

Factors Influencing on Customer Switching Behaviour: A Study on Soft Drink Market in Vavuniya District

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Introduction

The beverage industry in Sri Lanka is fully captured by both multinational and domestic companies with their major product lines within Sri Lanka in a soft-drink market. Moreover, the soft-drink market is a highly competitive market with frequent sales. The beverage is a liquid specifically prepared for human consumption, in addition to basic needs beverages form part of the culture of human society; or in other word, this is any liquid suitable for drinking; or a liquid to consume. The high level of competition, the high cost of acquisition in terms of new product innovation, promotion, distribution and the low rate of switching cost to create a market where customer retention is important. In order to find-out why customers switched from one brand to other brand, it is important to focus on the most basic factors that are acting behind their switching behaviour. Recognizing a most basic factor for customers' switching behaviour can be most useful to draw most suitable strategies for future customer relationships by losing companies. This study intended to focus whether there is the customer switching behaviour in context of purchase of any product and to determine the most contributable factor in the aspect of customers' switching process particularly in soft-drink market.

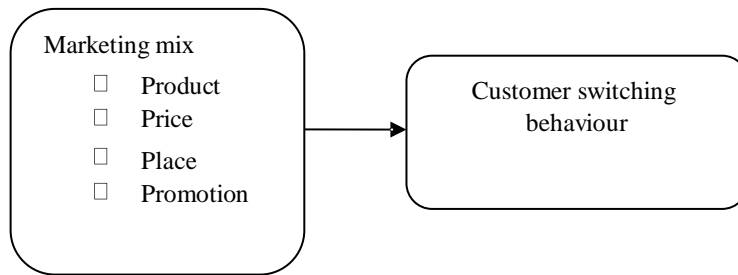
Goods are mostly available with good qualities and prices are very competitive nowadays, so in a great cut thought competitive market place understanding customer's needs become crucial. Switching intention is also influenced by several factors, this study is to examine whether there is the customer switching behaviour and how the factor (Marketing Mix) most contributed for exploring the switching tendency by the customers during the purchasing process of soft drink in Vavuniya district.

Based on that the research question arises as follows; *"To what extent the factor (market mix) influence on customers' switching behaviour toward the choice of soft drink products in Vavuniya District?"*.

The primary aim of this is to evaluate that the customer switching behavior towards soft-drink market in Vavuniya District. Based on that the following objectives are developed for this study.

- To examine whether there is customer switching behaviour in soft drink market in Vavuniya District.
- To examine what are factors affecting customers while switching their soft drink market.
- To identify what extent the factor (market mix) influence on customers' switching behavior toward the choice of soft drink products in Vavuniya District.

The conceptual model was developed based on the research theme and the literature review by the researcher to study the factors influencing on customer switching behavior in the soft drink market in Vavuniya district.



Source: Develop for the study

Figure 1. Conceptual frame work.

Hypothesis: based on the conceptual framework researcher developed the following hypothesis.

H0: There is no relationship between Marketing mix and Consumer Switching behavior.

H1: There is a relationship between Marketing mix and Consumer switching behaviour.

Methodology

Quantitative technique was used by the researcher to conduct this study. Primary data was used in this study in order to meet the requirements of the purpose of this study. Structured questionnaire was developed and which gathered the personal information as well as the information on the factors such as product, price, place and promotion and customer switching behavior among the customers in Vavuniya district. Likert-format items were presented with 5-point scales, where 1 = "strongly disagree", 2= "Disagree", 3 = "neither disagree nor agree", 4 = "Agree" and 5 = "strongly agree." One hundred questionnaires were distributed among the consumers who were in Vavuniya district. Simple random sampling method was used in this study to examine the factor (Marketing Mix) affecting customers while switching their soft drink market. Data were analyzed by the SPSS 16.0 version. The findings derived from the descriptive statistics and inferential statistic such as correlation analysis.

Results and Discussion

According to the conceptual frame work the researcher analyzed the relationships between marketing mix and the customer switching behavior in the soft drink market in Vavuniya district. The result revealed that more than half of the consumers were agreed that the marketing mix dimension stimulate interest to switch from one brand to another in the soft drink market. The table 01 shows that descriptive statistic of marketing mix and customer switching behavior.

Table 1. Descriptive statistics of marketing mix and customer switching behavior.

Concept	Influencing factors	Mean	Standard Deviation
	Product	4.25	0.914
	Price	3.85	0.785
	Place	4.23	0.781
	Promotion	4.33	0.719

Source: Survey data

The result revealed that the dimension of product has high influence on switching decision of customers. The mean value is 4.25 and standard deviation is 0.914. Most of the customers who were switching one brand to another have same opinion regarding product. Around 75% of switching customers agreed that brand name is one of the major factor to make the choice of a product and around 50% to 58% of switching customers agree that the product assortments such as product taste, attractive package, size, smell and health conscious are other factors which stimulate interest to switch on brand to another in the soft drink market.

The dimension of price also another factor influence on switching decision of customers. The mean value is 3.85 and standard deviation is 0.785. Around 45% of switching customers strongly disagree about higher price of the product and only around 38% to 45% of switching customers agree the marketers are offering them discount facility, credit terms, and payment period. The dimension of place / distribution channel also considered as a factor which influence on switching behavior of customers. The mean value is 4.23 and the standard deviation is 0. Around 45% to 55% of switching customers agree that the product availability, location, assortments / quantities, channel, coverage area, and sellers' recommendations empower their switching decision.

The promotional dimension has high-level of influence on customers' switching tendency. The mean value is 4.33 and the standard deviation is 0.719. Opinion regarding promotion the switching customers have nearly same opinion regarding promotion however, there are also somewhat different opinion about influence of promotion on their switching tendency. Around 50% to 60% of the switching customers confirm that the sales promotion and advertisement are the indicators induce their switching tendency.

According to this analysis the overall result indicated that how far the dimension of marketing mix influences on consumer switching behavior of soft drink market and the relationships between independent and dependent variables are indicated in Table 3.

Table 3. Correlation between Marketing Mix and Customer switching behavior.

Concept	Correlation	p value
Marketing mix	0.856**	0.000
Product	0.625**	0.000
Price	0.524**	0.000
Place	0.297*	0.036
Promotion	0.668**	0.000

Note: *p < 0.05 (one tailed), **p < 0.01 (two tailed)

Source: Survey data

The result of the study indicated that there is positive relationship observed among the four dimensions of marketing mix such as product, price, place and promotional factors and consumer buying behavior. ($\beta = 0.625$, $p < 0.01$, $\beta = 0.524$, $p < 0.01$, $\beta = 0.297$, $p < 0.05$ and $\beta = 0.668$, $p < 0.01$ respectively). The overall result of this study indicated that there is positive relationship observed between marketing mix and consumer switching behavior ($\beta = 0.856$, $p < 0.01$). Therefore, this hypothesis H1 is accepted, hence the null hypothesis is rejected.

Conclusions

Customer switching behavior is a powerful tool used by the marketers to analyze their market behavior and it has been successfully applied in many soft drink-marketers such as domestic and multinational companies. Once the marketers identify the switching behavior of consumers it

makes them to change their firms' behavior which lead to satisfy the customers exceed their expectation and generate profitability in organization point of view. The purpose of this study is to identify, describe, and explain the reasons behind customer switching in terms of configurations of triggers and switching determinants. It is suggested that configurations of switching factors result in a better description and understanding of customers' switching patterns than can be achieved by relying solely on stated switching determinants. The overall marketing mix exposed that majority of both switching and loyal customers considered marketing mix as highly important in their respective decisions. Moreover, loyal customers perceive marketing mix as very highly important for their loyal tendency and switching customers considered marketing mix as highly important on their switching tendency.

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