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Drivers of Customer Switching Behaviour in Nigerian Banking Industry

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Abstract: **This study x-rayed the drivers of customer switching behavior in Nigerian banking industry using an adapted version of Keaveney (1995) model. A sample size of 185, was determined using the Cochran formula. Respondents were drawn from the customers and staff of ten selected deposit money banks in Imo state. Collected data were analyzed using descriptive and inferential statistics. Multiple regression analysis was used to test stated hypotheses. It was discovered through the study, that service quality, price and involuntary actions significantly drive switching behavior among bank customers in Imo State. It was equally revealed that reputation and promotion do not significantly drive switching behavior among bank customers in Imo State. Based on the findings of the study, it was recommended among others that banks should focus more on service quality and also give adequate attention to price. Thus, the interest rates charged or given should be carefully monitored while adequate, timely information should be given to customers on reasons for changes.**

Keywords: **x-rayed, Cochran formula.**

1. INTRODUCTION

The Nigerian banking sector is characterized by periodic, drastic reforms and policies restructuring. The sector has witnessed several policy changes that aim at repositioning the institution for better performance and meaningful contribution to the Nigerian economy. In 2004, the then Central Bank of Nigeria (CBN) governor, Chukwuma C. Soludo announced a new policy to increase the minimum capital base (paid in capital) of commercial banks from ₦2 billion (US $14M) to ₦25 billion (US $173M) (CBN Bulletin, 2006). This policy aimed at consolidating the existing banks into fewer, larger and financially stronger banks. The exercise led to the reduction of commercial banks from 89 to 25. Other reforms include the 2009 banks solvency determination by Sanusi Lamido, the approval of Islamic, interest free banking in 2009 and its later implementation, the 2010 CBN directive on banks financial information disclosure format, the cashless policy of 2012, the removal of ATM machine withdrawal charges in 2012 and its re-introduction in 2014 among others (Ogujuiba & Obiechina, 2011; Anumihe, 2014; Udo, 2014; Obinna, 2012; Omoh, 2011; Salami, Olusegu & Oluseyi, 2013; Sanusi, 2012).

Besides these reforms, the Nigerian banking sector is presently characterized by tremendous strategic changes in customer's lifestyle and preferences, changes in national and global landscape, changes in political system (PDP to APC administration), advancement in digital landscape, increasing customers' protection and education and growing rate of urbanization and middle class population (Akabi, 2015; Monye, 2015). The impact of these policy reforms and changes is the possibility of increased switching behaviour amongst bank customers or depositors from banks that are not able to meet up with the dictates of the prevailing realities to better ones. Responding to these changes, according to Akabi (2015) is imperative on the success of any deposit money bank in Nigeria. These developments have also made the banking sector highly competitive and leading to switching of financial service providers (KPMG, 2014). As noted by CBN report of 2014, the average potential churn (switching) rate (APCR) of the Nigerian banking industry for 2014 was 20%. This implies that 20 out of every 100 bank customers are willing to switch banks.

Brand switching is the process by which consumers switch from the usage of one product to another product of the same category (Kumar and Charles, 2011); According to Lyarder et al (1998) in Njoku, Nduka and Okocha (2015), although customers express their satisfaction or otherwise, they nevertheless frequently switch brands. Most bank customers in Nigeria today have more than one bank they patronize. Switching behaviour in customers could be caused by many factors. According to Kapla (2015), 94% of customers would switch to support a cause in developed countries. As rightly observed by Gerard and Cunningham (2004), switching bank is mostly an outcome of multiple incidents, not just a single one unlike other service industries because bank customers are locked into a relationship with their service providers. This study would adopt the model of factors proposed by Keaveney (1995) and used by Vyas and Raitani (2013) to understand the key drivers of switching behaviour amongst bank customers.

Statement of the Problem:

The increasing Nigerian government attention to the banking sector which results in policy changes and restructuring in many instances, the growing impact of information and communication technology (ICT) as well as the noticeable changes in the present day customers, are clear indications that the Nigerian bank sector is becoming more competitive. An average Nigerian bank customer today, has at least basic education. A good number of them have access to information; through the print media or broadcast media, internet, etc. As rightly noted by Monye (2015), the middle class population in Nigeria is now 40m compared with 7m in 2000 and over 56m Nigerians live in urban areas at an annual increasing rate of 3.8%, over 40% of the population have access to internet and 20% now use smart phones, making e-commerce and e-payment on the increase. These customers emphasize convenience in banking and strong relationship.

With an alarming 20% average potential churn rate in Nigerian banking sector as at 2014, there is an increasing fear of unsteady loyalty in the banking sector. With the developments in the present-day Nigerian banking sector, there is the need to study and estimate the key drivers of switching behaviour. This is because, if the switching attitude is not effectively controlled, most banks may be at the risk of collapse. This will not be healthy to the economy and the image of the banking sector.

Reviewed literature shows that very little work had been done on this area. The study of Njoku et al (2015) did not specify the banks studied and did not use any known model; while the studies of KPMG Consulting (2014) and Monye of Guci Consulting (2015) did not specify the key drivers and their magnitude of impact on switching behaviour. They also used non-academic reporting standard. In the light of the foregoing assertions and review, this study tends to bridge these gaps by adopting the Keveney (1995) model of determinants of customer brand switching behaviour. However, unlike the Keveney (1995) model that had nine factors, this present study will adopt a-five-factor model since most of the factors listed by Keveney are subsumed in the service quality factor.

Study Objectives:

The primary purpose of this study is to identify and measure the key drivers of customer switching behaviour in the Nigerian banking industry using an adapted model of Keaveney (1995) and Vyas and Raitani (2013). The specific objectives therefore are to:

1. Measure the extent to which service quality drives switching behaviour among bank customers in Imo State.
2. Measure the extent to which price drives switching behaviour among bank customers in Imo State.
3. Gauge the extent to which reputation drives switching behaviour among bank customers in Imo State.
4. Ascertain the extent to which effective promotion drives switching behaviour among bank customers in Imo State.
5. Gauge the extent to which involuntary actions drive switching behaviour among bank customers in Imo State.

Research Hypotheses:

The following hypotheses were tested in this study:

H_{01}: Service quality does not significantly drive switching behaviour among bank customers in Imo State.

H_{02}: Price does not significantly drive switching behaviour among bank customers in Imo State.

H_{03}: Reputation does not significantly drive switching behaviour among bank customers in Imo State.

H_{04}: Involuntary actions do not significantly drive switching behaviour among bank customers in Imo State.

H_{05} Effective promotion does not significantly drive switching behaviour among bank customers in Imo State.

Scope of the Study:

This study is domiciled in the area of consumer behaviour. The geographical scope was Imo State with specific attention on deposit money banks' branches in Owerri metropolis. Customers of ten (10) deposit money banks were involved in the study.

2. REVIEW OF RELATED LITERATURE

The Concept of Brand Switching:

Customer switching has been defined by Keaveny and Parthasarathy (2001) as an act of being loyal to one product categories, but switch from one service provider to another, as a result of dissatisfaction or any other related problems. Farlex (2016) sees it as **"**a customer's act of buying a product different than one of the same kind that he/she previously purchased". Brand switching has been defined by Mouri (2005) Farlex (2016) Keaveny and Parthasarathy (2001) as the termination of customer relationship with particular service provider and continuation of relationship with a new service provider. Stewart (1994) defined customer switching behavior as defection or exit of customers from company. Customers can switch brands either on permanent basis or on temporary basis. Boote (1998) has defined customer switching behavior as decision of customers to discontinue purchase dealings permanently or temporary. Rajkumar (2011) defines brand as switching when customers switch their loyalties from one particular brand to another. These definitions suggest that brand switching occurs when customers stop purchasing a particular product and start purchasing another either on temporary basis or on permanent basis.

Drivers of Customer Switching Behaviour in Banks:

The factors that are proposed by Vyas and Raitani (2013) are discussed as follows:

i. Service Quality: Service is intangible in nature and it is practiced by the customers simultaneously at the time of production and consumption. The interaction between customers and service providers provide opportunity to the customers to assess the service quality. Bitner & Hubbert (1994) define service quality as the impression of customers about the inferiority or superiority of the service providers and their provided services. Thus, service quality is one of the determinants of poor loyalty and unfavourable behavioural intentions (Aydin and Ozer, 2005; Zeithaml et al, 1996). In banking industry, switching behavioural responses have also been related to perceptions of quality, according to Rust and Zahorik (1993) and Yavas et al (2004). As noted by Clemes et al (2007), a high level of service quality is essential in order to prevent banking customers from switching.

ii. Price: In all markets including telecommunication market, price is the main factor that encourages brand switching. Dong and Won, (2007) has presented three variables related to price which can affect switching behavior of customers. These three variables are: Pricing structure, Pricing scheme and Additional fee. Fuha (2005) noted that change in demand in response to change in prices is called sensitivity of demand. Rajkumar (2011) suggest that price is not always brand switching influencer. He explained that customers who are quality conscious prefer to pay high prices for high quality. It influences those customers who have limited income. Campbell (1999) and Clemes (2007) noted that unfavourable price perception of price can cause customers to switch banks.

iii. Customer Commitment: Dwyer et al (1987) and Morgan and Hunt (1994) identified that commitment is an indication that both parties are interested in maintaining and strengthening their relationships. Also, Kaur et al (2012) noted that it is a desire that materializes in the realization of implicit and explicit promises. Thus, Morgan et al (1994) identified commitment as an important factor retaining a customer. Bansal et al equally stated that commitment is a force that binds customers to continue to purchase services from existing service provider.

iv. Reputation: Reputation has been defined according to Bennett and Kottasz (2000) as "an amalgamation of all expectations, perceptions and options of an organization developed over time by customers, employees, suppliers, investors and the public at large in relation to the organization's qualities, characteristics and behaviour, based on personal experience, hearsay or organization's observed past actions". Trotta et al (2011) noted that reputation is a force that has potential to attract customers and to influence selling-buying processes. Gerrard and Cunningham (2004) identified bank reputation as one of the major factor that cause customers to switch banks in the Asian Countries.

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v. Effective Advertising Competition: Advertising, according to Cengis et al (2007), refers to activities undertaken to increase sales or enhance the image of a service, firm or business and the primary purpose of advertising is to inform the potential customer of the characteristics of product or services. Literature regarding role of advertisement on brand switching suggests that advertisement does not play active role in brand switching. Ehrenberg (2000) suggests that main role of advertisement is to enhance satisfactory feelings in customers regarding the brand purchased by the customers. It means advertisement plays its primary part in retaining customers rather than attracting new one. Its primary role is to retain existing customers of company. Secondary role of advertisement is to persuade customers for brand switching.

vi. Responses to Service Failure: Zikiene and Bakanauskas (2009) posit that this includes the problems arising when dealing with service failures, conflict situations, responding to complaints (involved negative response, no response or forced response). Due to characteristic of inseparability, Vyas et al (2013) clearly stated that financial services are often provided at a service counter with direct contact between a bank's employees and the customer, or by telephone, or by having the customers interact with the bank's automatic teller machines (ATM). Stefan (2004) maintained that though banks try to provide error-free services, service failures are inevitable because the bank-customer interaction is influenced by many uncontrollable factors.

vii. Customer Satisfaction: Customer satisfaction is the output resulting from the customer's pre-purchase comparison of expected performance with perceived actual performance incurred cost (Churchill and Surprenant, 1982 in Vyas et al, 2013). On the other hand, Aydin et al (2005) maintained that cumulative customer satisfaction is the overall evaluation based on the total purchase and consumption experience with a product or service over time.

viii. Involuntary Switching: Involuntary switching has been described by Keaveney (1995) as recorded in Vyas et al (2013) as the factor beyond the control of either the customer or the service providers. According to East et al (2001), it is an unwilling behaviour by customers. Many researchers including Ganesh et al (2000), Khan et al (2010) and Friedman and Smith (1993) contained in Vyas (2013) have proved that involuntary switching is one of the contributing factors that encourage customers to switch in service industry.

ix. Service Products: Service products, as it is seen by Rust and Oliver (1994) in Vyas et al (2013), include a core product, plus additional specific features, service specification and target. Although Backett et al (2000) noted that financial products and services are nearly identical in nature, many researchers such as Ogilvie (1997) and Kiser (2002) have demonstrated that banking products influence customer's decision to switch. Therefore, Bitner et al (2002) noted that service products associated with technologies can reduce transaction costs, switching rates and encourage customers to create service outcomes on their own. Zhang (2009) pointed out clearly that the less innovated banks which cannot offer technology based quick, convenient and higher quality service delivery effectively may cause customers to switch banks. Other drivers of switching behaviour have been identified by some other researchers. These include: Switching Cost (Grzybowski, 2004; Burnham, Frels &Mahajan , 2003; Lees et al., 2007; Fornell, 1992), Trust (Chu, 2009; Liang & Wang, 2008; Serkan & Ozer,2005; Jun & Bin, 2005; Ganesen,1994).

Theoretical Framework:

Many scholars in the field of marketing and other social sciences have identified different theories relating to customer switching behaviour. Such theories include: the Agency Theory (Ehab, Wael, & Salah, 2008); the theory of planned behavior (Gall, & Olsson, 2012) and the General Systems Theory (Njite, Kim, & Kim, 2008). However, for the purpose of the study, attention will be on the theory of planned behavior which, according to Ajzen (1991), extends the understanding of the consumer decision-making process by considering how the concepts of attitude, perceived behavioral control, subjective norms and intention influence specific behaviors, including purchasing decision.

The Theory of Planned Behavior:

The theory of planned behavior is an extension of the theory of reasoned action, suggested by Fishbein & Ajzen (1975) as cited in Ajzen (1991). The theory of reasoned action, according to Madden et al (1992), states that the immediate antecedent of behavior is the behavioral intention to perform this behavior. The intention to perform the specific behavior is affected by the beliefs that performing this specific behavior will lead to a certain outcome (Madden et al., 1992). These beliefs are affected by the attitude towards the behavior and subjective norms (Madden et al., 1992). The theory of planned behavior was proposed by Ajzen (1985, cited in Ajzen, 1991), as a response to criticism against how the theory of reasoned actions failed to include behaviors which people have incomplete control of. Therefore, the concept of perceived behavioral control was added to the new model (Ajzen, 1991). Consequently, the theory of planned behavior consists of a framework showing how norms, attitudes and perceived behavior control influences planned and realized behavior (Ajzen, 1991). Thus:

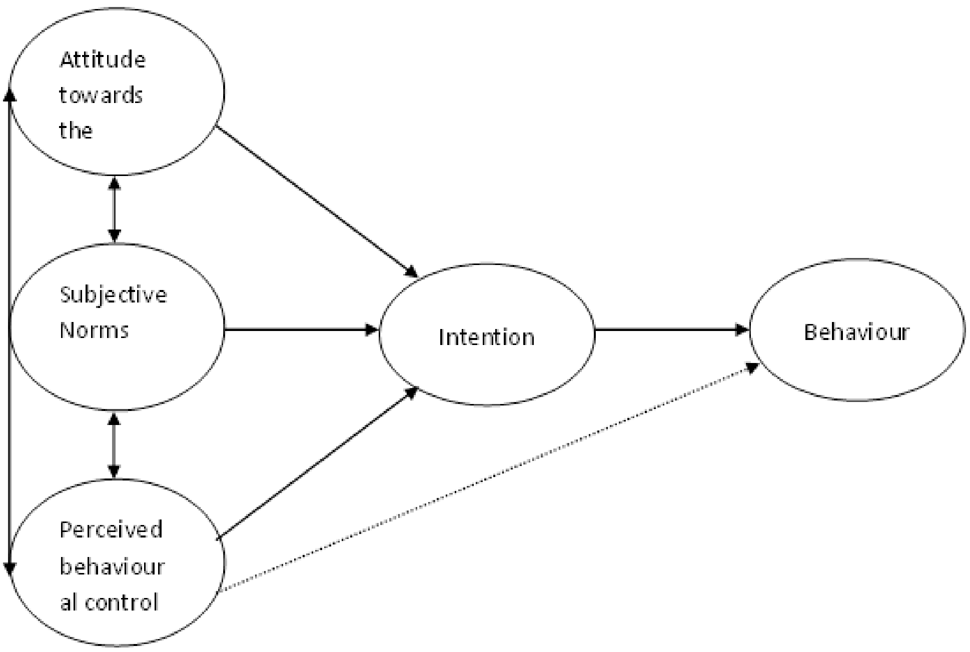


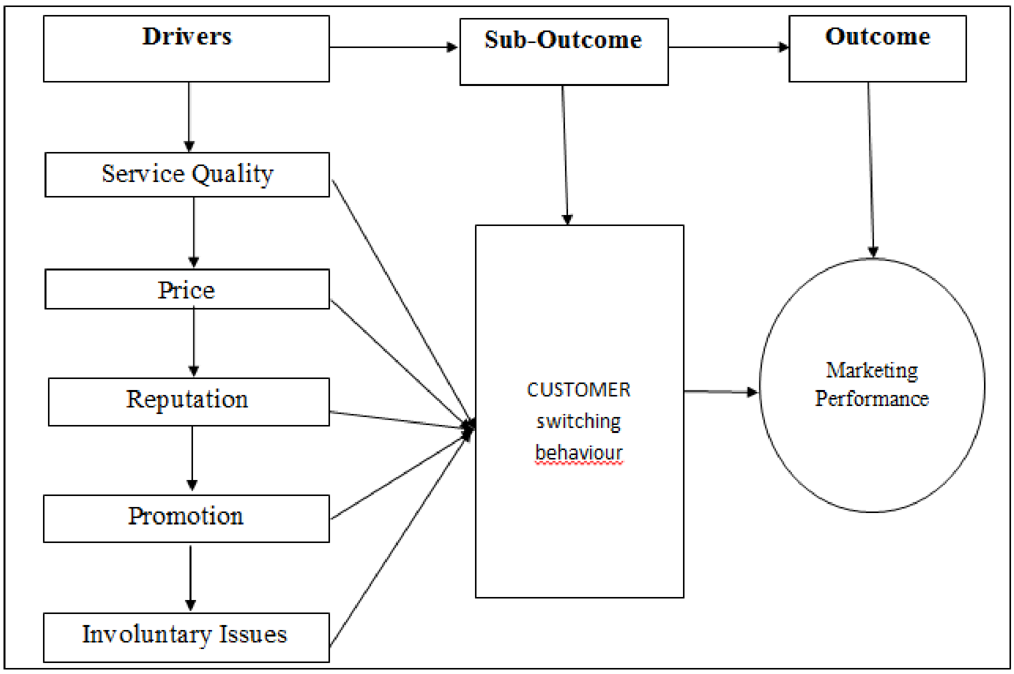
Figure 1. The theory of planned behavior. Source: Ajzen (1991).

Nigerian Banking Sector:

The Nigerian financial sector is expanding at approximately twice the rate of Nigeria's current annual GDP growth, which sits at seven percent. Meanwhile, the number of Nigerians outside the banking system is in constant decline. These two facts alone illustrate the exciting times still ahead for the banking industry in Africa's most populous country and largest economy. Nigeria's population of around 174 million means that the retail consumer market is enormous and crammed with opportunities. The main factors influencing the level of performance of the Nigerian banks, according to Ugwunta, Ani, Ugwuanyi and Ugwu (2012), (Bamakhramah, 1992) are follows: the market concentration of the Nigerian banking industry, growing total market deposits,the degree of foreign exposition, number of banks and number of bank branches.

Conceptual Framework of the Study:

The diagram below depicts the direction of investigation in this study:



Source: Researcher's Conceptualization, 2016.

Empirical Framework:

Chaniago (2011) conducted a field survey towards Islamic bank customers in Surabaya in order to find the switching behavior among the Islamic bank customers. By using exploratory factor analysis, the result indicates that there are five factors that underlying customer switching behavior in Islamic banking services, namely: bank-customer relationship, *shariah* compliance issues, service quality, switching cost and risk perceived by customers. In addition, discriminant analysis shows that intention to retain is significantly affecting the customers' switching behavior in Islamic banks. Lee and Murphy (2005) have investigated a number of factors that influence customers to switch mobile service providers. Their findings suggested that price is the most important factor that persuades customers to change their commitments to other mobile service providers.

Lee and Murphy (2005) have investigated a number of factors that influence customers to switch mobile service providers. Their findings suggested that price is the most important factor that persuades customers to change their commitments to other mobile service providers.

Colgate & Hedge (2001) Lee and Murphy (2005) found that three switching factors were important in the retail banking context: service failures, pricing problems and denied services. Gerrard & Cunningham (2004) made similar findings in the Asian banking market; where pricing, service failures and inconvenience were causes for 90 percent of the customer switching. Lees et al. (2007) findings showed that the most common reasons for switching bank was due to better competitive offerings and dissatisfaction in the service provided.

Bansal & Taylor (2002) used the theory of planned behavior in the context of service provider switching. Their study was used in the retail banking context, focusing on the specific financial service mortgage. They adapted the concept of perceived behavioral control to service provider switching context by terming it as switching costs. Their argument was that switching costs, as conceptualized in service marketing research, are related with the concept of perceived behavioral control.

Gordon (2003) investigated the impact of customer commitment on switching intention and find out that committed banking customers were less likely to switch in comparison with those who lacked commitment towards their banks. In their examination of the Greek banking customers' switching behaviour, Mavri and Ioannou (2008) concluded that product service quality in combination to bank's brand name had positive effect in decreasing churn behaviour while demographic variables including gender and education level had little impact on switching. In contrast to previous findings however, Kura et al (2012) found no significant effect of service quality (measured through empathy and assurance) on customer switching in banking.

Exploring switching cost, price and service quality as important factors influencing customer switching behaviour in Chinese banking industry, the findings of Clemes et al (2010) revealed that high age and high-income groups are more likely to switch banks. They equally found negative relationship between advertising competition and switching behaviour in that study. Keaveney (1995) found out that over 17 per cent of all service switching incidents were caused in part by unsatisfactory employee responses to service failure. Examining the impact of customer satisfaction on switching behaviour as one of the behavioural responses, Athanossopoulos et al (2001) found negative response between both constructs.

Involuntary switching has been proved by researchers such as Friedman and Smith (1993), Ganesh et al (2000), Kahn et al (2010) and Vyas et al (2013) as an unwilling behaviour by customers. Also, Anjum et al (2011) found distance being most important factor and involuntary switching being least important factor for switching among Indian private banking customers.

3. RESEARCH METHODOLOGY

The survey research design was adopted. Questionnaire was used. This was administered on customers of ten deposit money banks in Owerri. The sample size was drawn from the customers and staff: First Bank Plc, Union Bank Plc, Access Bank Plc, Diamond Bank Plc, and Guaranty Trust Bank Plc, Zenith Bank Plc, Fidelity Bank Plc, Eco Bank Plc, Skye Bank Plc, Key Stone Bank Plc. Based on convenience reasons, the major branches of the banks were involved. Using the Cochran (1963) , a sample size of 185 was derived. The Cronbach Alpha test yielded a correlation value of 0.7562, indicating that the instrument was reliable. Also, the values of the factor loading show that the variables are valid for study since they are above 50%.The instrument for data collection (questionnaire) was structured in five point Likert scale. One sample t- test at 0.05 level of significance in SPSS version 20 was used to test stated hypotheses.

4. ANALYSIS OF DATA

Table 1: Questionnaire Distribution and Returns Rate

Option	Frequency	Percentage
Number of Copies Distributed	185	100.00
Number of Copies Retrieved	173	93.00
Number not Retrieved	12	07.00

Source: Field Survey, 2016.

Table 1 shows that out of the 185 copies of the questionnaire distributed, 173 (93%) copies were retrieved while 12 (7%) copies were not retrieved. 151 (87%) respondents revealed that they had had a switching experience in their banking activities; while 22 (13%) of the respondents had not had any switching experience. Further analyses therefore, are carried out using the 151 responses of those who had experienced switching behavior in the banking activities.

Table2: Respondents' Identification of the factors that Led to Bank Switching

Factors	Frequency	Percentage
Service Quality	51	34.00
Price	18	12.00
Customer Commitment	17	11.00
Reputation	6	4.00
Effective Promotion	4	3.00
Response to Service Failure	26	17.00
Customer Satisfaction	17	11.00
Involuntary Action	9	6.00
Service Product	3	2.00
Total	**151**	**100.00**

Source: Field Survey, 2016

The above table shows that 51 (34%), 18 (12%), 17(11%), 6 (4%), 4 (3%), 26 (17%), 17 (11%), 9 (6%) and 3 (2%) of the respondents identified Service Quality, price, customer commitment, reputation, effective promotion, Response to Service Failure, Customer Satisfaction, Involuntary Action and service product respectively as the key factors that led to their switching of banks.

Table 3: Responses on Whether Service Quality Has Significant impact on Customer Switching Behaviour

Factors	SA	A	UN	D	SD	Total
The bank branch location was inconvenient for me.	14	24	17	46	50	151
My bank's opening hours were inconvenient.	10	11	12	63	55	151
Accessing automatic teller machines was inconvenient	11	39	22	41	38	151
My bank provided services that were not as promised.	28	37	22	35	29	151
The bank did not inform me of changes in services	21	41	16	30	43	151
My bank staff were impolite and rude.	27	30	22	27	45	151
My bank's staff did not readily respond to my requests.	23	50	23	29	26	151
The staff did not have the competence to solve problems.	29	28	23	36	35	151
Total	**162**	**260**	**157**	**307**	**322**	**1208**
Average Total	**20 (13%)**	**33 (22%)**	**20 (13%)**	**38 (25%)**	**40 (27%)**	**151 (100%)**

Source: Field Survey, 2016

The above table shows that on the average, 20 (13%) respondents, 33 (22%)respondents, 20 (13%) respondents, 38 (25%) respondents and 40 (27%) respondents strongly agreed, agreed, had not decided disagreed and strongly disagreed that service quality has significant impact on customer switching behaviour.

Table 4: Responses on Whether Price Has Significant impact on Customer Switching Behaviour

Factors	**SA**	**A**	**U**	**D**	**SD**	**Total**
The service product offered did not satisfy my specific needs.	30	52	21	27	21	151
My bank charged high interest for loans.	26	30	42	24	29	151
The bank charged high interest for mortgage.	17	19	71	21	23	151
The bank provided low interest rates on savings accounts.	34	55	29	20	13	151
Total	107	156	163	92	86	604
Average Total	18 (11%)	39 (26%)	40 (26%)	23 (15%)	22 (15)	151

Source: Field Survey, 2016

Table 4 above shows an average of 18 (11%) respondents, 39 (26%) respondents, 40 (26%) respondents, 23 (15%) respondents and 22 (15%)strongly respondents strongly agreed, agreed, had not decided disagreed and strongly disagreed that price has significant impact on customer switching behaviour.

Table 5: Responses on Whether Reputation Has Significant impact on Customer Switching Behaviour

Factors	**SA**	**A**	**U**	**D**	**SD**	**Total**
The bank was unreliable.	29	42	15	27	38	151
The bank was untrustworthy.	16	13	44	22	56	151
The bank was financially unstable.	17	23	26	41	44	151
Total	62	78	85	90	138	453
Average Total	21 (14%)	26 (17%)	28 (19%)	30 (20%)	46 (30%)	151

Source: Field Survey, 2016

The above table shows an average of 21 (14%) respondents, 26 (17%) respondents, 28 (19%) respondents, 30 (20%) respondents and 46 (30%) strongly respondents strongly agreed, agreed, had not decided disagreed and strongly disagreed that reputation has significant impact on customer switching behaviour.

Table 6: Responses on Whether Effective Promotion Has Significant impact on Customer Switching Behaviour

Factors	**SA**	**A**	**U**	**D**	**SD**	**Total**
The competing bank's advertisement influenced my decision to switch bank.	22	24	33	33	39	151
The competing bank's advertising words influenced my decision to switch bank.	19	33	28	38	33	151
The competing bank's advertisement humour influenced my decision to switch bank.	20	33	16	41	41	151
Total	61	90	77	112	113	453
Average Total	20 (13%)	30 (20%)	26 (17%)	37 (25%)	38 (25%)	151

Source: Field Survey, 2016

The above table shows an average of 20 (13%) respondents, 30 (20%) respondents, 26 (17%) respondents, 37 (25%) respondents and 38 (25%) strongly respondents strongly agreed, agreed, had not decided disagreed and strongly disagreed that effective promotion has significant impact on customer switching behavior.

Table 7: Responses on Whether Involuntary Action Has Significant impact on Customer Switching Behaviour

Factors	**SA**	**A**	**U**	**D**	**SD**	**Total**
Bank branches in my area were closed.	08	11	23	50	59	151
My bank moved to a new geographical location.	08	12	18	50	63	151
I moved to a new geographical location.	15	12	20	52	52	151
Total	31	35	61	152	174	453
Average Total	10 (7%)	12 (8%)	20 (13%)	51 (34%)	58 (38%)	151

Source: Field Survey, 2016

The above table shows an average of 10 (7%) respondents, 12 (8%) respondents, 20 (13%) respondents, 51 (34%) respondents and 58 (38%) strongly respondents strongly agreed, agreed, had not decided disagreed and strongly disagreed that involuntary action has significant impact on customer switching behaviour.

5. RESULTS

Table 8: Summary of Test of Hypotheses

S/N	**Description**	**P-Value**	**T-Value Calculated**	**T-Value Critical**	**Decision**
1	Hypothesis One	0.000	10.099	1.960	Reject Null
2	Hypothesis Two	0.000	13.021	1.960	Reject Null
3	Hypothesis Three	0.842	-0.200	1.960	Reject Alternative
4	Hypothesis Four	0.000	12.170	1.960	Reject Null
5	Hypothesis Five	0.441	0.691	1.960	Reject Alternative

Source: SPSS Output, 2016.

Note: Null hypotheses one, two and four were rejected since their significant values are less than 0.05 and their calculated t values (10.099, 13.021 and 12.170) greater than t critical (1.960). Also, the null hypotheses in three and five were accepted since their significant values are greater than 0.05 and their t values (-0.200, and 0.691) less than t critical.

6. DISCUSSION OF FINDINGS

This study was done to find out drivers of customers' switching behavior in Nigerian banking industry. Service quality, price, reputation, effective promotion and involuntary actions were studied to find out their influences on customer switching behavior. Therefore, the study found out that service quality significantly drives switching behavior among bank customers in Imo State. This supports the findings of Mavri and Ioannou (2008) which concluded that product service quality in combination to bank's brand name had positive effect in decreasing churn behaviour while demographic variables including gender and education level had little impact on switching. On the contrary, Kura et al (2012) found no significant effect of service quality (measured through empathy and assurance) on customer switching in banking.

Price was equally disclosed to be a significant driver of switching behavior among bank customers in Imo state. This finding is in line with that of Lee and Murphy (2005) which suggested that price is the most important factor that persuades customers to change their commitments to other mobile service providers. Colgate and Hedge's (2001) equally supports this finding. With regard to reputation, this study disclosed that it does not significantly drive switching behavior among bank customers in Imo State. Thus, Colgate & Hedge (2001) Lee and Murphy (2005) found that three switching factors were important in the retail banking context: service failures, pricing problems and denied services. Gerrard & Cunningham (2004) made similar findings in the Asian banking market; where pricing, service failures and inconvenience were causes for 90 percent of the customer switching.

Moreover, the study revealed that effective promotion does not significantly drive switching behavior among bank customers in Imo State. This negates Keaveney's (1995) finding that over 17 per cent of all service switching incidents were caused in part by unsatisfactory employee responses to service failure. However, the finding is in line with the findings of Clemes et al (2010) which found negative relationship between advertising competition and switching behaviour in their study.

It was equally discovered through the study that involuntary action does not significantly drive switching behavior among bank customers in Imo State. This finding supports the findings of Anjum et al (2011) who disclosed distance being most important factor and involuntary switching being least important factor for switching among Indian private banking customers.

Summary of Findings:

The following major findings were made in the course of this study:

1. The study revealed that service quality significantly drives switching behavior among bank customers in Imo State.
2. It was equally discovered that price significantly drives switching behavior among bank customers in Imo state.
3. Also, the study revealed that reputation does not significantly drive switching behavior among bank customers in Imo State.
4. Moreover, the study discovered that promotion does not significantly drive switching behavior among bank customers in Imo State.
5. It was equally revealed through the study that involuntary action significantly drives switching behavior among bank customers in Imo State.

7. CONCLUSION

The increasing rate of churn among bank customers is a wakeup call to service for the deposit money banks operating in Imo State and other parts of the country. Retaining existing customers has remained a more profitable choice than attracting new ones (Ogwo & Agu, 2016). Identifying and effectively arresting the key drivers of customer switching intention is one sure one of improving customer retention and loyalty to banks.

8. RECOMMENDATIONS

Based on the findings of the study, the following recommendations were made:

1. The recognition of service quality by bank management as it constitutes one of the major factors which drive customers towards a particular bank or service provider. Thus, this will help boost customer satisfaction and the earnings and profitability level of the banks and also increase the GDP of the state and nation at large. The customers would equally benefit through enhanced quality service delivery.
2. The bank management should give adequate attention to price. This study revealed that price significantly influences customers' decision to switch from one service provider to another. Thus, the interest rates charged or given should be carefully monitored and adequate timely information given to customers on reasons for changes.
3. Also, the reputation and image of the firm should be monitored to ensure that there are no negative assertions that may trigger customer switching.
4. For customer whose switching intentions are involuntary, banks should ensure adequate branching and corporate lobbying to maintain accounts wherever they go.

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