CORPORATE BRAND IMAGE AND SWITCHING BEHAVIOR: CASE OF MOBILE TELECOMMUNICATIONS CUSTOMERS IN ZIMBABWE

Abstract

Mobile telecommunication service providers in Zimbabwe are using a brand image to market their products and minimize brand switching, resulting from increased market competition. A cross-sectional survey was conducted among a convenience sample of 385 participants in Zimbabwe. The sample size was determined using Rao software sample size calculator to extract an acceptable sample from a population of 1,973,906 inhabitants. Data were collected using a five-point Likert scale questionnaire and were also tested for reliability and validity using SPSS version 20. It was ascertained that 70% of the respondents switched SIM cards, 20% never switched, and 10% were indifferent to the different providers. Structural Equation Modeling (SEM) showed that mobile network service providers’ brand image positively affects customer satisfaction, a positive relationship exists between mobile network service providers’ brand image and consumer brand switching behavior, customer satisfaction positively affects their loyalty. Corporate brand image indirectly affects customer loyalty through customer satisfaction. The researchers recommend marketers to consider the findings when designing strategies for marketing mobile network services.

Shylet Chigwende (South Africa), Krishna Govender (South Africa)

JEL Classification M31, M37

Keywords mobile telecommunication, brand image, customer loyalty, customer satisfaction

INTRODUCTION

Globalization has led to technological advancements, especially in the mobile telecommunications sector, which has resulted in increased competition, such that service providers resort to using the brand image to market their products (Zhang, 2015). Marumbwa (2013) argues that several brands exist in the mobile telecommunications global village, and consumers make their purchase decision depending on their perception of the brand image. Competition is also high among three mobile service providers in Zimbabwe, namely, Econet Wireless Zimbabwe, Netone, and Telecel Zimbabwe (Karombo, 2017). Telecommunications companies in Zimbabwe are governed by the Postal and Telecommunications Authority of Zimbabwe (POTRAZ), which was formed under the Postal and Telecommunications Act in 2000 (POTRAZ Report, 2012).

According to POTRAZ Report (2016), there are 20,239,805 mobile telecommunication subscribers in Zimbabwe, and 12,696,303 are active. However, although Zimbabwe has a total population of 15 million, the number of mobile telecommunication subscribers exceeds this total, thus supporting the view of Marumbwa (2013) that subscribers pur-
chase Subscriber Identity Module (SIM) cards from different mobile telecommunication suppliers, and also switch brands frequently.

The growth of the mobile telecommunications industry has been hampered by the harsh economic conditions currently prevailing in Zimbabwe, and the annual revenue is reported to be falling steadily (Karombo, 2017), and brand switching is common amongst mobile network users in Zimbabwe, as noted by Marumbwa (2013). Consumers use brand image to make their choices from amongst different brands (Rahman, Haque, & Khan, 2012). It is easier and cheaper to acquire SIM cards and also switch mobile network service providers in Zimbabwe’s mobile telecommunications industry. Consumers also have multiple SIM cards and this allows temporary brand switching to occur. Mobile network service provider brand switching occurs regularly and it’s a very common habit in Zimbabwe’s telecommunications industry. Consumer switching behavior has a huge negative impact on organisation’s growth and profitability. The mobile telecommunications industry is important in Zimbabwe as it is at the heart of the development of almost all the strategic economic sectors which include agriculture, manufacturing, and mining industry. Several studies have been conducted on brand image and consumer behavior (Tekin, Yiltay, & Ayaz, 2016; Zhang, 2015). The researchers mentioned above paid more significant attention to the relationship between brand image and purchasing decisions, commitment, trust, and attitude.

Despite these increased interests in branding and consumer behavior, little empirical literature is available on the effect of corporate brand image on consumer switching, loyalty, and satisfaction. Instead, the focus among several authors regarding brand switching was on the impact of and factors influencing brand switching (Nimako, 2012; Awogbemi, 2015). More specifically, no research was conducted on corporate brand image and satisfaction of customers and consumer switching in the mobile telecommunications sector in Zimbabwe.

This research, therefore, adds to the body of knowledge by investigating the relationship between corporate brand image and consumer loyalty, customer satisfaction, and consumer switching in Zimbabwe’s mobile telecommunications sector. The overall aim of the study is to ascertain how corporate brand image affects consumer buying behavior in the mobile telecommunications sector of Zimbabwe.

1. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

1.1. Mobile network operators in Zimbabwe

The telecommunications industry’s deregulation in the 1990s led to the entry of three big mobile operators into Zimbabwe registered with POTRAZ, namely, Econet Wireless Zimbabwe, Telecel Zimbabwe, and NetOne (Viriri & Phiri, 2017). Mobile network operators are the owners of a network structure, and they are also the retailers of airtime to the consumers (Van Der Merwe, 2015). Nhundu (2017) argued that the companies in the telecommunications sector of Zimbabwe are slow in adopting advanced technologies; hence, there is low innovation, poor service quality, and high prices.

There are over 20 million mobile telecommunications subscribers registered with POTRAZ (POTRAZ Report, 2016). The growth of the mobile telecommunications industry in Zimbabwe has been hampered by the harsh economic conditions prevailing in Zimbabwe, and the annual revenue is reported to be falling steadily (Karombo, 2017). The mobile telecommunications industry of Zimbabwe is difficult to penetrate because of the high license fees and high capital requirements, which is a big barrier of entry (Nhundu, 2017). This researcher further added that there might be new competitors in the long run since POTRAZ is encouraging the sharing of infrastructure amongst the competing companies.

According to Marumbwa (2013) and Karombo (2017), there has been stiff competition among the three mobile network operators in Zimbabwe in the past few years, and the companies have been
employing aggressive promotional activities like free calls, free short messages (SMS), and reduced tariffs at chosen time frames, to gain a large market share. The mobile sector is the main driver of the economy of Zimbabwe; it has contributed to about 77% of the growth of the economy (Karombo, 2017). High competition in the telecommunications sector is forcing the operators to lower prices and provide better packages as they fight for customers in the difficult economy of Zimbabwe (Nhundu, 2017).

There are many promotional activities and intense competition in the telecommunications sector, and subscribers can easily switch network providers (Nhundu, 2017). This researcher further added that it is cheaper and simpler to switch network providers in Zimbabwe, and subscribers are allowed to retain their mobile telephone numbers when they switch service providers.

1.2. Brands and brand switching

A brand is a term or any symbol that distinguishes the sellers’ goods and services from the goods and services of other sellers (Kotler & Keller, 2015), and the brands directly impact consumers’ buying behavior. According to Lee, James, and Kim (2014), brand image is a vital element of branding. Zhang (2015) highlighted that customers make their buying decisions based mainly on the image of a brand, and branding is an important concept in understanding consumer behavior. According to Kotler and Keller (2012), consumer behavior is when consumers select, buy, or consume goods and services to satisfy their needs and wants. Romani, Grappi, and Dali (2012) argue that consumers display different behaviors towards different brands, and it is important to study their behavior.

Das, Prakrash, and Khattri (2016) postulated that consumers face a big challenge when choosing a mobile service provider, and the brands have a direct impact on their behavior. Rahman, Haque, and Hussain (2013) indicated that brand image is the most important factor used by consumers in choosing their preferred goods and services, after getting information about a certain brand and other available alternatives. Today’s consumers have much information, which affects their brand choices and preferences, and they face a dilemma in choosing a specific network provider or the best brand (Marumbwa, 2013). According to these researchers, brands are being used as a selection criterion; consumers base their decisions on the brand image. Das et al. (2016) added that the brand image is the main driver of consumer’s perceptions and thoughts of the product, and this also has a great impact on their consumption behavior.

Sultama (2012) defines brand switching as the process whereby consumers change from buying one brand to another. Sultama (2012) and Nimako (2012) reported that switching from one brand to another is very easy in the telecommunications sector. Nimako (2012) further reported that due to the proliferation of mobile devices at cheap costs, consumers can use the same number on different mobile telecommunication networks, and can easily switch networks. Thus, there is a need to investigate how corporate brand image affects consumer behavior in the mobile telecommunications sector, where consumers are overwhelmed with choices.

1.3. Corporate brand image and customer satisfaction

According to Srivastava and Sharma (2013), a positive corporate brand image can improve sales through increased customer satisfaction. Lahap, Ramli, Saed, and Zain (2016) argued that corporate brand image has a great impact on customer satisfaction. Ene and Ozkaya (2014) argued that a positive relationship exists between corporate brand image and customer satisfaction. Therefore, it is hypothesized that:

\[ H1: \text{The mobile telecommunication network service providers’ brand image has a positive impact on customer satisfaction.} \]

1.4. Corporate brand image and customer loyalty

According to Richard and Zhang (2012), a corporate brand image has an impact on customer loyalty. Srivastava and Sharma (2013) argue that favorable corporate brand image increases sales through improved customer loyalty. Corporate brand image stimulates customer loyalty, and customer loyalty plays a big role in building a positive corporate
brand image (Kariuki, 2015). This researcher further added that an organization’s brand image has a great effect on customer loyalty. Rahman et al. (2012) argued that brand image positively impacts customer loyalty in three sectors: telecommunications industry, retail industry, and education industry. Neupane (2015) and Ranjbarian, Sanayel, Kaboli, and Hadadian (2012) agree that there is a strong relationship between an organization’s brand image and customer loyalty. According to Yu and Ramathan (2012), a corporate brand image plays a big role in maintaining customer loyalty. Therefore, it is hypothesized that:

**H2:** In the mobile telecommunications sector, the corporate brand image positively affects consumer loyalty.

### 1.5. Corporate brand image and consumer switching

Srivastava and Sharma (2013) argue that a favorable organization’s brand image reduces consumer switching behavior. Saeed and Azmi (2015) argued that any corporate brand image element that touches on religion influences consumers’ switching to another brand. Therefore, it is hypothesized that:

**H3:** In the mobile telecommunications sector, corporate brand image positively affects consumer brand switching.

### 1.6. Customer satisfaction and loyalty


**H4:** In the mobile telecommunications industry, customer satisfaction positively affects customer loyalty.

### 1.7. Customer satisfaction and switching behavior

According to Seto-Pamies (2012), high levels of customer satisfaction reduces consumer brand switching. Satisfied customers are most likely to urge other customers to buy, and they may not move to other brands (Kariuki, 2015). Therefore, it is hypothesized that:

**H5:** In the mobile telecommunications industry, customer satisfaction affects consumer brand switching.

### 1.8. Corporate brand image, customer satisfaction, and consumer switching behavior

According to Kariuki (2015), if customers are satisfied by the company’s products and services, and there is a positive corporate brand image, there is less probability of consumer switching. Thus, it is hypothesized that:

**H6:** In the telecommunications industry, a corporate brand image has an impact on consumer brand switching behavior through customer satisfaction.

### 1.9. Corporate brand image, customer loyalty, and customer satisfaction

According to Ekorn and Khan (2014), corporate brand image and satisfaction of customers have a positive impact on customer loyalty. Richard and Zhang (2012) argued that an organization’s brand image affects customer loyalty, and they are mediated by customer satisfaction. Kariuki (2015) also argued that the corporate brand image indirectly affects consumer loyalty through customer satisfaction. Therefore, it is hypothesized that:

**H7:** In the mobile telecommunications industry, corporate brand image has a positive impact on customer loyalty through customer satisfaction.

The study aimed to investigate the relationship between corporate brand image and customer loy-
2. RESEARCH METHODOLOGY

2.1. Research design

Quantitative research approach was adopted to determine the relationship between the research variables and test the hypotheses. A cross-sectional survey research approach was used since it allowed the researcher to use AMOS (on SPSS) to test the hypotheses (Cresswell, 2014).

2.2. Target population

The target population comprised of mobile telecommunication subscribers registered with POTRAZ. Convenience sampling was used since it is more appropriate where there is no population list (Wanninayake & Chovancova, 2012). By using the Rao software (Rao Soft Inc., 2004), a sample size of 385 participants was determined, with a confidence level of 95% and margin of error of 5%. The figure mentioned above (385) was divided into 193 participants from Harare and 192 participants from Bulawayo, almost 50% per city. Adults who are 18 years and above were selected to participate in the study since they can make personal purchasing decisions (Wanninayake & Chovancova, 2012, p. 8). The respondents were intercepted at the service centers in Harare and Bulawayo since this is where they buy air time (M. Zakersalehi & A. Zakersalehi, 2012).

2.3. Research Instruments

Questionnaires with closed-ended questions were used, and the questions were structured on a seven-point Likert scale, and divided into eight sections.

3. RESULTS

3.1. Reliability

The corporate brand image measurement scales with 23 items produced an alpha value of 0.870, customer satisfaction measurement scale with 23 items produced an alpha value of 0.922, customer loyalty measurement scale with 18 items produced an alpha value of 0.948, and consumer switching behavior with 20 items also produced an alpha value of 0.908. The Cronbach’s alpha coefficients of measurement scales were above 0.7, which showed internal consistency (Cresswell, 2014).

3.2. Validity

Factor loading sizes are considered to be very important (Hair, William, Babin, & Anderson, 2014), and high loadings show that they converge on a common position (Hair, Sarstedt, Ringle, & Gudergan, 2017). Standardized factor loadings are interpreted as correlations between the indicator
and its factor (Field, 2005), and the standardized loadings should be .5 or .7 or higher (Hair et al., 2014). If loadings are less than .7, they are considered significant (Hair et al., 2017). According to Hair et al. (2017, p. 694), critical ratios (CRs) for items should be large and above 2, at a significant level, p-values of less than 0.001 (p < 0.001). Table 1 shows the standardized factor loadings (λ), critical ratios (CRs), and p-values.

The results in Table 1 show that the standard factor loadings of all the factors are above 0.5, which means that all the items are above the minimum cut-off point of (λ = 0.5), and are all considered significant (Hair et al., 2014). Critical ratios for all the items are high enough (CR > 2), and p-values are all significant (p < 0.001) (Field, 2005).

### 3.3. Discriminant validity

Discriminant validity is the degree to which two similar concepts are distinct conceptually (Hair et al., 2014). According to Hair et al. (2017, p. 125), discriminant validity is obtained by comparing the average variance extracted (AVE) and squared interconstruct correlations (SICs). Hair et al. (2017, p. 625) further added that discriminant validity is attained when AVE’s square root is bigger than SIC. The results presented in Table 2 show that all the AVEs were greater than the SICs, and in this study, the condition for discriminant validity was practically satisfied (Arkkelin, 2014).

### 4. DISCUSSION

Table 3 summarizes the results of hypotheses testing using standardized regression weight (SRW), critical ratio (CR), and probability (P). Higher positive weights are recommended for observations as they provide reliable information on the functions of regression (Hair et al., 2014). Acceptable SRW values should not be above one (1), although values which are greater than 0.09 are also preferred (1 < SRW > 0.09) (Saunders, Lewis, & Thornhill, 2016). According to Hair et al. (2017), CR values should be higher than 2, and the significant p-value should be less than 0.001 (p < 0.001). For the hypothesis to be accepted, it should fulfill more than one of the mentioned statistics (Saunders et al., 2016).

In summary, H1, H3, H4, H5, and H7 were supported, H2 and H6 were not supported.

The results show a positive relationship between corporate brand image and customer satisfaction.

### Table 1. Standardized factor loadings

<table>
<thead>
<tr>
<th>Construct</th>
<th>Item</th>
<th>Standardized factor loading</th>
<th>CR</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate brand image</td>
<td>Customer service</td>
<td>.660</td>
<td>6.976</td>
<td>***</td>
</tr>
<tr>
<td></td>
<td>Ambiance</td>
<td>.422</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Confidence</td>
<td>.575</td>
<td>6.617</td>
<td>***</td>
</tr>
<tr>
<td></td>
<td>Offers value for money</td>
<td>.668</td>
<td>7.004</td>
<td>***</td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>Meets my expectations</td>
<td>.860</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Satisfactory service</td>
<td>.716</td>
<td>13.246</td>
<td>***</td>
</tr>
<tr>
<td></td>
<td>Service recovery</td>
<td>.660</td>
<td>12.499</td>
<td>***</td>
</tr>
<tr>
<td></td>
<td>Problem-solving</td>
<td>.513</td>
<td>10.624</td>
<td>***</td>
</tr>
<tr>
<td>Consumer switching behavior</td>
<td>Inconvenient</td>
<td>.663</td>
<td>10.176</td>
<td>***</td>
</tr>
<tr>
<td></td>
<td>Poor service</td>
<td>.756</td>
<td>10.529</td>
<td>***</td>
</tr>
<tr>
<td></td>
<td>Easy to switch</td>
<td>.714</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Note: CR is fixed; ***p < 0.001.

### Table 2. AVEs and SICs validity results

<table>
<thead>
<tr>
<th>Factor</th>
<th>M ± SD</th>
<th>CB</th>
<th>SA</th>
<th>LO</th>
<th>SB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate brand (CB)</td>
<td>3.69 ± 0.53</td>
<td>0.51</td>
<td>0.54</td>
<td>0.53</td>
<td>-0.33</td>
</tr>
<tr>
<td>Satisfaction (SA)</td>
<td>3.38 ± 0.72</td>
<td>0.29</td>
<td>0.61</td>
<td>0.68</td>
<td>-0.25</td>
</tr>
<tr>
<td>Loyalty (LO)</td>
<td>3.59 ± 0.84</td>
<td>0.28</td>
<td>0.46</td>
<td>0.82</td>
<td>-0.21</td>
</tr>
<tr>
<td>Switching behavior (SB)</td>
<td>2.76 ± 0.81</td>
<td>0.11</td>
<td>0.06</td>
<td>0.04</td>
<td>0.67</td>
</tr>
</tbody>
</table>

Note: *Diagonal elements in bold represent AVE, numbers below diagonal elements represent SICs, numbers above diagonal elements represent correlations, M represents mean, and SD represents standard deviation.
(H1). The findings concur with the studies done by Ashraf (2018) and Sallam (2015) that corporate brand image positively affects customer satisfaction. H2 showed an insignificant relationship between the corporate brand image and customer loyalty. The results are in line with the findings of Sangwan and Bhakor (2018) and Richard and Zhang (2012) who concurred that there is an insignificant relationship between corporate brand image and customer loyalty. H3 showed a positive relationship between corporate brand image and consumer switching behavior. The results are in line with Hossain (2018) findings, who stressed that corporate brand image has a positive impact on consumer switching behavior. H4 shows a positive relationship between customer satisfaction and customer loyalty. The results support the findings of Tefera and Govender (2014), Setiwan and Sayuti (2017) who concluded that there is a positive relationship between customer satisfaction and customer loyalty. H5 shows an insignificant relationship between customer satisfaction and consumer switching behavior in the telecommunications sector. The results are in line with the findings of Althonayan, Alhabib, Alrasheedi, Alqahtani, and Saleh (2015) who also found out an insignificant relationship between customer satisfaction and consumer switching behavior. H6 reveals an indirect relationship between corporate brand image and consumer switching behavior through customer satisfaction. The results are in line with the findings of Srivastava and Sharma (2013) who found out that corporate brand image indirectly impacts on consumer switching behavior through customer satisfaction. H7 shows a positive relationship between corporate brand image and customer loyalty through customer satisfaction. The results support the previous findings of Onyancha (2013) and Sulibhav and Shivashankar (2017) who found out that corporate brand image indirectly affects customer loyalty through customer satisfaction.

### CONCLUSION

The research aimed to discover the impact of corporate brand image on customer satisfaction, customer loyalty, and consumer switching behavior. The results showed a positive relationship between the mobile network’s corporate brand image and customer satisfaction. Companies with a good corporate brand image tend to satisfy their customers in the mobile telecommunications industry. The mobile network service providers should put more emphasis on enhancing their corporate image, for example improving the shopping environment, having a better reputation and providing fast and smooth service, etc., to improve satisfaction of customers. The results also showed that the mobile network service providers’ image positively affects consumer switching behavior. A good corporate brand image has a great impact on consumer switching behavior. Consumers will not switch service providers if the organisations are offering good services and also have a good brand image. There is also significant relationship between customer satisfaction and customer loyalty. This implies that, when there is customer satisfaction, customers tend to be loyal. Loyal customers make repeat purchases and bring in more revenue to the company. The results also showed that customer satisfaction plays a mediating role in corporate brand image and consumer switching behavior. It, therefore, means that good corporate brand image has a positive effect on customer satisfaction which in turn causes consumers to stop switching mobile network service providers and remain loyal. Switching of brands has a huge negative impact on the rev-

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>SRW</th>
<th>CR</th>
<th>P</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Corporate brand image → customer satisfaction</td>
<td>.792</td>
<td>6.342</td>
<td>&lt;0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H2: Corporate brand image → customer loyalty</td>
<td>.032</td>
<td>.322</td>
<td>.748</td>
<td>Not supported</td>
</tr>
<tr>
<td>H3: Corporate brand image → consumer brand switching</td>
<td>−.459</td>
<td>−.4938</td>
<td>.002</td>
<td>Supported</td>
</tr>
<tr>
<td>H4: Customer satisfaction → customer loyalty</td>
<td>.898</td>
<td>10.965</td>
<td>&lt;0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H5: Customer satisfaction → consumer switching behavior</td>
<td>−.306</td>
<td>−.4.456</td>
<td>.800</td>
<td>Not supported</td>
</tr>
<tr>
<td>H6: Corporate brand image → customer satisfaction → consumer switching behavior</td>
<td>.547</td>
<td>6.525</td>
<td>&lt;0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H7: Corporate brand image → customer satisfaction → customer loyalty</td>
<td>.929</td>
<td>8.868</td>
<td>&lt;0.001</td>
<td>Supported</td>
</tr>
</tbody>
</table>
Annuities of the company. The results also revealed that corporate brand image indirectly impact on customer loyalty through customer satisfaction in Zimbabwe’s mobile telecommunications industry. The companies in the mobile telecommunications sector are recommended to implement good corporate brand image strategies which can improve the levels of customer satisfaction, which in turn help to improve customer loyalty. It is cheaper to maintain a relationship with an existing customer than to look for a new one. However, there is an insignificant relationship between the corporate brand image and customer loyalty, and customer satisfaction does not affect consumer switching behavior in the mobile telecommunications industry. The companies in the mobile telecommunications sector of Zimbabwe are, therefore, recommended to improve the overall brand images of their companies to improve customer satisfaction and reduce consumer switching from one mobile network operator to another.

**AUTHOR CONTRIBUTIONS**

Conceptualization: Shylet Chigwende, Krishna Govender.
Data curation: Shylet Chigwende, Krishna Govender.
Formal analysis: Shylet Chigwende.
Funding acquisition: Shylet Chigwende.
Investigation: Shylet Chigwende, Krishna Govender.
Methodology: Shylet Chigwende, Krishna Govender.
Project administration: Shylet Chigwende.
Resources: Shylet Chigwende.
Software: Shylet Chigwende.
Supervision: Krishna Govender.
Validation: Shylet Chigwende.
Writing – original draft: Shylet Chigwende, Krishna Govender.
Writing – review & editing: Shylet Chigwende, Krishna Govender.

**ACKNOWLEDGMENTS**

The authors of this paper greatly appreciate the support and cooperation they received from the Postal and Telecommunications Authority of Zimbabwe (POTRAZ) and research participants during the survey.

**REFERENCES**


