THE USE OF MARKETING INTERVENTION MODELS TO REDUCE DEFECTION: THE INDIVIDUAL CUSTOMER LEVEL'S EXPERIENCE

IGWE, PEACE
Department of Marketing
Faculty of Management Sciences
University of Port Harcourt
&

AMUE, GONEWA JOHN
Department of Marketing
Faculty of Management Sciences
University of Port Harcourt

Abstract

This paper examines the use of Marketing Intervention Models to Reduce Customer Defection at the Individual Customer Level of Telecommunication Firms in Nigeria. More precisely, its aim is to investigate switching index that is likely to reduce the tendency of defection from or to any type of network. The paper discusses survival analysis with the use of intervention models. Based on available data, it examines a number of variables, which represent individualities of customers and related service defection tendencies. Tables, Pearson Chi-square, Cramer's V symmetric statistics and the descriptive data will aid our study. The Multinomial Logistic Regression Analysis will be used to analyze data as it is predictive in establishing an association between criteria binary. The implication is that the study is supportive in inhibiting defection by proffering intervention strategies to mobile telecommunication firms and the best efforts to employ when the need arises.
Keywords: intervention, defection, service process, satisfaction, switching cost

Introduction

The global system of mobile communications (GSM) network as popularly referred has made an inroad into Nigerian domestic market particularly, from 2001 and has ushered in an unprecedented revolution in the Nigeria telecommunication sector (Oghojafor, 2014). This innovation nevertheless, made telephone lines available to most Nigerians. Ernest Ndukwe, the then executive vice-chairman/chief executive of the Nigerian communications commission asserted that telecommunication and information technology has the potency to launch Nigeria with pride into the 21st century. He further claimed that in 1999, the international telecommunications union established that telecommunications and information technology sector world over, away from healthcare and banking sectors, was worth over US$ one trillion in market capitalization of which Nigeria has chiefly joined other economies. Consequently,

Nigeria's mobile telecommunication industry has assumed significantly a competitive posture with numerous operators for instance Airtel, Etisalat (now 9mobile), Glo and MTN mobile services as main players.

In the quest to deliver quality services and achieve competitive advantage, it is however, important to note that operators ought to understand what customer holds as yardstick to satisfaction and in the provision of better services. Unfortunately, record shows that marketing energies are concentrated on the enticement of new customers rather than satisfying and maintaining the current ones (Hassan, 2008). Hence, longevity in patronage may not be so certain given that many other factors would necessitate defection.

In the Nigerian mobile telecommunication sector, customers are at liberty to make choices as to the provider(s) they want to patronize or keenly workout on certain service providers for obvious reasons best described as failures. According to Ajzen & Fishbein (1980) as cited in Gupta, (1998), "individuals consider certain implications to their movements before they actually resolve to decide or not to decide on a pre-arranged behaviour". In any case, firms are expected to monitor and avert defections. This aversive tendency however, becomes imperative in such a time as this, when service providers are grossly breaching customers' trust in service delivery. The intervention model nevertheless turns out to be a panacea to the prevailing situation in the Nigerian mobile telecommunication industry which characteristically means that business managers are reluctant in keeping with their promises or defiantly dishonest.

Background of the study

As businesses trail novel marketing efforts towards customer acquisition, defection has arguably been observed to immensely affect business growth. If unhindered, it would create a "dripping pail" condition whereby new customers' patronage might not be adequate enough to compensate for the attrition of old customers from their business offerings hence, resulting to a number of business woes. With special reference to telecommunication firms that are obsessed with retention strategies, they often experience unforeseen shocks from customer defection. This, perhaps, may not be unconnected with over-stretching of facilities, ineptitude and related slack in resources affordable to businesses; therefore customer churning becomes an inevitable alternative. Intensifying the problems of customer defection are the financial implications of acquisition cost and change in customer value over time. For many incumbent operators, retaining high profitable customers is the number one business acute challenge that service owners seem to face. According to Roos (1996) customer defection could be initiated either by organization or individual customers. This study however, focuses on the defection initiated by the customer.

According to Lu (2001), customer instigated churn has proven to be more complex than its underpinning reasons. He however highlighted some of the reasons ranging from intolerable call quality; competitor's pricing strategy, distorted information on sales, unmet expectations, unfair billing system etc. Defection has been conceptualized to mean the likely behavior attributable to customer withdrawal from patronizing a particular mobile service or patronizing other service firms completely (Garland, 2002); Customer exit (Stewart, 1994; Hirschman, 1970) decision to discontinue patronage of a firm's services completely (Bolton and Bronkhurst, 1995;

Boote, 1998). According to Lu (2001), Churn in the telecommunication business is explicated in cancelling or hanging calls or related services.

In order to support telecommunication companies manage defection, we do not only need to forecast which customers are at a high risk of defection, but we need to aid these companies know how to enhance their marketing intervention resources to stop as many customers as possible from changing sides. Apparently, customers take the initiative of estranging from business relationships emanating from varied reasons hence, Customer churn is correspondingly known as attrition or "defection", which has taken a major discourse within the business managers' community. It is however critical to note that there is the need to grow and sustain existing relationships between customers and organizations in order to grow profits.

Remarkably, it has remained irreconcilable on how customers express their satisfaction towards a service provider yet, they often appear to defect from same service source (Roos, 1998; Liljander, Roos, and Strandvik 1998). In fact, Roos (1996) insisted that switching may not necessarily be as a result of dissatisfaction but customers choosing to express a need for change through their switching behaviors. Williams, Khan, Ashill and Naumann (2011) claimed that, defectors seem to be more price sensitive than those who stick to firm's services. As Rust et al., (1995) aver that customer defection would eventually lead to decline in sales, dwindled market share, escalation in marketing costs and new customer acquisition if unabated.

Intervention Models

Several topical issues in organizational change theories have been attributed to Greiner (1972) in explaining the ever changing aspect of business. Consequently, many academicians arose to the contemplation that change is a component of social interaction which emanates from conversation and other forms of interactions (Ford, 1999a). Filipczak (1995) illustrated that the distinguishing objectives of a relatively large-cluster set of interventions comprise such emphases as shifting strategies and evolving missions about firm's situation. However, certain basic procedure to intervention must be monitored apart from the everyday tasks involved. If intervention must be accepted, it must be applicable to any class of client, having relevant valuable information, free choice and internal commitment (Argyris 1970).

Beckhard and Pritchard (1992) developed a resistance formula which has been vehemently criticized for not being an outright intervention technique in the true sense of the word. In order for change to pull through; there must be enough shared dissatisfaction with the status quo, a vision of how to proceed, and knowledge of the first steps towards moving ahead. If any of the factors A, B, or D remains zero, resistance takes over and threatens the success of the change effort. They assume, that R = 0 will never happen.

A = Degree of dissatisfaction with the present situation
B = Desire for the new situation
C= knowledge of the first step to success
D = Practicability of the change effort
R = Resistance (cost of change)

Formula $= \dfrac{A \times B \times D}{R}$

In a typical work setting, most persons are confronted with the issue of proffering solutions to problems in terms of advice, expertise and supports that affect others. Indeed how this solution is offered aids in determining the level of achievement businesses make hence, it serves an influence to the existing relationships. Heron's framework affords us a model for analyzing how help is delivered. This model can as well be used to increase the outcome of the help you render in the form of intervention. Basically, the model has two rudimentary

types -'the authoritative' and 'the facilitative'. This twofold model is sub-dimensioned into six classes in defining the means by which intervention is followed when facilitating the process. According to him, intervention is authoritative and the initiator disseminates information and stimulates other participants. On the other hand, the facilitative intervention initiator illustrates with relevant ideas, clarifications, and building self-confidence, hence helping them meet predetermined goals.

Fundamentally, Intervention comes in varied ways and for several reasons, often, established to serve as switching hurdles perhaps as a correction variable (Kim et al. 2004). It is believed that often, customers experiencing satisfaction with current service provider would want to maintain continued subscription. Conversely, according to some literature, it is always not the case, as many likely situations have failed to produce the estimated effect. This may be as a result of saturation or the quest to try out new service offerings. Hence, the best core marketing strategy to resort to is to heighten the exit route and provide a stay-put alternative.

Empirical review of Literature

A number of empirical reviews show that Jenni and Byron (2003) carried out a study on Brand salience and customer defection in subscription markets and found that customers with a zero salience level were probable to defect. Gerrard and Barton (2003) understudied Consumer switching behavior in the Asian banking market where they used the survey method of data collection to gather responses. They found out that the reasons affecting switching behaviours include service failure, pricing, inconveniences, reputation, promotion, spontaneous switching and references from others. Naveed, Khan, Ghouri, Siddqui, Shaikh and Alam (2010) carried out a study on Determinants Analysis of Customer Switching Behavior in Private Banking Sector of Pakistan. Using the Survey method of data collection, logistics regression was equally used to analyze responses. They found out the reasons affecting switching behaviours includes: service failure, pricing, inconveniences, reputation, promotion, involuntary switching and recommendations of others. Pirzada, Nawaz, Javed and Asab (2014) found that the factors influencing customers' switching behaviour of bank customers in Pakistan. They used the Survey method of data collection and analyzed responses using linear regression, result shows that the number of bank branches, quality of services, banks' interest rates has direct influence on customers' attitude and their intention to act in certain ways to others. Vishal and Sonika (2013) equally presented a paper aimed at providing an insight of the drivers that lead to customer switching from one service provider to another in the Indian banking industry using exploratory factor analysis. They found that price, reputation, responses to service failure, customer satisfaction, service quality, service products, competition, customer commitment and involuntary switching have their significant effect on customers' switching behavior. Gamble, Juliusson and Gärling (2009) conducted a study on Consumers attitudes towards switching to other supplier in three deregulated markets. the OLS multiple linear regression

analyses was used to analyze responses; they resolved that the differences amongst markets were accounted for by differences in loyalty, information search costs, and expected economic benefits.

Velitchka, Kaltcheva, Robert, Winsor, and Parasuraman (2010) conducted a study on the impact of customers' relational models on price-based defection using the multivariate analysis of variance to test the hypotheses and found that the relational models had a significant effect on customer defection. Khan, Ghouri, Siddqui, Shaikh and Alam (2010) studied the determinants of Customer Switching Behavior in Private Banking Sector of Pakistan. The Logistic regression model was used to analyze responses. They found that there exist significant and positive relationship between customers switching behavior and other inducing factors. Kaur, Sharma and Mahajan (2012) investigated the extent of customer switching and the underlining intentions of customer-switching with Structural Equation Modeling to analyze responses and the model revealed a significant effect of quality, satisfaction and trust in predicting switching barriers. Roos (1999) did a study on Switching Processes in Customer Relationships and developed a model for studying customers' switching behavior by extending the Critical Incident Technique in a relationship direction and through the use of a new technique, developed an analytic framework that identifies three different kinds of switching determinants: pushing determinants, pulling determinants, and stayers. The new technique captures the configurations of the underlying factors that lead to revocable or irrevocable switching decisions. Williams, Khan, Ashill , Naumann (2011) studied the attitudes of stayers and defectors in a Business to business environment, using the path modeling technique, and found that customers who defect may have experienced lower behavioral intent levels and satisfaction than those who remained.

According to Ryan and Oestreich (1991), the Lewin approach is adequate in explaining recent development in business Reengineering and transformation. They assert that business threat can emanate from five main sources; Actual or past experience in the current situation, information on related involvements about dangers and losses, expectations and private interpretations of similar behaviors, associated Negative and cultural based stereotypes on managerial powers, vague situations and probable outcomes

Switching Cost

Keaveney (1995) delivered a ground breaking study and developed a model with eight switching indices. These indices range from pricing, inconvenience arising from service, failures regarding core service, failures regarding service encounter, responses to service failures by employee to attraction. It is essential for telecommunication firms to be mindful of the various behavioral signs regarding switching else, customer switching would become a foremost business challenge. Many costs exist and could be linked to the acquisition of new customers. Basically, the costs we are involved in, is the cost of switching to a rival (Lacey 2007). Dick and Basu, (1994) assert that switching cost is such that customers suffer when switching to a competing brand. They are usually time cost, money cost and psychological cost and these costs according to Keaveney (1995) can be as much as the costs of maintaining the customer.

Agreeing to Kim et al's (2004) position, switching behavior has been explicated into two broad groupings where dissimilar behavior precedes actual behavior and where it does not. Certain behaviors are however eminent in forestalling switching. These behaviors create

barriers to customer exit issues and denote the impediment to attrition perhaps to a competing rival on the reason of dissatisfaction with the current service provider, or other burdens that are   service related encountered by a customer when swapping to a new service provider (Fornell, 1992). Extant literature maintains that switching barrier consists of cost of switching, the attractiveness of other substitutes, and interpersonal relationships (Kim et al, 2004; Murray, 1991). In as much as a customer perceives likely losses arising from his exit, he deliberately withdraws from defecting (Kim et al 2004). According to Murray (1991), Kim et al, (2004), the reasons as articulated might be summed up in loss cost which is presumed to be loss in social status, adaptation cost which denotes the seeming cost of search and learning and move-in cost which is referred to as the economic cost of switching to a new rival.

Methodology

Although service compatibility probability can not and should not try to evaluate defection, they can and must reduce them. To approach such goal, companies must pursue that goal in a coordinated way. Organization should be prepared to spot customers who leave, Reicheld and Sasser (1990).

Defection does not only indicate the movement of profit more than passive, they give direction to profit destination more so, alerts business managers in the service failure specifices (Reichheld and Sasser 1990). Analysis of firm's

survival is a set of statistical approaches for monitoring incidence and happenings. Originally, survival analysis was intended to study longitudinal data on eventualities. Arguably, monitoring defection is a good illustration of survival data. Particularly, censoring and time-dependent covariates are not like other straight statistical approaches that are common to users. The role of the survival function is to provide the probability function that would serve beyond a given period of time. Hence the Hazard model and survival functions are mostly used to define the position of customer during the period of observation.

Logistic regression however, is probably the most suitable analysis used when the criterion variable is in two fold (dichotomous). It is predictive in nature and used in data description and explanation by establishing an association between one criterion binary (customer defect) and other dimensions of the scale measurement (interval or ratio) of the predictor (MTN, GLO, AIRTEL AND ETISALAT). The essence for the preference of this model is in its fit and tendency to increase the related statistical validity because of its versatility in explaining variance of the log odds as stated in R^2.

Descriptive Analysis and Test of Association

Table 1 shows the cross-tabulation of switching cost strategy that is likely to reduce the tendency of defection and type of network, while figure 1 shows the clustered bar charts. As both table 1 and figure 1 show, it appears that high switching cost will likely reduce the tendency of defection than low switching or no switching costs, with 49.2% of the respondents preferring high switching cost strategy and 35.7% and 15.1% preferring low switching cost and no switching cost strategies respectively. Further, out of the 127 respondents who prefer high switching cost strategy for reducing defection tendencies, 77.2% are MTN users, 3.1% are GLO users, 15% are Etisalat users and 4.7% are Airtel users. On the other hand, out of the 92 respondents who prefer low switching as the strategy that will likely reduce the tendency of defection, 85.9% are MTN users, 2.2% are GLO users, 6.5% are Etisalat users and 5.4% are Airtel

users. Out of the 39 respondents who prefer no switching costs as the strategy that will likely reduce the tendency of defection, 82.1% are MTN users, 7.7% are Etisalat users and 10.3% are Airtel users. No GLO user prefers any switching costs as the right strategy for reducing the tendency of defection.

Characteristic		Which switching cost strategy is likely to reduce the tendency of defection?			Total
		High switching cost	Low switching cost	No switching cost	
Network Type	MTN %Within Network % Within switching cost	98(38.0%) 46.9% 77.2%	79(30.6%) 37.8% 85.9%	32(12.4%) 15.3% 82.1%	209(81.0%) 100% –
	GLO %Within Network % Within switching cost	4(1.6%) 66.7% 3.1%	2(0.8%) 33.3% 2.2%	0(0.0%) 0.0% 0.0%	6(2.3%) 100% –
	ETISALAT %Within Network % Within switching cost	19(7.4%) 67.9% 15.0%	6(2.3%) 21.4% 6.5%	3(1.2%) 10.7% 7.7%	28(10.9%) 100% –
	AIRTEL %Within Network % Within switching cost	6(2.3%) 40.0% 4.7%	5(1.9%) 33.3% 5.4%	4(1.65) 26.7% 10.3%	15(5.8%) 100% –
Total		127(49.2%)	92(35.7%)	39(15.1%)	258(100%)

On the balance, both the Pearson Chi-square and Cramer's V symmetric statistics are not significant at conventional levels ($p > 0.1$), suggesting clearly that there is no significant association between switching cost strategy and network type.
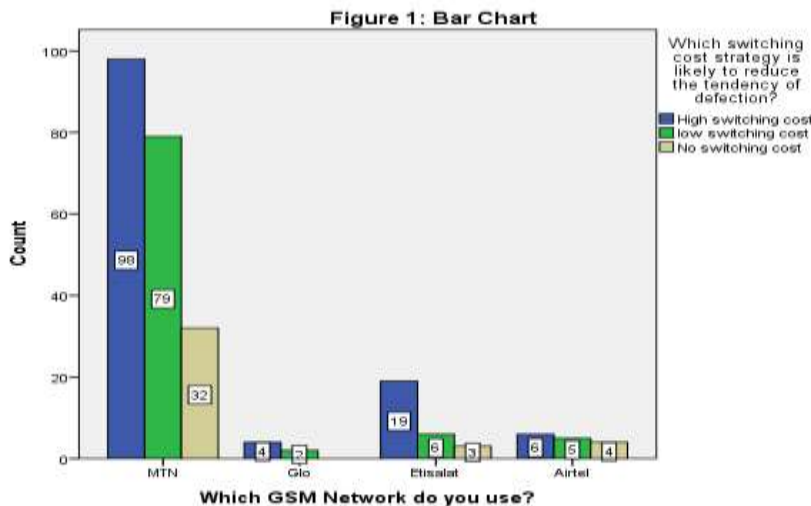

Figure 1: Bar Chart

Table 1: Crosstabs for switching costs and network type

Test Statistic	Value	P-value
Pearson (χ^2)	7.322	0.292
Cramer's V	0.119	0.292

Table 2:   Chi-Square tests for switching cost and network type

Table 3 shows the cross-tabulation of which switching cost strategy is likely to reduce the tendency of defection and user category, while figure 2 shows their clustered bar charts. From table 3, half (129) of the respondents are moderate users of their individual networks, and about 49% of them prefer high switching costs as a strategy of reducing the tendency of defection by customers while 36.4% and 14.7% prefer low switching cost and no switching cost respectively. Further, almost half (49.6%) of the 127 respondents who prefer high switching cost as a strategy of reducing the tendency of defection are moderate user customers, while 38.6% and 11.8% fall in the category of heavy users and light users respectively. The moderate users also constitute more than half (51.1%) of the customers who prefer low switching cost strategy and 48.7% of those who prefer no switching cost strategy.

Table 3 also indicates that heavy users constitute more than half (51.6%) of the respondents who prefer high switching cost as a likely strategy for reducing the tendency of defection, and 30.5% and 17.8% prefer low switching cost and no switching costs strategies respectively. Further, heavy users constitute 31.5% of the customers who prefer low switching cost and about 43.6% of those who prefer no switching cost. For light users, 44.1% prefer high switching cost, 47.1% prefer low switching cost and 8.8% prefer no switching cost. Light users also constitute 17.4% of the customers who prefer low switching cost and 7.7% of those who prefer no switching cost strategy.

On balance, both the Pearson Chi-square and Cramer's V Symmetric statistics are not significant at conventional levels (p > 0.1), suggesting clearly that there is no significant association between switching cost strategy and user category.
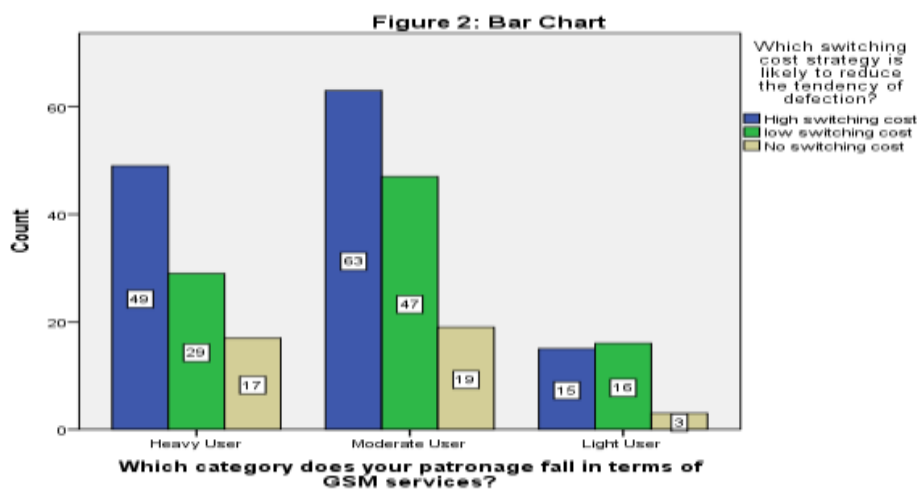
Figure 2: Bar Chart

Characteristic		Which switching cost strategy is likely to reduce the tendency of defection?			Total
		High switching cost	Low switching cost	No switching cost	
User Category	Heavy Users %Within Category % Within Switching cost	49(19.0%) 51.6% 38.6%	29(11.2%) 30.5% 31.5%	17(6.6%) 17.8% 43.6%	95(36.8%) 100% –
	Moderate Users %Within Category % Within Switching cost	63(24.4%) 48.8% 49.6%	47(18.2%) 36.4% 51.1%	19(7.4%) 14.7% 48.7%	129(50.0%) 100% –
	Light Users %Within Category % Within Switching cost	15(5.8%) 44.1% 11.8%	16(6.2%) 47.1% 17.4%	3(1.2%) 8.8% 7.7%	34(13.2%) 100% –
Total		127(49.2%)	92(35.7%)	39(15.1%)	258(100%)

Table 1: Crosstabs for switching costs and customer category

Test Statistic	Value	P-value
Pearson (χ^2)	3.642	0.457
Cramer's V	0.084	0.457

Table 4: Chi-Square tests for switching cost and customer category

Multinomial Logistic Regression Analysis

Table 4 shows the results of multinomial logistic regression of the likelihood of reduction in defection rate owing to changing switching costs. The predictor variables are type of network, category of customer, gender and age group. Respondents were asked to indicate which switching cost strategy; (1) Increase in switching cost (2) reduction in switching costs and (3) unchanged switching costs, is likely to reduce the tendency of defection. Unchanged switching costs are used as the reference category while superscript (0b) indicates the reference category for the predictor variables. As we can see from table 4, the Pearson goodness of fit coefficient is statistically not significant at conventional levels, suggesting evidence that the model is a very good fit to the data. This further narrates that the relationships of interest can very well be captured by the specified logistic model.

Increased Switching Costs relative to Unchanged Switching Costs and Tendency to Reduce Defection

From table 4, the Odd ratios of 1.508, 186706781.667 and 3.064 indicate that holding the effects of other factors constant, MTN, GLO and Etisalat subscribers compared to those of Airtel are more likely to reduce the tendency of defection when switching costs are increased relative to when switching costs are unchanged. The likelihood of non-defection as a result of

increased switching costs is quite substantial and highly significant for GLO subscribers compared to other network users, with the associated p-value being zero.

For customer category, both heavy users and moderate users compared to light users are less likely to reduce the tendency of defection when switching costs are increased relative to when switching costs are unchanged, with the odd ratio for each category being less than 1. However, the effect of customer category is not significant as none of the p-values is within the conventional levels of significance.

Table 4 also indicates that male customers compared to female customers are less likely to reduce the tendency of defection due to increase in switching costs relative to when switching costs are unchanged, with the odd ratios being less than 1. The effect of gender difference is also not significant as the associated p-value is substantially higher than the conventional levels of significance.

Similarly, differences in age group are not associated with the odds of reducing defection due to increase in switching costs, as none of the associated p-values is significant at conventional levels. Subscribers whose ages are 15 – 19 years and 20 – 25 years compared to those who are 26years or above are less likely to reduce the tendency of defection when switching costs are increased relative to when there are no adjustments in switching costs.

Reduced Switching Costs relative to Unchanged Switching Costs and Tendency to Reduce Defection

From table 4, the Odd ratios of 1.401, 95991772.996 and 1.126 indicate that holding the effects of other factors constant, MTN, GLO and Etisalat subscribers compared to those of Airtel are more likely to reduce the tendency of defection following a reduction in switching costs relative to when switching costs are unchanged. The likelihood of non-defection as a result of a reduction in switching costs is quite substantial for GLO subscribers compared to other network users, with the associated p-value being zero.

For customer category, both heavy users and moderate users compared to light users are less likely to reduce the tendency of defection when switching costs are reduced relative to when switching costs are unchanged, with the odd ratio for each category being less than 1. The likelihood of non-defection is significant at 10% level for Heavy users but insignificant for moderate users as the p-value is above the conventional levels of significance.

For the effect of gender, male customers compared to female customers are less likely to reduce the tendency of defection due to reduction in switching costs relative to when switching costs are unchanged, with the odd ratios being less than 1. The effect of gender difference is also not significant as the associated p-value is substantially higher than the conventional levels of significance.

Similarly, differences in age group are not associated with the odds of reducing defection when switching costs are reduced, as none of the associated p-values is significant at conventional levels. Subscribers whose ages are 15 – 19 years and 20 – 25 years compared to those who are 26 years or above are less likely to reduce the tendency of defection when switching costs following a reduction in switching costs relative to when there are no adjustments in switching costs.

Which switching cost strategy is likely to reduce the tendency of defection?		Beta	Wald	P-value	Odd ratio (OR)
Increase Switching cost	Intercept	1.841	2.186	.139	
	[Network_type=MTN]	.411	.316	.574	1.508
	[Network_type=GLO]	19.045	296.043	.000	186706781.7
	[Network_type=ETISALAT	1.120	1.374	.241	3.064
	[Network_type=AIRTEL]	0[b]	.	.	.
	[Cust_Category=HEAVY USER]	-.814	1.134	.287	.443
	[Cust_Category=MODERATE USER]	-.564	.611	.434	.569
	[Cust_Category=LIGHT USER]	0[b]	.	.	.
	Gender=Male]	-.433	1.034	.309	.649
	[Gender=Female]	0[b]	.	.	.
	[Age_Group=15 – 19years]	-1.113	2.135	.144	.329
	[Age_Group=20 – 25years]	-.329	.426	.514	.720
	[Age_Group=26years or above]	0[b]	.	.	.
Reduce switching cost	Intercept	1.827	2.046	.153	
	[Network_type=MTN]	.337	.197	.657	1.401
	[Network_type=GLO]	18.380	.	.000	95991772.99
	[Network_type=ETISALAT	.118	.013	.909	1.126
	[Network_type=AIRTEL]	0[b]	.	.	.
	[Cust_Category=HEAVY USER]	-1.271	2.732	.098	.280
	[Cust_Category=MODERATE USER]	-.858	1.425	.233	.424
	[Cust_Category=LIGHT USER]	0[b]	.	.	.
	[Gender=Male]	-.260	.350	.554	.771
	[Gender=Female]	0[b]	.	.	.
	[Age_Group=15 – 19years]	-.673	.755	.385	.510
	[Age_Group=20 – 25years]	-.246	.219	.639	.782
	[Age_Group=26years or above]	0[b]	.	.	.
Goodness of fit (Pearson) 47.045; p-value 0.103					

Table 4: Multinomial Logistic regression; the reference category is: unchanged switching cost. b. reference category for predictor variables

Conclusion and Implication

Defecting from Mobile telecommunication services is habitually an upshot of numerous occurrences emanating from price sensitivities, service related complexities, competitive concerns, ethical glitches and spontaneous factors (Vyas and Raitani, 2014). As rightly stated; Negative price perceptions can result to customers switching service (Clemes et al., 2007).

Serendipitous finding reveals that mobile telecommunication firms institute defection-reduction mechanism very close to the time of customer's subsequent choice decision making process, allowing for their vulnerability to defections without them actually experiencing firm's new strategy.

This study offers unequivocal panacea to telecommunications companies in understanding customer defection tendencies within the time period of their patronage. In overall, this study is supportive in tracking price sensitive customers of mobile telecommunication firms and the best intervention efforts to employ when the need arises. Firm are most likely to have unabated defections amongst their customers with no solution at sight till they provide cost based strategy for individual classes of customer that will make switching less attractive.

For customer category, both heavy users and moderate users compared to light users are less likely to reduce the tendency of defection when switching costs are increased relative to when switching costs are unchanged. The likelihood of non-defection as a result of a reduction in switching costs is quite substantial for GLO subscribers compared to other network users. The likelihood of non-defection is significant at 10% level for Heavy users but insignificant for moderate users as the p-value is above the conventional levels of significance. Subscribers whose ages are 15 – 19 years and 20 – 25 years compared to those who are 26years or above are less likely to reduce the tendency of defection when switching costs following a reduction in switching costs relative to when there are no adjustments in switching costs. This clearly shows that switching cost strategy may not necessarily be associated with network type. However it appears that high switching cost will likely reduce the tendency of defection than low switching or no switching costs hence, the cross-tabulation of switching cost strategy t is likely to reduce the tendency of defection in any type of network.

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Although service compatibility probability can notand should not try to evaluate defection they can and must reduce them. To approach such goal, companies must pursue that goal in a coordinated way. Organization should be prepared to spot customers who leave, Reicheld and Sasser (1990).

Defection does not only indicate the movement of profit more than passive, they give direction to profit destination more so, alerts business managers in the service failure specifices (Reichheld and Sasser 1990).