

Service Quality and Brand Switching Behaviour of Flour Users in Federal Capital Territory, Nigeria.

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ABSTRACT

This study examined the association between service quality and brand switching behaviour of flour users in the Federal Capital Territory (FCT), Nigeria. In line with the objectives of the study, two hypotheses were formulated. The survey research design was adopted for the study. The study population comprised all the bakers in FCT, Nigeria with a sample size of sixty (60) which was conveniently drawn from the population. The questionnaire was the instrument for data collection. Kendall tau_b was employed in testing the hypotheses formulated. The findings revealed a significant positive relationship between value-added service; promotion activities and brand switching behaviour. The study concludes that excellent service quality attracts customers to the company's brand. The study recommends, amongst others, that Firms should prioritize the integration of special pricing, free trials, and gifts strategies to stimulate large-volume sales. Flour milling firms should consider employees' training to enhance their capacities in effectively managing customer interactions and mitigating unnecessary customer turnover.

Keywords: Service quality, brand switching, value-added service, promotion activities

INTRODUCTION

Service quality has become an integral strategic factor for attracting new customers and retaining old ones in every business and most especially in the service sectors (Priyo, Mohamad & Adetunji, 2019; Alemneh & Gebremichael, 2018). Many researchers have made known the role of quality services to increase market share, customer satisfaction, responsiveness towards customer order, customer retention and loyalty, and greater return on investment (Ezenta & Osagie, 2021; Alemneh & Gebremichael, 2018; Bello & Majebi, 2018; Alemneh, 2018; Eshetic, Seyoum & Ali, 2016; Ali, 2015). In addition, providing high-quality service is a significant factor for improving customer satisfaction, with the resultant effect on customer loyalty and relationship commitment (Nguyen et al., 2018; Choi & kim, 2013).

The growth of any nation cannot be mentioned without the contribution of the manufacturing sector. As ascertained by Ellen (2016), California is one of the states in the United States of America leading in manufacturing and controlling well over 6,000 farms. In Kenya, the manufacturing sector grew at 3.2% in 2014 and 3.5% in 2015, contributing to GDP of 10.3%, while in South Africa, the manufacturing sector accounts for 14% of the country's economy (Kenya National Bureau of Statistics, 2018; South African Market Insight, 2019). The Nigerian manufacturing sector has been reported by Dairus, Oluwole and Ibidunni (2013) to be a major contributor to the Gross Domestic Product and hence, a strong driver of economic growth and development.

The phenomenon of brand switching pertains to consumers' decisions to purchase a product different from

their previous or habitual choice. It involves the transfer of a customer's buying preference from one brand to another for specific reasons (Suanardi et al., 2023). This shift can be either temporary or permanent, contingent upon the influence or persuasion exerted on the consumer. Brand switching is particularly prevalent in commodities where the perceived quality among different brands is not significantly different, such as flour.

Severe competition in recent times, a result of product similarities and lots of competing brands in the market, now gives manufacturing organizations great concern. The intense quest to increase their market shares has thus propelled such organizations to study competition as well as their customers' buying behaviour. The flour market in Nigeria has undergone a transformation from a predominantly monopolistic market to one characterized by perfect competition in the present day. Consequently, the market has seen the emergence of numerous brands of flour with similar characteristics, prompting existing consumers to switch from one brand to another in pursuit of improved quality at a reduced cost.

STATEMENT OF THE PROBLEM

In the past, a monopolistic environment dominated the flour milling industry in Nigeria. However, there is now intense competition among flour milling companies, each striving to maintain a significant market share by meeting customer needs in unique ways. These companies are continuously developing customer-focused strategies to capture the interest of their target market, enhance customer loyalty, and overcome competitive challenges. This hyper-competitive landscape has spurred firms to innovate and offer compelling services to attract and retain customers, aiming to emerge as industry leaders (Fadar, 2020; Sakara & Alhassan, 2014).

Customers often turn to alternative competitors due to negative prior experiences (Lee et al., 2020; Sultana et al., 2012), dissatisfaction with services (Kabuoh, et al., 2020; Hsu et al., 2007), substandard product attributes (Shukla, 2004), and to seek a diversified experience (Liao et al., 2021). Academic research has extensively explored the phenomenon of brand-switching across various industries, such as cellular services, cosmetics, toothpaste, soft drinks, banking, and alcoholic beverages, within the Nigerian context (Ugwuanyi, 2017; Nimako and Owusu, 2015; Khadim and Muhammad, 2014; Umoh, Awa & Ebitu, 2013; Nyarko, 2015). However, at a conceptual level, there is limited agreement on a singular model capable of adequately explicating consumer brand-switching behavior across diverse industries and products. Each study employs a unique combination of independent variables tailored to elucidate brand-switching behaviour based on the specific product or industry being examined (Liao et al., 2021).

In today's competitive market, consumers are becoming increasingly selective when looking for high-quality products, often influenced by even minor cues to explore new brands. As a consequence, consumers are faced with numerous options and must determine which products will offer the most satisfaction as highlighted by Blattberg- Briesch and Fox (2015). While extensive research has been done on brand switching behaviors in various industries, there is a limited focus on the concept of brand switching behaviors within the flour milling firms in Nigeria to best of the researcher's knowledge. Therefore, this study aims to fill this gap by examining the relationship between service quality and brand switching behavior among flour users in the FCT, Nigeria.

OBJECTIVES OF THE STUDY

The primary objective of this study is to examine the relationship between service quality and brand switching behaviour of bakers in Federal Capital Territory (FCT), Nigeria. The specific objectives are:

1. To ascertain the nature of the relationship between value-added services and brand switching behaviour of bakers in FCT, Nigeria.

2. To determine the nature of the relationship between promotional activities and brand switching behaviour of bakers in FCT, Nigeria.

RESEARCH QUESTIONS

Based on the objectives of the study, the following research questions ensue:

1. What is the relationship between value-added services and brand switching behaviour of bakers in FCT, Nigeria?
2. What is the relationship between promotional activities and brand switching behaviours of bakers in FCT, Nigeria?

RESEARCH HYPOTHESES

The following hypotheses were formulated to guide the study.

H_{01} : Value-added service is not associated with brand switching behaviour of bakers in FCT, Nigeria.

H_{02} : Promotional activities are not associated with brand switching behaviour of bakers in FCT, Nigeria.

REVIEW OF RELATED LITERATURE

Concept of Service Quality

Service quality is a critical factor in establishing business competitiveness and growth in fierce markets. Service quality is considered a positive driver for behavioural intentions of leaving, switching or remaining (Khan & Manthiri, 2012; Saunders & Petzer, 2010). Service quality is a multi-dimensional concept, having different effects on customer retention (Kabuoh et al., 2020).

The quality of service directly influences customer satisfaction and behavioral intentions (Khan & Manthiri, 2012). Although customers may initially prioritize tangible aspects such as product packaging when considering a brand, their focus often shifts to intangible aspects such as brand with a high yield. This highlights the significance of intangible factors in shaping customer preferences and loyalty.

Kalthari, et al., (2011) see service quality as “differentiation in services” which can be seen as a valid point because if firms are having the same quality of service, customers will not have intentions to switch to other brands. Service quality is not just to attract new customers, but also to retain and sustain existing customer, and induce them for further repurchase intention (Lee, 2010).

Dimensions of Service Quality

Different scales have been used to measure service quality and some of these scales have been criticized, but in general these scales cannot be applied to a specific business. Hence, the dimensions of service quality:

a. Value-added Service (VAS)

The concept of value-added service (VAS) refers to the additional benefits that a company offers to attract and retain customers to its brand (Wang & Li, 2012). In an environment of intense competition among similar businesses, every organization strives to prevent customers from switching to rivals. VAS represents the added enhancements or improvements that a company provides alongside its core services. In markets where products are difficult to differentiate, the provision of valuable services becomes the key

differentiator, allowing companies to thrive in a highly competitive environment (Adio et al., 2018).

The delivery of value-added services (VAS) is subject to several influences, including customer education regarding the company's offerings, loyalty programs, and assistance with product utilization and disposal (Asikhia et al., 2019). Research across various industries underscores the importance of the human element in delivering customer benefits, emphasizing the significant influence of employees on customer experiences (Omotayo & Abiodun, 2008). Ineffective management of this aspect can result in dissatisfied customers and brand disloyalty. Consequently, scholarly consensus exists regarding the substantial reliance of VAS on the actions of service employees in customer interactions (Khan & Manthiri, 2012).

b. Promotion Activities

Modern marketing entails more than just the development of high-quality products, setting attractive prices and making brands accessible to target customers. Companies employ integrated marketing communication strategies to both attract and retain customer loyalty (Okoye-Chine, 2021). Promotion serves a means of communication with a potential customer to establish long-term relationships and enhance profitability (Adefulu, 2015). Through promotion activities, firms disseminate information about their current products and/ or services based on price, quality, and availability (Mangold & Faulds, 2009).

Joseph (2018) defines promotion activities as marketing technique used to entice customers to purchase a product. These activities include sampling, free trials, contests, special pricing and gifts, often implemented for a set duration to achieve specific purchasing behaviors. Furthermore, promotion activities not only increase the demand and sale of the services by attracting customers but also serve to re-engage those who have stopped patronizing the firm or utilizing its services (Familmaleki et al., 2015). Presently, companies are leveraging promotion activities to attract a large customer base thereby driving sales and expanding market share (Ramanathan et al., 2017; Popovic, 2006).

Brand Switching

Szymanski and Henard (2001) opined that satisfied customers are less likely to display switching behaviours. Keaveney (1995) introduced the model of client switch behaviour, identifying pricing, inconvenience, service and encounter failures, worker response to service failures, competitive issues, ethical concerns and involuntary switching factors as contributory elements to brand switching.

Brand switching is a very dynamic phenomenon that is always evolving. The shifting of a customer's purchase from one brand to another for specified reasons is known as brand switching (Sunardi et al., 2023). Haung et al., (2017) emphasize the preference of customers for service providers who can adjust their offerings to meet user requirements. If the firm charges low prices and provides good services, then chances of switching to others will be slim. Conversely, Basari and Shamsudin (2020) assert that companies that offer competitive pricing and high-quality services are likely to experience lower rate of customer switching. Moreover, firms that align with user requirements are positioned to generate higher profits and attain a greater market share as indicated by Manzoor et al., (2020) and Haung et al., (2017).

Service Quality and Brand Switching Behaviours

Studies conducted revealed that the quality of service has a major impact on the satisfaction and loyalty of customers. Customers who are happy with the value-added services provided by the firm are more likely to make subsequent purchase, recommend the brand to others, and remain with the firm without switching (Rigopoulou, 2018; Shin et al., 2013; Anderson & Mittal, 2010). This implies that there is a connection between service quality, customer satisfaction, customer loyalty and profitability (Rigopoulou, 2018).

Researchers have demonstrated that consumers are rational and seek to maximize their satisfaction with the products they purchase. Any form of dissatisfaction could prompt customers to switch brands, leading organizations to strive to prevent this to reduce the cost of acquiring new customers and winning back those who have switched. Furthermore, consumers may switch brands not necessarily because they are dissatisfied with their current consumption, but because they are in search of product attributes that they consider important to them. To minimize expenses and cultivate long-term customer relationships, businesses must develop brand management strategies that dissuade consumers from switching brands (Lee, Lee & Chung, 2020; Lunn & Lyons, 2018; Venkatesakumar, Ramkumar & Rajan, 2008; Shukla, 2004).

Empirical Review

Kabuoh, Smith, Okwu and Erigbe (2020) examined the effect of sales promotion on customer retention of selected food and beverages companies in Lagos State, Nigeria. Survey research design was adopted. Both descriptive and inferential statistics were adopted for analysis, and the hypothesis was test with simple linear regression. Result indicated that sales promotion had a positive effect on customer retention. The study recommends adequate promotional incentives to boost sales and enhance customer retention. Ugwuanyi (2017) studied the determinants of consumers' brand switching behaviour in alcoholic beverage industry. The study was conducted at the University of Nigeria, Enugu Campus and a sample of 262 students was drawn from the population. The study findings reveal that the major determinants of brand switching behaviours of alcohol consumers are product taste, price, and social group influence. Advertisement has very little effect while switching costs had no significant influence. Based on these findings, the study recommends that beer producing firms who want to be on the cutting edge of competition should develop a more effective advertising campaign program to increase consumer's preference for their brand.

Theory of Planned Behaviour

People consider the implications of their actions before they decide to engage or not engage in a given behaviour. This theory states that the behavioural intention is the antecedent of any behaviour. This intention is determined by three considerations: behavioural beliefs, normative beliefs and control beliefs (Ajzen, 1985). The behavioural belief is an individual's positive or negative belief about performing a specific behaviour and the subjective values or evaluations of these consequences. An individual's intention to perform certain behaviour will be determined by how he or she evaluates it positively. The normative belief is a consideration that has to do with the perceived expectations and behaviours of important referent individuals or groups, combined with the person's motivation to comply with the referents in question. The control belief refers to perceived presence of factors that can influence a person's ability to perform the behaviour. People are not likely to form a strong intention to perform an action if they believe that they do not have the resources or opportunities to do so even if they hold positive attitudes toward the behaviour and believe that important others would approve of the behaviour.

The theory of planned behaviour is used in this study to explain the intention to switch as a function of the combination of behavioural beliefs (better taste, health benefits etc), normative beliefs (situational influence, peer group influence etc) and perceived behavioural control (price of the alternative brand, switching costs, product availability etc).

RESEARCH METHODOLOGY

The survey research design was employed. A sample size of sixty (60) was drawn from bakeries in FCT. However, all elements that constituted the sample size were the procurement manager and production manager who were available at the time the questionnaire was distributed in the respective bakeries. Structured questionnaire was used for data collection. The study adopted a combination of descriptive and

inferential statistical tools with statistical package for social sciences (SPSS) version 21.0 facilitating the analysis. Kendall tau_b was employed to test the hypotheses formulated.

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

Table 1: Demographic characteristics of the respondents

		Frequency	Percentage
Gender	Male	32	59
	Female	22	41
	Total	54	100
Age	18-25 Years	0	0
	25-30 Years	5	9.3
	31-40 Years	13	24.1
	41-50 Years	16	29.6
	50 Years Above	20	37
	Total	54	100
Education	No Formal Education	8	14.8
	Basic primary Education	9	16.7
	WAEC or its equivalent	12	22.2
	University Graduate	25	46.3
	Total	54	100.0
Office Position	Procurement Manager	20	37.0
	Production Manager	34	63.0
	Total	54	100.0
Operation of the bakery	Often	18	33.3
	Occasionally	10	18.5
	Never	0	0
	Very often	26	48.2
	Total	54	100.0
LGA of operation	AMAC	12	22.0
	Kuje	10	19.0
	Kwali	8	15.0
	Gwagwalada	12	22.0
	Bwari	12	22.0
	Total	54	100.0

Source: Field survey, 2024

Table 1 revealed that (59%) of the respondents were male, while (41%) of them were females. Most of the respondents were above 50 years (37.0%). The educational level of respondents indicated (14.8) on No formal education; (16.7%) indicated primary education; (22.2%) indicated WAEC or its equivalent; while (46.3%) of the respondents indicated University graduate. (37%) of the respondents were procurement manager; (22%) while (63%) were production manager. In terms of bakery operations, (33.3%) of the respondents indicated often; (18.5%) indicated occasionally; while (48.2%) indicated very often. 22.2%,

relationship. Based on that, the null hypothesis was rejected. This means that there is a significant relationship between value-added services and brand switching behaviour of bakers in FCT, Nigeria.

H0₂: Promotion activities do not relate with brand switching behaviour of bakers in FCT, Nigeria.

Table 6: Kendall’s tau_b Tests Output

Correlations				
			Promotion Activities	Brand Switching Behaviours
Kendall’s tau_b	Promotion Activities	Correlation Coefficient	1.000	.744**
		Sig. (2-tailed)	.	.000
		N	54	54
	Brand Switching Behaviours	Correlation Coefficient	.744**	1.000
		Sig. (2-tailed)	.000	.
		N	54	54

** . Correlation is significant at the 0.05 level (2-tailed).

From table 6, the correlation coefficient ($r = 0.744$) between promotion activities and brand switching behaviour is strong and positive. The significant value of 0.000 ($p < 0.05$) reveals a significant relationship. Based on that, the null hypothesis was rejected. Hence, there exists a significant relationship between promotion activities and brand switching behaviour of bakers in FCT, Nigeria.

SUMMARY OF FINDINGS

1. There exists a significant positive relationship between value-added services and brand switching behaviour of bakers in FCT, Nigeria.
2. There is a significant positive relationship between promotion activities and brand switching behaviour of bakers in FCT, Nigeria.

CONCLUSION

Based on the findings of the study, the following conclusion was drawn: superior service quality effectively attracts and retains customers to the company’s brand.

RECOMMENDATIONS

1. To boost sales:

Firms should prioritize integration of strategies such as special pricing, free trials and gift incentives to stimulate bulk purchases. These strategies not only increase demand and sales by attracting new customers but also bring back previous customers who had stopped purchasing from the company or using its services.

2. Employees’ Training:

Adequate training plays a pivotal role in equipping employees with the necessary skills to handle customer interactions proficiently. Therefore, it is imperative for the flour milling firms to provide comprehensive

training to empower employee in effectively managing customer's interactions and mitigating unnecessary customer turnover.

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