

A LITERATURE STUDY ON THE DETERMINANTS OF CONSUMER SWITCHING BEHAVIOR

Rahayu Lestari¹, Resti Hardini², Tri Waluyo³, Kumba Digdowiseiso⁴, Khalid Farooq⁵

^{1,2,3,4} Faculty of Economics and Business, Universitas Nasional Jakarta

⁵ Faculty of Business, Economics and Social Development, Universiti Malaysia Terengganu

Corresponding Author : ¹kumba.digdo@civitas.unas.ac.id

Abstract

This study seeks to investigate the factors that determine Consumer Switching Behavior by examining the influences on consumers' choices to switch between brands, products, or service providers. In order to ensure the ongoing success of a business, it is crucial to possess a comprehensive comprehension of consumer switching behavior, given the swiftly evolving market dynamics. The research methodology employed in this study utilizes a Systematic Literature Review (SLR) approach to systematically gather, curate, and analyze relevant findings from existing literature. The study findings revealed that consumer switching is primarily driven by factors such as shifting preferences, economic considerations like price and value, the costs associated with switching, negative experiences, social influence, and the reputation of brands as communicated through social media. The findings and analysis demonstrate that a more profound comprehension of these variables can assist companies in formulating marketing strategies that are both more efficient and adaptable to evolving consumer demands. Ultimately, this research greatly enhances our comprehension of consumer switching behavior dynamics, fortifies the foundation for the formulation of adaptable business strategies, and guarantees the competitiveness of companies in a fiercely competitive market. This research offers valuable insights for companies to enhance customer retention strategies and establish robust consumer relationships by examining the factors that influence consumers' decisions to switch.

Keywords: *Consumer, Switching, Behavior, Determinant*

INTRODUCTION

Consumer Switching Behavior pertains to the inclination of consumers to transition from one brand, product, or service provider to another. This phenomenon encompasses a sequence of choices made by consumers when deciding to transition from one alternative to another, whether it be in terms of brands, products, or service providers. This behavior may arise due to various factors, such as shifts in personal preferences, perceived value, past negative encounters with the brand, or the availability of more appealing alternatives (Hanifah & Rianto Rahadi, 2020a). Amidst intense competition and dynamic business landscapes, companies must possess a profound comprehension of consumer switching behavior to effectively craft marketing strategies, foster customer loyalty, and sustain their competitive edge in the market. Analyzing the factors that impact consumers' decisions to switch can offer valuable insights for enhancing the quality of products or services, creating loyalty programs, and devising effective strategies to retain customers (Erawati, 2020a). The phenomenon of consumers transitioning from one brand, product, or service provider to another is indicative of the intricate dynamics involved in consumer decision making. Amidst intensifying business competition and rapid technological advancements, a comprehensive comprehension of the factors that impact consumer switching behavior is imperative for devising efficient marketing strategies. Essentially, this behavior arises from an intricate interplay of internal factors, such as personal needs and preferences, and external factors, such as the impact of social media, brand reputation, and service quality (Agung Wicaksono, 2022a). Studying consumer switching behavior is crucial for understanding the circumstances and reasoning behind the decision to investigate this phenomenon. Currently, the market is undergoing significant transformations due to technological advancements, globalization, and changing consumer preferences. Amidst the growing competition, it is crucial for companies to possess a thorough comprehension of consumer switching behavior in order to predict shifts in customer requirements and preferences. The influence of consumer engagement in digital platforms and social media is growing, which adds complexity to the dynamics of switching behavior and requires a more profound understanding (Hetharia, 2022a).

Changing consumer values and expectations are progressively impacting their choice to switch. Various factors, including the quality of the product, its price, the customer experience, and the brand's response to

consumer feedback, can all influence changes in preferences (Sathish et al., 2011a). Hence, conducting research on consumer switching behavior is anticipated to yield enhanced understanding of the specific factors that drive consumers to switch. The objective of this research is to examine the underlying reasons that drive consumers to switch and gain a deeper comprehension of the interplay between these factors. This research focuses on examining the impact of social media and online reviews on consumer switching behavior in the digital information age, where consumers have convenient access to various sources of information. This research aims to provide a valuable contribution to the development of business strategies that are better able to adapt and respond to changing market dynamics by examining the different factors that influence consumer switching behavior.

This study has the potential to enhance our comprehension of how technology and social media influence consumer switching behavior. The growing engagement of consumers in digital platforms necessitates a comprehensive examination of the impact of online information and reviews on decision-making to establish a solid basis for enhanced marketing strategies. Hence, the investigation of consumer switching behavior is of paramount importance in the contemporary business landscape, as it establishes the groundwork for the formulation of marketing strategies that are flexible, adaptable to alterations, and possess a deeper comprehension of customer requirements and inclinations.

RESEARCH METHODS

This study employs the Systematic Literature Review (SLR) methodology as a systematic approach to investigate and consolidate research pertaining to consumer switching behavior. The process of SLR is conducted through a systematic sequence of steps, commencing with the formulation of unambiguous and precise research inquiries. Subsequently, a comprehensive literature review was conducted by searching electronic databases, scientific journals, and other relevant sources, employing keywords associated with consumer switching behavior. Subsequently, the process of selecting literature was conducted according to pre-established criteria for inclusion and exclusion. The criteria may encompass factors such as the publication year, research type, and alignment with the research focus (Qiu et al., 2023). Every chosen article is subsequently assessed for its quality to guarantee the accuracy and dependability of the retrieved information. During the analysis phase, data extracted from specific literature sources is methodically compiled and synthesized. Subsequently, these discoveries are utilized to discern patterns, trends, and overarching conclusions that can offer profound understanding of consumer switching behavior (Ramirez et al., 2022). By adopting this methodology, researchers can guarantee that their comprehension of the current body of literature on consumer switching behavior is thorough and dependable. This will establish a strong foundation for developing novel conceptual frameworks and research discoveries. The SLR method offers a systematic framework for addressing the intricacy and extensive body of literature in consumer switching behavior research.

RESULTS AND DISCUSSION

Based on the SLR results of 5 journals that match the keywords searched, namely Behavior, Consumer, Determinants, and Switching, the following results were obtained :

No.	Article Title	Writer	Research Findings/Results
1	Determinants of Switching Behavior in Consumer Electronic Goods	(Sharma et al., 2018)	The findings show that satisfaction, high switching costs, and high brand equity will significantly reduce the intention to switch brands.
2	A Study on Consumer Switching Behavior in Cellular Service Providers: A Study with reference to Chennai	(Sathish et al., 2011b)	The results of this study show that call rates have the most important role in switching service providers, followed by network coverage, value-added services, and customer care, while advertising has the least important role.
3	Determinants of Consumers' Brand Switching Behaviors in Alcoholic Beverage Indus-	(Ugwuanyi, 2017)	The research results show that the main factors that determine the brand switching behavior of alcoholic beverage consumers are product taste, price, and the influence of social groups. Adver-

	try in Enugu, Nigeria		tising has very little effect, while switching costs do not have a significant effect.
4	Determinant Factors of Customers Switching Behavior to Customer Satisfaction and Loyalty in Online Transportation Users in Bandung	(Suryawardani & Wulandari, 2020)	Factors leading to consumer switching involve considerations such as changing preferences, competitive pricing, and poor experiences with previous brands or services.
5	Examining The Determinant Factors on Consumer Switching Intention Toward Islamic Bank in Central Java, Indonesia	(Riptiono et al., 2020)	Factors that can increase consumer intentions to switch to Islamic banks are consumer awareness of Islamic banks that are in accordance with Islamic principles. This also applies to other products which are considered halal or not.

The reasons behind a consumer's choice to switch involve various factors that demonstrate intricate dynamics in consumer behavior. Initially, alterations in consumer preferences can serve as a significant catalyst. Consumers typically change their allegiance when they perceive that the brand, product, or service they are utilizing no longer aligns with their changing requirements or preferences. These changes can arise from shifts in lifestyle, individual values, or the availability of novel products that better align with changing consumer preferences (Kyntani et al., 2022). Moreover, economic considerations, specifically pertaining to price and value, can significantly influence consumers' choices to switch. Consumers may be motivated to switch to a different product or service if they discover it offers a lower price or superior value, in order to achieve financial benefits or improved quality. On the other hand, significant switching costs, such as expenses related to transactions or adjustments, can impede the process of changing from one option to another (Chigwende & Govender, 2021a). An unfavorable encounter with a prior brand or service provider can serve as a compelling incentive to change. When consumers encounter subpar customer service, dissatisfactory products, or other issues, they may seek out alternatives that provide a more favorable experience. According to Grigoriou et al. (2018), service quality and customer satisfaction play a crucial role in influencing decisions to switch. Consumers' decisions to switch can also be influenced by social factors. The influence exerted by friends, family, or social groups can serve as a catalyst for individuals to experiment with a new brand or product, particularly if it is perceived as a prevailing or customary choice within that particular group (Chigwende & Govender, 2021a).

Social media and online reviews have a significant impact on consumers' reasons for switching in the digital age. Reviews from other consumers can have a significant impact on how people perceive a product or service and whether they decide to switch to a different option. Consequently, companies are required to proactively manage their online reputation in order to mitigate the possibility of consumer attrition (Nikhashemi et al., 2017). The act of a consumer choosing to switch entails a multitude of intricate and diverse factors. Changing preferences are a significant driver of consumer switching. Consumers typically seek out products or services that align better with their changing preferences and requirements. These changes can be prompted by alterations in one's lifestyle, personal growth, shifts in personal values, or the introduction of new products that provide improved features or benefits to accommodate these changes (Agung Wicaksono, 2022b). Consumers' decisions to switch are significantly influenced by economic factors. A significant catalyst for switching is either a decrease in price or an increase in value. Consumers may choose to switch to an alternative if it offers superior value or a more affordable price, in order to achieve financial benefits or enhance the value of their purchase (Hetharia, 2022b). Consumer decisions can be influenced by various factors related to switching costs, including transaction costs, adaptation costs, and time costs. Consumers may exhibit hesitancy in adopting a new product or service if the associated costs of transitioning are excessively elevated. In contrast, when the costs are minimal or balanced by the anticipated advantages, consumers are more inclined to change their preferences (Chigwende & Govender, 2021b).

An unfavorable encounter with a present brand or service provider can serve as a compelling motivation to change. Deficient customer service, subpar products, or other issues have the potential to damage customer relationships and compel consumers to seek superior alternatives. Hence, the quality of service and the satisfaction

of customers are crucial factors in ensuring customer retention (Hanifah & Rahadi, 2020b). Social influence significantly impacts consumers' decisions to switch. External sources such as recommendations from acquaintances, relatives, or social media influencers can greatly influence consumers' perceptions and preferences towards a specific brand or product (Erawati, 2020b). Customer reviews and brand reputation on social media platforms and websites exert significant influence in the online sphere. Favorable reviews have the potential to establish confidence and motivate consumers to experiment with a novel brand or product, whereas unfavorable reviews can instill uncertainty and prompt consumers to switch to an alternative option (Suryawardani & Wulandari, 2020). In summary, companies can enhance their marketing and customer retention strategies by gaining a comprehensive understanding of the reasons why consumers switch. This will enable them to better adapt to market trends and evolving consumer demands. Moreover, the determinants that prompt consumers to switch are pivotal for companies in formulating efficacious customer retention strategies. An exhaustive examination of shifts in consumer preferences, values, and experiences can assist companies in comprehending market dynamics and taking proactive measures to retain and allure customers.

CONCLUSION

To comprehend the factors influencing Consumer Switching Behavior, scholarly research emphasizes various determinants that significantly impact consumers' choices to switch from one brand, product, or service provider to another. The results indicate that alterations in consumer preferences, particularly in accordance with advancements in lifestyle and personal values, can significantly influence the decision to switch. Factors related to the economy, such as competitive pricing or increased value, also have a substantial impact in driving change. Switching costs, encompassing both transaction costs and adaptation costs, exert a significant influence on consumer decision-making. Additionally, a negative encounter with a current brand or service provider strongly motivates individuals to explore alternative options. Consumers' decisions to switch can be significantly influenced by social factors such as recommendations from friends, family, or social media influencers. Moreover, in the digital age, customer reviews and brand reputation on social media exert a substantial influence. Ultimately, comprehending these factors in depth is crucial for developing efficient marketing and customer retention strategies, enabling companies to intelligently and flexibly comprehend and react to market dynamics.

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