiment Index published by BrandsEye as reported by (“Terrible customer service is pushing South Africans to jump networks – here’s where they want to go”. 2019) in which it denotes that South African mobile subscribers, at large, are unhappy with their network providers mainly due to poor customer service. It is further reported that “One in ten (10%) of complaints against a network include a threat to switch to a competitor where Telkom customers expressed the most interest in switching networks, followed by Vodacom, Cell C and MTN”.

Surprisingly, the market leaders viz. Vodacom and MTN seem to have developed insatiable appetite to join in the price war that has been sparked by Telkom Mobile and Cell C. This is highly suspicious, it suggests that these service providers are not conscious to the comprehensive factors that are driving the mobile prepaid customers to develop the desire to switch between service providers. Is price the only trigger? Is poor customer service the reason for customers to develop a switching intention? Is the switching intention a function of price and poor customer service? What other factors may be triggering customer switching intention?

1.5 Problem statement

In light of the “background to the problem statement” discussed in section 1.4, it is abundantly evident that South African mobile service providers are not conscious of the comprehensive reasons that are responsible for the mobile prepaid customers to develop an intention to switch between mobile network service providers.

Sub-problem 1: The effect that Push factors have on switching intention

The first sub-problem explores whether there is a relationship between mobile prepaid customer switching intention and the push factors (Customer satisfaction, price and network quality).

Sub-problem 2: The effect that Pull factors have on switching intention

The second sub-problem explores whether there is a relationship between mobile prepaid customer switching intention and the pull factors (attractive of alternative, peer influence and competitor reputation).

Sub-problem 3: The effect that Mooring factors have on switching intention

The third sub-problem explores whether there is a relationship between mobile prepaid customer switching intention and mooring factors (relationship cost, procedural cost and financial cost).

Sub-problem 4: The effect that Mooring factors have on switching intention

The fourth sub-problem explores whether there is any moderation between the PPM factors leading to the mobile prepaid customer switching intention

1.6 Research question

This study will attempt to answer the following primary research question:

Does any of the Pull, Push and Mooring factors play a significant role in the customers switching intentions? Is there any moderation between the variable? If so, what are the prominent factors?

The following investigative questions will help answer the primary research question:

- a) Does the push factors in respect to poor customer satisfaction have a positive effect on consumer switching intention?

- b) Does the push factors in respect to perceived high prices have a positive effect on consumer switching intention?
- c) Does the push factors in respect to perceived poor network quality have a positive effect on consumer switching intention?
- d) Does the pull factors in respect to perceived good competitor reputation have a positive effect on consumer switching intention?
- e) Does the pull factors in respect to attractive alternatives from competitors have a positive effect on consumer switching intention?
- f) Does the pull factors in respect to peer influence have a positive effect on consumer switching intention?
- g) Does the mooring factors in respect to the low financial cost have a positive effect on consumer switching intention?
- h) Does the mooring factors in respect to the low procedural cost have a positive effect on consumer switching intention?
- i) Does the mooring factors in respect to the low relationship cost have a positive effect on consumer switching intention?
- j) Does the mooring factors mooring variables moderate the relationship between push variables and customer switching intention?
- k) Does the mooring factors moderate the relationship between pull variables and customer switching intention
- l) Does the pull factors moderate the relationship between push variables and customer switching intention?

m) Does the push variables moderate the relationship between pull variables and customer switching intention?

1.7 Primary research objective

This primary objective of this study is binary (i.e. theoretical and empirical) as outlined below:

18.1 Theoretical objective

This study aims to achieve the following theoretical objectives:

Theoretical Objective 1: Comprehensively define switching intention by exploring different definitions by different scholars.

Theoretical Objective 2: Unearth and discuss different models and frameworks that have been used to measure switching intention.

Theoretical Objective 3: Determine the most widely used model or framework to measure the switching intention.

Theoretical Objective 4: Determine and discuss the factors or components of the widely used framework or model to measure the switching intention.

18.2 Empirical objectives

The following empirical objectives has been aptly shortlisted to answer the research questions:

Primary Empirical Objective 1: To determine the significant factors that are attributable to the prepaid mobile customers' switching intentions and,

Primary Empirical Objective 2: Determine whether there is any moderation between the pull, push and mooring factors leading to the prepaid mobile customers switching intentions.

Primary Empirical Objective 3: Recommend strategic actions that the mobile service providers ought to implement to eradicate customer churn in their prepaid mobile market segment.

Pursuant to the primary objective stated above, the following secondary empirical objectives have been established:

Secondary Empirical Objective 1: Identify which of the push factors play a huge role in customer switching intentions

Secondary Empirical Objective 2: Identify which of the pull factors play a huge role in customer switching intentions

Secondary Empirical Objective 3: Identify which of the mooring factors play a huge role in customer switching intentions

Secondary Empirical Objective 4: Identify whether mooring variables moderate the relationship between push variables and customer switching intention.

Secondary Empirical Objective 5: Identify whether mooring variables moderate the relationship between pull variables and customer switching intention

Secondary Empirical Objective 6: Identify whether pull variables moderate the relationship between push variables and customer switching intention

Secondary Empirical Objective 7: Identify whether push variables moderate the relationship between pull variables and customer switching intention.

1.8 Significance of the study

The study will make valid theoretical and practical contribution. Theoretically, the study will contribute to the body of knowledge around switching behavior of mobile prepaid customers in an emerging market context. Practically, the study will help competing prepaid mobile network service providers to understand the underlying factors behind the prepaid customers switching behaviour in order to develop pragmatic strategies to differentiate their propositions on salient elements that are relevant to the mobile prepaid customers as opposed to over relying on price as a differentiator.

1.9 Limitation of the study

This study focuses on the South African mobile network industry with an exclusive emphasis on prepaid mobile customers. Nevertheless, whilst focusing solely on the prepaid customers and discarding contract or subscription based customers is a limitation, this customer segment is a pertinent unit of analysis, considering that prepaid customers have low switching cost. In that, they are fluid and have the ability to switch between service providers at any time, unhindered by contractual obligations and commitment.

1.10 Outline of the research report

This research report is divided into five chapters, the outline of the chapters for the proposed study will be as follow;

Chapter 1 – Introduction to the research: This chapter provides a firm understanding of what the research aims to achieve. The objectives of study including its significance will also be discussed.

Chapter 2 – Literature review: This chapter will provide the review of literature related to the research such as; definition of market orientation, measuring market orientation, disadvantages of market orientation and customer satisfaction.

Chapter 3 – Research methodology: The chapter will start by re-stating the purpose of the study. The research methodology that will be adopted to answer the research question will be presented in Chapter 3. These discussions will include the description and justification of the research instrument, data collection, and analysis. Reliability and validity of the study will then follow and lastly the ethical consideration and conclusion will be provided.

Chapter 4 – Research results: This chapter will carry the analysis of the research results where a quantitative analysis approach will be adopted.

Chapter 5 - Recommendations and conclusions: This chapter will carry the key findings, recommendations, suggestions for future research, and conclusion of the study.

The list of references and appendices:

The list of references acknowledging all sources used and cited in the study will be provided at the end of the research chapters. These will be followed by questionnaires used for the study, extra results diagrams and any other relevant information needed to support the research study.

CHAPTER 2: LITERATURE REVIEW

Introduction

The ensuing discussion on customer switching is divided into the following three areas; the background of customer switching intention, definition of customer switching intention, and the research models of customer switching intentions.

2.1 Background to the switching intention

Post purchase evaluation is the last stage of the consumer decision making process, which follows the purchase decision and the use of the product or service. The outcome of this evaluation determines whether a customer will elect to continue to have a relationship with the provider of the evaluated service or switch to an alternative provider. This assertion is in line with Liu et al. (2019) who found that the customer's post-purchase evaluation of a product or service directly affect their intention to switch from one service provider to the other.

No organization (from churches to a profit making corporate) that operates in a competitive industry is immune to consumer switching intention. This is in contrast to Keaveney and Parthasarathy (2001), who postulated that customer switching intention is mostly significant within the service industries. To cement this point, any organization that is offering products that have a close substitute in the market bears the risk of customer switching to an alternative provider which negatively impact the company's revenue and bottom line.

The more dissatisfied a customer is with the organisation's product or service, the higher the switching intention. The customer dissatisfaction can be informed by direct or indirect phenomena, the latter refers to dissatisfaction that is informed by alternative market offering which customers might perceived to be more attractive and valuable than the current organisation's product or service whilst the former refers to dissatisfaction derived from the use of the organisation's product or service.

2.2 Defining the customer switching intentions

Customer switching intention has been studied for decades and as a result, there is a number of competing but complementary definitions of this phenomenon as seen in Table 1 below:

Author	Definition
Nimako (2012)	The process by which a consumer abandons his/her relationship with a current service/product provider and replaces it with a competitor partially or entirely for a given time period, and resulting in the original provider losing future profits and bearing the cost of acquiring new customers
Bolton and Bronkhurst (1995); Boote (1998)	Switching reflects the decision that a customer makes to stop purchasing a particular service or patronizing the service firm completely
Bejou and Palmer (1998); Hocutt (1998); Stewart (1998)	Customer switching represents a dynamic process that develops over a particular period of time and results in relationship ending
Bansal and Taylor (1999)	The switching of service provider consists of replacing the current service provider with another service provider
Keaveny and Parthasarathy (2001); Sathish et al. (2011)	Customer switching is defined as an act of being loyal to one service categories, but switch from one service provider to another, as a result of dissatisfaction or any other related problems
Keaveney (1995)	One's attitude toward replacing the current brand with Another
Shen and Li (2010)	The intention to betray or exit an existing relationship. It depended primarily on customers' decision to stop buying or receiving the primary services from a service provider
Oyeniya and Abiodun (2010)	Customer switching incurred by buyers for stop transaction relationships and initiating a new relation with some other business

Table 1: Market Orientation Definitions

Pursuant to the above definitions, switching intention can be synthesised and described “*as the act by a customer of moving from one service provider to another resulting in the original service provider losing current and future profits and bearing the cost of acquiring new customers*”

2.3 Measuring customer switching intention

There is a number of research frameworks that have been used to investigate customers switching intentions from a different research context as see on Table 2 below. This shows that consumer switching intension has attracted considerable amount of attention since the 20th century.

Research Model	Authors	Research Context
SPSM based on the theory of planned behaviour (TPB)	Bansal et al. (2005)	Service industry
Product importance Model-Based switching model	Morgan and Dev (1994)	Hospitality in developed country
A model of consumer service switching behaviour	Keaveney (1995)	Many context
SPAT (switching path analysis technique)	Roos et al. (2004); Roos et al. (2006); Roos and Gustafsson (2007)	Telecom
Service provider switching model	Bensal and Taylor (1999)	Service industry
The switching process model	Colgate and hedge (2001)	Retail baking
Three components model of consumer commitment to service provider	Bansal Irving and Taylor (2004)	Auto repairs, hairstyling
General system theory of consumer switching	Njite, kim & Kim (2008)	Hospitality industry
Agency theory of consumer switching	Aish, kortam & hassan (2008)	Advertising agent relationship
Prospect theory of consumer switching	Marshall, Huan, Xu & Nam (2011)	Financial Market

Table 2: Customer Switching Intention Research Models

Further to the various research models that are highlighted in Table 2 above, the Pull, Push and Mooring (PPM) research framework has been the most attractive research model that has been consistently used across various research context and discipline to study customer switching intention as evidenced by Table 3 below. This research framework (see Figure

5) has been used by a number of scholars viz. Chuah et al. (2017); Gerpott et al. (2001); Nimako and Ntim (2013) etc. to study the consumer switching intention.

Research Model	Authors	Research Context
Push Pull Mooring Framework	Al-Mashraie et al. (2020), Tesfom et al. (2016), Chuah et al. (2017) Deng et al. (2010) Porral et al. (2017) Miao et al. (2016) Chuang, (2011) Nimako and Ntim, (2013) Lui, (2005) Madden et al. 2004 Nimako and Ntim (2013) Miao et al. (2016) Gerpott et al. (2001)	Telecommunication industry
	Chang, Wong, & Li (2017)	Retail industry - consumer channel, physical to online store
	Jung, Han, & Oh. (2017)	Airline industry
	Afandi, M.A (2020)	Banking industry
	Bansal et al. (2005)	Service industry

Table 3: Customer Switching Intension studies using the PPM Research Framework

The PPM framework was initially developed to investigate and determine the underlying motives around people's migration from one geographic place to another. Lee (1996) gave birth to the framework which was limited to pull and push factors, this was extended to include the mooring factors by (Moon, 1995).

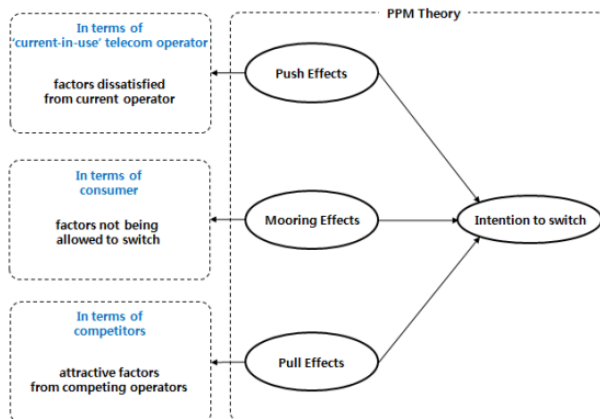


Figure 4: PPM Framework

Akin to the seasonal animal migration, the basic tenets of the PPM framework is that human beings and consumers alike, are pushed to abandon a residence (service provider) due to negative circumstances that are beyond their control and or pulled into new residence (service provider) by attractive conditions of interest moderated by psychosocial phenomena (Bansal et al., 2005).

Nikano and Ntim (2015, p.40) argues that “the PPM model is a useful and comprehensive framework to study consumer switching behavior. It captures three important categories of antecedents of switching intention and behaviour, viz. push factors (or firm factors), pull factors (or competitor factors), and mooring effects (personal and social factors)” and Bansal et al. (2005) demonstrated the pragmatism, empirical validity as well as the applicability of the use of this framework to understand consumer switching intentions and behavior.

A comprehensive literature review was conducted to unpack variables of the PPM factors that have been empirically found by various scholars to have a significant effect on the customer switching intention.

2.3.1 Push Factors

Push factors refers to the underlying reasons that motivates people to migrate from one geographic area to another, according to Lee (1996), such reasons includes the act of nature (natural disasters), bad economic conditions, wars and poverty. Table 4 below summarises pull variables that have been derived through the literature review.

Research Context	Push Factors Variables	Reference
Mobile telecommunication services	Customer Satisfaction (Service Quality,	Chuah et al. (2017) Deng et al. (2010) Porral et al. (2017) Miao et al. (2016) Chuang (2011)
	Price	Nimako and Ntim, (2013) Lui, (2005) Madden et al. (2004)
	Perceived Network Quality (Network Coverage)	Nimako and Ntim (2013) Miao et al. (2016) Gerpott et al. (2001)

Table 4: Variables of the Push Factors in Mobile Telecommunications

Pursuant to the push variables listed above, customers might be pushed to switch from one service provider to another due to; low perceived service quality, low perceived value, high price and poor network quality. The subsections that follow will comprehensively discuss these variables.

2.3.1.1 Customer Satisfaction (Service Quality)

Customer satisfaction has attracted considerable amount of attention amongst scholars and marketing practitioners since the past century. Oliver (1980) described customer satisfaction as a state where customer's expectation about a company's service or product is completely fulfilled after the consumption or use of such a service and or product. This is consistent with Parasuraman and Berry (1991) who posited that satisfaction can only be derived after an experience. Mittal and Kamakura (2001), pursuantly found in their study that the more satisfied a customers is, the more they will remain loyal to the company through repeat purchases and act as ambassadors for the company and product or service through word of mouth.

Further to Table 4 above, service quality has been found by various scholars listed therein as one of the critical variable of the push factors. It has been found to have a positive effect

on customer satisfaction which dissuade customers from switching to other service providers. This finding is supported by Raza, Jawaid & Hassan (2015) who found in their study that there is a positive correlation between service quality and customer satisfaction. The inverse holds true, Chuah et al. (2017) found that a poor service quality leads to a poor customer satisfaction which tend to push customers to switch from one service provider to another.

It is therefore critical to establish from this study whether poor customer satisfaction does indeed lead to customer switching intention in the mobile network prepaid service industry. The following hypothesis will therefore be tested:

H1. The push factors in respect to poor customer satisfaction have a positive effect on consumer switching intention.

2.3.1.2 Price

There is a strong correlation between price, service quality and customer satisfaction. Most customers perceive and expect a service or product that is assigned a high perceived price point to be accompanied by high service quality and satisfaction (Oliver, 1997), any deviation in which the perceived service quality experienced is not consistent with the high perceived price, the customers are highly likely to switch to another service provider (Nimako & Ntim, 2013).

Further to Table 4 above, Chen and Keng (2019) also reported in their findings that the perceived high price is a significant push variables leading to customers to switch to an alternative service provider. This finding is also consistent with Chang et al. (2017); Jung et al. (2017) who also found in their respective studies that high perceived pricing resulted in customers switching to an alternative service provider.

Due to the increasing nature of competition, service providers in the South African mobile network industry are increasingly using price as a weapon to differentiate themselves thereby turning price into destructive weapon. It is therefore critical to test whether

perceived high prices within the prepaid mobile network industry in South Africa has any bearing on the customer switching intention. The following hypothesis will therefore be tested:

H2. The push factors in respect to perceived high prices have a positive effect on consumer switching intention.

2.3.1.3 Perceived Network Quality (Network Coverage)

Network quality and coverage is a critical factor of service quality and customer satisfaction within the mobile network industry. Customers in this industry are paying for a capability to connect, be it through a voice call or through an internet connectivity, which means that the poor the mobile network, the poor the connectivity making network quality a critical switching antecedent (Lee & Murphy, 2005) and any mobile network operator that is able to deliver a high quality network to its subscribers will have low switching rates and will attract more users than competing operators (Quoquab et al., 2018).

It is therefore critical to establish from this study whether perceived poor mobile network quality leads to customer switching intention in the mobile network prepaid service industry. The following hypothesis will therefore be tested:

H3. The push factors in respect to perceived poor network have a positive effect on consumer switching intention.

2.3.2 Pull Factors

Pull factors are those attractive factors such as good economic conditions, political stability, and good job prospects etc. that motivate people to migrate. In a business environment, customers are pushed to switch due to the appealing nature of the alternative offerings in the market. The variables for the pull factors are summarized in Table 5 below:

Research Context	Pull Factors Variables	Reference
Mobile telecommunication services	Competitor Reputation	Nimako and Ntim (2013)
	Attractiveness of alternatives	Porral et al. (2017) Chuah et al. (2017) Nimako and Ntim (2013) Lui (2005) Chuang (2011)

Table 5: Pull Factors Variables in Mobile Telecommunications

The above variables posit that customers might be pulled away from a service provider to another due to the reputation and attractiveness of the service that is offered by that service provider.

2.3.2.1 Competitor Reputation

Good company reputation is an asset for an organization, it attracts prospective customers to the brand and keep the existing ones from churning. Wang et al. (2003) denoted that a good reputation is often valuable, inimitable, rare and non-substitutable, it is a social identity that provides an organization with an edge and a competitive advantage in an industry (Rao, 1994).

Reputation is one of the factors that the earlier studies of customers switching intention such as (Bloemer et al., 1998; Nimako & Ntim, 2013) found to have played a significant role in the customer switching intention, this is because a good reputation is a key ingredient in the attraction and retention of customers, it amplifies a word of mouth marketing (Muffato & Panizzolo, 1995; Wang et al., 2003). There's a lack of literature that is focusing on the investigation of competitor reputation as an influencer of customer switching intention within the prepaid mobile telecommunication network domain, it is therefore critic to test the following hypothesis:

H4. The pull factors in respect to perceived good competitor reputation have a positive effect on consumer switching intention.

2.3.2.2 Attractive of Alternatives

The South African mobile prepaid market is highly saturated with 172% penetration where the total number of the active SIM cards exceeds the total population. In 2010, the South Africa's mobile industry had a total of 51.6 million subscribers which represented a penetration rate of 105% (Bronkhorst, 2013). This increased to 172% in 2019 as a result of a 97% growth in the number of mobile subscribers from 51.6 million in 2010 to 102 million subscribers in 2019 (“Mobile market share 2019: Vodacom vs MTN vs Cell C vs Telkom”, 2019).

Customers venture into having multiple SIM cards to take advantage of the sales promotions that the competing mobile operators launch to attract customers to pull subscribers to their network. The penetration rate phenomenon suggests that customers / subscribers would rather opt for an additional sim card from a different service provider rather than switching their network altogether.

A number of academics, see Table 5, have discovered that there's a positive relationship between the attractiveness of alternatives, and customer switching intention. The more appealing the alternatives, the greater probability for the consumers to switch. It is therefore critical to establish whether the alternative propositions and promotions that competing mobile network operators offer in the market have any effective on the prepaid customer switching intention. The following hypothesis will therefore be tested:

H5. The pull factors in respect to attractive alternatives from competitors have a positive effect on consumer switching intention.

2.3.2.3 Peer Influence

Consistent with findings obtained from prior studies, Oh and Park (2020, p.12) found that “when users make a switching decision, both peer influence and media influence affect switching behavioral intention”. Preponderance of external information that is propelled by both the above and below the line media such as newspapers, television, digital and

social media platform plays a vital role in influencing customer purchasing decisions. Peer influence through word of mouth from socially proximal referents such as family members, friends and other acquaintances have the power to influence consumer buying decision especially as result of interpersonal trust that a consumer has towards the peers.

Zengyan et al, (2009) have empirically found a positive relationship between peer influence and customer switching intention. Customers often rely more on the word of mouth from their peers than the paid for marketing media, thus socially proximal referents are therefore critical in the customer purchase decision journey. This is because the referents speak from a point of vantage and authority as they often have a tangible experience with the product or service. (Childers & Rao, 1992).

This current study seeks to expound on these previous studies to establish whether peer influence has any effect on the prepaid customer switching intention. The following hypothesis will therefore be tested:

H6. The pull factors in respect to peer influence have a positive effect on consumer switching intention.

2.3.3 Mooring Factors

Mooring factors refers to the prospective migrant's psychosocial phenomenons that might impact on the migration decision and intention (Moon, 1995). "Mooring construct is understood as a combination of negative and positive personal and social factors that influence either positively or negatively the switching intention, and moderate the push and pull effects" Nimako and Ntim (2013, p.87). The variables for the mooring factors are listed on Table 6 below:

Research Context	Mooring Effects Variables	Reference
Mobile telecommunication services	Financial Costs	Chuah et al. (2017)
	Procedural Costs	Nimako and Ntim (2013)
	Relationship Costs	

Table 6: Mooring Factors Variables in Mobile Telecommunications

More to Table 6 above, several studies viz. Burnham et al. (2003); Bansal et al. 2005; Chung (2011); Hsieh et al. (2012); Xu et al. (2014) have found that switching costs have a direct and influential impact on the customers switching intentions. Burnham et al. (2003) lists money, time and psychological factors as having a significant impact on customer switching intention. Lee (2005); Chang et al. (2014) denoted that before a customer decides to switch service providers, they conduct a full reflection on the switching cost that they will be subjected to. If the cost to switch is lower than the perceived value, the customer will opt to switch. Thus, switching costs acts as a barrier to customer switching intention.

Although the literature within the mobile telecommunication network industry is limited on the list of the switching costs listed in Table 6 above, the intention of this study is to investigate whether these factors have any bearing on the prepaid customer switching intention within the prepaid mobile network industry. The following hypothesis will therefore be tested:

H7. The mooring factors in respect to the low financial cost have a positive effect on consumer switching intention.

H8. The mooring factors in respect to the low procedural cost have a positive effect on consumer switching intention.

H9. The mooring factors in respect to the low relationship cost have a positive effect on consumer switching intention

2.3.4 Moderation

Moderation refers to a situation that includes three or more variables, such that the presence of one of those variables changes the relationship between the other two. A moderator is a “variable that affects the direction and/or strength of a relationship between an independent or predictor variable and a dependent or criterion variable.” (Baron & Kenny, 1986, p.1174). In other words, moderation exists when the association between two variables is not the same at all levels of a third variable. “Moderation (or interaction) occurs when the strength or direction of the effect of a predictor variable on an outcome variable varies as a function of the values of another variable, called a moderator” (Marsh et al., 2013, p.361).

Several studies viz. Bansal et al. (2005); Lu and Su (2009); Zhou et al. (2016); Islam et al. (2011) have found that mooring variables such as financial, procedural and relationship moderates the customer switching intention. These mooring variables prevent consumers from switching to an alternative service provider even if the push and pull factors are strong. Therefore, mooring variables moderates the relationship between pull factors and switching intention as well as between push factors and the switching intention. Meaning that even if the push and pull factors are strongly propelling a customer to switch to an alternative service provider, mooring factors such as switching costs might discourage the customers from switching.

The following hypothesis will therefore be investigated. The study will also investigate whether push and pull factors can work as moderators.

H10. Mooring variables moderate the relationship between push variables and customer switching intention.

H11. Mooring variables moderate the relationship between pull variables and customer switching intention.

H12. Pull variables moderate the relationship between push variables and customer switching intention.

H13. Push variables moderate the relationship between pull variables and customer switching intention

2.3.5 Research model

The research model for this study is grounded on the hypotheses derived above. The study employs the fundamentals of the PPM (Push-Pull-Mooring) model seen in Figure 5 to extract key and underlying possible reasons around the intention of prepaid customers in the South African mobile telecommunication service industry to switch from the current service providers.

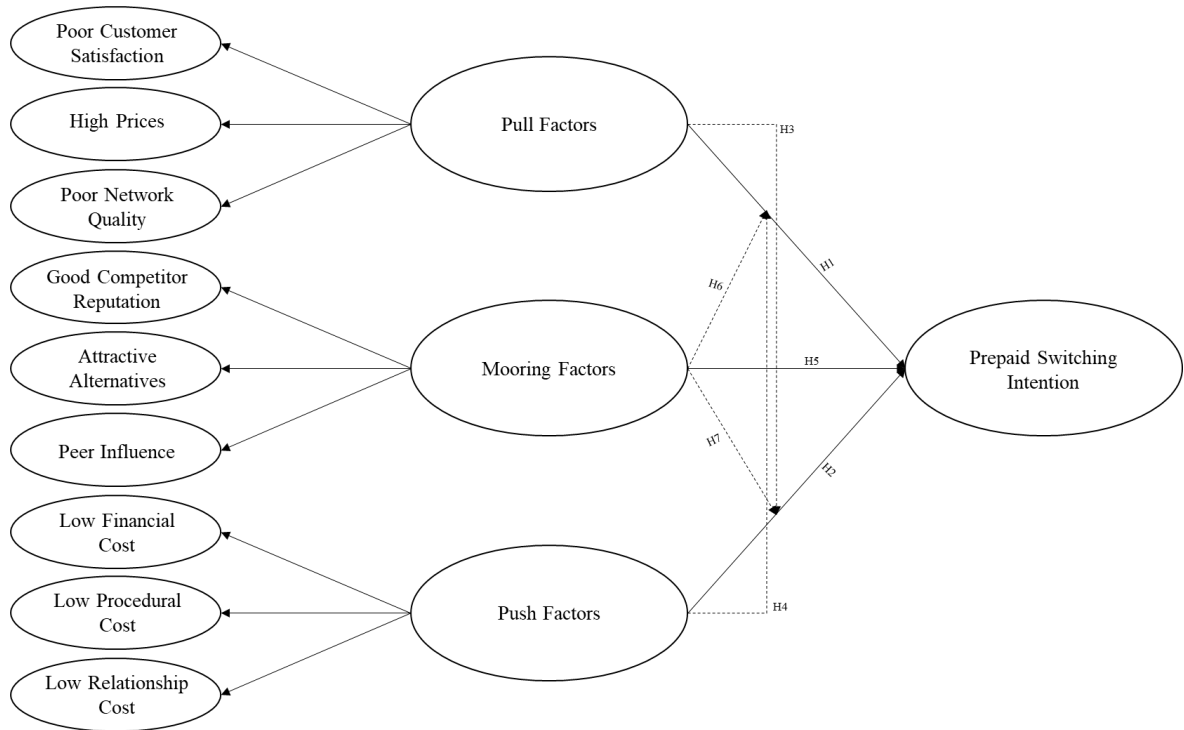


Figure 5: Research Model

2.4 Summary

It is evident from the above discussion that the PPM framework is an ideal framework to use to understand consumer switching intentions, more so that Bansal et al. (2005)

demonstrated the pragmatism, empirical validity as well as the applicability of the use of this framework to understand consumer switching intentions and behavior. This study will therefore employ the fundamentals of the PPM (Push-Pull-Mooring) model seen in Figure 5 to extract key and underlying possible reasons around the intention of prepaid customers in the South African mobile telecommunication service industry to switch from the current service providers.

CHAPTER 3: METHODOLOGY

This chapter presents the research methodology that was adopted in this study to test the formulated hypothesis and answer the research question. The ensuing discussions will focus on the following; research design which will describe the research approach as well as the research method. The sample and sampling procedures will also be covered extensively in this study. The chapter will conclude with a concise synthesis of the chapter.

3.1 Research Design

Tustin et al. (2005, p.82), describes research design as “the master plan that specifies the method and procedures for collecting and analysing the required information to realise the research objective or hypothesis”. They further classified research design under the following three categories described in Figure 6 below;

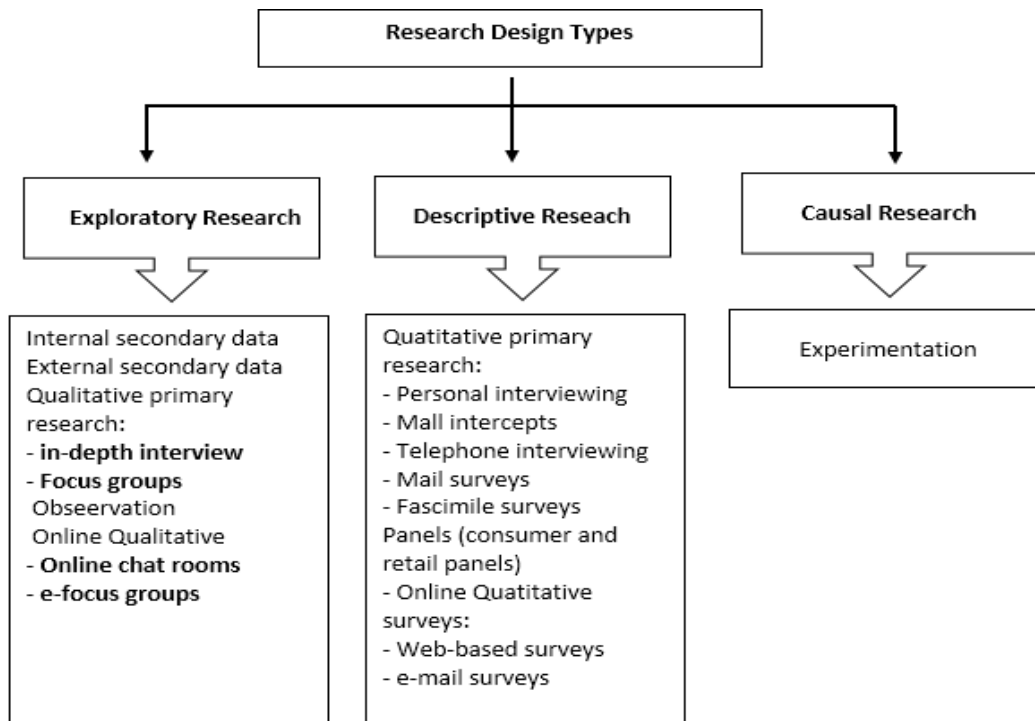


Figure 6: Classification of research approaches by data collection method

3.2 Research Approach

Pursuant to Figure 6 above in which three research designs have been described, this study has opted for the descriptive research design which has been found to be ideal for this study. Survey research method was used in which the required data was collected through a web-based structured questionnaire. Leedy and Ormrod (2010, p.187) describes a survey research at the one that involves “acquiring information about one or more groups of people – perhaps about their characteristics, opinions, attitudes, or previous experiences, by asking them questions and tabulating their answers”.

3.3 Research Method

The ensuing discussion shall be grounded on the following; population and sampling, measurement instruments (including validity and reliability), research procedures and ethical considerations.

3.3.1 Population and sampling

Thatchfield Hills Estate WhatsApp groups and body corporate database were used as a sample frame in which the relevant population was selected based on convenience and availability to participate in this study. This estate is inhabited by a multicultural and diverse population which is representative of South African population in terms of demographics, ethnic groups (Blacks, Coloureds, White and Indians) as evidence by Figure 10 in section 4.1.1.3.

3.3.2 Target population

A target population refers to the entire group of items in which the researcher has interest (Cooper & Schindler, 2006; Thornhill et al., 2000; Tustin et al., 2005; Nenzhelele, 2012). The population should include all the people or establishments whose opinions, behaviour, preferences and attitudes will yield information to answer the research question. The population of interest for this research study were residents residing in the Thatchfield Hills

Estate in Centurion, this estate is inhabited by a multicultural and diverse population which is representative of South African population in terms of demographics, ethnic groups (Blacks, Coloureds, White and Indians as evidence by Figure 10 in section 4.1.1.3. Census-based approach (where everyone in the population of interest had an equal chance to participate in the survey) was adopted to survey the heterogeneous target population in which N was equal to 1900.

3.3.3 Unit of analysis

The unit of analysis for this study was the adult population amongst the 2000 Thatchfield Hills Estate residents. Participation was voluntary, where an invitation through a WhatsApp chat containing a link to the research questionnaire was sent out to each of the targeted population unit on the WhatsApp group, and this was complemented by an intercept survey within the estate. This census-based approach yielded a response rate of 10% (N = 200).

3.3.4 Measuring instruments

The primary data for this study was collected through a structured electronic and paper based questionnaire. The questionnaire was divided into three sections as outlined below:

- **Section A was titled “General”:** This section focused on unearthing insights around the participant’s mobile subscription details such as; the mobile network provider, type of subscription, average monthly spent, number of sim cards, etc.
- **Section B was titled “Switching intention”:** This section contained 41 scales that have been adopted from different sources to measure switching intention grounded on variables and its sources described in Table 7 below:

Switching intention variables	Number of Items	Items adapted from
Customer Satisfaction (CS)	5	Bensal et al. (2005); Nimiko (2012); Bhattacharjee (2001)
Price (P)	7	Bensal et al. (2005); Nimiko (2012); Bhattacharjee (2001)
Network Quality (NQ)	5	Nimiko (2012)
Financial Cost (FC)	2	Jones et al. (2000)
Procedural Cost (PC)	4	Nimiko (2012)
Relationship Cost (RC)	2	Nimiko (2012)
Attractiveness of Alternatives (AA)	5	Jones et al. (2000)
Peer Influence (PI)	3	Taylor & Todd (1995)
Competitor Reputation (CP)	5	Nimiko (2012)
Switching Intention (SI)	3	Kim et al. (2006)

Table 7: Switching intention questionnaire variables adopted from previous studies

All the items on this section of the research instrument were measured on a 5 point Likert scale anchored at extreme poles (1 “Strongly Agree” - high intensity to 5 “Strongly Disagree” - low intensity). The measuring instrument scales are provided in Table 8 below:

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	2	3	4	5

Table 8: 5 point scale Response Measuring Instrument Scale

Participants were asked to use the response scales to indicate the degree to which the statements accurately described their own situation and feelings by clicking on the appropriate radio buttons in relation to the online survey and or by putting a cross on the most relevant option to the paper questionnaire that they were given.

- **Section C was titled “Demographics”:** The objective of this section was to collect the respondent’s demographic data such as; age, gender, ethnicity, level of education etc. to establish whether demographics have any bearing on the switching intention.

3.3.5 Composition of the instrument:

A comprehensive literature review was conducted to determine the constructs for the customers switching intention. The research instruments (especially of) Bensal et al. (2005); Nimiko (2012) have been considered to be the most used research instruments for determining a consumer's switching intention. Therefore, this study mainly adopted these instruments supported by other instruments from sources listed in Table 7 above. It must be noted that the instruments were not adopted verbatim, they were slightly modified to fit the unique purpose of this study.

3.4 Validity and Reliability of the instrument:

This section will explore the validity and reliability of the questionnaire's content.

3.4.1 Validity

“The validity of a measurement instrument is the extent to which the instrument measures what it is actually intended to measure” (Leedy & Ormrod, 2010, p.28). Various types of validity were assessed for this study as discussed below:

3.4.1.1 Face validity

According to Leedy and Ormrod (2013), face validity addresses attractiveness of the measurement instrument in terms of the look and feel which includes but not limited to structure, formatting, colour etc. To achieve face validity for this study, the questionnaire was shared with my supervisor and other scholars who provided constructive criticisms and inputs that led to a cosmetic refinement of the questionnaire for it to be valid and attractive to the respondent.

3.4.1.2 Construct validity

Construct validity is used to ensure that the measure is measuring the construct accurately, making sure that all the aspects of the construct are taken into consideration (Leedy &

Ormrod, 2013). The study addressed construct validity through an extensive literature review as seen on chapter 2 which helped to refine the topic of concern, the research model (refer to Figure 5 and section 2.3.5) as well as the measurement instrument discussed in section 3.3.4 above.

3.4.1.3 Content validity

The content validity ensures that the research questions attached to the questionnaire are relevant to the objectives of the study. To strengthen the questionnaire's content validity, a pre-test on a sample of 20 respondents within the research population was instituted with no issues raised. This indicated beyond doubt that the instrument measured what it was actually intended to measure.

3.4.1.4 External validity

Bryman (2012) indicates that external validity deals with the generalizability of the study, this is, whether the results of a study can be generalised beyond the specific research context, to different measures, types of persons, settings and times (Jimenez-Buedo & Miller, 2010). Random sampling was used to derive a good representative sample for this study resulting in a satisfactory external validation.

3.4.2 Reliability

Leedy and Ormrod (2010, p.29) denote that reliability is the “consistency with which a measuring instrument yields a certain result when the entity being measured hasn't changed. The reliability of the instrument for this study was established through the calculation of Cronbach Alpha (a coefficient of reliability or internal consistency). Cronbach Alpha of .70 or higher is considered acceptable (Hair et al., 1998), whereas a Cronbach Alpha of less than .70 is an indication that the scale may not be internally consistent (Pallant, 2007).

Overall, most of the constructs for this study indicates a significant amount of reliability as evidenced by Table 9 below. The items returned a very strong Cronbach Alpha which was greater than .70 implying a good internal consistency.

Switching Intention Variables	Cronbach's Alpha	Number of Items
Push Factors		
Customer Satisfaction (CS)	.894	5
Price (P)	.925	7
Network Quality (NQ)	.910	5
Pull Factors		
Financial Cost (FC)	.674	
Procedural Cost (PC)	.877	4
Relationship Cost (RC)	.484	
Mooring Factors		
Attractiveness of Alternatives (AA)	.858	5
Peer Influence (PI)	.922	4
Competitor Reputation (CP)	.809	5

Table 9: Reliability Statistics - Customer Orientation

It is further observed from Table 9 above that the Cronbach Alpha for financial cost and relationship cost are less than .70. These items only returned a Cronbach Alpha of .674 and .484 respectively which suggest that the scale for these items may not be internally consistent. Nonetheless, it must be further noted that these two items returned a strong correlation coefficient of .509 and .320 which is highly significant.

3.5 Research procedure

The research procedure used for this study which is discussed below is characterised by the following themes: 1) ethical considerations, 2) the field survey, 3) the pilot study and 4) editing the data in preparation for statistical analysis.

3.5.1 Ethical considerations

Tusttin et al. (2005, p.43) denotes that ethics “are not optional extras or discretionary add-ons to normal business, they are concerned with doing what is right and good, or with a way of life that goes beyond the demands of the law and regulations”. Ethics are as important in research as they are in business and other spheres of life. This study maintained high ethical standard by strictly following these obligation to research participants as recommended by (Tustin et al., 2005, p.43):

- Participants should not be harmed
- Participants should not be deceived
- Participants should be willing and informed
- Data should be held in confidence

In light of the above recommendation, the invitation to the prospective respondents clearly stated that participation was voluntary and that no information provided would be linked to the identity of the respondents, in particular, the following undertaking was attached to the invite:

- Participation is voluntary.
- All responses will be anonymous and strictly confidential.
- The survey will take around 15 minutes to complete.

3.5.2 Pilot study

The survey link was sent via WhatsApp messaging platform to 20 randomly selected participants within the target population to establish whether there were any problems with the web link and or the manner in which the questionnaire was structured. No problems were reported by the respondents is completing the pilot survey.

3.5.3 Field Survey

This study adopted a web-based survey data collection method which Tustin et al. (2005, p.252) have found to possess the following advantages:

- Costs: The cost of both data collection and analysis can be minimised.
- Time: High volumes of responses can be collected very quickly
- Response: Have the ability to generate a high number of responses

Pursuant to above advantages, this data collection method was selected to ensure the highest possible response rate at the lowest possible cost.

Google Forms, a web-based data collection software application was used to create and host the survey questionnaire. Prospective participants were invited through a WhatsApp chat message to participate in this research study. A URL (Universal Resource Locator) which redirected participants to the survey questionnaire was embedded on a WhatsApp message. The participants accepted the invitation by clicking on the URL which opened the survey questionnaire.

3.5.4 Statistical Analysis

The researcher need to decide on exactly what kind of information h/she wants to get out of the data, i.e. what statistical analysis to undertake. The choice of the analytical technique depends on the sort of answers that the researcher needs in order to achieve the research objectives and answer the research question (Diamantopulos & Schlegelmilch, 2000).

The SPSS Statistics software package was used to conduct the following statistical analysis; Descriptive statistics, Pearson correlation, Regression analysis whereas Stata statistical analysis software package was used to conduct a Structural equation modelling (SEM) to answer the research questions and achieve the objective of this study.

3.6 Summary

This chapter fully explored the research methodology that was employed to complete this study. A census approach where all participants in the target population had an equal chance to participate was followed to survey the target population which were heterogeneous in nature. A response rate of 20% was achieved in which N=200. A five point Likert scale anchored at extreme poles i.e. 1 “Strongly Agree” - high intensity to 5 “Strongly Disagree” - low intensity) were used to measure the selected variables.

The discussions were grounded on the following; the target population, participants and sampling, unit of analysis, and measuring instruments used. Furthermore, the research procedure, ethical considerations, the pilot study and, field study were critically discussed. This chapter was concluded by a discussion on the statistical analysis used in this study. The subsequent chapter will present the results of the statistical analysis conducted on the data.

CHAPTER 4: RESULTS

Introduction

The research design and research methodology used for this study were presented in the previous chapter. The objective of this Chapter is to presents the results of this study based on the theoretical and empirical objectives listed in section 1.8 of Chapter 1 of this study.

The structure of this chapter will follow the following four phased as indicated in Figure 7 below.

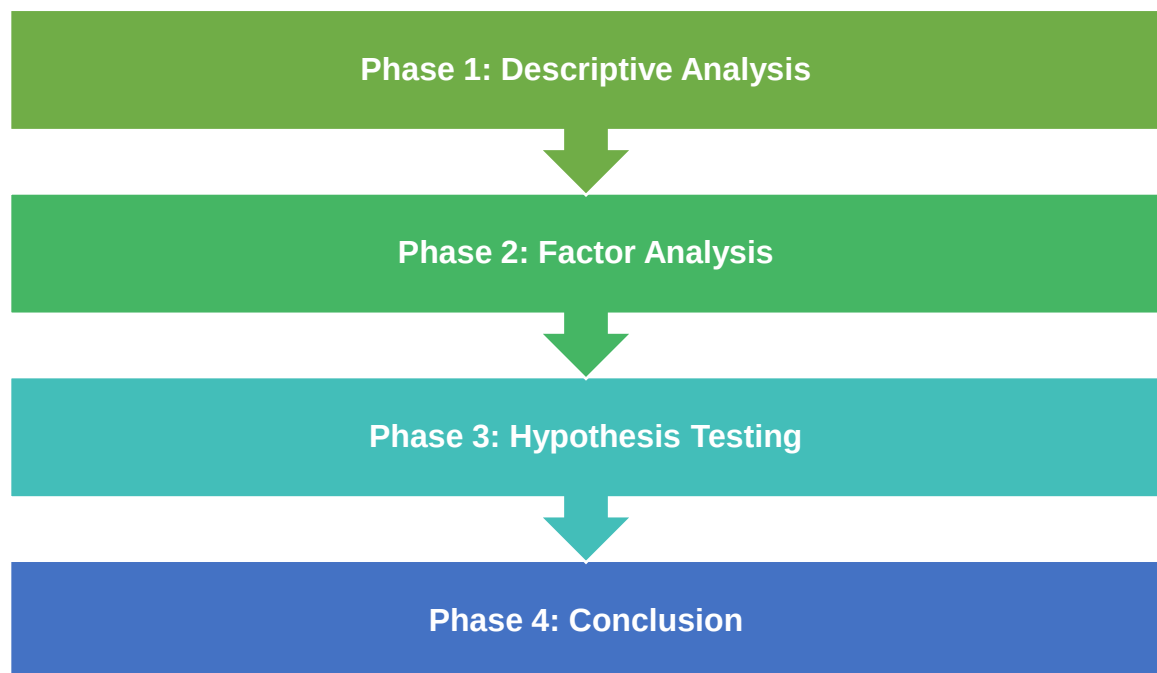


Figure 7: Research Process Sequence

In line with the research process sequence described in Figure 7 above, Diamantopulos and Schlegelmilch (2000, p.73) have denoted that “Data description is a typical first step in any data analysis project, it enables the researcher to get to know his/her data before they try something more adventurous”. The descriptive statistics of all the data collected for the study will be presented in Phase 1.

4.1 Phase One – Descriptive Statistics

Diamantopulos and Schlegelmilch (2000, p.73), have denoted that descriptive statistics provides a very useful initial examination of the data of which the purpose is to:

- Provide preliminary insight as to the nature of the responses obtained, as reflected in the distribution of values for each variable of interest.
- Help detect errors in the coding process
- Provide a means for presenting the data in a digestible manner, through the use of tables and graphs
- Provides summary measures of typical or average responses as well as the extent of variation in response for a given variable
- Descriptive statistics, form the basis of quantitative data analysis Kerlinger (1986), it provide a simple summary of the data collected as well as the measures applied.

4.1.1 Biographical and Demographical Data

The biographical data of this study is characterised by age, gender, race and marital status whereas the demographic data is represented by occupation and highest qualification.

4.1.1.1 Gender

Females dominated the survey with a total number of 148 respondents whereas only 51 males participated in the study. This translates into females and males accounting to 74% and 26% respectively as evidenced by Figure 8 below.

One respondent opted to withhold their gender bringing the total number of responses to 199 as opposed to 200.

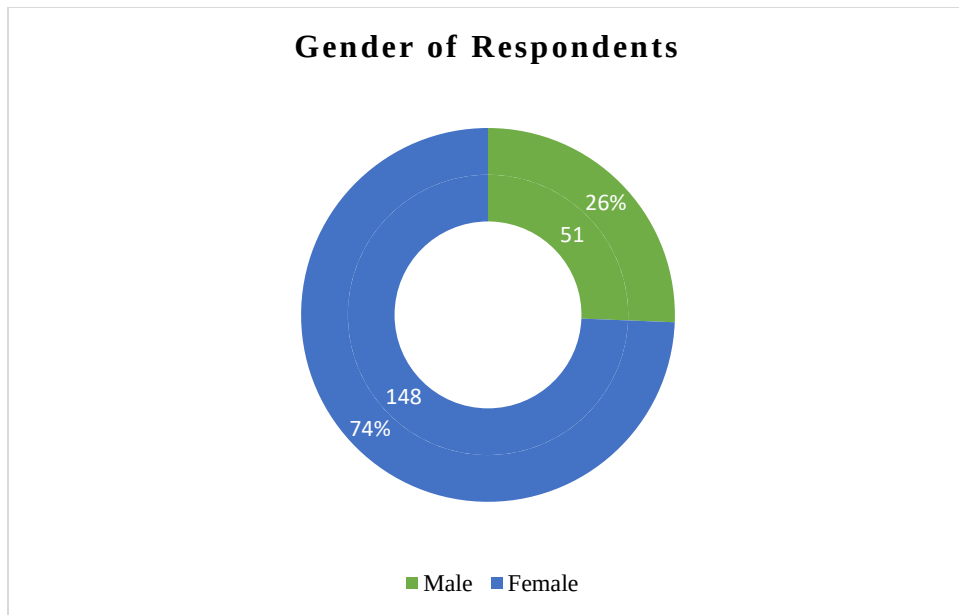


Figure 8: Gender of respondents

4.1.1.2 Age

Pursuant to Figure 9 below, majority (46%) of respondents were between the age of 31 and 40 years of age, followed by 32% of respondents who were between the age of 21 and 30.

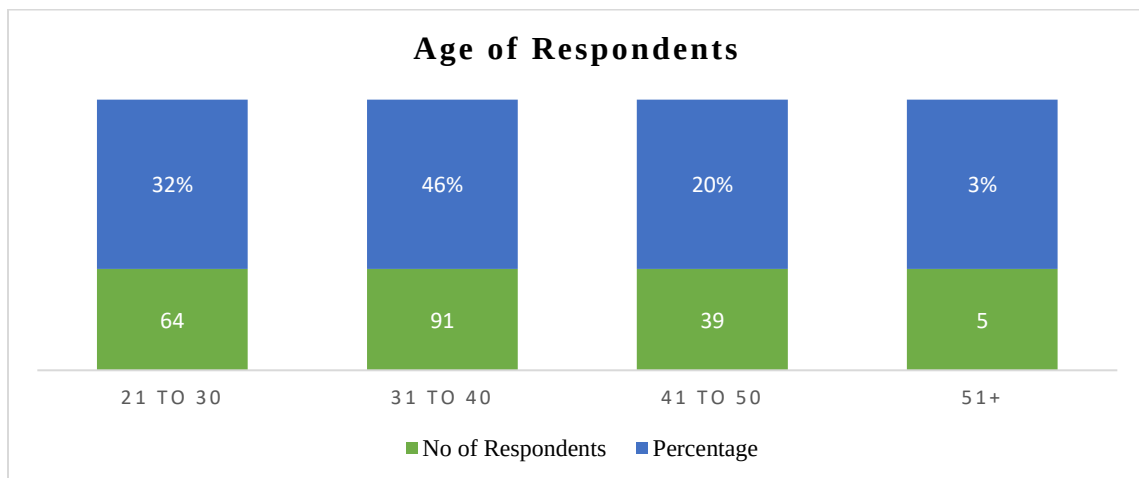


Figure 9: Age of respondents

Age category 41 to 50 and 51+ only represented 20 and 3% of the respondents respectively. One respondent opted to withhold their age group bringing the total number of responses to 199 as opposed to 200.

4.1.1.3 Race

In light of Figure 10 below, a total number of 177 respondents were Africans, followed by 13 White participants and 6 as well as 4 participants which were Indian and Coloured respectively.

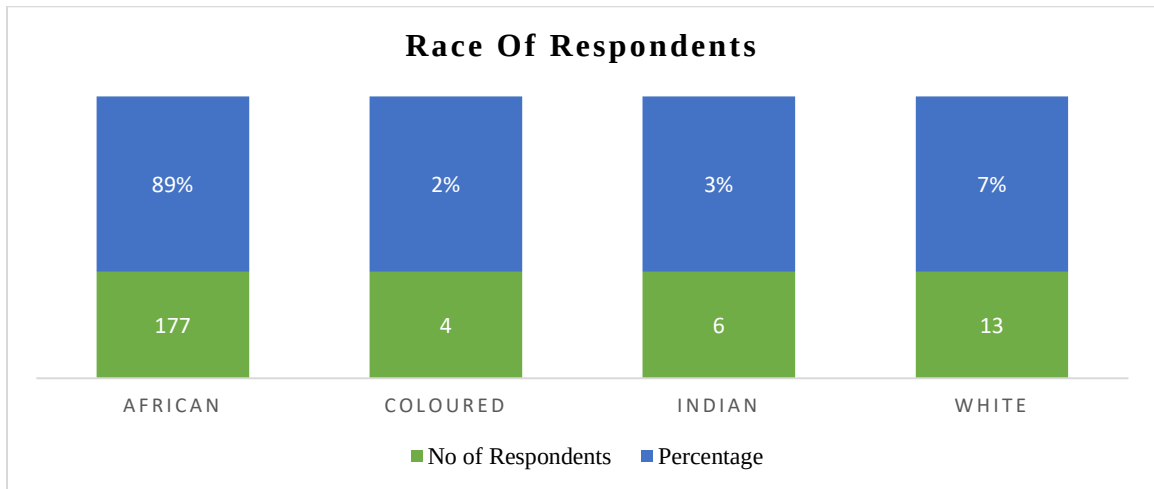


Figure 10: Race of respondents

This translates into African respondents accounting for 89% of the total respondents follows by White respondents with 7% participation and Indian and Coloureds with 3% and 2% participation respectively.

4.1.1.4 Marital Status

Further to Figure 11 below, the majority at 58% of the respondents were single whereas 39% were single and 3% were divorced.

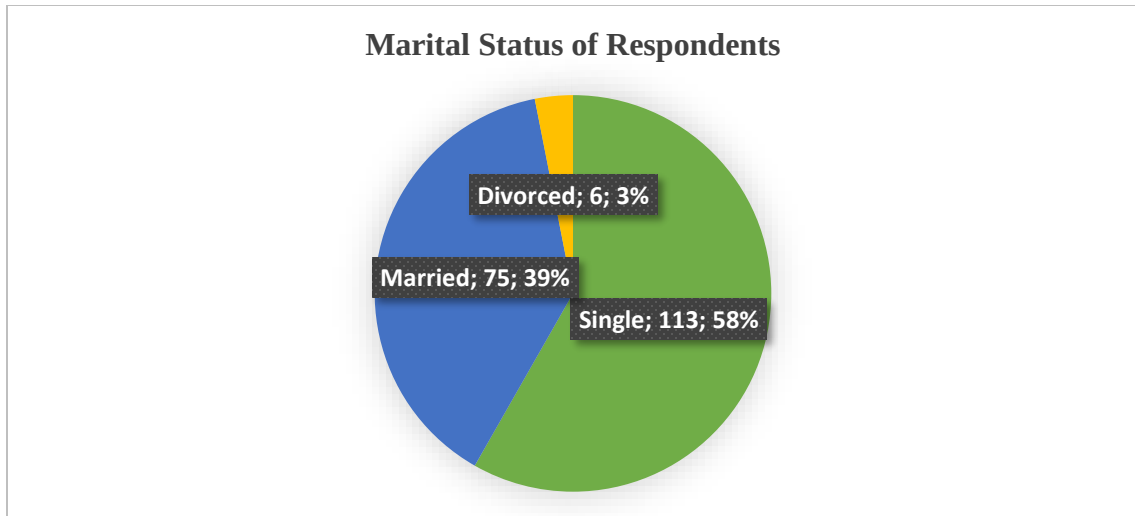


Figure 11: Marital Status

6 respondents opted to withhold their marital status bringing the total number of responses to 194 as opposed to 200, where respondents that were single accounted for 113 participants, and married as well as divorced respondents were 75 and 6 respectively.

4.1.1.5 Occupation

Pursuant to Figure 12 below, 75% of the respondents (who are in majority) were employed, followed by 15% who were students and 7% as well as 4% who were unemployed and self-employed respectively.

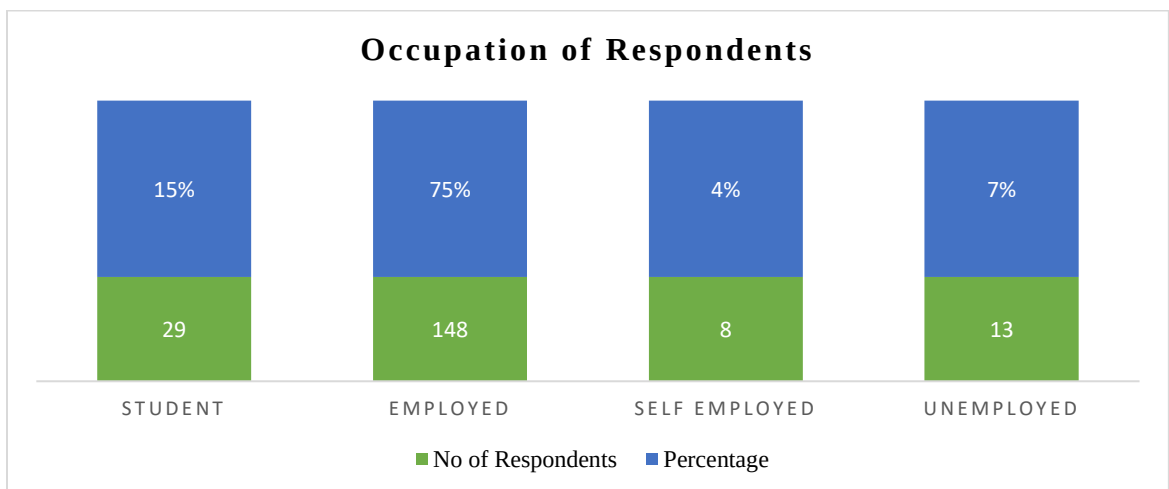


Figure 12: Occupation of respondents

2 respondents opted to withhold their occupation status bringing the total number of responses to 198 as opposed to 200, where 148 respondents were employed, followed by 29 students and 13 and 8 respondents that were unemployed and self-employed respectively.

4.1.1.6 Highest Qualification

Figure 13 below indicates that the majority of 107 / 55% of the respondents had graduated with a Diploma whereas 43 or 22% of the respondents had matric and 32 / 17% had Bachelor Degrees, 5 / 3% respondents had an honours degree and 4 / 2% and 1 / 1% respondents had a Masters Degree and Abet certificate respectively.

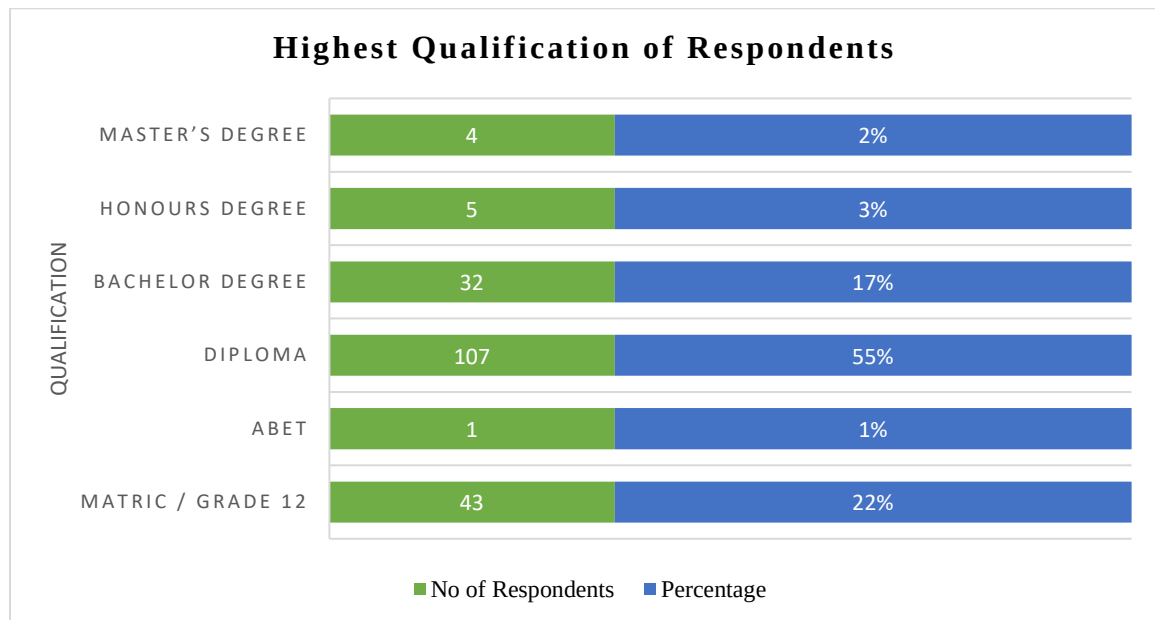


Figure 13: Highest qualification of respondents

7 respondents opted to withhold their qualification status bringing the total number of responses to 193 as opposed to 200.

4.1.2 General Data

This section of the descriptive analyses looks at the general data around the respondents subscription details.

4.1.2.1 Who is your main mobile network service provider?

Figure 14 shows the main mobile network service providers used by the respondents. Pursuant to this table, it can be seen that majority of respondents i.e. 55% are subscribed to Vodacom followed by MTN at 22% and Telkom Mobile at 15%.

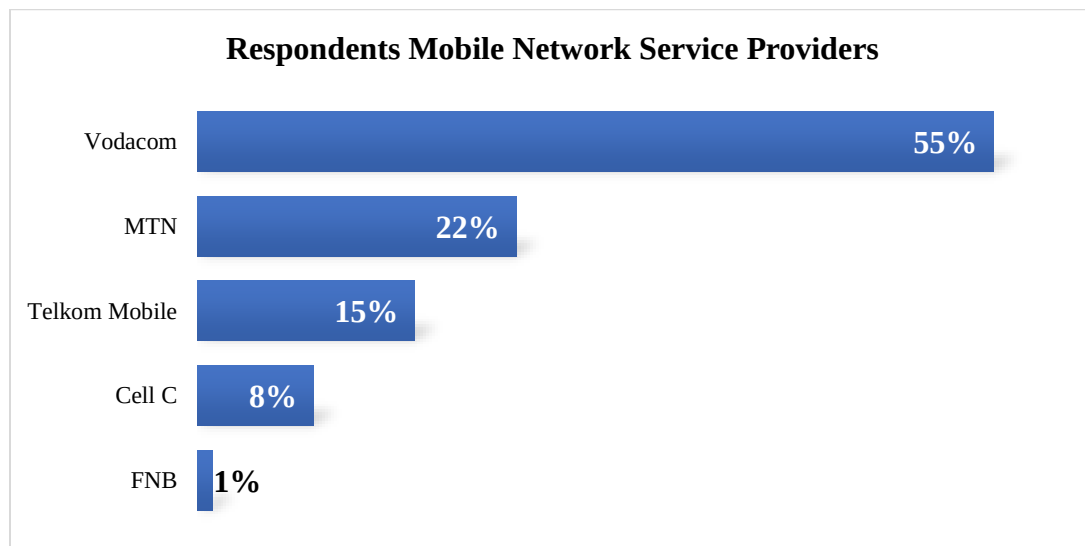


Figure 14: Respondents Mobile Network Providers

Figure 14 further indicates that some of the respondents are subscribed to Cell C and FNB which is an MVNO.

4.1.2.2 How much are you spending per month on your mobile network service provider?

Figure 15 shows how much money is spent on average per month on a mobile network service provider. Most respondents (140 / 71%) spent between R101 and R500 per month.

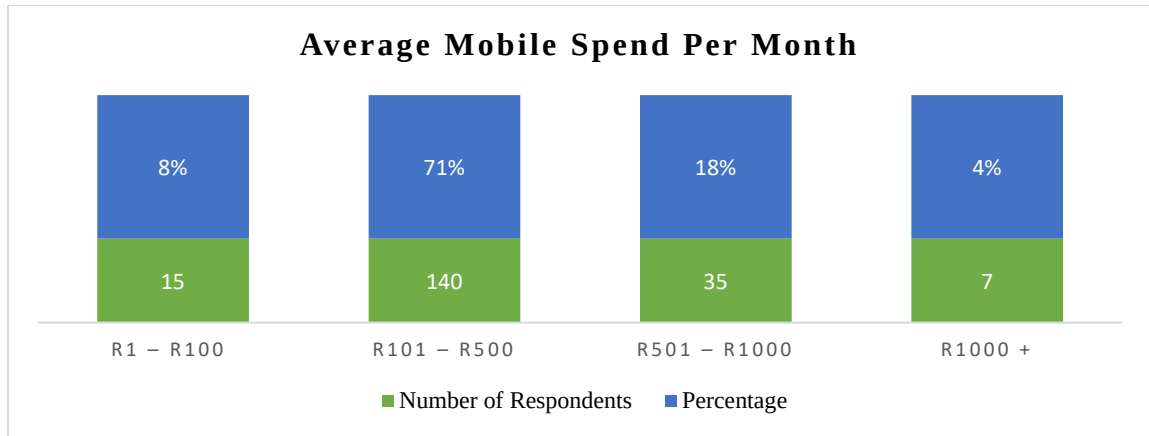


Figure 15: Average Mobile Spend Per Month

Moreover, 35 / 18% of the respondents are spending between R501 to R1000 followed by 15 / 8% that are spending between R1 to R100 and 7 respondents that are spending R1000 and more on average per month.

4.1.2.3 How long have you been with your main current mobile network operator?

Figure 16 shows that most respondents (132 / 66%) had been with their mobile network operators for longer than 5 years, followed by 39 / 20% of respondents that have been with their service provide for 3 to 5 years.

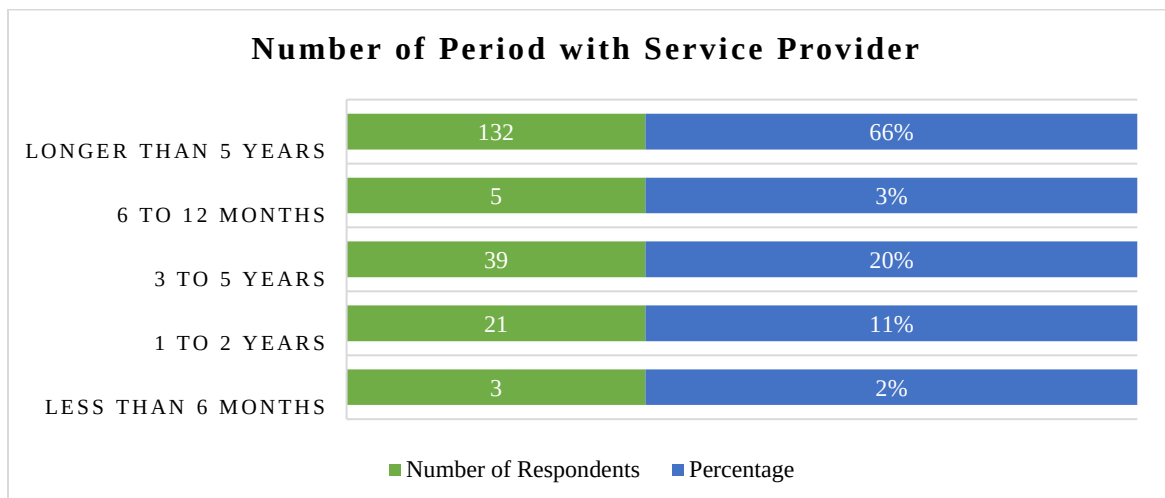


Figure 16: Respondents Period with Service Provider

Figure 16 further indicates that 21 / 11% of the respondents have been subscribed to their mobile network operators for 1 to 2 years whereas the rest have only been with their operators for 1 to 12 months.

4.1.2.4 How many active mobile numbers do you have?

Figure 17 below indicates that the majority of respondents (97 or 54%) had 2 active SIM cards.

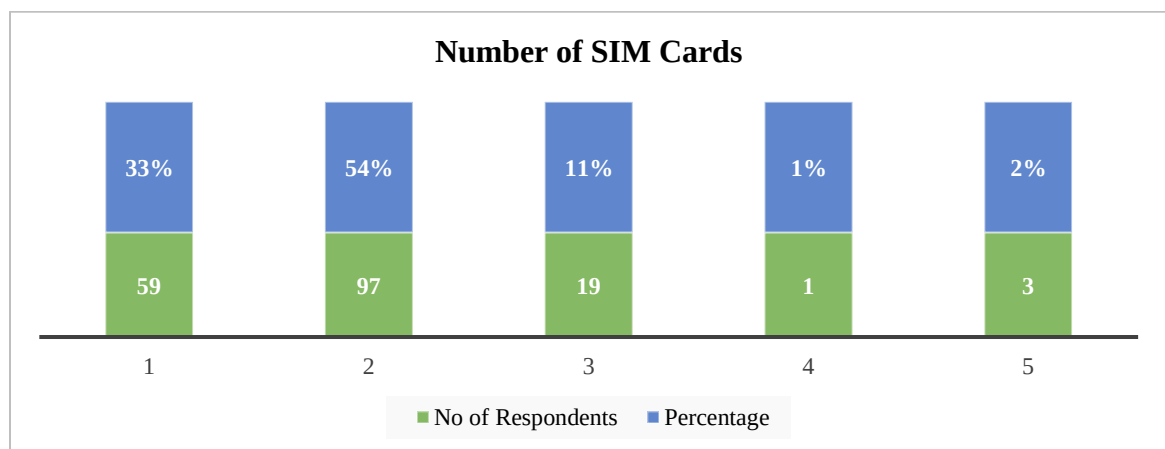


Figure 17: Number of Active SIM Cards

What is also interesting is that some respondents had 3 to 5 active SIM cards. In particular, 19 or 11% of respondents had 3 SIM cards followed by 3 and 1 respondents who had 3 and 1 active SIM cards respectively.

4.1.2.5 Do you have active mobile numbers from different mobile network service providers?

Pursuant to Figure 18 below, the majority of respondents i.e. 53% have indicated that they have active SIM cards or numbers from different mobile network service providers.

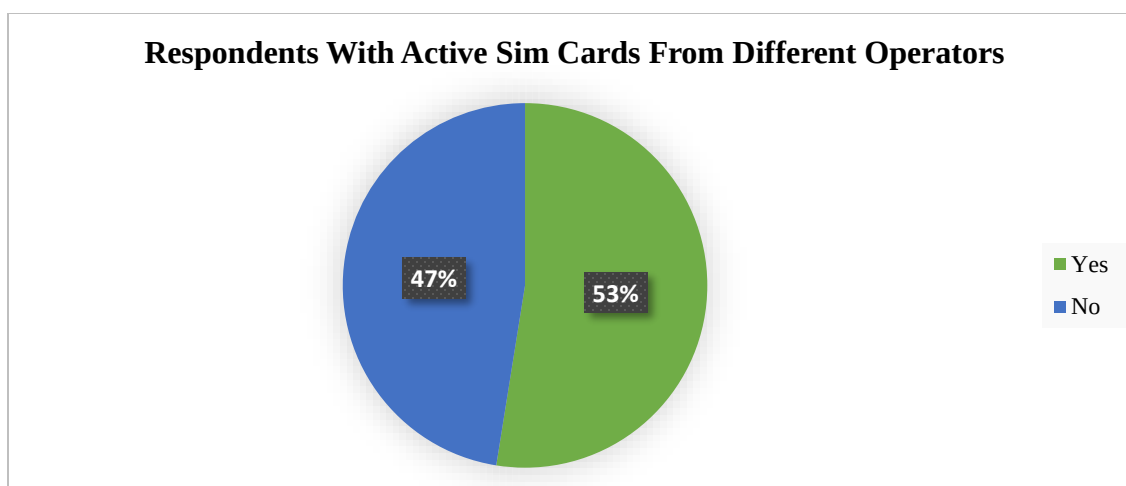


Figure 18: Respondents with Active SIM Cards from Different Mobile Operators

4.1.2.6 Why do you have multiple numbers from different mobile network service providers?

The respondents provided various reasons for having multiple active SIM cards and numbers from different operators. Affordability, lower price and network coverage were common reasons that were provided as seen on Table 10 below.

Cost	Network & Other
Affordability and being cheaper (e.g., one can be cheaper for calls and another can be cheaper for data)	Coverage all over the country (e.g., network of MTN coverage is bad at some places around the province of Limpopo)
Better deals	Network is still a problem so having different providers is helpful
To contact those with the same mobile network service at a lower cost	Convenience
To leverage the discounts on the other cheaper network	They offer different packages and some are acquired because of lack of knowledge
To reduce costs of data and airtime to save data	
To save when I call friends and family on the same network (i have MTN & Telkom)	
To use different packages they have and share with my family, like power hour calls and transferring airtime	

Table 10: Respondents Verbatim Responses on the Question of Multiple Cards

4.1.2.7 Have you considered switching from your main mobile network service provider in the last 12 months?

Figure 19 indicates that 56 which is 28% of the respondents considered switching to an alternative mobile network service provider in the past 12 months. 2 respondents opted not to participate in this question.

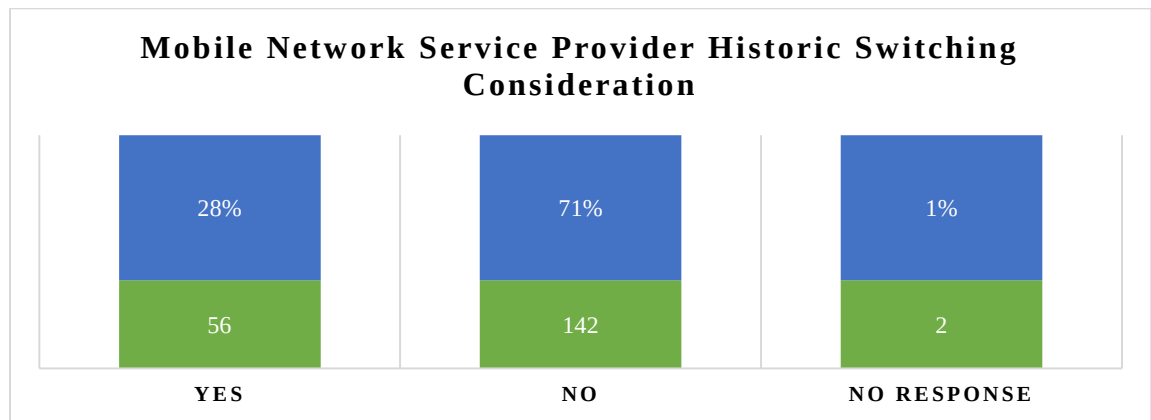


Figure 19: Mobile Network Service Provider Historic Switching Consideration

4.1.2.8 Have you switched mobile network service providers in the last 12 months?

Pursuant to Figure 20 below, 26 or 13% of the respondents switched to an alternative mobile network service provider in the past 12 months. 9 respondents opted not to participate in this question.

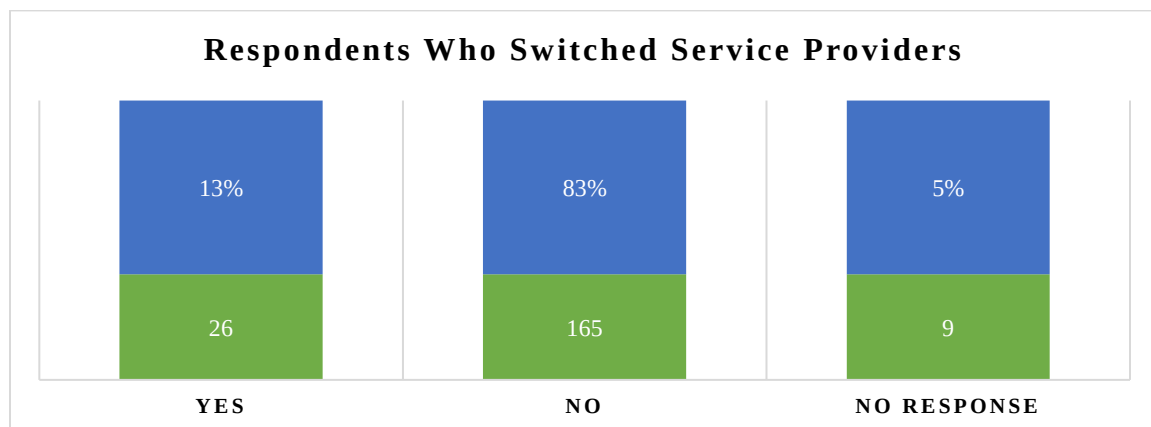


Figure 20: Respondents who Switched Service Providers

4.1.2.9 Why have you switched from your main mobile network service provider?

The respondents cited affordability and price as the main reason for switching mobile network providers. Network coverage was also cited although not as strong as price and affordability. Table 11 below provides a list of verbatim responses that have led to the respondents switching service providers.

Cost	Network & Other
Price	Poor network or network problem
Affordability	
Telkom has a cheaper data costs (e.g., to save on data and voice charges)	
Better coverage and service	
Vodacom is expensive	
Cost saving	
To find other benefits offered by the current service provider	

Table 11: Respondents Verbatim Responses on the Reasons for Switching Providers

4.1.2.10 Which mobile network service provider have you switched from?

Figure 21 shows that the respondents have switched mostly from MTN (40,0%) and Vodacom (36%). Switching from Cell C and Telkom Mobile only accounts for 9% and 16% respectively.

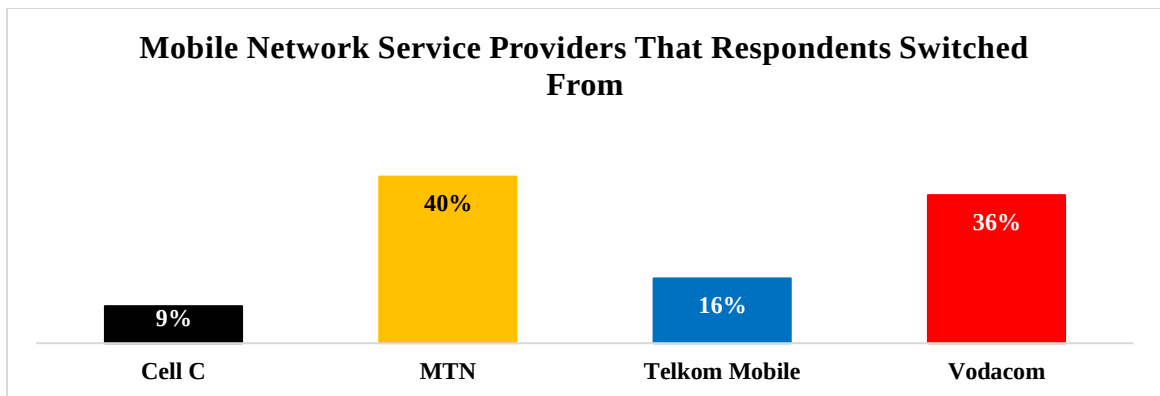


Figure 21: Mobile Network Service Providers that Respondents Switched From

4.1.2.11 Which mobile network service provider have you switched to?

Figure 22 shows that the respondents had switched mostly to Telkom Mobile (51%) and Vodacom (30%).

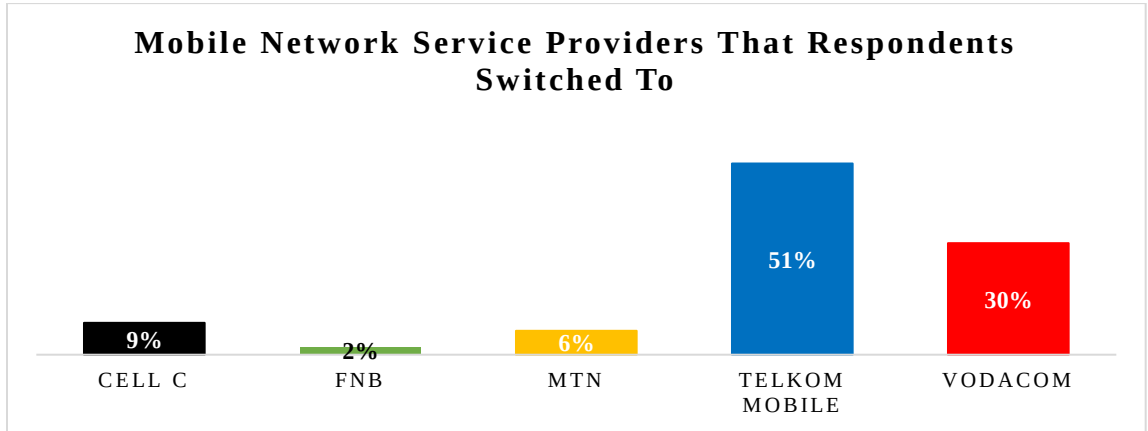


Figure 22: Mobile Network Service Providers that Respondents Switched to

Moreover, Figure 22 indicates that MTN and Cell are mobile network providers that are bleeding most customers without a convincing recovery as opposed to Vodacom, which has shed customers but managed to attract new customers.

4.1.3 Descriptive Statistics of Push, Pull & Mooring Items

The ensuing discussions will focus on the descriptive analysis for the pull, push and mooring factors, and a summary of all the items will conclude the section.

4.1.3.1 Descriptive Statistics of Push Factors

The descriptive analyses for the push factors will cover the following items; customer satisfaction, price and network quality.

4.1.3.1.1 Descriptive Statistics of Customer Satisfaction

Table 12 below indicates that the majority of the questions have a mean value which is greater than the middle value of 3 of the five category-Likert scale used. This is an indication that the respondents had a positive tendency towards the service they are receiving from their respective mobile service providers.

Items	N	Mean	Std. Dev.	Median	t (p)	p-value	Disagree /Neutral /Agree
CS1: The service I receive from my mobile service provider meet my expectation	199	3.59	0.984	4	8.410	.000	Agree
CS2: Generally, customer service from my mobile service provider is great	199	3.52	0.982	4	7.561	.000	Agree
CS3: My mobile service provider has great customer care	199	3.55	0.95	4	8.113	.000	Agree
CS4: The employees at my mobile service provider are always helpful and respectful	199	3.59	0.993	4	8.399	.000	Agree
CS5: I am very satisfied with the service of my mobile service provider	198	3.59	0.98	4	8.538	.000	Agree

Table 12: Descriptive Analysis for Customer Satisfaction

4.1.3.1.2 Descriptive Statistics of Price

Table 13 indicates that majority of the questions have a mean value which is greater than the middle value of 3 of the five category-Likert scale used. This means that the respondents had a positive tendency towards the price they are receiving from their respective mobile service providers.

Items	N	Mean	Std. Dev.	Median	t (p)	p-value	Disagree /Neutral /Agree
P1: Generally, I get more value for money in using my mobile provider services	195	3.28	1.066	3	3.686	.000	Agree
P2: The charges for mobile services from my mobile service provider are reasonable	199	2.99	1.141	3	-.062	.951	Neutral
P3: My service provider has good prices and promotions compared to competitors	198	3.14	1.11	3	1.788	.075	Neutral
P4: Data rates offered by my mobile service provider are affordable	198	2.84	1.3	3	-1.744	.083	Neutral
P5: Call rates offered by my mobile service provider are affordable	198	3.18	1.126	3	2.204	.029	Agree
P6: Value added services offered by my mobile service provider are affordable	198	3.21	1.038	3	2.870	.005	Agree
P7: Overall, my mobile service provider charges affordable rates for Recharges/Top-Ups	198	3.17	1.1	3	2.127	.035	Agree

Table 13 Descriptive Analysis for Price

However, question P2, P3 and P4 scored the lowest mean value of 2.99, 3.14 and 2.84 respectively.

4.1.3.1.3 Descriptive Statistics of Network Quality

Table 14 indicates that the majority of the questions have a mean value that is somewhat equal to than the middle value of 3 of the five category-Likert scale used. This indicates that the respondent's tendency towards network quality offered by the respective service providers was positive.

Items	N	Mean	Std. Dev.	Median	t (p)	p-value	Disagree /Neutral /Agree
NQ1: The network quality of my mobile service provider meet my expectation	197	3.51	1.107	4	7.293	.000	Agree
NQ2: Generally, I get a consistent high speed internet connectivity from my mobile service network provider	199	3.63	0.984	4	6.514	.000	Agree
NQ3: Overall, I experience high call quality and clarity when making calls on the network of my mobile service provider	199	3.58	1.039	4	9.056	.000	Agree
NQ4: Generally, I am able to successfully complete calls without failure on the network of my mobile service provider	199	3.58	0.979	4	7.896	.000	Agree
NQ5: Overall, I am very satisfied with the network quality of mobile service provider	199	3.57	1.091	4	8.379	.000	Agree

Table 14: Descriptive Analysis for Network Quality

4.1.3.2 Descriptive Statistics of Pull Factors

The descriptive analyses for the Pull factors will cover the following items; attractive of alternatives, peer influence and competitor reputation.

4.1.3.2.1 Descriptive Statistics of Attractive of Alternative

In light of Table 15 below, all the questions have a mean value that is greater than the middle value of the five category-Likert scale used. This indicates that alternative mobile service providers in the market are offering product that are attractive to the respondents.

Items	N	Mean	Std. Dev.	Median	t (p)	p-value	Disagree /Neutral /Agree
AA1: There are other good mobile service providers in the market to choose from if I need to switch from current mobile service provider	198	3.6	1.024	4	8.307	.000	Agree
AA2: I would probably be happy with the features and services of another mobile service	198	3.16	0.938	3	2.343	.020	Agree
AA3: I believe that there are other mobile service providers in the market that I would probably be more satisfied.	198	3.18	1.048	3	2.435	.016	Agree
AA4: I am very attracted by the product benefits offered by other mobile service providers	199	3.38	1.059	3	5.075	.000	Agree

AA5: I am very attracted by the price and value offered by other mobile service providers	196	3.37	1.078	3	4.823	.000	Agree
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Table 15: Descriptive Analysis for Attractive of Alternative

4.1.3.2.2 Descriptive Statistics of Peer Influence

Table 16 below indicates that all the questions returned a mean value that is lower than the middle value of 3 of the five category-Likert scale used. This indicates that peer influence is not a significant factor in the customer switching intentions.

Items	N	Mean	Std. Dev.	Median	t (p)	p-value	Disagree /Neutral /Agree
PI1: People who influence my behaviour think that I should switch to another mobile service provider to communicate with them.	198	2.58	1.097	2	-5.362	.000	Disagree
PI2: People who are important to me think that I should switch to another mobile service provider	198	2.61	1.162	2	-4.758	.000	Disagree
PI3: My friends want me to switch to another mobile network service provider.	196	2.52	1.146	2	-5.909	.000	Disagree
PI4: My family want me to switch to another mobile network service provider	196	2.55	1.162	2	-5.455	.000	Disagree

Table 16: Descriptive Statistics for Peer Influence

4.1.3.2.3 Descriptive Statistics of Competitor Reputation

In light of Table 17 below, majority of the questions returned a mean value that is lower than the middle value of the five category-Likert scale used.

Items	N	Mean	Std. Dev.	Median	t (p)	p-value	Disagree /Neutral /Agree
CP1: The other mobile service providers have a better reputation than my current mobile service provider	199	2.83	0.998	3	-2.409	.017	Disagree
CP2: The other mobile service providers seems to have good reputation for a quality network	199	2.86	1.011	3	-1.889	.060	Neutral
CP3: The other mobile service providers seems to have good reputation for a quality customer service	198	2.93	0.97	3	-.950	.343	Neutral
CP4: The other mobile service providers seems to have good reputation for affordable product and services	196	3.13	1.03	3	1.730	.085	Neutral
CP5: The other mobile service providers seems to have a good reputations for high value products at a reasonable price	198	3.05	0.981	3	.650	.516	Neutral

Table 17: Descriptive Statistics for Competitor Reputation

Although the mean value for question CP4, “The other mobile service providers seems to have good reputation for affordable product and services” and CP5, “The other mobile service providers seems to have a good reputations for high value products at a reasonable price” are more than the middle value, the overall feedback to the questions suggest that competitor reputation in terms of network quality and customer service and overall reputation is not a significant factor in the customer’s switching intention however price and value seems to be a factor.

4.1.3.3 Descriptive Statistics of Mooring Factors

The descriptive analyses for the Mooring factors will cover the following items; financial cost, procedural cost and relationship cost

4.1.3.3.1 Descriptive Statistics of Financial Cost

Pursuant to Table 18 below, the questions have a mean value that is somewhat lower or equal to the middle value of the five category-Likert scale used. This indicates that financial cost as a factor in the customer's switching to an alternative service provider is neither negative nor positive.

Items	N	Mean	Std. Dev.	Median	t (p)	p-value	Disagree /Neutral /Agree
FC1: It will cost me a lot of money to switch to another telecom network.	199	2.73	1.142	3	-3.344	.001	Disagree
FC2: I will lose lots of great benefits offered by my current service provider if I switch to a new mobile service provider	199	3.03	1.2	3	.412	.681	Neutral

Table 18: Descriptive Analysis of Financial Cost

4.1.3.3.2 Descriptive Statistics of Procedural Cost

Table 19 indicates that the majority of the questions have returned a mean value that is below the middle value of the five category-Likert scale used.

Items	N	Mean	Std. Dev.	Median	t (p)	p-value	Disagree /Neutral /Agree
PC1: Switching to another mobile service provider	198	3.02	1.197	3	.237	.813	Neutral

will require great effort and energy							
PC2: It will take too long to switch to a new mobile service provider	198	2.8	1.124	3	-2.524	.012	Disagree
PC3: Switching to another mobile service provide is complicated	199	2.73	1.164	3	-3.282	.001	Disagree
PC4: It will take lots of effort and time to learn new product and services from new mobile service provider if I switch	199	2.96	1.19	3	-.475	.635	Neutral

Table 19: Descriptive Analysis of Procedural Cost

Although the mean value of question PC1 “Switching to another mobile service provider will require great effort and energy” is closer to the middle value, the overall questions suggest that procedural cost is not a significant factor in the customer’s switching intention.

4.1.3.3.3 Descriptive Statistics of Relationship Cost

Table 20 indicates that the questions have a mean value that is equal and lower than the middle value of 3 of the five category-Likert scale used. This indicates that relationship cost as a factor in the prepaid customer’s switching to an alternative service provider is neither negative nor positive.

Items	N	Mean	Std. Dev.	Median	t (p)	p-value	Disagree /Neutral /Agree
RC1: I will lose a great relationship that I have with my current mobile service provider if I switch to a new	197	3	1.166	3	.000	1.000	Neutral

mobile service provider							
RC2: I may lose my mobile number if switch to a new mobile service provider	198	2.43	1.236	2	-6.536	.000	Disagree

Table 20: Descriptive Analysis of Relationship Cost

4.1.3.4 Summary of the descriptive statistics of total scores

Table 21 below gives a synopsis of the descriptive statistics of the values for all the instruments

Index	Mean	Std. dev.	t (p)	df	p-value	Cronbach's Alpha	Disagree /Neutral /Agree
Customer satisfaction	3,570	,821	9,793	198	,000	,894	Agree
Price	3,121	,937	1,787	190	,076	,925	Neutral
Network quality	3,577	,894	9,083	197	,000	,910	Agree
Financial cost	2,883	1,017	-1,633	199	,104	,674	Neutral
Procedural cost	2,875	1,000	-1,760	197	,080	,877	Neutral
Relationship cost	2,712	,977	-4,146	197	,000	,484	Disagree
Attractive of alternative	3,336	,824	5,683	193	,000	,858	Agree
Peer Influence	2,563	1,026	-5,949	194	,000	,922	Disagree
Competitor reputation	2,960	,754	-,737	196	,462	,809	Neutral

Switching intention	2,360	1,059	-8,480	196	,000		Disagree
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Table 21: Summary of the Total Scores Push, Mooring and Pull Factors

The results summarised on Table 21 above imply that:

- a) Respondents experienced customer satisfaction with their current mobile service provider
- b) They were neutral on the question of price and affordability of mobile network service. This somehow contradicts with the above finding that “affordability” and price of mobile network service is a main reason for switching intention.
- c) They were satisfied with the network quality of mobile network service provider
- d) They were neutral on the mooring factor of financial cost
- e) They were neutral on the mooring factor of procedural cost
- f) They disagreed with the mooring factor of relationship cost
- g) They agreed with the push factor of attractive to alternative
- h) They disagreed with push factor of peer influence
- i) They were neutral on the question that other mobile network service providers seemed to have a better reputation than their mobile network service provider.
- j) They disagreed that there was a possibility of switching to other mobile service providers.

4.2 Empirical Objective Testing - Testing procedures of the push, pull and mooring factors for statistical significance

In this study, correlational analysis, multiple regression and structural equation modelling were used to analyse the data in order to address the research objectives and answer the research questions.

The dependent variable was switching intention. The push factors, pull factors and mooring factors were the independent variables. In addition, these factors or variables were treated as moderating variables. A moderator is a variable that alters the direction or strength of the relationship between an independent variable and a dependent variable. This implies that the effect of an independent variable depends on the level of another variable referred to as a moderating variable, just like an interaction effect.

Statistical significance was checked by the F test of the overall model fit and t tests of individual parameters. In order to test for the moderation effect of a variable on the effect of the independent variables on the dependent variable, new variables were created by multiplying an independent variable by the moderating variable and including the interaction terms in the regression model. Two regression models were fitted; the first one included only the independent variables and the moderating variables. The second, apart from the independent variables and moderating variables, also included the newly created interaction variables. Because in multiple regression, interaction variables are often highly correlated with the variables from which they are created, the independent variables and interaction variables were standardised to decrease the correlation.

In order to know whether adding the interactions led to a significant improvement in how well the regression performed, R squared (R^2) was examined to find out whether it increased. This increase was tested for significance using the F-test.

4.2.1 Correlation

Tabachnick and Fidel (2007, p.56), holds that “Correlation is the measure of the size and direction of the linear relationship between the two variables. Table 22 below, provides the Pearson’s correlation coefficients between the different PPM factors.

*	Customer satisfaction	Price	Network quality	Financial cost	Procedural cost	Relationship cost	Attractive of alternative	Peer Influence	Competitor reputation
Customer satisfaction	1								
Price	.401**	1							
Network quality	.458**	.307**	1						
Financial cost	.213**	.496**	.138	1					
Procedural cost	.116	.182*	.171*	.529**	1				
Relationship cost	.303**	.236**	.164*	.394**	.488**	1			
Attractive of alternative	.002	-.319**	.024	-.356**	-.163*	-.132	1		
Peer Influence	-.074	-.118	-.088	.001	.061	.105	.254**	1	
Competitor reputation	-.135	-.101	-.175*	-.119	-.021	-.120	.446**	.436**	1

Table 22: Pearson Correlation

The following results can be deduced from the correlation matrix described on Table 27. Some of the interesting results are as follows:

- **Customer satisfaction** is correlated with price ($r=.401^{**}$), network quality ($r=.458^{**}$), financial cost ($r=.213^{**}$) and relationship cost ($r=.303^{**}$).
- **Price** is correlated with network quality ($r=.307^{**}$), financial cost ($r=.496^{**}$) procedural cost ($r=.182$) and relationship cost ($r=.236^{**}$).
- **Network quality** is correlated with financial cost ($r=.138$), procedural cost ($r=.171^{*}$), and relationship cost ($.394^{*}$).

- **Procedural cost** is correlated with relationship cost (.488*).
- **Financial cost** is correlated with procedural cost ($r=.529^*$), and relationship cost (.164*).
- **Attractive of alternative** is correlated with Peer influence ($r=.254^{**}$) and Competitor reputation ($r=.446^{**}$).
- **Peer Influence** is correlated with Competitor reputation ($r=.436^{**}$).

4.2.2 Phase 2 - Empirical Objective Testing

The purpose of this section is to describe the results of statistical calculations conducted to meet the empirical research objectives as stated in section 18.2 which will be tested with the help of various statistical methods viz. multiple regression analysis, ANOVA, Coefficients and structural equation modeling.

4.2.2.1 Testing of the primary empirical objective one

In line with section 18.2, the primary empirical objective of this study was to determine the significant factors that are responsible for the prepaid mobile customers' switching intentions. This will be achieved through the testing of the following hypothesis; the push factors (Customer satisfaction, price and network quality); pull factors (attractive of alternative, peer influence and competitor reputation); and mooring factors (relationship cost, procedural cost and financial cost) affect switching intention as described in section 1.5. A regression model was fitted to test the hypothesis.

4.2.2.1.1 Secondary Empirical Objective 1: Identify which of the push factors play a huge role in customer switching intentions

The results from the regression analysis below indicates that 50.2% (see Table 23) of the variation in "switching Intention" is explained by this model as shown by the Adjusted R Square. The results (See Table 25) indicate that Push factors, customer satisfaction ($B=-.382$, $p=.000<.01$) and Price ($B=-.196$, $p=.015<.05$) are statistically

significant, and they are therefore factors of switching intention. Network quality is not significant as its corresponding p-value = .981>.05.

Regression model

R-square	Adjusted R-square
.528	.502

Table 23: Regression model

ANOVA

	Sum of Squares	df	Mean Square	F	p-value
Regression	101.803	9	11.311	20.262	.000
Residual	90.997	163	.558		
Total	192.800	172			

Table 24: ANOVA Pull, Push and Mooring Factors

Coefficients

	B	Std. Error	Standardized Coefficient Beta	t	p-value
(Constant)	1.143	.471		2.428	.016
Customer satisfaction	-.382	.086	-.298	-4.459	.000
Price	-.196	.080	-.174	-2.450	.015
Network quality	-.002	.073	-.002	-.024	.981
Financial cost	.126	.079	.123	1.591	.114
Procedural cost	-.104	.073	-.100	-1.423	.157
Relationship cost	.131	.073	.122	1.801	.074
Attractiveness alternative	.236	.089	.186	2.662	.009
Peer influence	.115	.064	.110	1.805	.073
Competitor reputation	.587	.097	.419	6.052	.000

Table 25: Coefficients Pull, Push and Mooring Factors

In light of the results from above regression analysis, the hypotheses that:

H1. The push factors in respect to a perceived poor customer satisfaction have a positive effect on consumer switching intention; and

H2. The push factors in respect to perceived high prices have a positive effect on consumer switching intention has been accepted.

However the hypothesis that:

H3. The push factors in respect to perceived poor network have a positive effect on consumer switching intention has not been rejected or accepted.

4.2.2.1.2 Secondary Empirical Objective 2: Identify which of the pull factors play a huge role in customer switching intentions

Further to Table 25, pull factors, attractiveness to alternative ($B=.236$, $p=.009<.01$) and competitor reputation ($B=.587$, $p=.000<.01$) are statistically significant, and they are therefore factors of switching intention. Peer influence ($B=.115$, $p=.073>.05$) is not significant as its corresponding p-value greater than 05. Hence, the hypotheses that:

H4. The pull factors in respect to perceived good competitor reputation have a positive effect on consumer switching intention; and

H5. The pull factors in respect to attractive alternative products from competitors have a positive effect on consumer switching intention has been accepted

However, the hypothesis that:

H6. The pull factors in respect to peer influence have a positive effect on consumer switching intention has not been rejected or accepted.

4.2.2.1.3 **Secondary Empirical Objective 3:** Identify which of the mooring factors play a huge role in customer switching intentions

All mooring factors are not statistically significant for their corresponding probabilities are greater than 0.05. Therefore, the hypotheses that;

H7. The mooring factors in respect to the low switching relationship cost have a positive effect on consumer switching intention;

H8. The mooring factors in respect to the low switching procedural cost have a positive effect on consumer switching intention; and

H9. The mooring factors in respect to the low switching financial cost have a positive effect on consumer switching intention have not been rejected or accepted.

4.2.2.2 **Summary of statistical findings for empirical objective one**

In line with section 1.2, the primary empirical objective of this study was to determine the significant factors that are responsible for the prepaid mobile customers' switching intentions. This will be achieved through the testing of the following hypothesis; the push factors (Customer satisfaction, price and network quality); pull factors (attractive of alternative, peer influence and competitor reputation); and mooring factors (relationship cost, procedural cost and financial cost) affect switching intention as described in section 1.5.

The statistical findings for this empirical objective are summarised as follows:

- The push factors in respect to a **perceived poor customer satisfaction** and **perceived high prices** have a positive effect on customer switching intention thus these factors have been found to be major factors behind the prepaid mobile customers' switching intentions.
- On the other hand, the pull factors in relation to **perceived good competitor reputation** and **attractive alternative products from competitors** have a positive

effect on customer switching intention, these factors have been found to be major factors behind the prepaid mobile customers' switching intentions.

- Mooring factors were not found to be statistically significant as major factors for the prepaid customer switching intentions. Meaning that, the effect that the mooring factors has in the prepaid customers switching intention is insignificant thus cannot be attributed as major factors that would causing switching intention.

4.2.3 Testing of the primary empirical objective two

SEM (Structural equation modelling) and Regression analysis statistical techniques have been used to address this empirical objective, which intends to determine whether there is moderation between the pull, push and mooring factors leading to the prepaid mobile customers switching intentions.

4.2.3.1 Structural Equation Modeling

Structural equation modelling was used to address empirical objective two, which was to “Determine whether there is any moderation between the pull, push and mooring factors leading to the prepaid mobile customers switching intentions”.

Moderation refers to a situation that includes three or more variables, such that the presence of one of those variables changes the relationship between the other two. A moderator is a “variable that affects the direction and/or strength of a relationship between an independent or predictor variable and a dependent or criterion variable.” (Baron & Kenny, 1986, p.1174). In other words, moderation exists when the association between two variables is not the same at all levels of a third variable. “Moderation (or interaction) occurs when the strength or direction of the effect of a predictor variable on an outcome variable varies as a function of the values of another variable, called a moderator” (Marsh et al., 2013, p.361).

For example, customer satisfaction and switching intentions may differ at different levels of financial cost (i.e. this is the definition of an interaction). In other words, customer

satisfaction may adversely affect switching intentions more under conditions of low financial cost compared to conditions of high financial cost.

Figure 23 below shows that there are three direct effects that are hypothesized to cause changes in switching intentions – a main effect of customer satisfaction, a main effect of financial cost, and an interaction effect of customer satisfaction and financial cost.

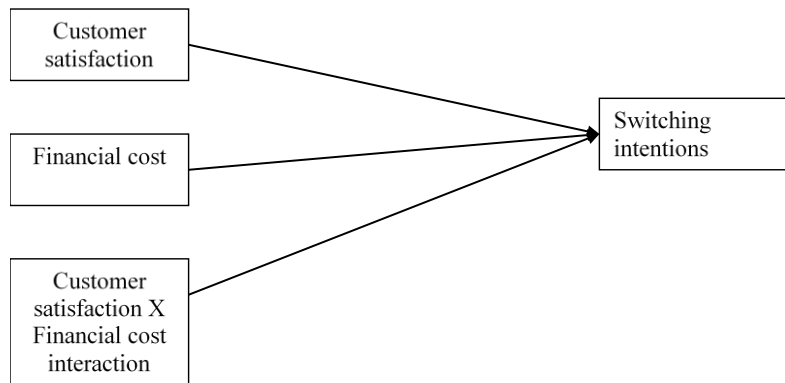


Figure 23: Example of Moderation

To measure the influence of a moderator, this influence is generally modeled by creating a new variable that is the product of the variable that is being moderated (e.g., Customer satisfaction) and the variable that is moderating (e.g., financial cost). This interaction term (Customer satisfaction X financial cost) is then entered into the regression equation after the linear main effects on the outcome (Switching intentions) of the moderating (financial cost) and moderated variables (customer satisfaction) are estimated. If the effect of customer satisfaction X financial cost is significant, then the effect of customer satisfaction is dependent upon the levels of financial cost.

The results of the SEM analysis meant to address empirical objective 6 and 7 is unpacked below.

4.2.3.1.1 Push and Mooring Variables

Switching intentions was the dependent variable, and push or pull variables and mooring variables (the moderators) were included in the model as independent variables. Then interaction factors were included in the model as evidenced by the discussions below.

Figures 24 and 25 (for standardized estimates) as well as Table 31 show the fitted SEM with the push factors of switching intentions together with mooring variables.

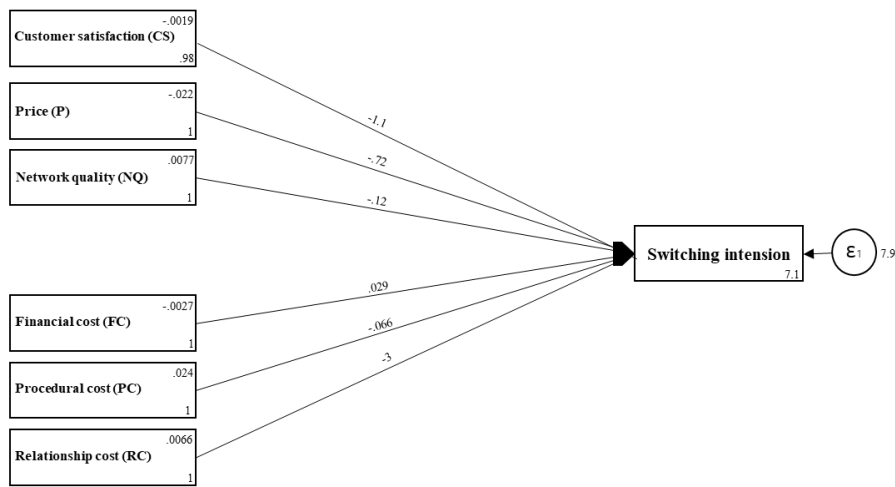


Figure 24: SEM - Push factors and mooring variables

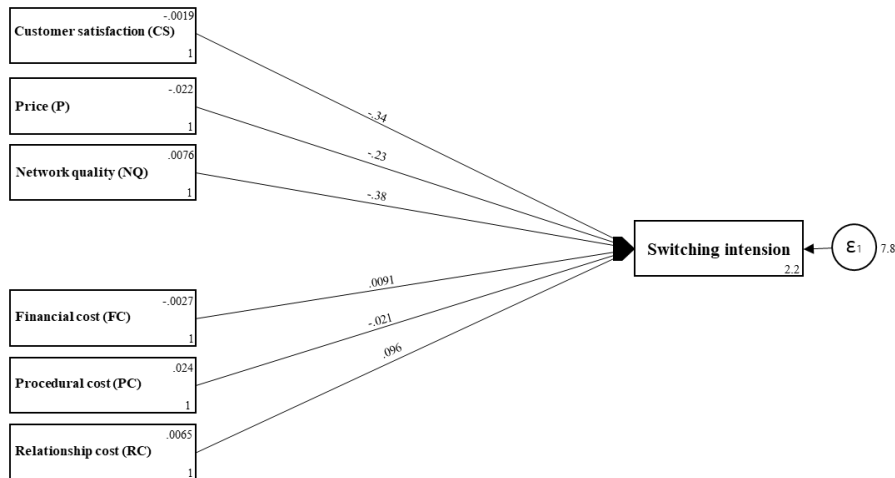


Figure 25: SEM - Push factors and mooring variables (standardized estimates)

Table 26 indicates that the structural equation model is valid with Prob > chi2 = 0.9473. The table further indicate that Customer satisfaction (B=-1.087, p=0.000<0.01) and Price determine switching intentions. They are negatively correlated such that the more satisfied a customer is and the more he/she gets from the price of a good/service the less his/her urge or switching intentions will be.

Table 26: Push factors and mooring variables

Iteration 0: log likelihood = -1873.9059
Iteration 1: log likelihood = -1873.9059

Structural equation model

Number of obs = 183

Estimation method = ml
Log likelihood = -1873.9059

Variables	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
Customer satisfaction	-1.087	.256	-4.24	0.000	-1.589 -.585
Price	-.719	.259	-2.78	0.005	-1.226 -.212
Network quality	-.120	.238	-.50	0.614	-.586 .346
Financial cost	.029	.280	0.10	0.918	-.519 .577
Procedural cost	-.066	.266	-0.25	0.803	-.588 .456
Relationship cost	.300	.252	1.19	0.233	-.193 .794
Constant	7.092	.207	34.19	0.000	6.686 7.499

LR test of model vs. saturated: chi2(1) = 0.11, Prob > chi2 = 0.9473

4.2.3.1.1.1 Full model – Push, Mooring & Interaction Variables

Figure 26 and 27 (with standardized estimates) as well as Table 32 indicate the estimates for the full model comprising the push factors, mooring factors as well as interaction variables.

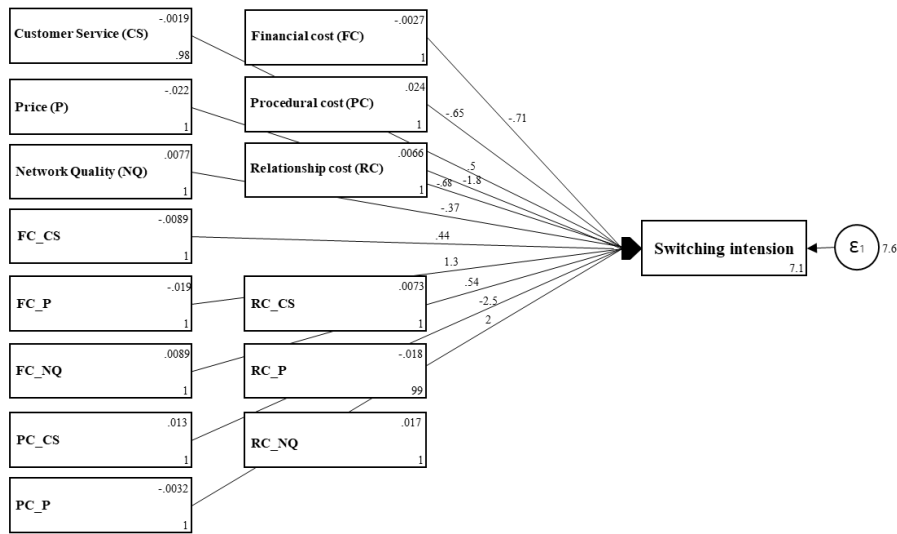


Figure 26: Full model (Push factors, mooring variables and interactions)

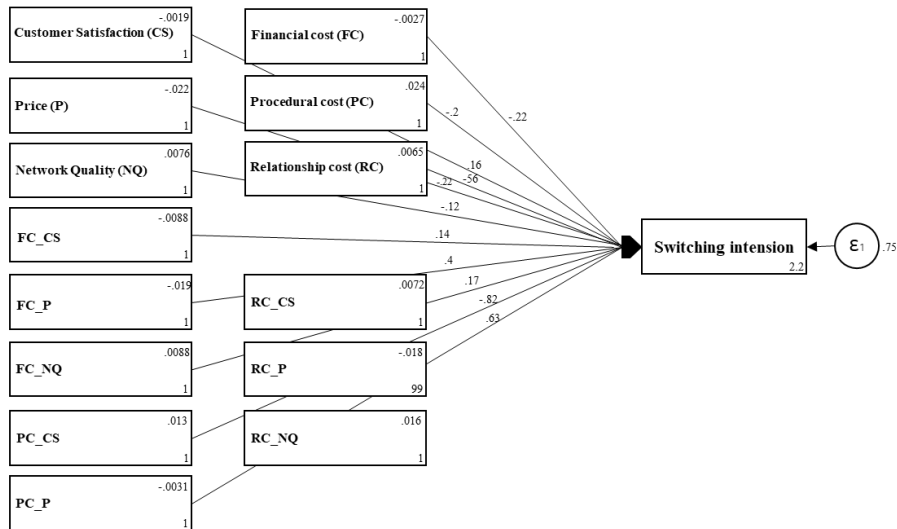


Figure 27: Full model – Push factors (standardized estimates)

Table 27 below indicates that the structural equation model is valid with Prob > chi2 = 0.3708. The table further shows that after the interaction variables are added to the model, the magnitude of the coefficient of customer satisfaction decreased from 1.087 (see Table 31) to .646 (see Table 32) and it stopped to be significant ($p=.393>.05$). On the other hand, the magnitude of the coefficient of Price increased from .719 (see Table 26) to 1.769 (see Table 32) and was still significant.

Table 27: Full model (Push factors, mooring variables and interactions)

Iteration 0: log likelihood = -1314.4466

Iteration 1: log likelihood = -1314.4466

Structural equation model

Number of obs. = 183

Estimation method = ml

Log likelihood = -1314.4466

Variables	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
Customer satisfaction (CS)	-.646	.757	-0.85	0.393	-2.130 .837
Price (P)	-1.769	.603	-2.93	0.003	-2.951 -.587
Network quality (NQ)	-.366	.580	-0.63	0.528	-1.504 .771
Financial cost (FC)	-.706	1.142	-0.62	0.537	-2.943 1.532
Procedural cost (PC)	.499	1.120	0.45	0.656	-1.696 2.695
Relationship cost (RC)	-.683	1.048	-0.65	0.514	-2.737 1.370
Financial cost X Customer satisfaction	.442	.382	0.32	0.749	-2.266 3.151
Financial cost X Network quality	.537	1.097	0.49	0.624	-1.613 2.688
Procedural cost X Customer satisfaction	-2.546	1.368	-1.86	0.063	-5.228 .1354
Procedural cost X Price	1.997	1.009	1.98	0.048	.019 3.975
Relationship cost X Customer satisfaction	1.263	1.417	0.89	0.373	-1.514 4.041
Constant	7.092	.204	34.71	0.000	6.691 7.492

LR test of model vs. saturated: $\chi^2(1) = 3.14$, Prob > $\chi^2 = 0.0768$

Table 27 further indicates that the interactions, Procedural cost X Customer satisfaction ($B=-2.546$, $p=.063<.1$) and Procedural cost X Price (1.997 , $p=0.048$) are also significant. These results indicate that Procedural cost moderates the effects of Customer satisfaction and Price on switching intentions.

The moderating effect of Procedural cost on the effect of Customer satisfaction on switching intentions is to buffer the effect, the presence of the moderator reduces the effect of the Customer satisfaction on switching intentions; whereas the moderating effect of Procedural cost on the effect of Price on switching intentions is to enhance it.

4.2.3.1.2 Pull and Mooring Variables

Figures 28 and 29 (for standardized estimates) as well as Table 33 show the fitted SEM with the pull factors of switching intentions together with mooring variables.

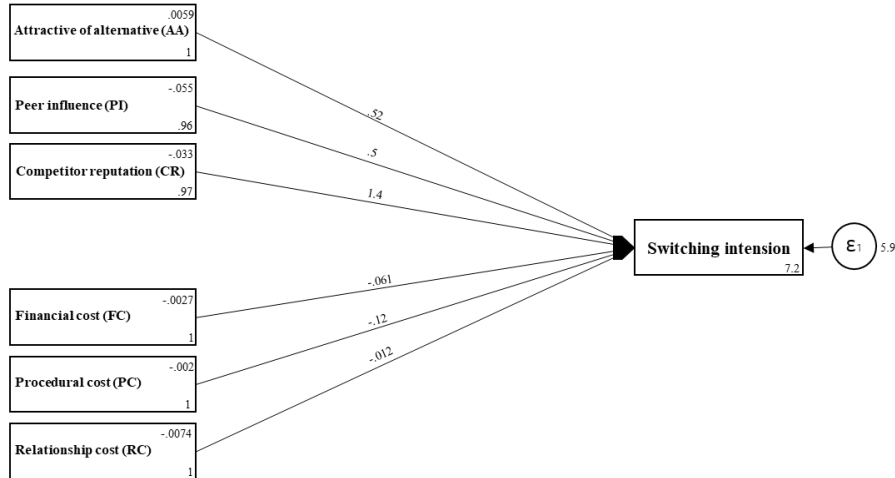


Figure 28: Pull factors and mooring variables

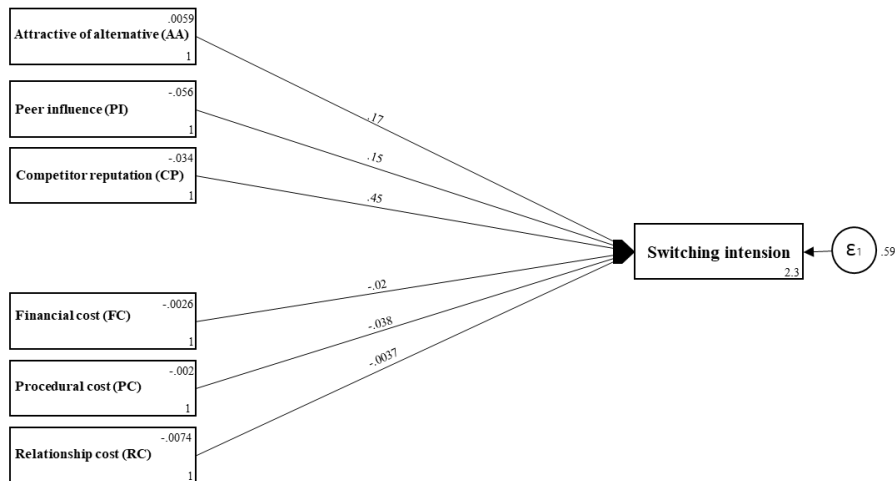


Figure 29: Pull factors and mooring variables (standardized estimates)

Pursuant to Table 28, Attractiveness of alternative ($B=.525$, $p=0.017<0.05$), Peer influence ($B=.497$, $p=0.015<0.05$) and Competitor reputation ($B=1.434$, $p=.000<.01$) are significant. Because the coefficients are positive, their effects on switching intentions is to attract customers or discourage/reduce switching intentions.

Iteration 0: log likelihood = -1856.0655		
Iteration 1: log likelihood = -1856.0655		
Structural equation model	Number of obs	= 183
Estimation method = ml		
Log likelihood = -1856.0655		

LR test of model vs. saturated: $\chi^2(1) = 0.00$, Prob > $\chi^2 =$

4.2.3.1.2.1 Full model – Pull, Mooring & Interaction Variables

Figure 30 and 31 (with standardized estimates) as well as Table 34 indicate the estimates for the full model comprising the pull factors, mooring factors as well as interaction variables.

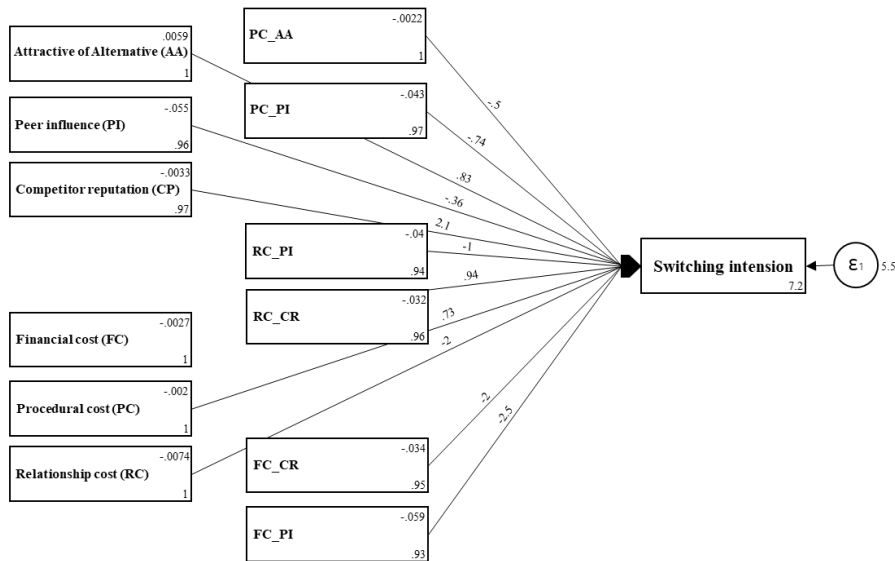


Figure 30: Full model (Pull factors, mooring variables and interactions)

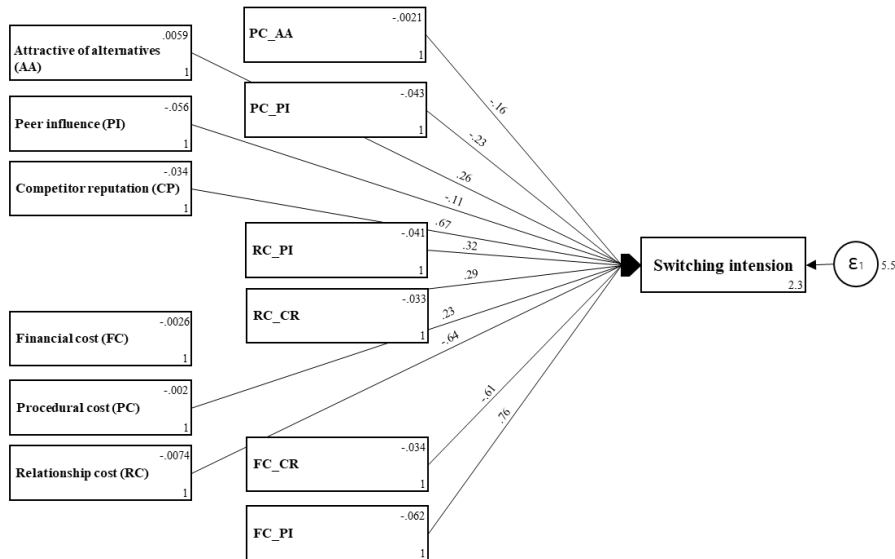


Figure 31: Full model (Standardized estimates)

The result of $\text{Prob} > \chi^2 = 0.4513$ indicates that the structural equation model is valid. Moreover, after the interaction variables were added to the model, though the magnitude of the coefficient of Attractiveness of alternative (AA) (.831, $p=0.130>.1$) increased from .525 (see Table 28) to .831 (see Table 29), it stopped to be significant. The Peer influence (PI) ($B=-.035$, $p=.956>.1$) dramatically decreased from .497 to .035 and stopped to be significant, on the other hand, the magnitude of the coefficient of Competitor reputation (CR) ($B=2.140$, $p=.002<.01$) increased from 1.434 to 2.140 and was still significant.

Table 29: Full model (Pull factors, mooring variables and interactions)

Iteration 0: log likelihood = -1726.61					
Iteration 1: log likelihood = -1726.61					
Structural equation model			Number of obs = 183		
Estimation method = ml					
Log likelihood = -1726.61					
Variables	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
Attractiveness of alternative	.831	.548	1.52	0.130	-.243 1.904
Peer influence	-.035	.641	-0.06	0.956	-1.292 1.221
Competitor reputation	2.140	.676	3.17	0.002	.815 3.465
Financial cost	-				
Procedural cost	.729	.744	0.98	0.327	-.729 2.186
Relationship cost	-.203	.710	-0.29	0.775	-1.594 1.189
Financial cost X Attractiveness alternative	-				
Financial cost X Peer influence	2.492	.783	3.18	0.001	.959 4.026
Financial cost X Competitor reputation	-1.964	.633	-3.10	0.002	-3.204 -.723
Procedural cost X Attractiveness alternative	-.501	.835	-0.60	0.548	-2.137 1.135
Procedural cost X Peer influence	-.743	.829	-0.90	0.370	-2.367 .881
Procedural cost X Competitor reputation	-				
Relationship cost X Attractiveness alternative	-				
Relationship cost X Peer influence	-1.038	.904	-1.15	0.251	-2.809 .734
Relationship cost X Competitor reputation	.942	.976	0.96	0.335	-.972 2.855
Constant	7.184	.1740	41.28	0.000	6.843 7.525

LR test of model vs. saturated: $\chi^2(1) = 0.57$, $\text{Prob} > \chi^2 = 0.4513$

The Results from Table 29 above, also indicate that Financial cost X Peer influence ($B=2.492$, $p=.001<.01$) and Financial cost X Competitor reputation ($B=-1.964$, $p=.002<.01$) are significant and predict switching intentions.

The results indicate that the effects of Peer influence and Competitor reputation on switching intentions vary with levels of Financial costs; and the moderating effect of Financial cost on the effect of Peer influence on switching intentions is to buffer or reduce it; but the moderating effect of Financial cost on the effect of Competitor reputation is to enhance it.

4.2.3.2 Summary of Structural Equation Modelling for empirical objective two

- a) These results indicate that procedural cost moderates the effects of customer satisfaction and price on switching intentions.
- b) The moderating effect of procedural cost on the effect of customer satisfaction on switching intentions is to buffer the effect, the presence of the moderator reduces the effect of the customer satisfaction on switching intentions whereas,
- c) The moderating effect of procedural cost on the effect of price on switching intentions is to enhance it.
- d) The effects of peer influence and competitor reputation on switching intentions vary with levels of Financial costs and,
- e) The moderating effect of financial cost on the effect of peer influence on switching intentions is to buffer or reduce it but,
- f) The moderating effect of financial cost on the effect of competitor reputation is to enhance it.

4.2.3.3 Secondary Empirical Objective 4: Identify whether mooring variables moderate the relationship between push variables and customer switching intention.

Regression analysis was used to test for this empirical objective where a binary approach was followed. At first, only push factors and mooring factors were included in the

regression model (see Table 30) and then the same regression model was refitted including the interaction factors (see Table 31 & 32). The following results were obtained:

The regression model (as seen on Table 30) indicates a 38.6% variation of “switching intention”, where only competitor reputation is statistically significant with a probability of $.007 < .01$ as seen in Table 40.

R-square	Adjusted R-square
.407	.386

Table 30: Regression Model – Mooring & Push Variables

	Sum of Squares	df	Mean Square	F	p-value
Regression	81.934	6	13.656	20.096	.000
Residual	119.596	176	.680		
Total	201.530	182			

Table 31: ANOVA – Mooring & Push Variables

Variables	B	Std. Error	Standardized Coefficient Beta	t	p-value
(Constant)	-.433	.430		-1.006	.316
Financial cost	-.020	.076	-.020	-.262	.794
Procedural cost	-.039	.077	-.038	-.508	.612
Relationship cost	-.004	.075	-.004	-.054	.957
Attractive of alternative	.212	.091	.167	2.338	.021
Peer Influence	.161	.068	.155	2.384	.018
Competitor reputation	.634	.101	.449	6.298	.000

Table 32: Coefficients – Mooring & Push Variables

The above regression model was re-fitted to include interaction factors. The variation of switching intension increased from to 38.6% to 40.8% (see Adjusted R-squares of Table 30 & 33).

R-square	Adjusted R-square
.457	.408

Table 33: Refitted Regression Model – Mooring & Push Variables

	Sum of Squares	df	Mean Square	F	p-value
Regression	92.077	15	6.138	9.366	.000
Residual	109.453	167	.655		
Total	201.530	182			

Table 34: ANOVA - Mooring & Push Variables

Variables	B	Std. Error	Standardized Coefficient Beta	t	p-value
(Constant)	-.689	1.035		-.666	.507
Financial cost	-.271	.343	-.266	-.792	.430
Procedural cost	.482	.341	.464	1.415	.159
Relationship cost	-.228	.353	-.212	-.645	.520
Attractive of alternative	.048	.286	.038	.168	.867
Peer Influence	.008	.222	.008	.036	.971
Competitor reputation	1.054	.388	.746	2.713	.007
Interaction of FC and AA	.095	.091	.315	1.044	.298
Interaction of FC and PI	.223	.076	.793	2.939	.004
Interaction of FC and CP	-.212	.118	-.698	-1.786	.076
Interaction of PC and AA	-.133	.095	-.502	-1.398	.164
Interaction of PC and PI	-.075	.094	-.286	-.801	.424
Interaction of PC and CP	.041	.134	.147	.303	.762
Interaction of RC and AA	.098	.087	.355	1.130	.260
Interaction of RC and PI	-.084	.082	-.321	-1.023	.308
Interaction of RC and CP	.030	.115	.097	.256	.798

Table 35: Coefficients - Mooring & Push Variables

Apart from competitor reputation ($B=1054$, $p=.007<.01$) being significant, also the interaction between financial cost (FC) and Peer influence (PI) ($B=.223$, $p=.004<.01$) was statistically significant (see Table 35). This indicates that the mooring variable, financial cost moderates the relationship between Peer influence (a push factor) and customer switching intention.

Therefore, the hypothesis that “Mooring variables moderate the relationship between push variables and prepaid mobile customer switching intention” has been accepted.

4.2.3.4 Secondary Empirical Objective 5: Identify whether mooring variables moderate the relationship between pull variables and customer switching intention

The same binary approach as explained in section 4.2.4.1 was also followed. At first, only pull factors and mooring factors were included in the regression model (see Table 36), and the same regression model was refitted to include the interaction factors (see Table 39). The following results were obtained:

The regression model (see Table 36) indicates 19,5% variation of “switching intention” with customer satisfaction and price being statistically significant as evidences by Table 43 which has revealed the following coefficients $B=-.441$, $p=.000<.01$ and $(B=-.256$, $p=.007<.01)$ for customer satisfaction and price respectively.

R-square	Adjusted R-square
.221	.195

Table 36: Regression Model - Mooring & Pull Factors

	Sum of Squares	df	Mean Square	F	p-value
Regression	45.455	6	7.576	8.341	.000
Residual	159.857	176	.908		
Total	205.313	182			

Table 37: ANOVA - Mooring & Pull Factors

Variables	B	Std. Error	Standardized Coefficient Beta	t	p-value
(Constant)	4.656	.390		11.937	.000
Customer satisfaction	-.441	.106	-.339	-4.161	.000
Price	-.256	.094	-.226	-2.724	.007
Network quality	-.045	.090	-.038	-.495	.621
Financial cost	.009	.093	.009	.101	.920
Procedural cost	-.022	.091	-.021	-.244	.807
Relationship cost	.102	.088	.096	1.169	.244

Table 38: Coefficients - Mooring and Pull Factors

The same regression model described in Table 36 to 38 was re-fitted to include interaction factor. The variation increased marginally from 19,5% (see Table 36 Adjusted R-square) to 19,7% (see Table 39 Adjusted R-square).

R-square	Adjusted R-square
.263	.197

Table 39: Re-fitted Regression Model - Mooring & Pull Variables

	Sum of Squares	df	Mean Square	F	p-value
Regression	54.041	15	3.603	3.977	.000
Residual	151.272	167	.906		
Total	205.313	182			

Table 40: Re-fitted ANOVA - Mooring & Pull Variables

Variables	B	Std. Error	Standardized Coefficient Beta	t	p-value
(Constant)	5.706	1.244		4.588	.000
Customer satisfaction	-.501	.370	-.385	-1.354	.178
Price	-.377	.285	-.333	-1.321	.188
Network quality	-.129	.317	-.110	-.407	.685
Financial cost	-.110	.427	-.106	-.257	.798
Procedural cost	.089	.442	.085	.202	.840
Relationship cost	-.332	.410	-.310	-.811	.419

Interaction of FC and CS	.077	.106	.361	.728	.468
Interaction of FC and P	-.148	.102	-.745	-1.452	.148
Interaction of FC and NQ	.084	.093	.388	.900	.369
Interaction of PC and CS	-.200	.118	-.898	-1.689	.093
Interaction of PC and P	.245	.098	1.080	2.499	.013
Interaction of PC and NQ	-.048	.104	-.222	-.460	.646
Interaction of RC and CS	.140	.130	.633	1.075	.284
Interaction of RC and P	-.036	.099	-.153	-.360	.720
Interaction of RC and NQ	.002	.110	.010	.019	.984

Table 41: Coefficients with Interaction - Mooring & Pull Variables

With the re-fitted model that included interactions, the results changed dramatically; customer satisfaction ($B=-.501$, $p=.178>.05$) and Price ($B=-.377$, $p=.188>.05$) were not statistically significant. Rather, the interaction between Procedural cost (PC) and Price (P) ($B=.245$, $p=.013<.05$) was statistically significant (see Table 41). Thus, these results might imply that Procedural cost moderates the relationship between Price and customer switching intention.

Therefore, the hypothesis that “Mooring variables moderate the relationship between pull variables and customer switching intention” has been accepted.

4.2.3.5 Secondary Empirical Objective 6 and 7: Identify whether pull variables moderate the relationship between push variables and customer switching intention

The same binary approach as explained in section 4.2.4.1 was also followed. At first, only push factors and pull factors were included in the regression model (see Table 42), and the same regression model was refitted to include the interaction factors (see Table 45). The following results were obtained:

The Adjusted R-square as seen in Table 42 was .488, meaning that 48,8% of the variation in the data was explained by the regression model. Pursuant to Table 44, all the variables except network quality ($B = -.004$, $p = .958 > .05$) were statistically significant.

R-square	Adjusted R-square
.506	.488

Table 42: Regression Model - Pull & Push Variables

	Sum of Squares	df	Mean Square	F	p-value
Regression	98.879	6	16.480	28.634	.000
Residual	96.691	168	.576		
Total	195.571	174			

Table 43: ANOVA - Push & Pull Variables

	B	Std. Error	Standardized Coefficient Beta	t	p-value
(Constant)	1.370	.451		3.038	.003
Customer satisfaction	-.337	.084	-.261	-4.016	.000
Price	-.141	.073	-.125	-1.938	.054
Network quality	-.004	.073	-.003	-.053	.958
Attractive of alternative	.183	.086	.143	2.112	.036
Peer Influence	.149	.062	.143	2.392	.018
Competitor reputation	.574	.098	.407	5.882	.000

Table 44: Coefficients - Push & Pull Variables

The same regression model (see Table 45 to 47) was re-fitted to include interaction factors. The variation (as represented by the Adjusted R-square) increased from 48,8% (see Table 42 Adjusted R-square) to 50,7% (see Table 45 Adjusted R-square).

R-square	Adjusted R-square
.549	.507

Table 45: Re-fitted Regression Model - Push & Pull Variables

	Sum of Squares	df	Mean Square	F	p-value
Regression	107.450	15	7.163	12.925	.000
Residual	88.121	159	.554		
Total	195.571	174			

Table 46: ANOVA - Push & Pull Variables

Variables	B	Std. Error	Standardized Coefficient Beta	t	p-value
(Constant)	.186	1.531		.122	.903
Customer satisfaction	.233	.408	.180	.570	.570
Price	-.497	.338	-.440	-1.470	.143
Network quality	.046	.353	.040	.131	.896
Attractive of alternative	1.031	.436	.808	2.365	.019
Peer Influence	-.284	.264	-.274	-1.074	.285
Competitor reputation	.407	.438	.289	.929	.354
Interaction of CS and AA	-.116	.117	-.441	-.992	.323
Interaction of CS and PI	.004	.090	.014	.041	.967
Interaction of CS and CP	-.092	.128	-.293	-.714	.476
Interaction of P and AA	.035	.086	.120	.408	.684
Interaction of P and PI	.185	.067	.678	2.751	.007
Interaction of P and CP	-.068	.112	-.230	-.606	.545
Interaction of NQ and AA	-.155	.098	-.652	-1.573	.118
Interaction of NQ and PI	-.039	.076	-.162	-.514	.608
Interaction of NQ and CP	.207	.125	.714	1.662	.099

Table 47: Coefficients Push & Pull Variables with Interactions

Further to the re-fitted model, only attractive of alternative ($B=1.031$, $p=.019<.05$) and interaction between Price (P) and Peer influence (PI) ($B=.185$, $p=.007<.01$) were statistically significant (see Table 47). This might imply that Price moderates the

relationship between Peer influence and customer switching intentions and/or Peer influence moderates the relationship between Price and customer switching intention.

Therefore, the hypotheses that:

- “Pull variables moderate the relationship between push variables and customer switching intention” and
- “Push variables moderate the relationship between pull variables and customer switching intention”, have been accepted.

4.2.3.6 Summary of regression model findings for empirical objective two

The following is the summary of the findings derived from the statistical analysis above:

- a) Financial cost (Mooring factor) moderates the relationship between Peer influence (a push factor) and customer switching intention.
- b) Procedural cost moderates the relationship between Price and customer switching intention.
- c) Price moderates the relationship between Peer influence and customer switching intentions and/or
- d) Peer influence moderates the relationship between Price and customer switching intention.

4.2.3.7 Summary of hypothesis and findings

Table 48 below provides the summary of the hypothesis findings and implications

Hypothesis	Status	Implication
H1. The push factors in respect to a perceived poor customer satisfaction have a positive effect on consumer switching intention	Has been accepted	The push factors in respect to a perceived poor customer satisfaction and perceived high prices have a positive effect on customer switching intention thus these factors have been found to be major factors behind the prepaid mobile customers' switching intentions.
H2. The push factors in respect to perceived high prices have a positive effect on consumer switching intention	Has been accepted	
H3. The push factors in respect to perceived poor network have a positive effect on consumer switching intention	Has not been rejected or accepted	
H4. The pull factors in respect to perceived good competitor reputation have a positive effect on consumer switching intention	Has been accepted	The pull factors in relation to perceived good competitor reputation and attractive alternative products from competitors have a positive effect on customer switching intention, these factors have been found to be major factors behind the prepaid mobile customers' switching intentions
H5. The pull factors in respect to attractive alternative products from competitors have a positive effect on consumer switching intention	Has been accepted	
H6. The pull factors in respect to peer influence have a positive effect on consumer switching intention	Has not been rejected or accepted	
H7. The mooring factors in respect to the low switching relationship cost have a positive effect on consumer switching intention	Has not been rejected or accepted	Mooring factors were not found to be statistically significant as major factors for the prepaid customer switching intentions. Meaning that, the effect that the mooring factors has in the prepaid customers switching intention is insignificant thus cannot be attributed as major factors that would causing switching intention.
H8. The mooring factors in respect to the low switching procedural cost have a positive effect on consumer switching intention	Has not been rejected or accepted	
H9. The mooring factors in respect to the low switching financial cost have a positive effect on consumer switching intention	Has not been rejected or accepted	
H10. Mooring variables moderate the relationship between push variables and customer switching intention.	Has been accepted	Financial cost (Mooring factor) moderates the relationship between Peer influence (a push factor) and customer switching intention

H11. Mooring variables moderate the relationship between pull variables and customer switching intention.	Has been accepted	and procedural cost moderates the relationship between Price and customer switching intention.
H12. Pull variables moderate the relationship between push variables and customer switching intention.	Has been accepted	Whereas, price moderates the relationship between Peer influence and customer switching intentions and or peer influence moderates the relationship between Price and customer switching intention.

Table 48: Summary of Hypothesis and Findings

CHAPTER 5: SUMMARY, CONCLUSIONS, RECOMMENDATIONS AND LIMITATION

The previous chapter focused on the interpretation and discussion of the research results, thus, the purpose of this chapter is to provide deep discussion on the main findings of this study in accordance to the stated empirical research objectives. This discussion shall include; conclusions and recommendations, significance and contribution as well as the possible limitations of the study.

Introduction

The South African prepaid market is characterised by high levels of rivalry between the service providers in which Vodacom and MTN as market leaders have respectively acquired 44% and 32% market share, and Cell C and Telkom Mobile as market challengers, have only managed to gain 17% and 5% of the market share respectively (“South African mobile market share: Vodacom vs MTN vs Cell C vs Telkom,” 2018). These market challengers have opted to primarily focus on price to increase their market share resulting in increased competition and churn in the prepaid market.

Surprisingly, the market leaders viz. Vodacom and MTN seem to have developed insatiable appetite to join in the price war that have been sparked by Telkom Mobile and Cell C. This is highly suspicious, it suggests that these service providers are not conscious to the comprehensive factors that are driving the mobile prepaid customers to develop the desire to switch between service providers. Is price the only trigger? Is poor customer service the reason for customers to develop a switching intention? Is the switching intention a function of price and poor customer service? What other factors may be triggering customer switching intention?

The purpose of this study was therefore to provide an empirical account of the prominent reasons that might lead customers to develop an intention to switch from one service provider to another. In particular, the study investigated the extent to which the pull factors (Customer satisfaction, price and network quality), push factors (attractive of alternative, peer influence and competitor reputation) and mooring factors (relationship cost, procedural cost and financial cost) are relevant to the prepaid mobile customers' switching intention. Moreover, the study attempts to empirically determine which of the push, pull and mooring factors are influential to the switching intentions of the mobile prepaid customers in the South African mobile network industry.

5.1 Summary of the empirical results and conclusions

The study generated the following key insights which has significant managerial implications:

5.1.1 General findings

- a) The study indicates that the majority of the respondents were employed and subscribed to Vodacom followed by MTN and Telkom Mobile.
- b) Overall, the respondents were between the ages of 21 and 50, they were spending between R100-R500 per month on average and have been with their respective mobile network service providers for longer than 5 years.
- c) Most interestingly, the majority of the respondents had 2 sim cards from different operators, with some respondents having between 3 to 5 sim cards. The respondents indicated that affordability, lower price and network coverage were the most upmost reason for obtaining multiple sim cards from different operators.
- d) Some of the respondents (which were in minority) indicated that they have switched mobile network service providers in the past 12 months and cited affordability, price and network the main reason for switching.

The subsequent discussion shall briefly described key empirical findings in accordance with the stated objectives;

5.1.2 Key findings in respect to empirical objective One

In line with section 1.5, the primary purpose of empirical objective one was to determine the significant or major factors that are responsible for the prepaid mobile customers' switching intentions. Secondary empirical objectives were created to unpack this primary empirical objective and the results are as follows:

5.1.2.1 Secondary Empirical Objective 1: Identify which of the push factors play a huge role in customer switching intentions

The first secondary empirical objective was to determine which from these push factors played a significant role in the prepaid mobile customer switching intention. A regression analysis was commissioned to run a statistical test and the results revealed that:

Perceived **poor customer satisfaction** and **perceived high prices** have been found to have a significant effect on customer switching intention. This is consistent with a number of previous studies such as Sharma and Panga (2018, p.112) who found that “customer satisfaction has a direct influence on switching intention, which means that satisfied customers would not be interested to switch the brand”. They further indicated in their findings that the perceived low price increases customer satisfaction which discourage customer switching intention. Moreover, Chen and Keng (2019) also reported in their findings that the service quality and perceived price are significant push variables leading to customers to switch to an alternative service provider. This finding is also consistent with Chang et al. (2017); Jung et al. (2017) who also found in their respective studies that customer dissatisfaction and complaint around the service quality and high perceived pricing resulted in customers switching to an alternative service provider.

Poor network quality was not identified as a major reason for the prepaid mobile subscribers switching intention, however, it is critical to note that network quality or lack

thereof is a by-product of service quality and customer satisfaction. Further to the notation above, Jung et al. (2017) denoted that customer dissatisfaction and complaint around the service quality leads to customer switching to an alternative service provider. Similarly, customers that a complaining about the mobile network will be dissatisfied leading to them switching service providers.

5.1.2.2 Secondary Empirical Objective 2: Identify which of the pull factors play a huge role in customer switching intentions

The second secondary empirical objective was to determine which of these push factors played a major role in the prepaid mobile customer switching intention. A regression analysis was commissioned to run a statistical test and the results revealed that:

Perceived good competitor reputation and **attractive alternatives from competitors** were found to be major factors of prepaid mobile customers switching intention. This is consistent with Sun et al. (2017) who found in their study that the more attractive the alternative services that are being offered by competitors, the more consumers are likely to switch. Moreover, Chang, Wong & Li (2017); Jung et al. (2017) who also found in their study that the more attractive an alternative is, the stronger the switching intention.

Peer influence was not identified as a major reason for the prepaid mobile subscribers switching intention. This finding is in contrast with Zengyan et al. (2009) who found peer influence as a significant pull factor of customer switching intention.

5.1.2.3 Secondary Empirical Objective 3: Identify which of the mooring factors play a huge role in customer switching intentions

The third secondary empirical objective was to determine which from these mooring factors (i.e. Financial switching cost, procedural cost and relationship cost) are playing a significant role in the prepaid mobile customer switching intention. A regression analysis was commissioned to run a statistical test and the results indicate that;

All mooring factors were not found to be statistically significant as major factors for the prepaid customer switching intentions. Meaning that, the effect that the mooring factors has in the prepaid customers switching intention in terms of switching costs is insignificant thus cannot be attributed as major factors that would cause switching intention.

The reason for the above finding can be attributed to the fact that a prepaid service in its nature does not bind customers to a contract term, therefore the switch has no financial cost. Moreover, competing service providers have made the switching procedure to be highly fluid to make it easy for prepaid customers to join their network hence, the procedural cost was not found to be a significant deterrent for switching intention. The fluidity of the consumer prepaid mobile network market has discouraged mobile network operators to invest money in relationship building initiatives hence my finding that the relationship cost is not a significant mooring factor that deters prepaid customers from switching service providers.

This finding is consistent with Quoquab et al. (2018) who also found a negative relationship between switching costs and switching intention in their study. In contrast, a number of earlier studies viz. Burnham et al. (2003); Bansal et al. (2005) ; Chung (2011) ; Hsieh et al. (2012); Xu et al. (2014) found switching cost to be a significant mooring factor that negatively affects customer switching intention.

5.1.3 Summary of empirical objective one

The findings of this study against empirical objective one as depicted in Figure 32 below is consistent with Zengyan et al. (2009) who found in their study that the switching intention of users was significantly affected by pull and push factors, mooring factors were found to be insignificant to the user's switching intention.

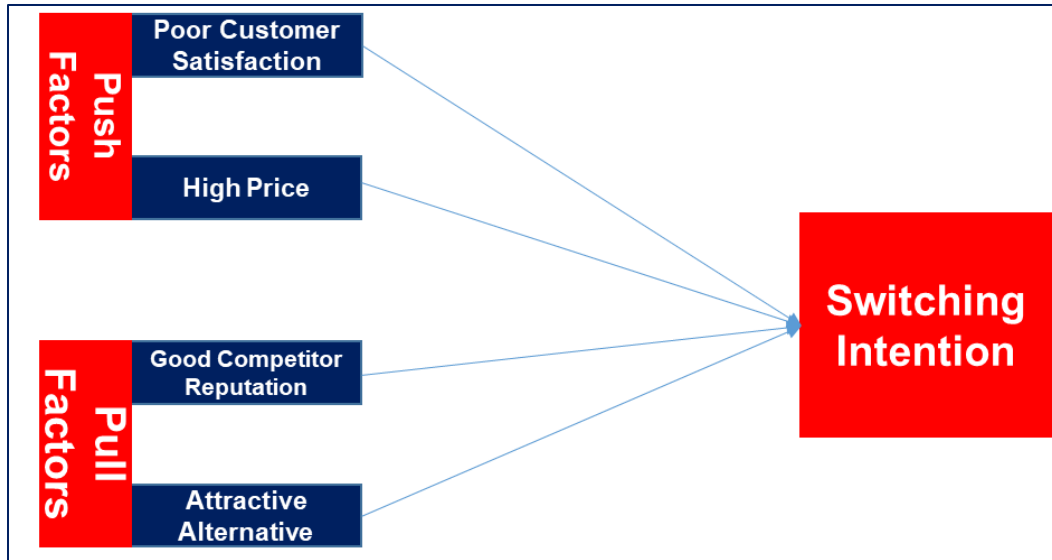


Figure 32: Summary of major factors of customer switching intention

Perceived poor customer satisfaction and high prices have been found to have a significant contribution to the mobile network prepaid switching intention. Although network quality was found to be insignificant, the study proved a correlation between network quality and customer satisfaction, therefore, network quality indirectly contribute to the prepaid customers switching intention, as the poor the quality of the network, the poor the customer satisfaction as depicted in Figure 33 below.



Figure 33: Path analysis Push Factors

In terms of the pull factors, perceived good competitor reputation and attractive alternatives were found to be salient factors of the mobile network prepaid customer switching intention. Albeit that the contribution of peer influence to the prepaid switching intention was insignificant, the study found a correlation between attractive alternatives and peer influence as well as competitor reputation and peer influence. It is therefore logical to posit that peer influence is only a significant switching factor where there's a strong competitor reputation and or where there's attractive alternative propositions in the market.

In light with the word of mouth marketing, what it effectively means is that peer influence without a considerable amount of influence from competitor reputation and attractive alternatives does not lead the mobile network prepaid customers from developing a switching intention. The influence from the peers should be grounded on attributes that customers find valuable enough to switch. The following path analysis presented in Figure 34 describes this relationship.

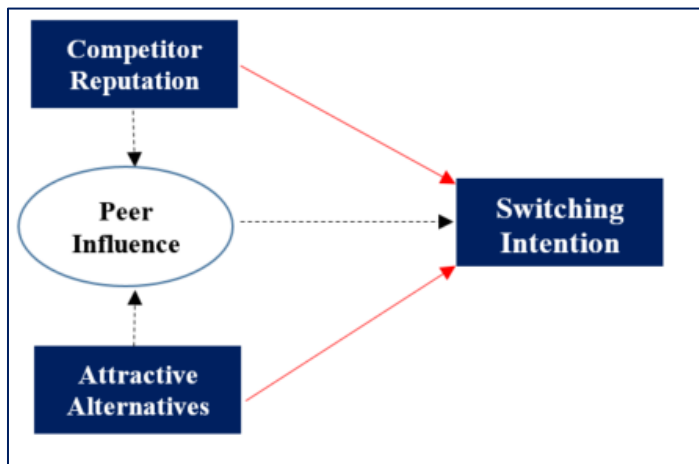


Figure 34: Path Analysis Pull Factors

5.2.1 Key findings in respect to empirical objective Two

The primary purpose of empirical objective two was to determine whether there is any moderation between the pull, push and mooring factors leading to the prepaid mobile customers switching intentions. Secondary empirical objectives were created to unpack this primary empirical objective and the results are as follows:

5.2.1.1 Secondary Empirical Objective 4: Identify whether mooring variables (i.e. moderate the relationship between push variables and customer switching intention.

It has been found that the procedural cost moderates the effects of customer satisfaction and price on switching intentions. Moreover, procedural cost moderates the relationship

between price and customer switching intention. The moderating effect of procedural cost on the effect of customer satisfaction on switching intentions is to buffer the effect, the presence of the moderator reduces the effect of the customer satisfaction on switching intentions; whereas the moderating effect of procedural cost on the effect of price on switching intentions is to enhance it.

5.2.1.2 Secondary Empirical Objective 5: Identify whether mooring variables moderate the relationship between pull variables and customer switching intention

The results indicate that the effects of peer influence and competitor reputation on switching intentions vary with levels of financial costs; and the moderating effect of financial cost on the effect of Peer influence on switching intentions is to buffer or reduce it; but the moderating effect of financial cost on the effect of competitor reputation is to enhance it. Although a number of studies viz. Lu and Su (2009); Zhou et al. (2016); Islam et al. (2011) have aptly investigated the moderating effect, their pull-push-mooring factors were vastly different from those that were investigated in this study.

5.2.1.3 Secondary Empirical Objective 6 & 7: Identify whether pull variables moderate the relationship between push variables and customer switching intention

The results indicate pull variables in terms of price moderate the relationship between push variables i.e. Peer influence and customer switching intention. Although a number of studies viz. Lu and Su (2009); Zhou et al. (2016); Islam et al. (2011) have aptly investigated the moderating effect, their pull-push-mooring factors were vastly different from those that were investigated in this study.

5.2.2 Summary of empirical objective two

- a) The moderating effect of procedural cost on the effect of customer satisfaction on switching intentions is to buffer the effect, the presence of the moderator reduces the effect of the customer satisfaction on switching intentions whereas,
- b) The moderating effect of procedural cost on the effect of price on switching intentions is to enhance it.
- c) The effects of peer influence and competitor reputation on switching intentions vary with levels of Financial costs and,
- d) The moderating effect of financial cost on the effect of peer influence on switching intentions is to buffer or reduce it but,
- e) The moderating effect of financial cost on the effect of competitor reputation is to enhance it.

5.2 Managerial implications and recommendation

The ensuing sections will discuss the implications that the findings have on the managers that are responsible for the prepaid propositions followed by a high level recommendation what these managers could do to safeguard themselves from customers switching their service in favour of that of their competitors.

5.2.1 General

The study indicates that the majority of the respondents were subscribed to Vodacom followed by MTN and Telkom Mobile. Overall, the respondents were between the ages of 21 and 50, they were spending between R100-R500 per month on average and have been with their respective mobile network service providers for longer than 5 years.

Most interestingly, the majority of the respondents had 2 sim cards from different operators, with other respondents having between 3 to 5 sim cards. The respondents indicated that; affordability, lower price and network coverage were the most upmost reasons for the multiple sim cards from different operators. Some of the respondents

indicated that they have switched mobile network service providers in the past 12 months and cited affordability, price and network as the main reasons for switching

Managers need to consider developing hybrid plans (between prepaid/postpaid) that supports the average spend per user revealed in this study. This will work as a barrier for customer's switching intension. Moreover, managers need to fully understand the prepaid customer's purchase decision journey, to answer the following question; "which of our services are customers finding appealing to use and which are not". Answering this question will help the network service providers shape their propositions that will discourage customers from acquiring alternative sim cards from competitors.

5.2.2 Implications around Push factors

Perceived poor customer satisfaction and high prices are push factors that have been found to have a significant contribution to the mobile network prepaid switching intension. Although network quality was found to be insignificant, the study proved a correlation between network quality and customer satisfaction, therefore, network quality indirectly contribute to the prepaid customers switching intension, as the poor the network quality, the poor the customer satisfaction.

As one of the respondents said, "I bought it cheap but there's no network coverage to allow me to use the service" in light of this statement, it is empirically evident that managers responsible for the product design and development have to consider all the elements of the product, not just price. It is therefore recommended that they should tighten the marketing mix of the prepaid proposition to ensure customer satisfaction during the pre-purchase, in-purchase and post-purchase stages. Moreover, offering low perceived prices should not be at an expense of the network investment, therefore managers need to find a balance between developing cost effective prepaid propositions without compromising investment and budget to improve their network coverage.

5.2.3 Implications around Pull Factors

In terms of the pull factors, perceived good competitor reputation and attractive alternatives were found to be salient factors of the mobile network prepaid customer switching intention. Albeit the contribution of peer influence was insignificant, the study found a correlation between attractive alternatives and peer influence as well as competitor reputation and peer influence. It is therefore logical to posit that peer influence indirectly leads to the prepaid customers switching intention.

Managers need to immerse themselves to a continuous market scanning and competitor analysis to stay abreast of competitor activities in order to develop appealing prepaid propositions that will discourage customers from being attracted by alternatives from their competitors.

5.2.4 Implications around Mooring Factors

Whilst the study reveals that the effect that the mooring factors have in the prepaid customers switching intention is insignificant therefore cannot be attributed as a major factor that would causing switching intention, it is critical for managers to note that creating prepaid propositions that are appealing to customers enhances the switching costs.

Moreover, managers are advised to cement their relationship with the prepaid customers by investing in relationship building initiatives such as loyalty program to build loyalty and deter customers from switching.

5.3 Limitation of the study and future research

The limitation and recommendation for future research will be grounded on the following three aspects:

5.3.1 Geographical setting

The sample for this study was limited to South Africa, therefore the findings cannot be generalised to other African countries or any other country for that matter since the dynamics in those countries in terms of prepaid affiliation and mobile network service providers could be vastly different. Moreover, culture and consumer attitude is different from country to country. It therefore recommended that this study be replicated in other countries, especially those with emerging economy to establish points of difference and parity.

5.3.2 Sample Population

The study focused on an inclusive population of employed, unemployed and students that were older than 18. Further research on this topic should be conducted within a population strata, as an example, the study could focus only on students in tertiary education sector or working population. This will help managers within the mobile network service industry craft insight led segmented propositions for each strata rather than approaching the market with a one size fits all approach.

5.3.3 Unit of analysis

This study only focused on prepaid mobile network customers, therefore the results cannot be generalized to the entire mobile network customer population. It is recommended that a further study be conducted to focus on post-paid / contract customers to establish whether there's any points of difference and parity between prepaid and postpaid customer switching intention. This will assist managers within the mobile network service industry delineate their propositions between post-paid and prepaid consumer segments.

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Appendix A – Ethical Clearance



SCHOOL OF GRADUATE SCHOOL OF BUSINESS ADMINISTRATION ETHICS COMMITTEE **CONSTITUTED UNDER THE UNIVERSITY HUMAN RESEARCH ETHICS COMMITTEE (NON-MEDICAL)**

CLEARANCE CERTIFICATE

PROTOCOL NUMBER: WBS/SM693010/738

PROJECT TITLE

Switching intentions of mobile telecommunications prepaid customers in South Africa

INVESTIGATOR

Mr Lionel Khoza

SCHOOL/DEPARTMENT OF INVESTIGATOR

MM (Strategic Marketing)

DATE CONSIDERED

6 March 2020

DECISION OF THE COMMITTEE

Approved unconditionally

RISK LEVEL

LOW RISK

EXPIRY DATE

28 FEBRUARY 2021

ISSUE DATE OF CERTIFICATE 2 April 2020

CHAIRPERSON _____

A handwritten signature in black ink, appearing to read 'MDJ Matshabaphala'.

(Dr MDJ Matshabaphala)

cc: Supervisor: Mr Penman

DECLARATION OF INVESTIGATOR

To be completed in duplicate and ONE COPY returned to the Chairperson of the School/Department ethics committee.

I fully understand the conditions under which I am authorized to carry out the abovementioned research and I guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I/we undertake to resubmit the protocol to the Committee.

Signature

Date

____/____/____

Appendix B – Questionnaire

Section A: General

B1. Do you have an active mobile number?	☐ Yes ☐ No
B2. How many active mobile numbers do you have?	(Specify).....
B.3 Who is your main mobile network service provider?	☐ Vodacom ☐ MTN ☐ Cell C ☐ Telkom Mobile ☐ Other (Specify).....
B.4 What is the main type of your mobile subscription?	☐ Prepaid ☐ Contract
B.5 How much is you spending per month on your mobile network service provider?	Please Specify.....

B6. How long have you been with your current mobile network service operator?	☐ Less than 6 Months ☐ 6 to 12 months ☐ 1 to 2 years ☐ 3 to 5 years ☐ Longer than 5 years
B7. Do you have active numbers from different mobile network service providers?	☐ Yes (Why?)..... ☐ No
B8. Have you considered switching from your mobile network service providers within the last 12 months?	☐ Yes (Why?)..... ☐ No
B9. Have you switched mobile network service providers in the last 12 months? (If answered “No” – Skip B10 & B11)	☐ Yes (Why?)..... ☐ No
B10. Which mobile network provide have you switched from?	☐ Vodacom ☐ MTN ☐ Cell C ☐ Telkom Mobile

	☐ Other (Specify).....
B11. Which mobile network provider have you switched to?	☐ Vodacom ☐ MTN ☐ Cell C ☐ Telkom Mobile ☐ Other (Specify).....

Section B: Push Pull & Mooring Factors

Section B1: Customer Satisfaction

No	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
CS1	The service I receive from my mobile network service provider meets my expectation	1	2	3	4	5
CS2	Generally, customer service from my mobile network service provider is great	1	2	3	4	5
CS3	My mobile network service provider has great customer care	1	2	3	4	5
CS4	The employees at my mobile network service provider are always helpful and respectful	1	2	3	4	5
CS5	I am very satisfied with the service of my mobile network service provider	1	2	3	4	5

Section B2: Price

No	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
P1	Generally, I get more value for money in using the services of my mobile network service provider	1	2	3	4	5
P2	The charges for mobile services from my mobile network service provider are reasonable	1	2	3	4	5

P3	My mobile network service provider has good prices and promotions compared to competitors	1	2	3	4	5
P4	Data rates offered by my mobile network service provider are affordable	1	2	3	4	5
P5	Call rates offered by my mobile network service provider are affordable	1	2	3	4	5
P6	Value added services offered by my mobile network service provider are affordable	1	2	3	4	5
P7	Overall, my mobile network service provider charges affordable rates for Recharges/Top-Ups	1	2	3	4	5

Section B3: Network Quality

No	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
NQ1	The network quality of my mobile network service provider meets my expectation	1	2	3	4	5
NQ2	Generally, I get a high speed internet connectivity from my mobile network service provider	1	2	3	4	5
NQ3	Overall, I experience high call quality and clarity when making calls on the network of my mobile service provider	1	2	3	4	5
NQ4	Generally, I am able to successfully complete calls without failure on the network of my mobile network service provider	1	2	3	4	5
NQ5	Overall, I am very satisfied with the network quality of mobile network service provider	1	2	3	4	5

Section B4: Financial Cost

No	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
FC1	It will cost me a lot of money to switch to another mobile network service provider	1	2	3	4	5
FC2	I will lose lots of great benefits offered by my mobile network service provider if I switch to a new provider	1	2	3	4	5

Section B5: Procedural Cost

No	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
PC1	Switching to another mobile network service provider will require great effort and energy	1	2	3	4	5
PC2	It will take too long to switch to a new mobile network service provider	1	2	3	4	5
PC3	Switching to another mobile network service provide is complicated	1	2	3	4	5
PC4	It will take lots of effort and time to learn new product and services from new mobile network service provider if I switch	1	2	3	4	5

Section B6: Relationship Cost

No	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
RC1	I will lose a great relationship that I have with my mobile network service provider if I switch to a new mobile network service provider	1	2	3	4	5
RC2	I may lose my mobile number if I switch to a new mobile network service provider	1	2	3	4	5

Section B7: Relationship Cost

No	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
AA1	There are other good mobile service providers in the market to choose from if I need to switch from my mobile network service provider	1	2	3	4	5
AA2	I would probably be happy with the features, pricing and services of another mobile network service provider	1	2	3	4	5
AA3	I believe that there are other mobile network service providers in the market that would fulfill my needs better than my current mobile network service provider	1	2	3	4	5
AA4	Product benefits and pricing offered by other mobile network service providers are very attractive	1	2	3	4	5
AA5	I am very attracted by the price and value offered by other mobile network service providers	1	2	3	4	5

Section B8: Competitor Reputation

No	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
CP1	The other mobile network service providers have a better reputation than my mobile service provider	1	2	3	4	5
CP2	The other mobile network service providers seems to have good reputation for a quality network	1	2	3	4	5
CP3	The other mobile network service providers seems to have good reputation for a quality customer service	1	2	3	4	5
CP4	The other mobile network service providers seems to have good reputation for affordable product and services	1	2	3	4	5
CP5	The other mobile network service providers seems to have a good reputations for high value products at a reasonable price	1	2	3	4	5

Section B9: Switching Intention

No	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
SI1	I am determined to switch to another mobile network service provider	1	2	3	4	5
SI2	I intend to switch to another mobile network service provider within the next year.	1	2	3	4	5
SI3	The possibility of me switching to another mobile network service provider is very high.	1	2	3	4	5

Section C: Demographics

A1. Age	☐ 16 to 20 ☐ 21 to 30 ☐ 31 to 40 ☐ 41 to 50 ☐ 51+ ☐ I prefer not to say
A2. Gender	☐ Male ☐ Female ☐ I prefer not to say
A3. Marital Status	☐ Single ☐ Married ☐ Divorced ☐ I prefer not to say
A4. Ethnicity	☐ African ☐ White ☐ Indian ☐ Coloured ☐ Other (Specify)..... ☐ I prefer not to say

A5. Highest Qualification	☐ Matric or Grade 12 ☐ Diploma ☐ Bachelor Degree ☐ Honours Degree ☐ Masters Degree ☐ Other (Specify)..... ☐ I prefer not to say
A6. Occupation	☐ Student ☐ Unemployed ☐ Employed ☐ Self Employed ☐ Other (Specify)..... ☐ I prefer not to say