

Chapter 16

Integrating Smartphone Talking Applications, Trust, Switching Cost and Customer Switching Behaviour in the Mobile Phone Market: The Case of Egypt

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ABSTRACT

In recent years, free talking applications via smartphones and tablets have emerged. These applications are considered as a substitute service for phone calls. This study investigates the effect of providing smartphone talking applications (as a substitute service) upon the switching behaviour of mobile phone service users, from phone call to free talking applications call, in Egypt. Additionally, it investigates the impact of trust and switching cost on the strength and trend of this relationship, in order to develop a conceptual model in the mobile phone market in Egypt. Three hypotheses were tested and developed by using a sample of 353 Egyptian mobile phone users. Results found that providing smartphone talking applications (as a substitute service) has a significant impact upon the switching behaviour of mobile phone service users in all communication services, except urgent calls. The strength of this relationship is increased when the trust and the switching cost (as intervening or mediating variables) are available. Recommendations are made to help mobile phone companies in Egypt prevent customers from switching to competitors.

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1. INTRODUCTION

In recent years, free talking applications (as a substitute service) via smartphones and tablets have been emerged; they include: Facebook messenger, KakaoTalk, LINE, Nimbuzz Messenger, Skype, Tango, Viber, Messenger, and so on. These applications are considered as a substitute service for phone calls. According to the consumer's demand function, one of the most important factors affecting demand is the cost of substitute product (Milgrom, Strulovici 2009). Also Azar (2011), and Asamoah, Chovancová confirmed that the diversity of influence determines behavior and attitude of customers towards different services offered by companies. As a result, the appearance of free talking applications (as a substitute service) via smartphones and tablets is going to affect phone call use.

Some reports and news stories highlight the fact that the majority of these applications are the under control of governments and warnings have emerged; for example (Kelly, 2012) wrote an essay entitled: "Skype could be helping the feds spy on US citizens by handing over chats". Some studies have proved that both trust in and privacy afforded by a product effect consumer switching behaviour toward this product (Gulid 2014; Hossain, Islam et al. 2012; Kim, Ferrin et al. 2008). Additionally, consumer switching behaviour depends not only on trust in the product, but also on the switching cost. There are many differences between researchers regarding the influence of switching cost on consumer switching behaviour (Wong, Mula 2009, WONG 2011, Shah, Gul et al. 2013, Eid 2013); therefore, this research endeavours to settle the following questions.

- Is there a relationship between providing smartphone talking applications (as a substitute service) and consumer switching behaviour from phone calls to free talking applications call in all communication services?
- Will trust in talking applications use strengthen or weaken the relationships between providing smartphone talking applications (as a substitute service) and consumer switching behaviour?
- Will switching cost strengthen or weaken the relationships between providing smartphone talking applications (as a substitute service) and consumer switching behaviour?

There are four key differences between this study and other studies. Firstly, no previous study has identified the relationship between providing smartphone talking applications (as a substitute service) and consumer switching behaviour inside mobile phone companies in Egypt. Secondly, in general, no study has investigated the impact of trust and switching cost on the relationship between providing smartphone talking applications (as a substitute service) and consumer switching behaviour inside the mobile phone companies. Thirdly, this study investigates the validity and reliability of some variable scales, like providing smartphone talking applications. According to (Eid 2013), switching cost has no significant influence on consumer's switching behavior. However, other studies pointed out that customers' switching resistance is affected positively by switching cost (Han, Kim et al. 2011); Hossain, Islam, et al. 2012). So, the fourth difference is to investigate the relationship between the trust in smartphone talking applications and consumer switching behavior. Accordingly, the current research seeks to meet the following objectives:

- Identifying the relationship between providing smartphone talking applications (as a substitute service) and consumer switching behaviour from a phone call to free talking applications in all communication services.

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