

An Analysis of Switching Behavior of Pre-paid Mobile Users in Sri Lanka

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Abstract

Sri Lanka is one the fast growing markets for the mobile communication service, and it is nearly 1.2 millions of subscribers are found in Sri Lankan market by 2008 (TRC statistics: Sri Lanka 2008). Currently there are five industry competitors operate in this market, and it has found an aggressive competition over each other in terms of service factors and value proposition. As a result of that the switching behavior of customers has been frequently happening alone with strong customer bargaining power.

This study was focused on the switching behavior of prepaid customers, and 150 respondents were selected under stratified probability sampling method. Data were collected through structured questionnaire alone with Likert scale. Two sets of independent variables were identified as per the literature reviews namely service failure factors and value proposition factors. An inferential statistical analysis was used to analyze the collected data. The “Logit Regression Model” was used to test three hypotheses developed to test the switching behavior impacted by service failure and value proposition factors.

Data analysis revealed that the value proposition factors had more impact on brand switching behavior than service failure factors. However, both value proposition and service failure factors were not found a significant impact on switching behavior among pre paid customers.

Keywords: Mobile communication service, Switching behavior, Service failure, Value proposition.