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ARTICLE

Smooth operators? Drivers of customer satisfaction and switching behavior in virtual and traditional mobile services

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Abstract The present study analyses the creation of customer satisfaction and loyalty, along with the influence of switching costs in the mobile services' market, by analyzing network mobile services – the so-called traditional operators – and virtual mobile services, in order to empirically and conceptually investigate the difference between these mobile services' operators. A conceptual model is tested by developing structural equation modeling, in the context of a European mature market – the Spanish market, gathering a sample of 524 mobile services' users. The analysis highlights that mobile service value exerts the strongest influence on customer satisfaction for both type of mobile companies, while the attractiveness of alternatives is the more relevant switching costs; despite some interesting differences were found between the virtual and the traditional companies. Considering our findings mobile companies should seek to improve their customers' perceptions of the core services offered, stressing the importance of the prices charged for the services and the functional benefits provided. Moreover, we suggest to personalize mobile services in order to provide with higher value to customers, since value-added services make consumers more satisfied.

PALABRAS CLAVE
Servicios de comunicación móvil;
Consumidor;
Satisfacción;
Intención de cambio;
Valor del servicio

¿Hábiles operadores?: impulsores de la satisfacción del cliente y de los comportamientos de cambio en los servicios de telefonía móvil virtual y tradicional

Resumen El presente estudio analiza la creación de satisfacción, así como la intención de cambio del consumidor en el mercado de los servicios de comunicación móvil mediante el análisis de los servicios de red móvil, los denominados operadores tradicionales, y los servicios móviles virtuales, a fin de investigar la diferencia entre estos dos tipos de operadores de telefonía móvil, de manera empírica y conceptual. Para ello, se prueba un modelo conceptual mediante

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el desarrollo de un modelo de ecuaciones estructurales, en el contexto de un mercado europeo maduro, el mercado español, recopilando una muestra de 524 usuarios de servicios móviles. El análisis destaca que, para ambos tipos de compañías, la imagen corporativa de las empresas de comunicación es la variable que ejerce la mayor influencia en la satisfacción del consumidor, seguida del valor del servicio, mientras que el atractivo de las alternativas es la barrera de cambio más relevante. Teniendo en cuenta nuestros resultados, las compañías de telefonía móvil deberían procurar mejorar la percepción de la imagen corporativa ofrecida, destacando la importancia del valor percibido de los servicios y de los precios cobrados por los mismos, como los principales beneficios funcionales aportados. Además, sería conveniente personalizar los servicios de telefonía móvil para aportar un mayor valor e incrementar la satisfacción de los consumidores.

Introduction

The mobile communication consumption is an overwhelming phenomenon, as reported in recent literature (Kim, Park & Jeong, 2004; Mazzoni, Castaldi, & Addeo, 2007), while have opened up great opportunities to mobile operators (Corrocher & Lasio, 2013). As the market becomes more mature, mobile communication services become more homogeneous and the competition for acquiring new customers and retaining the existing customers becomes more intense, and as a consequence customer satisfaction is a critical factor for mobile service providers to maintain and to improve their market share and profitability (Zhao, Lu, Zhang, & Chau, 2012). In this context, virtual mobile services have emerged in the last decade, gaining a foothold in many markets, and especially in Europe; since the 65 per cent of mobile virtual network operators operate in Western European countries (Garrido & Whalley, 2013). However, the entrance of virtual mobile services – most of them competing in low prices – created a new scenario, changing the competition within the mobile services' industry, by the increase in the segments and market niches served; and still showing a great potential for further expansion. Moreover, mobile virtual operators often enter in mature saturated markets attracting customers who are willing to change operator (Corrocher & Lasio, 2013); thus, highlighting the importance of switching barriers and causing mobile services companies to be constantly under pressure to retain customers (Baker, Sciglimpaglia, & Saghafi, 2010). So, given that one of the main objectives of mobile services companies is to increase customer retention rates, understanding the relationship between customer satisfaction, switching barriers and switching intention will provide useful insights for managers.

The purpose of this research is to develop and test a model to provide a more in-depth understanding of the determinants of customer satisfaction and switching intention in the mobile services industry. Moreover, the present study develops a comparison between the two types of mobile companies – traditional operators or mobile network operators and the so-called *virtual operators*–, in order to analyze the main differences. Such a model will have significant implications for the mobile companies operating in this intensely competitive industry. More specifically, this paper examines whether customer satisfaction is related to variables such as the service value or the corporate image, along with the influence of the switching barriers, by providing empirical evidence of the relationship among these variables on customer satisfaction and switching intention. Our, results show the significant influence of corporate image as the major factor influencing customer satisfaction, along with the influence of the attractiveness of alternatives available in the marketplace as the major switching barrier, for both type of operators. The contribution of the study is that provides empirical support for the differences on the sources of customer satisfaction and switching intention for traditional mobile services versus the virtual mobile services. This paper is structured as follows. In the first section we develop a conceptual framework based on the intangible attributes of store brands. This is followed by the description of the methodology adopted and the fieldwork. Subsequently, results are presented and discussed. Finally, major conclusions and some managerial implications are provided.

Conceptual framework

Traditional and virtual mobile services

Mobile services' companies could be divided according to the networks used for production; thus distinguishing between mobile network operators – *traditional* mobile services–, which use their own communication networks; and the so-called *virtual* operators, which rent other mobile companies' networks (Gerpott, Rams, & Schindler, 2001). There is no single definition of mobile virtual operators. The Ofcom report (2006) defines virtual operators as companies that offer mobile communication services to customers by reselling wholesale minutes that they have purchased from an existing infrastructure owner. According to Corrocher and Lasio (2013) a virtual mobile service operator is a company that provides mobile communication services without owning a licensed frequency allocation of radio spectrum and the tower infrastructure, generally leasing these assets from