

Mobile Service Users' Switching Decisions: Case of Libya

Mohamed B.A.E. Ghnegiwa

Submitted to the
Institute of Graduate Studies and Research
in partial fulfillment of the requirements for the degree of

Master of Arts
in
Marketing Management

Eastern Mediterranean University
August 2022
Gazimağusa, North Cyprus

Approval of the Institute of Graduate Studies and Research

Prof. Dr. Ali Hakan Ulusoy
Director

I certify that this thesis satisfies all the requirements as a thesis for the degree of Master of Arts in Marketing Management.

Prof. Dr. Melek Şule Aker
Chair, Department of Business
Administration

We certify that we have read this thesis and that in our opinion it is fully adequate in scope and quality as a thesis for the degree of Master of Arts in Marketing Management.

Prof. Dr. Mustafa Tümer
Supervisor

Examining Committee

1. Prof. Dr. Mustafa Tümer

2. Asst. Prof. Dr. Murad Abdurahman Bein

3. Asst. Prof. Dr. Mehmet İslamoğlu

ABSTRACT

Efficient Customer Relationship Management is important to ensure long-term customer retention in the telecommunication sector, specifically in Mobile Service Sector. Therefore, it's important to understand the switching behavior of consumers in regards to their decision to switch from one Mobile Service Provider to another. The analysis of the switching behavior, taking into account multiple factors like quality of the service, network coverage, and more, is crucial to determine the churn decision of the customers. Equally important is to identify potential switching barriers, like switching costs, which deter or delay the switching decision of customers from one service provider to another.

This study takes into account Mobile Service Providers and their customers in Libya. The sample size includes individuals from all ages, occupation, and classes. There are 3 main Mobile Service Providers in Libya named Almadar, LTT, and Libyana. There are various factors like price rates, network quality and coverage, quality of customer service which have a significant impact on the switching decision of customers in Libya. These various factors which have been taken into consideration have revealed that the the level of satisfaction among the mobile service users in Libya is low. Moreover, the paper identifies six potential switching barriers like search costs, attractiveness of alternatives, loss of social bonds, functional risks, setup costs and loss of special treatment benefits which force the customers to stay with their existing Mobile Service Provider in Libya.

The study intends to enlighten the Mobile Service Providers on how they can ensure effective customer relationship management to control customer retention or churn rate by helping these providers understand the switching behavior of their customers.

Keywords: Switching Behavior, Switching Decision, Mobile Service Providers, Switching Barriers, Customer Retention, Level of Satisfaction.

ÖZ

Etkin Müşteri İlişkileri Yönetimi, özellikle Mobil Hizmet Sektörü başta olmak üzere telekomünikasyon sektöründe uzun süreli müşteri elde tutma sağlamak için önemlidir. Bu nedenle, tüketicilerin bir Mobil Servis Sağlayıcıdan diğerine geçme kararlarıyla ilgili olarak değiştirme davranışlarını anlamak önemlidir. Hizmet kalitesi, ağ kapsamı ve daha fazlası gibi birden çok faktörü hesaba katan anahtarlama davranışının analizi, müşterilerin kayıp kararını belirlemek için çok önemlidir. Müşterilerin bir hizmet sağlayıcıdan diğerine geçiş kararını caydıran veya geciktiren geçiş maliyetleri gibi potansiyel geçiş engellerini belirlemek de aynı derecede önemlidir.

Bu çalışma, Mobil Servis Sağlayıcıları ve Libya'daki müşterilerini dikkate almaktadır. Örneklem büyüklüğü, her yaştan, meslekten ve sınıftan bireyleri içerir. Libya'da Almadar, LTT ve Libyana adında 3 ana Mobil Servis Sağlayıcı bulunmaktadır. Libya'daki müşterilerin geçiş kararlarında önemli bir etkiye sahip olan fiyat oranları, ağ kalitesi ve kapsamı, müşteri hizmetlerinin kalitesi gibi çeşitli faktörler vardır. Dikkate alınan bu çeşitli faktörler, Libya'daki mobil hizmet kullanıcıları arasında memnuniyet düzeyinin düşük olduğunu ortaya koymuştur. Ayrıca makale, arama maliyetleri, alternatiflerin çekiciliği, sosyal bağların kaybı, işlevsel riskler, kurulum maliyetleri ve müşterileri Libya'daki mevcut Mobil Servis Sağlayıcılarında kalmaya zorlayan özel tedavi avantajlarının kaybı gibi altı potansiyel geçiş engelini tanımlamaktadır.

Çalışma, Mobil Servis Sağlayıcıları, müşterilerinin değiştirme davranışını anlamalarına yardımcı olarak, müşteriyi elde tutma veya kayıp oranını kontrol etmek

için etkili müşteri ilişkileri yönetimini nasıl sağlayabilecekleri konusunda aydınlatmayı amaçlamaktadır.

Anahtar Kelimeler: Geçiş Davranışı, Geçiş Kararı, Mobil Servis Sağlayıcılar, Geçiş Engelleri, Müşteriyi Elde Tutma, Memnuniyet Düzeyi.

DEDICATION

To My Family...

ACKNOWLEDGEMENT

The completion of this undertaking could not have been possible without the participation and assistance of so many people whose names may not all be enumerated. Their contributions are sincerely appreciated and gratefully acknowledged. However, I would like to thank my parents, My Father, Mother for their endless support and always being in my side and my back and also I would like to express my deep appreciation and indebtedness particularly to my supervisor Prof. Dr. Mustafa Tümer for his support. To all relatives, friends and others who in one way or another shared their support, either morally, financially and physically, thank you.

Above all, to the Great Almighty, the author of knowledge and wisdom, for his countless love.

Thank you so much.

TABLE OF CONTENTS

ABSTRACT	iii
ÖZ	v
DEDICATION	vii
ACKNOWLEDGEMENT	viii
LIST OF TABLES	xi
1 INTRODUCTION	1
1.1 Research Objective.....	2
1.2 Significance of the Study	3
2 LITERATURE REVIEW.....	4
2.1 Customer Satisfaction (Overall).....	4
2.1.1 Price or Tariffs Satisfaction	5
2.1.2 Service Quality.....	6
2.2 Brand Loyalty.....	7
2.2.1 Brand Image	7
2.2.2 Brand Trust	8
2.3 Net Promotion	9
2.4 Switching Barriers.....	9
2.4.1 Interpersonal Relationships.....	10
2.4.2 Search Costs	11
2.4.3 Attractiveness of Alternatives	11

3	METHODOLOGY.....	12
3.1	Approach.....	12
3.2	Sample.....	12
3.3	Data Collection.....	13
3.4	Data Analysis Technique	13
4	RESULTS AND ANALYSIS	14
4.1	Percentage of Users By Their Particular Mobile Service Providers	14
4.2	Overall Satisfaction Level of Customers	16
4.3	Component Satisfaction	16
4.4	Brand Loyalty.....	18
4.5	Switching Factors (Likeliness to Stay)	20
4.6	Likeliness to Leave	21
4.7	Semi Churn	22
5	CONCLUSION	25
	REFERENCES.....	28

LIST OF TABLES

Table 1: Percentage of Users By Their Particular Mobile Service Providers.....	14
Table 2: Frequency of users by age group	14
Table 3: Gender distribution	15
Table 4: Overall Satisfaction Level of Customers	15
Table 5: Churn Churn History [Have you ever stopped using the services of a mobile operator in the past?].....	23
Table 6: Np Net Promotion [Would you recommend your mobile operator (the 1 selected in question Q1 or Q2) to your friends, family or colleagues?]	24

Chapter 1

INTRODUCTION

Communication infrastructure has undergone considerable growth and innovation over the past decades. The technological advancement has opened numerous new channels of communication. Much of the credit goes to Telecommunication service industry for making people's lives easier by providing a cellular platform powered with a high speed internet and other array of services. As a result, the competition in the telecommunication industry has increased many times fold over the years. The new competition is laying greater emphasis on retaining current customers rather than broadening their customer base with new ones (Awwad & Neimat, 2010). According to (Keaveney, (1995)) (Berry, 1980), in the service industry, customer retention along with customer acquisition are critical for service providing firms.

Understanding the switching behavior of consumers in regards to their decision to switch from one to Mobile Service Providers to other is necessary for the firms to ensure efficient Customer relationship management. Well communicated and healthy relations between the customers and companies can generate considerable value for both as suggested by (Reichheld, 1996). Analyzing Consumers switching behavior is important because the switching behavior can either be a dividend or could result in a financial loss for the Mobile Service Providers (Ganesh, 2000). Critical assessment of the consumer switching behavior is important to success in Customer relationship management as suggested by (Bansal, et al., 2005).

The purpose of this study is to understand consumer switching decisions from one service to another in the telecommunication sector of Libya. This study will primarily focus on three main telecommunication service operators in. The first is Libya Telecom & Technology (LTT) which is a state owned enterprise established back in 1997, and is the most popular mobile service provider. Libyana is another mobile phone company established back in 2004, and one of the two primary mobile service operators under the ownership of the Libyan Post Telecommunications & Information Technology Company (LPTIC). Libyana has managed to expand its network throughout the important places in Libya in a short span of time. The third company is Almadar which also happens to be a state owned enterprise.

There is vast literature on switching behavior of consumers in the mobile phone sector available. Limited literature related to Libyan telecommunication sector is available. This study intends to add to the existing literature by studying and gathering data from the general population in Libya. There is no previous study in the literature that takes the general Libyan population comprising of students, employed, unemployed etc under important consideration. The research will provide useful insight, data and literature for Mobile Service Providers. By taking various countries into account, this study will examine Libya in specific, and will identify, assess and comment on the factor influencing consumer decision to switch while keeping demographics and other aspects under consideration.

1.1 Research Objective

The primary objective of this study is to understand the switching behavior of Libyan consumers in the telecommunication market, who wish to change their mobile service providers. The paper intends to fulfill its research objective by taking into account

various factors into consideration. On one side are the factors which propel customers to switch to another service providers, and on the other hand we will take account the switching barriers which delay or deter the customer switching process.

1.2 Significance of the Study

The study aims to help mobile phone service providers in a country (Libya) which has been under significant political changes over the past decade. The mobile service providers will be able to better understand their target market in the war-torn country even though this study will not be taking any political factor or economic factor in terms of the infrastructure and other financial losses that have occurred in the country. This study takes into account people from all age groups and not just restricted to younger generation, as previous studies mostly revolved around when taking Libya specifically. This study intends to enlighten mobile service providers on how they can effectively manage their affairs, and help trigger a better competition between different service providers in the telecommunication market.

Chapter 2

LITERATURE REVIEW

2.1 Customer Satisfaction (Overall)

Customer satisfaction of the customers is an evaluation based on their experiences and expectations of the general functionalities provided by the service companies (Gerpott, et al., 2001). Customer satisfaction is described as the reaction given by the customers to the experience of fulfillment and the overall evaluation of the service. According to (Sambandam & Lord, 1995), the switching intention in a conceptual context is the desire of consumers to replace the subscribed service provide with another provider in the market. Further, they define switching intention as something not fulfilling on behalf of the service provider thus indicating the probability of customer switching their service provider to another competitor in the market. Further, they define switching intention as something not fulfilling on behalf of the service provider thus indicating the probability of customer switching their service provider to another competitor in the market. There is a significant interdependence between customer satisfaction and their intention to switch, (H. Han, 2011)and (J.J. Cronin, 2000) also highlight that there is a relationship between the intention to switch and customer's satisfaction in the services sector emphasizing that low customer satisfaction results in greater intention to switch from one provider to another. (Eggert & Ulaga, 2002) and (Dick, et al., 1994) suggest that there is a negative relationship between satisfaction and switching intention implying that high satisfaction level may have significant impact on customer retention as well. (Choi, et al., 2008) (Eggert & Ulaga, 2002).

We can also observe that customer satisfaction is one of the primary determinants influence the switching behavior of customers in the mobile communication sector (Gerpott, et al., 2001), (Eshghi, et al., 2007) (Lin & Wang, 2006), as higher level of dissatisfaction would most like propel the customer to switch to another service provider ((Bansal, et al., 2005) and (G. Walsh, 2006).

2.1.1 Price or Tariffs Satisfaction

One component part of overall satisfaction of the customers is how satisfied they are with the pricing. Mobile Service providers receive a lot of complaints from their customers regarding the accuracy of the bills they are charges (Gounaris, et al., 2003). (Gustafsson, et al., 2005) argue that its necessary to imply reasonable charges in order to ensure ultimate satisfaction and help the company retain as much customers as possible. Charging reasonable and fair charges will initiate a bond of loyalty with the customers (Hanif, et al., 2010).

(VA, 1988) Customer perceptions of price, quality and value. Price has three primary components (i) objective price (ii) Perceived non-monetary price (iii) sacrifice. The objective monetary price and perceived price are not equal since customers tend to forget what actually they paid for a product or service. Price holds significant importance in the telecommunication market, especially in the mobile service sector. Satisfaction of customers in the mobile service sector can be understood by the correlation between price level and customer loyalty is dependent on factors like browsing fees for internet, call rates, price schedule variation and others. (Shah, et al., 2018) Price perception has a key role in any type of exchange transaction. Customers perceive that their gain is the service they receive whereas their loss is the money they spent to purchase that service. Price has a significant influence on the switching

behavior of customers who decide to shift from one provider to another. If we consider the brand switching cost in the telecommunication industry, it is quite cheap to switch from one service provider to another one offering the same level of price and quality in service, thus mobile service providers should be extremely careful when managing the price structure of mobile services they plan to offer or else more customers will want to switch to other providers.

2.1.2 Service Quality

According to (Salhieh, 2019), Quality can be described as a quality that the service must have in order to be effective, and match the expectation level of the consumer. Service quality in the mobile services sector is an essential factor to evaluate the performance of the service provider. (K & G, 2005) Service quality is valued by customers when the factors like cost are held constant. Evaluation of the service quality is complicated as different customers have different perception about the quality in terms of features the service offers.

The Service quality in the telecommunication sector is determined through communication, value addition and innovation (). Be it manufacturing or service, quality of service is one of the key factors to ensure customer satisfaction. If the quality of service falls below the expectation levels, the dissatisfaction level of customers will rise and may propel the customer to search and switch to other alternatives. Moreover, it is safe to conclude that excellent service quality can promise the loyalty of the customers.

2.2 Brand Loyalty

Brand loyalty is a dimension formed by two different components. The two components are attitudinal and behavioral (Dick, et al., 1994). How brand loyalty is formed over time can be better understood by studying both of the components. The attitudinal component suggests healthy bonding and commitment between the consumer and the brand, which can result due to matching of brand's features with the consumer's preferences can result in increased loyalty to the brand. Brand loyalty according to (Oliver, 1997) is defined as "a deeply held commitment to re-buy or patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand set purchasing despite situational influences and marketing efforts having the potential to cause switching behavior.

2.2.1 Brand Image

(Aaker, 1991) Describes brand image as an association with the brand due to some memory which is meaningful to the consumer. According to (Campbell, 1993), brand image is mixture of the perceptions of the consumer and their belief about the brand. Brand image has a direct impact (positive) on the consumers' brand loyalty as confirmed by (Ogba IE, 2009): (A, et al., 2011): (Ming TT, 2011) confirms that brand image also has a positive effect on brand trust. Corporate brand image can positive lead to corporate brand loyalty as suggested by (Juntunen, et al., 2011).

While a positive image can attract both investors (Fombrun & Shanley, 1990) and future employees but it can also boost sales by increasing satisfaction levels and customer loyalty (Srivastava, et al., 2013). The application of image is not only limited to corporate brands but can also cover individual brands, geographical locations, people and events. (Dowling, 1986) Explains image as a collection of meaning

attached to the object by which people relate, imagine and remember it. (Rynes, 1991) Corporate image can be explained as the image of the organization associated with its name. (Nguyen & LeBlanc, 1998) Have investigated the link between service quality and brand image and found that customers who preferred service quality over repeated encounters of services have a generally positive image of the brand. When customers find the evaluation of the service attributes complicated, the image of the brand will have a significant impact on the customer's decision to choose a particular service provider.

2.2.2 Brand Trust

According to (Chaudhuri & Holbrook, 2001), brand trust can be describe as the willingness of the consumer to depend on the capability of the brand to provide all of its featured functions. (LL., 1993) Suggests that brand trust is very crucial for developing brand loyalty and also states that it is one of the most effective marketing tool for relationship management. (RM & SD, 1994) suggest that as trust helps develop value adding exchange relationships, brand trust eventually turns in into brand loyalty. Loyalty of the customers to the brand, which is crucial for consumer retention in the service market like mobile phone sector in our study, can be ensured by gaining their trust first as argued by (Rauymen P, 2007).

Trust is an extremely important element to help build long term relationships with customers to boost their loyalty (Aamir, et al., 2010). (Bolton, et al., 2000) underlines that loyalty prize programs may have a significant positive influence on the evaluation and behavior of the customers. Customer satisfaction ensures loyalty which in turn is key to retaining customers, otherwise dissatisfaction and low trust will force customers to switch to other service providers.

According to (Jessy, 2010), the trust of level of customers on the service has impact on both their purchasing behavior and decision. It indicates the chances of the customer to be loyal with the service provider and increase the chances of positive feedback of the services as compared to the competitors. Customer trust ensures that the customers of the company remain in the market even when the level of uncertainty is high for the service provider in the current circumstances.

2.3 Net Promotion

Net promotion may include social factors like references, work of mouth, norms, value and also have an impact on the switching behavior customers from one provider to another. The net promotion by family, friends and relatives may influence customer satisfaction which in return may improve customer retention levels (Shah, et al., 2018).

(VA, 1988) Customers tend to consider what mobile network service their social circle like family, friends and relatives are using.

2.4 Switching Barriers

Switching barriers are a concept associate with the switching behavior of consumers in the service market. Switching costs is one of the switching barriers, and can be defined as the costs associate of switching from one service provider to another (Porter, 1980) or as the costs incurred by the consumers while switching between different service providers which may include monetary or financial costs, the psychological factor along with the amount of effort and time taken to use the services from the new provider (Dick, et al., 1994). (Khurshid, 2013) States that switching barrier includes different dimensions which may include emotional, psychological, physical, financial or operational barriers. Furthermore, main issue arises when consumers stop utilizing services of one firm and start investing their money, time and effort in finding another service provider that has the capability to address the requirements of the customer in

a much more effective manner. All of the hassle and barriers that customers face while switching from one service to another are described as switching behavior or in other words the costs faced by the customers while unsubscribing from one service provider to the another (Moshe, 2012).

Market researches in the past have highlighted the perspective of switching barriers in light of the importance of customer retention, implying that a barrier may create difficulties (in terms of cost) in switching between different service providers { (Goh, et al., 2020), (Jones, et al., 2002)}, thus impacting the intention of switch, and retain a relation with the current service provider (Vazquez-Carrasco & Foxall, 2006). Even if some customers are not happy with the company they are subscribed to, they might not change their service provider due to the high costs of switching barriers associated (Gerpott, et al., 2001). { (Balabanis, 2006), (Lam, et al., 2004)} concludes that higher the switching barriers, the greater the number of customers that will prefer to stay associated with their old mobile service provider. While on the other hand, some customers who are satisfied with their current service provider may easily switch to another service provider for the low switching barriers like minimal search effort or the variety of better alternatives being offered.

2.4.1 Interpersonal Relationships

Interpersonal relationships is used to explain the quality of bonds developed between the customers and their service provider employees { (Parasuraman, et al., 1991); (Turnbull & Wilson, 1989)}. They hold significance in services provided given the level of personal interaction, heterogeneous service outcomes, and the vital role customers have in service production { (Bowen, 1986), (Czepiel, 1990)}. Research in

social psychology indicates that customers are more likely to stay with the groups where degree of personal relationships is high (Michale, 1994).

2.4.2 Search Costs

Search costs takes into account the time, effort and amount of money that would be spent in searching for a satisfactory service provider. The intangible and inseparable characteristics of search costs makes it considerable and important (Zeithaml & Valarie, 1981).

2.4.3 Attractiveness of Alternatives

Attractiveness of alternatives can be described as the customer's perceived probability of the level of satisfaction that is available from alternative relationship. The absence of attractive alternatives is beneficial to defend the existing customers of a service provider (Ping, 1993). (Emerson, 1976) and (Thibault, 1959) highlight that alternatives is an essential factor to define dependence, that is if customer does not have any knowledge about the alternatives available or does not evaluate them as more attractive than the current service provider that they are more likely to retain the relationship with the service provider regardless of the level of satisfaction.

Chapter 3

METHODOLOGY

3.1 Approach

The research paper employs both the qualitative and quantitative research methods to understand the impact of different factors on the switching behavior of customers in the mobile service sector as identified in the literature review (Chapter 2). Qualitative research enables one to discover how things move along every step, and eventually the results from data collected in light of what actually happens. Qualitative research also explores new trends in opinions and perception, and enables the study to further deep. Quantitative research employs statistical techniques, computation techniques and mathematics to help develop theories and hypothesis on a certain topic. Quantitative research helps identify and help focus on facts before suggesting a set of possible outcomes.

3.2 Sample

We gathered data of 254 responses from the Libyan market based on different age groups, education level, and gender, monthly level of income, occupation and nationality. This study is not strictly limited to Libyan nationals as the sample contains responses from few foreign individuals as well. The data sample includes mostly the subscribers of 3 main mobile service providers in Libya:

- (i) Almadar
- (ii) Libyana
- (iii) LTT.

The male respondents are greater than female respondents. The age group to which the majority of respondents belong are from under 18 to 25 years comprising mostly of students.

3.3 Data Collection

Data collection for the significance of this study has been made possible by employing primary method of data collection that includes a comprehensive questionnaire which includes a mix of 11 primary questions and their parts. The sample of 254 responses was collected online. The questions are either open ended or close ended. The questions include asking the respondents of their overall satisfaction, brand loyalty, switching intention, their likelihood to stay and leave etc.

3.4 Data Analysis Technique

To analyze our results, this study will employ factor analysis method on SBSS and will elaborate on findings in the Data Analysis Chapter.

Chapter 4

RESULTS AND ANALYSIS

This chapter will reveal the summary of the responses taken from the sample size of 254 respondents to understand the switching behavior of customers. This chapter shall begin by first analyzing the background of the respondents and to what network they are particularly subscribed to.

4.1 Percentage of Users By Their Particular Mobile Service Providers

Table 1: Percentage of Users By Their Particular Mobile Service Providers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1. Libyana	91	35,8	35,8	35,8
	2. Almadar	130	51,2	51,2	87,0
	3. LTT	33	13,0	13,0	100,0
	Total	254	100,0	100,0	

Among the sample group of 254 individual mobile users in Libya, most of the mobile service users are subscribed Almadar network comprising about 51% of the total sample size. Followed by Almadar is Libyana with almost 36% users and LTT making up 13% of the total mobile service users researched.

Table 2: Frequency of users by age group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Under 18	36	14,2	14,2	14,2

	2 19-25	161	63,4	63,4	77,6
	3 26-30	29	11,4	11,4	89,0
	4 31-35	13	5,1	5,1	94,1
	5 36-40	6	2,4	2,4	96,5
	6 41-45	2	,8	,8	97,2
	7 46-56	3	1,2	1,2	98,4
	8 51-55	4	1,6	1,6	100,0
	Total	254	100,0	100,0	

Most of our respondents are between 19 and 25 years old, with 36 respondents under 18 years of age while 4 respondents are of 50 years of age and above.

Almost half of the respondents we included in our study for survey are students followed by professionals in different industries and business owners. Our respondents also include government officers, private sector employees and others.

Table 3: Gender distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Male	177	69,7	69,7	69,7
	2 Female	77	30,3	30,3	100,0
	Total	254	100,0	100,0	

More than half of our respondents (70%) are male and the remaining 30% are females.

This category will help us check if there is are some functions and features that are more liked by one gender as compared to the other.

Table 4: Overall Satisfaction Level of Customers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Highly DISSATISFIED	63	24,8	24,8	24,8
	2	51	20,1	20,1	44,9
	3	35	13,8	13,8	58,7
	4	21	8,3	8,3	66,9
	5	11	4,3	4,3	71,3

6	13	5,1	5,1	76,4
7	24	9,4	9,4	85,8
8	17	6,7	6,7	92,5
9	7	2,8	2,8	95,3
10 Very SATISFIED	12	4,7	4,7	100,0
Total	254	100,0	100,0	

4.2 Overall Satisfaction Level of Customers

The responses from the research survey reveal that most of the customers are highly dissatisfied with their current service providers. The majority of respondents other than being highly dissatisfied are not generally satisfied with their service providers. Only few respondents shared high level of overall satisfaction with their current service providers.

4.3 Component Satisfaction

Among the respondents, majority of the respondents expressed a high dissatisfaction with the price or tariff level charged. Almost 25% respondents showed a high dissatisfaction while almost 15% strongly disagreed that they are satisfied with the price level and packaging offered by the mobile service providers. About 5% strongly agreed that they are satisfied with the price or tariff level. Thus, overall the sample size isn't mostly satisfied with the current price or tariff level.

Our survey reveals that almost 45% of the respondents aren't happy with the quality of network provided by their mobile service providers. While almost 25% of the respondents showed satisfaction towards the network quality. Thus, majority of the respondents disagreed that they are satisfied with the services. The remaining 30% maybe either neutral or indifferent. The results suggests that that majority of the respondents expressed high dissatisfaction with the mobile service providers they are subscribed to. Almost 25% showed high dissatisfaction followed by customers who

strongly disagree that they are satisfied with their current mobile service providers. Thus, analysis reveal that majority are not happy with their subscriptions. Only a few respondents expressed high to strong satisfaction. As the literature suggests, customer satisfaction has a direct impact on the decision to switch a mobile service provider. These results indicate that the churn rate of customers might increase due to high dissatisfaction.

Component satisfaction in terms of functions and features of the services provided by the selected mobile operators has a significant impact on the customers decision to switch their service providers. The results above reveal that almost 55% of the respondents were not satisfied with the functions and features of the products and services provided by their Mobile Service Providers. Of which 15% strong showed dissatisfaction towards the functions and features of the products and services. About 20% showed satisfaction among which 30% strongly agreed that they are satisfied with the services and facilities provided by their Mobile Service Providers.

About 53% of the respondents revealed that they are not satisfied with the quality of the products and services provided by Mobile Service Providers among which 30% strongly disagreed. About 17% of the customers were satisfied with the quality of the services provided among which about 25% strongly agreed that they are satisfied. Thus, there is a high probability that most of the customers in Libya are not satisfied with the quality of service provided by their Mobile Service Providers.

As the results above reveal that most of the respondent aren't satisfied with the price level, customer service, network coverage, network quality, customer service and functions and features of the services offered by Mobile Service Providers. These are

the many factors that maintain a level of dissatisfaction among the users of mobile service providers in Libya. These factors have a significant probability that they may impact the switching behavior of the consumers in Libya, and compel to switch from one service provider to another.

4.4 Brand Loyalty

Brand Loyalty is a crucial factor in determining the switching behavior of the customers as suggested by the literature. This study intends to understand the switching decision of the customers in Libya as a result of brand loyalty which according to the literature may be determined by the customers likeness towards their brand, perception of brand image in relation to their lifestyle , marketing strategy adopted by the Mobile Service Providers and the level of trust they build with their service providers.

When asked about their likeness towards the brand of their Mobile Service Provider, about 53% responded that they didn't have much likeness towards their brand among which 40% strongly disagreed that they have likeness towards their brand. Only 12% agree that they have likeness towards their brand of which 32% have a strong likeness towards their brand.

Brand loyalty in terms of likeness for advertisements has similar trend with about 52% of the sample does not like the advertising of their Mobile Service Providers in Libya with 41% showing strong disapproval for the advertising. The data also suggests that almost 12% agreed that they liked the advertising of their service providers including 37% who strongly agree.

The data suggests that 55% of the respondents disagreed that their perception of their brand image is in relation to their lifestyle and personal preferences, among which 41% strongly disagreed. On the other hand, 20% of the respondents agreed that their perception of the brand image is in relation to their lifestyle and personal preferences. The results above suggests that the perception of brand image in relation to preferences impacts brand loyalty and in result drives the consumers decision to switch from one service provider to another.

68% of the respondents disagree that they have a relationship of trust with their Mobile Service Providers, of which 33% strongly disagree while the remaining of them also lack trust towards their service providers. Only 15% of the respondents agree that they have a relationship of trust with their Mobile Service Providers, of which 34% strongly agree that they trust their company. The remaining are either neutral or indifferent. The Literature suggests that customer trust is significant to maintain brand loyalty. These results also suggests that lack of trust between the customer and the company may have a significant impact on the consumers decision to switch.

The data above reveals that 60% of the respondents disagreed that they felt safe regarding their privacy and personal information of which 31% strongly disagreed. Almost 30% agreed that they felt safe that their private information will not be shared or misused for business or personal reasons. Others remained neutral or indifferent.

The results above suggest that 66% of the customers disagreed that their mobile operator provides value for money, of which 36% strongly disagreed and rejected that they are provided value by their mobile service providers. 23% of the respondents

agreed that they gain value for the money they pay, of which 34% strongly agreed that they are provided value for money.

4.5 Switching Factors (Likelihood to Stay)

This section will examine how a number of switching barriers impact the switching decision of their customers, and how these factors raise the likelihood that the customers will not change their current mobile service providers.

The results reveal that 65% of the respondents believe that switching to another operator is not expensive, of which 35% strongly disagreed. 17% of the respondents agree that switching to another operator is too expensive, among which 41% strongly agreed that this is a costly process.

About 65% of the respondents believe that switching to another operator will not cause them to lose their number, of which 35% strongly disagreed. 20% of the respondents agreed that switching to another operator will cause them to lose their number, among which 35% strongly agree. Thus customers are more likely to stay with their service providers because majority believes that they will not lose their number if they decide to switch to another mobile service provider.

The results above reveal that almost 65% respondents disagree that that they won't benefit from cheaper call rates as most of their friends, family or colleagues use the same operator when deciding to switch from one operator to another. Out of those 65%, 35% strongly disagreed. On the other side 23% of the respondents agreed of which 39% strongly disagreed. Therefore most respondents are of the view that they may benefit from cheaper rates on the mobile operator regards if most of their contacts use the same operator.

The data suggests that almost 67% of the respondents disagree that their friends, family and colleagues don't recommend them switching to the other mobile network. Only 22% agree that their family, friends and colleagues also use the same mobile operator and don't recommend them going to the other network.

65% of the sample size disagrees that they get better deals from sales promotion of their current mobile operator of which 35% strongly disagree. Only 20% of the respondents agree that they get better deals from sales promotion of their current mobile operator, of which 35% strongly agreed.

4.6 Likelihood to Leave

When asked if switching to another operator is free or very cheap, almost 67% disagreed that that switching to another operator is free or cheap, of which 38% strongly disagreed. Only 25% agree that switching to another operator is free or very cheap.

Almost 63% of the respondents will not keep their existing number if they switching to another operator while almost 28% believe that they will most likely keep their current number in use if they switch to another Mobile Service Provider.

When asked whether switching to another mobile service provider is easy, almost 61% of the respondents disagreed that it is easy, among which 30% strongly disagreed. Almost 28% of the people believe that switching to another mobile service provider is easy of which 54% strongly agree that the switching process is easy.

Almost 67% of the sample size does not believe that they will get better deals from the new mobile operator of which 37% strongly disagrees. Only 20% of the respondents agree that will get better deals from the new mobile operator.

Almost 75% of the respondents disagree that they will benefit from cheaper rates on the new network despite having family, friends, and colleagues on the new network, among which 38% strongly disagreed. Almost 17% of the respondents believe that will benefit from cheaper rates on the new network of which 43% strongly agreed.

Almost 75% of the respondents disagreed that their friends family and colleagues recommend them to leave of which 40% strongly disagreed. Almost 16% agree that their friends, family and colleagues are also with the other operator and recommend them to leave their current mobile operator.

4.7 Semi Churn

When asked about whether all operators cover all areas very well, almost 63% responded that they disagree that all operators cover all areas very well, of which 38% strongly disagreed. 27% of the sample size agreed that the operators cover all areas really well.

Almost 67% of the respondents disagreed that they will benefit from special promotional call rates on the different networks. On the other hand almost 20% of the respondents agreed that they will benefit from special promotional call rates on the different networks.

Almost 68% of the respondents disagree that they will benefit from cheaper on net call rates of the different operators, among which 35% strongly disagreed. 21% of the

respondents believe that they benefit from cheaper on-net call rates of the different operators.

Almost 69% of the respondents disagreed when asked whether use data with one operator and make voice calls with the other operator, of which strongly disagreed. On the other hand, only 21% agreed that they use data with one operator and make voice calls with the other operator, among which 42% strongly agreed.

When asked if they prefer any other mobile service than the provided by their workplace, almost 71% respondents disagreed that they prefer another. Only 17% agreed that they prefer another mobile service provider then the one provided by the place they work in.

Table 5: Churn Churn History [Have you ever stopped using the services of a mobile operator in the past?]

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Yes Used Before	168	66,1	66,1	66,1
	2 No Not Used Before	86	33,9	33,9	100,0
	Total	254	100,0	100,0	

When asked whether they have stopped using any mobile operator in the past, almost 66% responded yes and agreed that they have used at least one mobile service provider before subscribing to the current mobile operator.

This study also allowed flexibility to let the respondents choose as much any options from one sections which they believe influences their switching decisions.

Table 6: Np Net Promotion [Would you recommend your mobile operator (the 1 selected in question Q1 or Q2) to your friends, family or colleagues?]

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly DISAGREE	63	24,8	24,8	24,8
	2	51	20,1	20,1	44,9
	3	31	12,2	12,2	57,1
	4	19	7,5	7,5	64,6
	5	18	7,1	7,1	71,7
	6	9	3,5	3,5	75,2
	7	22	8,7	8,7	83,9
	8	15	5,9	5,9	89,8
	9	3	1,2	1,2	90,9
	10 Strongly AGREE	23	9,1	9,1	100,0
	Total	254	100,0	100,0	

Chapter 5

CONCLUSION

The purpose of this study was to examine the switching behavior of customers subscribed to different Mobile Service Providers in Libya. The research intends to understand all the push and pull factors, which either force the customers to change their current Mobile Service Provider, or cancel or postpone their intention to switch from one service provider to another. The research has been able to find many considerable factors after studying a sample size comprising of individuals from all age groups and occupations, and more important it will help Mobile Service Providers to stay at top of their affairs, and ensure customer retention more effectively.

Customer switching behavior is influenced by a number of factors including customer satisfaction, switching costs and more. The study concludes that most of the customers in the Libyan telecommunication market expressed high levels of dissatisfaction for the mobile service but most of them do not wish to change their current service provider due to high switching costs, and some sense of brand loyalty and image. This study achieved its objective of understanding the customer switching behavior in Libya by investigating the level of satisfaction among the users. Overall satisfaction is determined by individually examining the satisfaction with the price level, network coverage and quality, the range of functions and features offered by Mobile Service Providers, and more. The results reveal that there is generally a high level of dissatisfaction in terms of the price level, network coverage, network quality, the

quality of the functions and features and quality of the customer service in the consumers in the Libyan Mobile service market. This should be taken as a caution by the Mobile Service Providers in Libya as these factors have a massive potential to incentivize customers to switch from one mobile service provider to another. Competitive and feasible price rates, better network coverage and quality, offering attractive versatility in the range of features and functions and highly satisfying customer service can ensure high level of satisfaction amongst the mobile service users in Libya, and ensure high level of customer retention for mobile service providers as well.

The research also found that most of the customers in Libya availing mobile services do not relate much to their brand operator. The literature above revealed that brand image, brand loyalty along with the advertising strategy and more, have a significant impact on the switching behavior of the customers. The level of brand loyalty has been found low amongst the users of mobile service in Libya, which in result indicates that this low level of loyalty, indifference to the brand image, and low provision of value impacts the brand loyalty which in turn has an impact on the switching behavior of customers according to the literature discussed above, and may propel the available users to switch from one service provider to another. The customer retention also becomes difficult in this case.

When understanding the switching behavior, it was also equally important to investigate the factors which force the customers to stay with their existing customers, and examine whether the switching costs are high or not. Turns out that the customers in Libya believe that the costs of switching from one service provider to another is low. Their Likelihood to stay with the current service provider in terms of the benefits

of staying with the same service provider as their friends, family colleagues, availability of better deals with the new mobile operator, loss of social bonds, search costs, setup, and attractiveness of alternatives, this study found out that the likeliness to stay with the same mobile service provider is still high. This gives a window of opportunity for the mobile service providers with unhappy customers to work more on their customer relationship management to ensure greater customer retention. It may also be mentioned even though in cases where customers wished to leave their current service providers in near future, and expressed their dissatisfaction for the service provided, most of them would most likely to stay with their current company in the Telecommunication sector in Libya.

Mobile Service Providers should take this study as a test case for the level and quality of mobile services they are providing. This research provides an opportunity for every mobile service provider operating in Libya, as this study includes respondents from almost every walk of life, to improve their customer retention rate by adopting innovative techniques to improve their customer relationship management. Even though the switching costs for the customers is low, and despite those low switching costs they choose to stay with their current service provider, the mobile service providers should allocate their budgets more efficiently to improve their network quality and coverage, offer competitive and better price rates and offer a high quality customer service to seek approval and ensure high level of satisfaction among their customers in Libya.

REFERENCES

- Anwar, A., Gulzar, A., Sohail, F. B., & Akran, S. N. (2011). . Impact of brand image, trust and affect on consumer brand extension attitude: the mediating role of brand loyalty. *International Journal of Economics and Management Sciences*, 1(5), 73-79.
- Aaker, D. (1991). *Managing Brand Equity: Capitalizing on the Value of a Brand Name*. New York: The Free Press.
- Aamir, M., Ikram, W., & Zaman, K. (2010). Customers' Switching in Mobile Phone Service. *I(1)*, 34-40.
- Awwad, M. S., & Neimat, B. A. (2010). Factors Affecting Switching Behavior of Mobile Service Users:. *Journal of Economic & Administrative Sciences*.
- Balabanis, G. R. (2006). Bases of e-store loyalty: Perceived switching barriers and satisfaction. *Journal of Business Research*, 59(2), 214-224.
- Bansal, H., Taylor, James, S. a., & S.T. (2005). Migrating to new service providers: toward a unifying framework of consumers' switching behaviors". *Journal of the Academy of Marketing Science*,, 96-115.
- Berry, L. L. (1980). Services marketing is different. 24-29.
- Berry, L. L., (1993). Relationship Marketing: Consumer Evaluations of Product Line Brand Extension. *The IUP Journal of Brand Management*, 5(1).

- Bolton, R. N., Kannan, P. K., & Bramlett. (2000). Implications of Loyalty Program Membership and Service Experiences for Customer Retention. *Value Journal of the Academy of Marketing Science*, 28(1), 95-108.
- Bowen, D. E. (1986). Managing customers as human resources in service organizations. *Wiley*.
- Campbell, K. (1993). Researching Brands. *The Service Industries Journal*, 1687-1706.
- Chaudhuri, A., & Holbrook, M. B. (2001). The Chain of Effects from Brand Trust and Brand Affect to Brand Performance: The Role of Brand Loyalty. *Journal of Marketing*.
- Choi, J., Seol, H., Lee, S., Cho, H., & Park, Y. (2008). Customer satisfaction factors of mobile commerce in Korea. *Internet Research*, 18(3), 313-335.
- Czepiel, J. A. (1990). Service encounters and service relationships: Implications for research. *Journal of Business Research*, 20(1), 13–21.
- Dick, S., A., & Basu, K. (1994). Customer Loyalty: Toward an Integrated Conceptual. *Journal of the Academy of Marketing Science*, 22, 99–113.
- Dowling, G. R. (1986). Managing your corporate images. *Industrial Marketing Management*. *Industrial Marketing Management*, 15, 109–115.

- Eggert, A., & Ulaga, W. (2002). Customer perceived value: A substitute for satisfaction in business markets. *Journal of Business and Industrial Marketing*, 107-118.
- Emerson, R. (1976). Social exchange theory. *Annual Review of Sociology*, 35-361.
- Eshghi, A. r., Haughton, D., & HeikkiTopi. (2007, March). Determinants of customer loyalty in the wireless telecommunications industry. *Telecommunications Policy*, 31(2), 93-106.
- Fombrun, C., & Shanley, M. (1990). What's in a Name? Reputation Building and Corporate Strategy. *Academy of Management Journal*, 33(2).
- Gianfranco, W., K. D. (2006). How do corporate reputation and customer satisfaction impact customer defection? A study of private energy customers in Germany. *Journal of Services Marketing*, 20(6), 412-420.
- Ganesh, J. A. (2000). Understanding the customer base of service providers: an examination of the differences between switchers and stayers. *Journal of Marketing*.
- Gerpott, T. J., Rams, W., & A, S. (2001). Customer retention, loyalty, and satisfaction in the German mobile cellular telecommunications market. *Telecommunications Policy*, 249-269.

- Goh, M. L., Tan, S. H., Chin, E. A., & Yap, M. Q. (2020, August). Customer Satisfaction and Brand Switching Intention of Mobile Service among University Students. *MANAGEMENT & ACCOUNTING REVIEW, 19(2)*.
- Gounaris, S. P., Stathakopoulos, V., & Athanassopoulos, A. D. (2003, January). Antecedents to perceived service quality: an exploratory study in the banking industry. *International Journal of Bank Marketing*.
- Gustafsson, A., Johnson, M. D., & Roos, I. (2005). The effects of customer satisfaction, relationship commitment dimensions, and triggers on customer retention. *Journal of Marketing, 69(4)*, 210- 218.
- Han, H., Kim, W., (2011). Switching intention model development: Role of service performances, customer satisfaction and switching barriers in the hotel industry. *International Journal of Hospitality Management, 30*, 619-629.
- Hanif, M., Riaz, A., & Hafeez, S. (2010, December). Factor Affecting Customer Satisfaction. *International Research Journal of Finance and Economics*.
- Cronin, J.J., Brady, M.K. (2000). Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments. *Journal of Retailing, 193-218*.
- Jones, M. A., Mothersbaugh, D., & Beatty, S. (2002, June). Why Customers Stay: Measuring the Underlying Dimensions of Services Switching Costs and

Managing Their Differential Strategic Outcomes. *Journal of Business Research*, 55(6), 441-450.

Juntunen, M., Juntunen, J., & Juga, J. (2011). Corporate brand equity and loyalty in B2B markets: A study among logistics service purchasers. *Journal of Brand Management*, 4(13), 300-311.

Kenneth K, B., & G, Hult. (2005). Customer behavior in an online ordering application: a decision scoring model. *Decis Sci*, 569-598.

Keaveney, S. M. ((1995)). Customer switching behavior in service industries: An explorative study. *Journal of Marketing*,, 71–82.

Khurshid, M. (2013, July). Determinants of Customer Loyalty its Causes and Influences: A Study of Mobile Telecom Industry in Peshawar, Pakistan. *City University Research Journal*, 3.

Lam, S. Y., Shankar, V., Erramolli, M. K., & Murthy, B. (2004). Customer value, satisfaction, loyalty, and switching costs: An illustration from a business-to-business service context. *Journal of the Academy of Marketing Science*, 32(3), 293–311.

Lin, H.-H., & Wang, Y.-S. (2006). An examination of the determinants of customer loyalty in mobile commerce contexts. *Information & Management*, 271-282.

Michale, A. (1994). *The social psychology of group cohesiveness*. . New York: Harvester Wheatsheaf.

Ming TT, I. H. (2011). Hierarchical Chain of Consumer Based Brand Equity: Review From The Fast Food Industry. *International Business & Economics Research Journal*, 10(9), 67 80.

Morgan, R. M., & Hunt, S. D (1994). The commitment-trust theory of relationship Marketing. *Journal of Marketing*, 20 38.

Nguyen, N., & LeBlanc, G. (1998). The mediating role of corporate image on customers' retention decisions: An investigation in financial services. *International Journal of Bank Marketing*, 16(2), 52 65.

Ogba IE, T. Z. (2009). Exploring the impact of brand image on customer loyalty and commitment in China. *Journal of Technology Management in China*, 4(2), 132 144.

Oliver, R. L. (1997). *Satisfaction. A Behavioral Perspective on the Consumer*. New York: Mcgraw Hill.

Parasuraman, A., Berry, L. L., & Zeithaml, V. A. (1991). Understanding Customer Expectations of Service. *Sloan Management Review*, 39.

Ping, R. A. (1993). The effects of satisfaction and structural constraints on retailer

exiting, voice, loyalty, opportunism, and neglect. *Journal of Retailing*, 321
349.

Porter, M. (1980). *Competitive strategy: techniques for analysing industries and competitors*. New York: Free Press.

Rauymen P, M. K. (2007). Relationship quality as a predictor of B2B customer loyalty. *Journal of Business Research*, 60 (1), 21-31.

Reichheld, F. (1996). *The Loyalty Effect: The Hidden Force behind Growth, Profits and Lasting Value*. Harvard Business School Press

Rynes, S. L. (1991). Recruitment, job choice, and post hire consequences: A call for new research directions. . Palo Alto, CA: Consulting Psy. In M. D. Hough, *Handbook of industrial and organizational psychology* (pp. 99-444). CA: Consulting Psychologists Press.

Salhieh, S. M. (2019). Modeling the rationality of customers' switching mobile services behavior. *International journal of engineering business management*, 11, 1-13.

Sambandam, R., & Lord, K. R. (1995). Switching behavior in automobile markets: A consideration-sets Model. *Journal of the Academy of Marketing Science*, 23(1), 57-65.

Shah, M. A., Hussan, M., & Shah, A. Z. (2018). Factors Affecting Brand Switching Behavior in Telecommunication Industry of Pakistan: A Qualitative Investigation. *American Journal of Industrial and Business Management*, 08(02).

Srivastava, Kavita, Sharma, & K., N. (2013). Service Quality, Corporate Brand Image, and Switching Behavior: The Mediating Role of Customer Satisfaction and Repurchase Intention. *Services Marketing Quarterly*, 34.

Thibault, J. W. (1959). *The social psychology of groups*. New York: Wiley.

Turnbull, P., & Wilson, D. (1989). Developing and protecting profitable customer relationships . *Industrial Marketing Management*, 18, 233 238.

Zeithaml, V. A. (1988). Customer perceptions of price, quality and value. *Journal of Marketing*, 2, 2 22.

Vazquez Carrasco, R., & Foxall, G. (2006). Positive vs. negative switching barriers: the influence of service consumers' need for variety. *Journal of Consumer Behavior*, 5(4), 367 379.

Zeithaml, & Valarie. (1981). How consumers evaluation processes differ between goods and services. *Marketing of services* , 186 190.