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Relationship between Brand Switching Behaviour & Customer Satisfaction: A Case of Cosmetic Industry of Karachi

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Abstract:

This study is about the relation between customer satisfaction and brand switching behaviour. Factors affecting customer satisfaction is of worth importance in order to know the reason or the factors which are responsible to create satisfaction among customers for a particular brand. Customer satisfaction is established when brand fulfills the needs and desires of customers. In this research study I targeted cosmetic industry. This research is conducted in Karachi where people purchase products according to their affordability. In Karachi customers do no compromise on price and quality of product hence it depends on customer's affordability either she is satisfied with the price or with the quality. To identify the influence of price of product, service quality of product and customer loyalty towards brand 200 questionnaires were distributed to the females of age group 15-35. The result showed that customer satisfaction has great influence on brand switching behaviour. But comparatively price and quality of product also has impact on customer's loyalty. Hence it is proved in this research study through findings that customer is influenced to use the brand which satisfied customer the most. Therefore brand switching occurs in order to achieve satisfaction.

Keywords: Brand switching behaviour, customer satisfaction, customer loyalty, trust, price, service quality.

1. Introduction

Today most of the companies facing a problem that is brand switching. Brand switching refers to such situation in which consumer changes its buying from one product of a brand to another. In spite of this the managers are not paying enough attention to find out what are the factors that cause this problem and eventually the decrease in sales and profit. That is why, a continuous increasing switching rate gives signal that a business is in danger. However, displeasure towards quality is not the only factor that motivates the action of brand switching among customers, but many other factors are also involved in this behaviour such as advertisement, marketing mix, attitudes of customers and services of the employees or sales persons, all these factors need to be inspected side by side. That is why, a continuous increasing switching rate gives signal that a business is in danger.

The study has been conducted among the women from age 15-35 who use cosmetics on the daily and occasionally basis. Primary data was collected from the Imtiaz Super Market and different residential locations along with distribution of questionnaires to different women through internet. Increased customer's satisfaction helps prevent customers from switching from one brand to another and make them consistent in their buying, customers satisfaction is achieved through advertisement and pricing strategies having effect on the choice of the brand. As cosmetics companies give advices to customers like how to apply the product and suggest them products according to their skin-type. The companies aim here is to encourage customer to purchase a product or at least try the product.

Those who buy the goods or services provided by companies are customers. A customer is one who invests the money on an organization. When customer is happy with product or services this is termed as customer satisfaction and dissatisfaction is that which results from comparing a product's outcome with their expectations. The quality of product or services is according to customer's needs, wants and demands then the customer will be loyal and build trust on product. Customer does not move to another brand just because they are not providing them comfort or relatively low importance.

Trust is very important for relationship commitment and customer loyalty. The development of trust is considered an important effect of investing in an emotional bond between the brand and customer. When the customer trusts on brand and business, that customer is hoping to form a positive buying intention towards business or brand.

Any action of the business or service supplier which firstly forces the customer or client to think about switching is called the trigger. Switching behaviour can be elaborated as the process of being loyal to one service and switching to another service, due to unhappiness or several further problems. But a customer is loyal to a particular brand, if the brand does not satisfy to her needs, the consumers will switch brand.

Customers usually switch their brand due to the following reasons:

1. Quality of product.
2. Price
3. Least affective advertisement
4. Placement of product in supermarkets and shops etc

The Achievements of any organization is based on customer's satisfaction if customers are not satisfied with them, so they will switch their brand. When an organization loses customers satisfaction they not only ignore their customers, but also future earnings and it could become a big loss for the organization.

Quality of product and services must be satisfactory because it has become the most important factor in the business if the service of the brand is not good so customers will switch their brand to another brand. Every organization have aim to give good services to build customers satisfaction.

Mostly costumers switch their brand due to high prices. Those customers who are loyal with their brand they will not compromise with price if there is any fault or any problem found in brand so they will switch and never pay high prices for the brand so price is matter a lot in consumer brand switching behaviour.

1.1. Problem Statement

The purpose of this study is to examine the relationship between customer satisfaction and brand switching behaviour. This research is based on "cosmetic industry of Pakistan".

Today in this competitive world, every marketer is struggling to attain a leading position in the market. When a product of cosmetic industry introduces in a market its price, service quality and advertisement produce a positive impact on the buying behaviour of the costumer. This is why some most frequently brands rely on quality of product, advertisement, service quality, price of product and other marketing strategies to promote their brand among customers so that they become familiar with the brand and perceives it trustworthy.

Customers only prefer good quality products no matter how less they are exposed to any such brands. So in this report, such attempts were made to find out the importance of quality of product, customer satisfaction and customers loyalty towards brand. Also in this report the relation between customer's satisfaction and brand switching behaviour is discussed.

1.2. Research Question

The main purpose of the study is to determine:

What is the relation between brand switching behaviour and customer satisfaction? How price and service quality effects on customer satisfaction? How trust and customer loyalty, influence on brand switching behaviour?

1.3. Significance of Study

In many cases customers are not satisfied they switch to another brand when quality of product is not good, shortage of product, bad behaviour of employees, etc. the importance of this study is about the relationship between customer satisfaction and brand switching behaviour exist or not.

1.4. Objectives of the Study

- To find the relation between brand switching behaviour & customer satisfaction.
- To find out the relation between brand switching behaviour and customer loyalty.
- To find out the relationship between brand switching behaviour and trust.

1.5. Limitations & Delimitations

This study is confined to cosmetic industry only and data in collected from 200 respondents due to time and money constraint. Also, the respondents are mainly the people living in Karachi and involved cosmetic industry that is considered to have high involvement on consumer's part. This study can be done at other areas, but due to lack of time research will be conducted from shopping malls and superstores.

1.6. Scope of the Study

The study will helpful for people of following particular areas i.e.

- Business students who take marketing as majors.
- Studiers' who are interested in doing further study on the brand switching behaviour and customer satisfaction.
- Companies in making service quality of their product better.

2. Literature Review

According to (Rizwan Arshad I. A.) Running a successful business there should be two things that should be kept in mind number one is brand loyalty and customer's satisfaction. If the customer is satisfied then it shows the brands loyalty towards its customer. To check the brands loyalty they conduct test on the basis of confirmatory factor with the help 200 respondents. For conducting the test they went for survey to the Islamia University of Bahawalpur. The results were favorable.

(Ahmad, 2013), discussed the idea that nowadays banking is most satisfactory service for people. Firms and banks have started to realize that their business is increasingly depends on the quality of the consumer service provided and overall satisfaction of the customer. Relationship marketing is now becoming the most important reason to corporate with banking success. The research study underlines the major factors that customer satisfaction in retail banking in Western Maharashtra in India. The result shows that customer satisfaction, a transaction-specific attribute, depends on nine different factors.

(Faizan Mohsan, 2011), shared that International organizations from all over the world realize the importance of the customer satisfaction, loyalty and retention. So they tried to perform different experiments regarding customer satisfaction and customer loyalty. They collected around 120 customers who visited bank counter and had account in banks. They performed this work on SPSS website. From the results they come to know that customer's satisfaction is positively linked with loyalty and is negatively linked with customer's intention to switch.

(Hayan Dib, 2015) Convinced that there are three types of customer perception, that is recognized price factor, quality and brand image, associated with the customer's loyalty and customer satisfaction. They have the result of combination of suitable and judgmental surveys of around 584 mobile users. We can say after these samples that customer's satisfaction significantly affect customer's loyalty, so to improve brand image and customer's loyalty as an added value for customers.

(V.K.Gangal D. N., 2011), revealed the idea that customer satisfaction toward the banks vary from generation to generation, he also says that customer satisfaction is also most important in new generation banks. Hence Customer satisfactions on a number of physical as well as emotional variables which correlate with satisfactory behaviours such as return and recommend rate. The banks should have to make strategies that satisfy the requirements of the customer.

According to (M.Sathish, 2011) the availability of a number of subscriber options for consumers and varied tariff rates of each player, guide the customers to switch among service providers. Hence, the players are allowed to target the low income population thereby increasing the market share. Therefore the researcher targeted the area of Chennai due to high population the sample size was 112. After analyzing the findings of the study, they proposed that the mobile providers focus on rising network constancy and situation tariff rates competitively.

The problem discussed by (RAJA IRFAN SABIR, 2014) was that the factors affecting Customer Satisfaction in Banking Sector of Pakistan and to find the association among Customer Loyalty,

Service Quality and Customer Satisfaction. Researchers used Research design of the study which was quantitative and surveys. The data was collected from four different cities: Sahiwal, Arifwala, Okara and Pakpatan through questionnaire from 72 respondents. Results of this research show that there is significant association among customer satisfaction attributes and service quality. The results revealed that positive relationship exists between customer satisfaction and customer loyalty. With the help of this study the researchers conclude that customer satisfaction leads to customer loyalty and service quality leads to satisfied customers.

(Chaarlas, 2012), concluded in this article that personal issues has effect on brand switching several clients were given the questionnaires to collect the data. It was determined that the customers do not switch over brands because of private issues faced by them. According to this learning, the consumers are more attracted to have their brand with affordable price and with good network. The conclusion drawn beginning the learning is that the external factors about the respondents are extremely responsible for their Brand Switching.

The researcher (Azmi, 2014), demonstrate the idea that the rationale behind the study is to search out an broad view and test religiosity on brand switching mind set of consumers. To collect the data Self Administered questionnaires were distributed amongst 200 students from four different universities of Pakistan. The results of this study show that there is positive important association among independent variables and dependent variable. This study aims to envisage affect of religion on brand switching behaviour.

(Aurimas Dapkevicius, 2009), said that the idea of this article was to analyze literature and find out experimental proof on product price and quality persuade on customer satisfaction through marketing approach. It is agreed in this literature that quality and price has high effect on customer satisfaction throughout which it affects the decisions made by individuals. The article reveals that the price and quality are important factors for customer satisfaction.

(Dr. Rehana Kouser, 2012), indicated the reasons behind the customer's switching behaviour in cellular services sector of Pakistan. To conduct the research, they surveyed 480 respondents across the different regions of the country. The analysis was based on a self-administered survey. The results revealed that the customer retention is highly depending on Call and SMS rates and then on network service, network coverage and customer service.

(Muzammil Hanif, 2010), expressed the factors affecting customer satisfaction is of worth importance in organize to identify the reasons or the factors which are liable to create satisfaction between customers for a particular brand. Inside this study, the subscribers of telecom region or the mobile service providers like Ufone, Mobilink, Telenor etc. operating in Pakistan were targeted as the population while Price Fairness and customer services were the taken as predicting variables towards customer satisfaction as principle variable. The results revealed that both the factors considerably contributed to explain customer satisfaction but comparatively price fairness had the bigger impact on customer satisfaction than customer services. Conclusion and implications of the study are also discussed based on the study.

(Talat Mahmood Kiyani, 2012), revealed that the study is based on a sample of automobile users in twin cities of Pakistan. The results revealed that both the independent variables customer satisfaction and brand trust have a significant positive impact on customer loyalty. Hence, customer satisfaction is the most important aspect of the customer loyalty. The purpose of the research is to examine the effect of brand trust and customer satisfaction on customer loyalty.

(Sarwat Afzal, 2012), said that customer satisfaction has big significance in order to know the reasons and particulars that are responsible after switching in cellular network. For research study, the sample is taken from Larkana city. The sample consists of the

three batches of Shaheed Mohtarma Benazir Bhutto Medical University Larkana (SMBBMU) and BBA & MBA students of Shaheed Zulfiqar Ali Bhutto Institute of Science and Technology Larkana (SZABIST). Total population consists of 1048. The sample respondents were selected throughout convenience sampling technique, total sample size is of 104. The result examine the factors which influence more to customers in brand switching

According to (Khushboo Makwana, 2014), India has emerged as the fastest growing mobile phone market in the world. The study focused on identifying factors influencing consumer switching behaviour in telecommunication industry. The study revealed that by providing value added services and effective pricing strategies. On the basis of questionnaires administered to consumers in telecommunication industry.

3. Research Methodology

3.1. Model

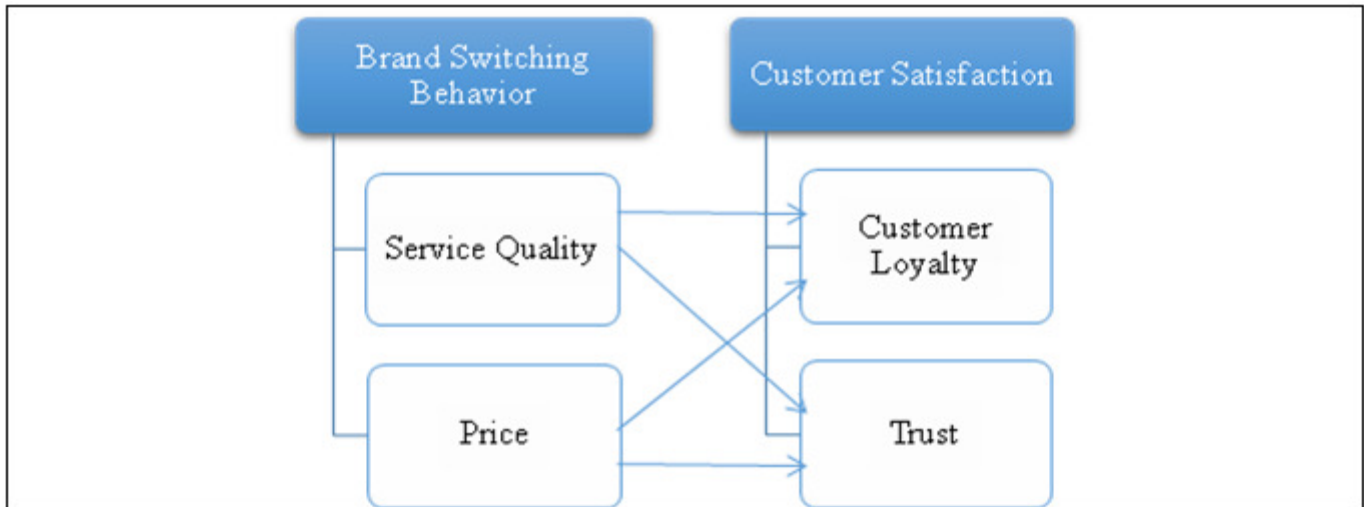


Figure 1

3.2. Data Collection Techniques

Data gathered for the research is Primary and collected for the first time through questionnaire. However, a little assistance was taken from the already existing journals on internet for determining the suitable variables, forming the questionnaire and interpreting the statistical results of the testing hypothesis.

3.3. Data

- Primary Data.
- Quantitative Data.

3.4. Statistical Techniques

Software SPSS (statistical package for social science) is being used for finding the statistical relationship among variables. Association Statistical Inference technique is used.

4. Analysis

4.1. Service Quality Enhances the Customer Loyalty.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	NO RESPONSE	1	.5	.5	.5
	strongly disagree	9	4.5	4.5	5.0
	disagree	11	5.5	5.5	10.5
	neutral	24	12.0	12.0	22.5
	agree	79	39.5	39.5	62.0
	strongly agree	76	38.0	38.0	100.0
	Total	200	100.0	100.0	

Table 1



Figure 2: Service Quality Enhances the Customer Loyalty

→ Interpretation

Out of 200 respondents 9 respondents are strongly disagree, 11 are disagree, 24 are neutral, 79 are agree and 76 are strongly agree that service quality enhances customer loyalty, while 1 respondent did not respond. This pie chart representation shows that quality is the key component which attracts customer towards the brand. According to respondents their loyalty is based on quality of product that influences them to use the product again and again.

4.2. Price of Product Effects on Customer Loyalty

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	12	6.0	6.0	6.0
	disagree	53	26.5	26.5	32.5
	neutral	50	25.0	25.0	57.5
	agree	65	32.5	32.5	90.0
	strongly agree	20	10.0	10.0	100.0
Total		200	100.0	100.0	

Table 2

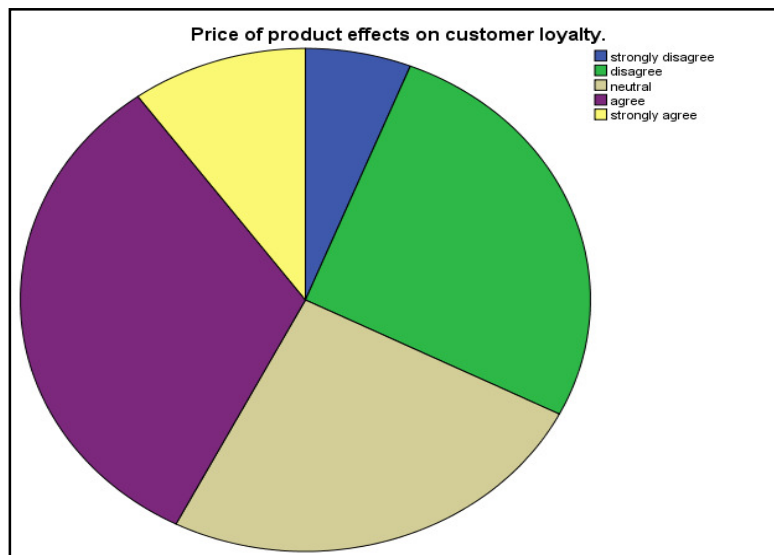


Figure 3: Price of Product Effects on Customer Loyalty

→ Interpretation:

Out of 200 respondents 12 respondents are strongly disagree, 53 are disagree, 50 are neutral, 65 are agree and 20 are strongly agree that price of products effect on customer loyalty. According to this pie chart representation most of the respondents prefer price as an important factor for the brand loyalty, fluctuation of price may affect the loyalty of customer whether negatively or positively towards the particular brand.

4.3. High Price of Product Is the Reason of Brand Switching

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	9	4.5	4.5	4.5
	disagree	35	17.5	17.5	22.0
	neutral	61	30.5	30.5	52.5
	agree	71	35.5	35.5	88.0
	strongly agree	24	12.0	12.0	100.0
	Total	200	100.0	100.0	

Table 3

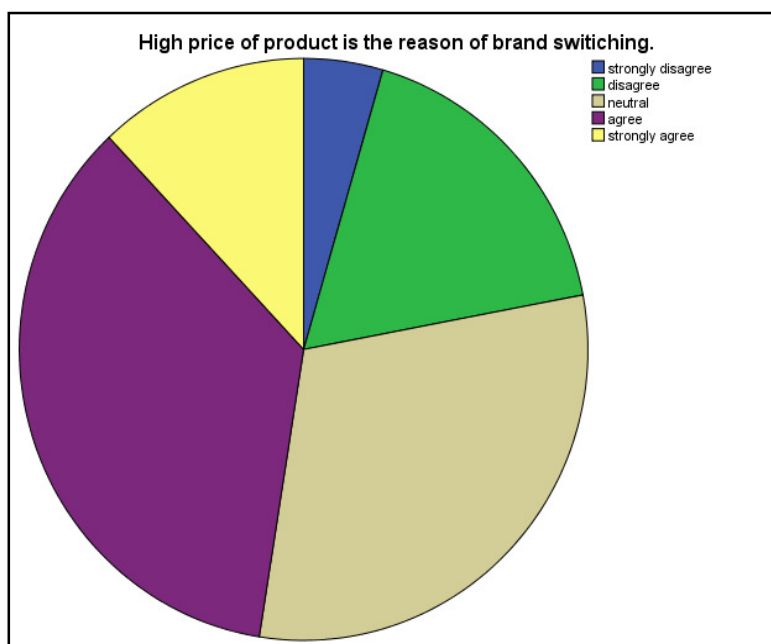


Figure 4: High Price of Product Is the Reason of Brand Switching

→ Interpretation

Out of 200 respondents 9 respondents are strongly disagree, 35 are disagree, 61 are neutral 71 are agree and 24 are strongly agree that high price of product is the reasons of brand switching. Hence this pie chart representation proven that high price is a factor that influence most of the respondents to switch the brand as quality may not be a considerable element for them. While some respondents considered quality as high price do not influence them to switch brand. The research was conducted in Karachi city, where most of the people do brand switching according to their affordability.

4.4. Advertising Influences Brand Switching Behaviour

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	NO RESPONSE	2	1.0	1.0	1.0
	strongly disagree	13	6.5	6.5	7.5
	disagree	27	13.5	13.5	21.0
	neutral	53	26.5	26.5	47.5
	agree	81	40.5	40.5	88.0
	strongly agree	24	12.0	12.0	100.0
	Total	200	100.0	100.0	

Table 4

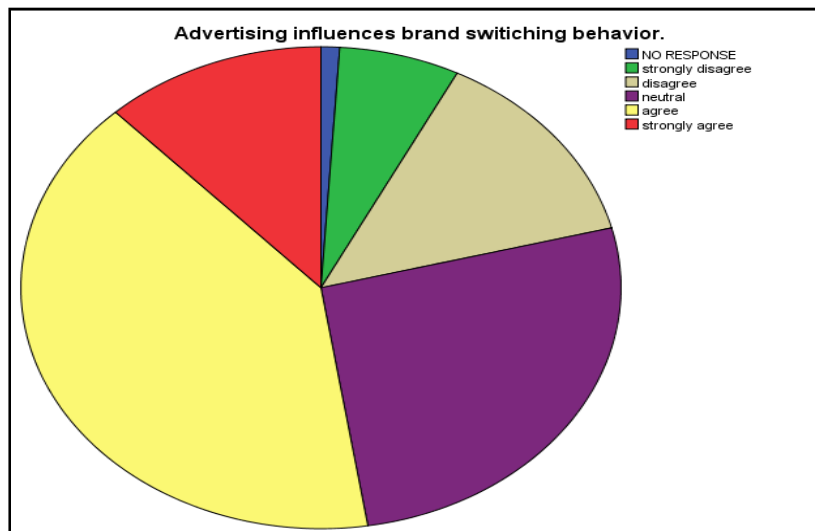


Figure 5: Advertising Influences Brand Switching Behaviour

→ Interpretation

Out of 200 respondents 13 respondents are strongly disagree, 27 are disagree, 53 are neutral, 81 are agree and 24 are strongly agree that Advertising influences brand switching behaviour, while 2 respondents did not respond. According to this pie chart representation shows that advertising is also a very important factor to switch brand. Advertising influence customer behaviour towards any product or services as it creates awareness that what's going on in the market.

4.5. There Is Relationship between Brand Switching Behaviour and Customer Satisfaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	11	5.5	5.5	5.5
	disagree	10	5.0	5.0	10.5
	neutral	30	15.0	15.0	25.5
	agree	99	49.5	49.5	75.0
	strongly agree	50	25.0	25.0	100.0
	Total	200	100.0	100.0	

Table 5

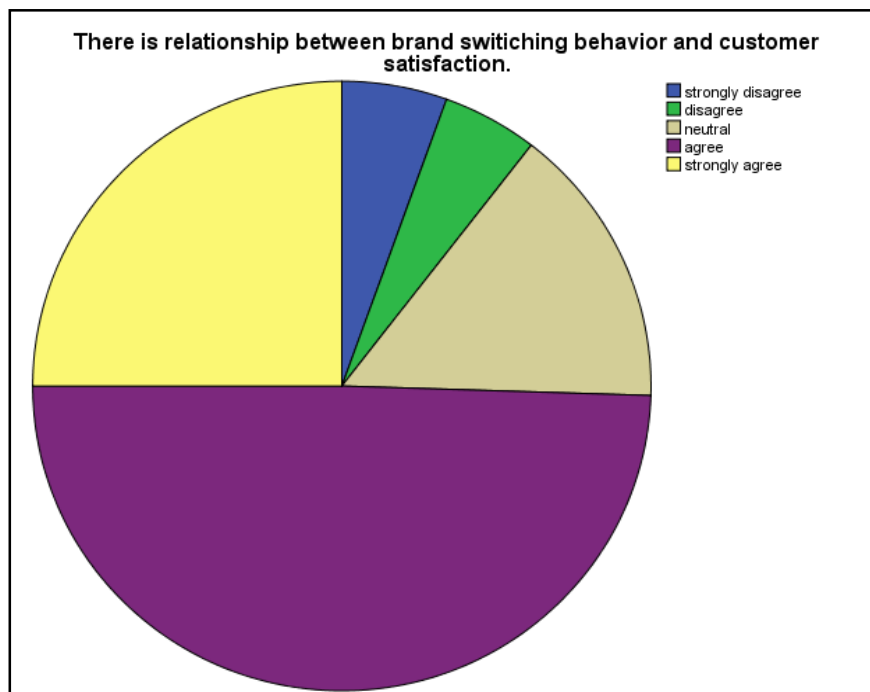


Figure 6: There Is Relationship between Brand Switching Behaviour and Customer Satisfaction

→ Interpretation

Out of 200 respondents 11 respondents are strongly disagree, 10 are disagree, 30 are neutral, 99 are agree and 50 are strongly agree that there is relationship between brand switching behaviour and customer satisfaction. The pie chart representation of this statement is essential for the study of this research. In this pie chart, majority of respondent says that there is relationship between brand switching behaviour and customer satisfaction which may be an indirect relation if we talk about the particular brand. It means if respondent is satisfied with the brand she is using currently when she will not switch that brand, but if in case a respondent is not satisfied then she will ultimately switch to other brand which will make her satisfy. Moreover satisfaction can be drive in terms of quality as well as price in the mind of a customer. It depends upon the customer affordability either they satisfied with the quality or with price. Hence it is proved that there is relationship between brand switching behaviour and customer satisfaction, customer is influenced to use the brand which satisfied them most therefore brand switching occurs in order to achieve satisfaction.

5. Conclusion

The study began with the idea that there is a relationship of brand switching behaviour with the customer satisfaction. This study will help the companies to identify the selling areas that need more attention to attract the new customers and retain the existing ones. As now most of the companies facing this problem and losing their customers they switch to another brand because of price and service quality of product. This research is conducted in Karachi where people purchase products according to their affordability. In Karachi customers do no compromise on price and quality of product, hence it depends on customer's affordability either she is satisfied with the price or with the quality. Due to availability of many alternative and variety of products customers are being more conscious and highly involved in switching brand. So, companies to need to improve their quality of product and also the price of product so they can retain their existing customers and also attract new ones.

The study is based on the primary data. And data was collected via self completion questionnaires were distributed among the females at different locations. The sample size of the study was 200. SPSS 22 version was used to analyze the data. The findings suggest that the variables price of the product and customer loyalty have influence on the brand switching behaviour. Hence, this research concluded that there is relationship between brand switching behaviour and customer satisfaction; customer is influenced to use the brand which satisfied her the most. Therefore, in order to achieve satisfaction customer switch brand.

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