



# Determinants of continuance intention factor in Kuwait communication market: Case study of Zain-Kuwait



Hasan A. Abbas\*, Hosny I. Hamdy

College of Business Administration, P.O. Box 5486, Safat 13055, Kuwait

## ARTICLE INFO

### Article history:

Available online 17 April 2015

### Keywords:

Continuance intention  
Interaction quality  
Environment quality  
Outcome quality  
Interactional justice  
Procedural justice

## ABSTRACT

The continuance intention is one of the most important factors that affect a company's profitability and market share. Yet, this factor and its effect remain unexplored in the Arabian communication market.

In this study, we examine two multidimensional constructs of customer satisfaction that impact the continuance intention: quality and justice. Quality is measured through three dimensions: interaction, environment, and outcome. Justice is also measured through three dimensions: interactional, procedural, and distributive. We survey 512 customers in Kuwait's communication market on their intention to continue with their current mobile service provider. We find that the outcome quality is the most influential construct on the perceived usefulness of the provider, which wields the most influence on the continuance intention.

© 2015 Elsevier Ltd. All rights reserved.

## 1. Introduction

Today with the enormous developments in information technology (IT), the incident of moving from one technology to another is the one common threat that confronts all IT developers and retailers. This threat also applies to the communication market in which competing providers are all becoming increasingly homogeneous. Therefore, understanding a customer's intention to continue to use the same service provider has become an annoying but important fact of competition for these companies.

The research on service proves that acquiring and keeping customers is very challenging and crucial for these companies (Berry, 1980; Keaveney, 1995). According to Keaveney (1995) and Peters (1988), the costs of acquiring new customers can be as much as five times the expense of current retention efforts. For this reason, the intention to continue is a crucial concern for service companies (Chang, Hung, Cheng, & Wu, in press). Liang, Ma, and Qi (2013, pp. 1161) state that "...service quality, relationship quality, and overall service satisfaction are useful in improving customers' intentions to stay with service firm." And Bell, Auh, and Smalley (2005) and Keaveney (1995) argue that what makes customers change their intention to continue and switch to another service provider remains fully understudied.

The literature defines switching as a "customer decision to purchase a product different from that previously or usually purchased" (Yee & Yazdanifard, 2014). This literature shows that close and influential relationships exist between the customer's brand switching, satisfaction, and the degree of the customer's loyalty (Jones, Mothersbaugh, & Beatty, 2000; Mutum, Ghazali, Nguyen, & Arnott, 2014; Yee & Yazdanifard, 2014). Furthermore, social values and norms deeply affect the customer's conception of service quality. Thus, many scholars emphasize and recommend that further studies are needed to closely explore the relation between quality and the continuance intention because of the increasingly globalized world economy. Another stream of the literature focuses on the importance of justice in business and its critical effects on the customer's satisfaction and intention to repurchase (Martinez-Tur, Peiro, Ramos, & Moliner, 2006; Son & Kim, 2008; Wu, 2013).

Scholars identify many constructs on switching that have large and cultural effects. For instance, although Liang et al. (2013) identify seven major causes of customer service switching (core service failure, high price, ethical problems, competition, inconvenience, service encounter failure, and family/friends/group impact), they find that the failure of a core service to be the most important cause of a customer switching to another service provider. Liang et al. (2013) conclude that further studies and explorations are needed to fully understand these influential factors in Chinese culture.

The academic and applied research widely uses consumers' self-reporting of their intentions because this method easily and straightforwardly conveys their attitudes and behaviors

\* Corresponding author.

E-mail addresses: [hasan@mis.cba.edu.kw](mailto:hasan@mis.cba.edu.kw) (H.A. Abbas), [gfarm84hamdy@gmail.com](mailto:gfarm84hamdy@gmail.com) (H.I. Hamdy).

(Chandon, Morwitz, & Reinartz, 2005). However, other studies show that this method supplies false information because customers continuously provide inaccurate predictions about their intentions and possible behaviors (Wirtz, Xiao, Chiang, & Malhotra, 2014). Furthermore, switching draws a subtle line between intention and behavior and, thus, different effects can be gained from the two (Wirtz et al., 2014).

The research also shows that there is a positive association between perceived usefulness and that customers use systems more when they find them more useful (Venkatesh, Morris, Davis, & Davis, 2003). This research confirms that there is a significant association between the usefulness of a system and the intention to continue (Premkumar, Ramamurthy, & Stree, 1994). Furthermore, a group of studies find that systems become more useful to customers when quality measurements are taken into consideration (Jang & Noh, 2011; Pay & Huang, 2011).

Moreover, a great deal of the research emphasizes the point that cultural factors are critically important in businesses and in non-working environments (Hofstede, 1980, 2009; Shah, Gao, & Mittal, 2015). According to Hofstede (1980, 2009), the Arabian society is characterized by scoring higher on his power-distance index (PDI) and uncertainty avoidance. These two dimensions indicate an authoritarian society. Further, Arabs score the lowest on individualism index (38). Compared to the world average (64), Arabs' society index clearly indicates that it is collectivist.

The switching research on Arabian countries (370 million people) lags behind the pace of the publications and in-depth studies in Eastern and Western societies. Thus, we choose Kuwait as our field of study to measure the elasticity of the Arabian customer's continuance intention for two reasons. First, the results and findings can be applied to other parts of the Arabian world. Second, Kuwait, among the Arabian countries, is highly advanced in the application of communication technologies and smartphones. The mobile market and service providers in Kuwait are booming exponentially. This is a fact not only in Kuwait specifically, but across the world.

Therefore, understanding and clarifying the antecedents and consequences of the customer's intention to continue with a mobile service provider is a critical issue for companies working in this highly competitive environment, especially when there are less publications on this area.

The paper is divided into the following sections. Section 2 presents the communication market both in Kuwait and globally. Section 3 presents the theoretical background of the research. In the theoretical background, we discuss the acceptance models and specifically, we discuss in depth the study constructs. In Section 4, we discuss the conceptual model and research hypotheses. Section 5 has the population sampling and data collection. Section 6 presents the statistical analysis. Section 7 presents the goodness of fit and the path analysis of the research model. In Section 8, we discuss the study's limitations and conclude.

## 2. Communication market globally and in Kuwait precisely

The investment and potentially massive profits in the communication and mobile markets in Kuwait are similar to the global market. Although the world economic recession occurred in 2008, the communication market showed its strength and survived the catastrophe. Reports stated that the global revenue from this sector reached more than a trillion and a half dollars in 2010, which was an increase of 3.4% over the year before. Further, marketing and mobile advertisements increased 9% over the levels before the recession (Ofcom, 2011).

Based on statistics in this field, mobile subscribers passed landlines by 5.1% (ITUc, 2011). A 2012 report by the well-known organization, the International Telecommunication Union (ITU),

confirms that worldwide mobile subscriptions reached the ceiling of 6 billion dollars with 80% of those in developed countries. The developed countries added 660 million new subscribers in 2011 (ITUd, 2012).

In the Gulf region in general and Kuwait in particular, a similar situation prevailed. The continuous worldwide expansion of the communication sector of this region indicates a strong sector on solid footing. Table 1 shows the Gulf Cooperation Countries' (GCC) penetration rates for 2009 (ITUc, 2011) during the peak of the economic recession. In 2012, the ITU found that the Arab States overall had an estimated 97 new mobile subscriptions per 100 inhabitants (ITUe, 2012).

Although Kuwait's penetration rate is considered to be the lowest among the GCC countries, it is, nevertheless, an indication of further strong and potential growth. However, Kuwait has not achieved satisfactory levels according to the international ranking agencies.

Kuwait, in the 62nd position, is the laggard in the region in terms of embracing ICT. Despite a fairly good ICT-related infrastructure development, the high costs of accessing it and the population's relatively low level of skills are affecting the ICT readiness of the country. As a result, Kuwait depicts fairly poor rates of ICT usage (67th) that, coupled with a less business friendly environment for entrepreneurship (56th) than other Gulf Cooperation Council states, result in low levels of ICT impacts (93rd).

[Dutta & Osorio, 2012, p. 26]

In Kuwait, the three main players in the mobile sector are: Zain, Wataniya, and Viva; with a good chance to add a fourth competitor if the General Assembly (Kuwait Congress) approves its legislation.

## 3. Literature review and study constructs

The literature shows that the research on IT switching is rare, although there is a long list of publications on switching in other fields (Kim, Shin, & Lee, 2006; Li, Browne, & Wetherbe, 2007). However, IT lacks enough prior research on this matter (Bhattacharjee, Limayem, & Cheung, 2012). Our paper does not focus on switching per se. Instead, we study the matter from a different direction, we study the intention to continue as a signal for the company's performance and success.

### 3.1. Continuance intention

Continuance intention is the process in which the individual decides to continue doing business and purchase services and goods from the same organization instead of moving to a competitor (Hellier, Geursen, Carr, & Rickard, 2003). Zeithaml, Berry, and Parasuraman (1996) adopt a research model to measure the continuance (repurchase) intention through the following factors: loyalty, switch, pay more, external response, and internal response. Furthermore, a group of studies show a vital association between perceived usefulness (PU) and continuance intention (Davis,

**Table 1**  
GCC penetration rates for 2009 (per 100 inhabitants).

	Mobile	Fixed line	Internet	Broadband
Bahrain	177.1	30.1	53.0	13.0
Kuwait	129.9	18.5	36.9	03.4
Oman	139.5	10.5	51.5	44.0
Qatar	175.4	20.2	40.0	29.8
Saudi Arabia	174.4	16.2	38.0	10.8
United Arab Emirates	232.1	33.9	75.0	14.1

Download English Version:

<https://daneshyari.com/en/article/350363>

Download Persian Version:

<https://daneshyari.com/article/350363>

[Daneshyari.com](https://daneshyari.com)