

## DESIGNING THE CUSTOMER SWITCHING PROCESS MODEL FOR SUSTAINABLE MARKET OPPORTUNITIES DEVELOPMENT IN THE BANKING INDUSTRY OF IRAN (with the Grounded Theory Approach)

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**Abstract:** *Now a day, banks with consideration of the existing competitive conditions, have become aware of the fact that for acquisition of sustainable opportunities in the market, it is necessary that keeping valuable customers and also attraction of new customers is placed in the center of their managerial strategies. Getting to know the customers and understanding their method of decision-making for selecting, remaining with or leaving a bank is the key for obtaining sustainable opportunities in the market of financial and credit services. Therefore, in this research, we have attended to the topic of designing a model for understanding and evaluating the process of bank customer switching for achieving and developing sustainable opportunities in the industry of Banking in Iran. The kind of research was in the domain of qualitative studies from the class of foundational research with introduction of practical application approach in the relevant area and the method used was based on the grounded theory. With consideration of the qualitative nature of the research, credibility was evaluated by way of ten indices recommended by Strauss and Corbin and was confirmed. Participants in this research included customers (27 individuals) and specialists and experts (24 individuals) in the industry of banking in the province of Tehran. In this research, the systematic strategy of Strauss and Corbin was used and with performance of 43 separate interviews the data reached theoretical qualification.*

*Results showed that the mentioned process begins from lack of satisfaction and trust in the bank (causal conditions) and subsequent to that, the idea of changing the bank (axial phenomenon) forms in the mind of the customer. After considering the criteria of customer judgment (strategies) and effect of confounding and contextual factors which ultimately lead to remaining or switching of customers with the consequence of attaining sustainable opportunities in the market for the bank, this process should be well identified, understood and necessary efforts taken for keeping and attracting customers.*

**Keywords:** *Customer switching process, Sustainable market opportunities, Banking industry of Iran, Grounded Theory*

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## 1. INTRODUCTION

Retaining customers, particularly in the market for banking services, in addition to maintaining organization's profit making at present brings along with it future opportunities for the bank as well. Losing present customers not only leads to decreased present income, but also causes loss of future potential earnings. Additionally, attraction of new customers to the bank can guarantee sustainability of the institute in the long term. With growth of financial and credit institutes and banking systems in the world and Iran and maturity of markets for this type of services, management of customer switching has turned into one of the fundamental issues in these organizations. Research by investigators near ten years ago (the years 2003 to 2004) regarding the rate of customer switching in European, North American and East Asian countries has reported this rate near 20% to 40% (Barret 2003, Kim & Jeong, 2004). This high rate is found in an industry such as banking where the cost of acquiring a new customer is between 5 to 10 times that of maintaining an old one (Junxiang, 2003). Understanding the process of customer switching and the method of consumer decision making in this regard, is the key to achieving sustainable opportunities in the market for this type of services. In the forthcoming research, it has been endeavored with review of all possible research in the context related to this topic, to collect comprehensive theoretical background information and next using the grounded theory (method of qualitative study-contextual theory) to discover the decision making model of consumers and address what has been referred to in this research as "process of customer switching." With the latter in mind, leading bank decision makers and intelligent directors can with understanding what goes on in the minds of customers for making the decision of switching, take the appropriate and necessary actions for prevention of customer attrition and their tending towards other banks as well as attraction of customers abandoning other banks.

## 2. THEORETICAL FOUNDATION AND RESEARCH BACKGROUND

The competitive banking industry is dependent on the switching behavior of customers. Colgate (1994) showed that in the banking industry of New Zealand, the yearly rate of attrition has been 4 percent. Fifteen percent of private bank customers also have the intention to change their bank and this issue leads to decreased profit for the source banks, but it mutually provides opportunities for other banks.

In industries such as banking where differentiation between services is small, competition between providers becomes stronger (Kandampully & Suhartanto, 2000). Furthermore, small differentiation between products and strong competition in the market has led to customers becoming more complex and demanding

(Mattilla, 2001). As a result, one of the very important duties of organizations is maintenance of market share and prevention of customer switching (Han & Back 2006, 2008).

With review of previous studies and the theoretical framework in the context of customer switching and desertation in the banking industry or other service environments, it can be understood that the main focus and attention of researchers is on identification of factors and reasons for switching and desertation and they have generally shown correlations. Yet, the approach in this research has been “discovery” of the switching process of customers and the reasons and factors effective in switching and also preventing factors for this phenomenon has been presented in the frame of a model for the process of customer switching which in a way is the end result of this research.

In the following table, abstracts of models presented regarding customer switching from studies performed from the years 2009 and 2010 up to now have been introduced.

**Table 1**  
**Abstract of relevant factors in models presented regarding customer switching**

<i>Row</i>	<i>Researcher</i>	<i>Year</i>	<i>Factors discussed in the model</i>
1	Muhsen et al	2010	They found out that inverse and negative correlation exists between satisfaction from banking services and switching intention. In other words, in case of lack of satisfaction of customers from banking services, they tend to switching. Well-fare services also have large effect on switching. Additionally, dissatisfaction from financial services also leads to switching from one bank to another. Analysis of the relationship between importance of all financial and nonfinancial services with customer switching, once again showed the importance of the relationship between customer satisfaction and switching.
2	Yen	2010	Results of the research show that costs of switching have direct effect on customer loyalty. Perceived risk is effective on relationships between desertation costs and loyalty. Among customers with low perceived risk, switching costs is directly related with loyalty and among customers with high perceived risk, the relationship between switching and customer loyalty is weak or meaningful correlation does not exist.
3	Clemes, Gan & Zhang	2010	Results show that price, fame, quality of services, effectiveness of advertisements, forceful switching, costs of switching and distance have meaningful effect on the switching behavior of customers and also the probability of desertation by younger customer groups is higher than customer groups with higher income.

- 4 Afsar et al 2010 In the research about behavior of switching by the family from a savings institute in the country of Pakistan published in 2010, the main reason for bank change was relocation of the family. Other reasons included factors of price and customer services. Services and customer situation were the most recurring reasons for staying with a bank. The importance of situation and switching, confirms the previous survey findings that location perimeter is appropriate market for competition analysis in the context of banking. These findings agree with previous studies that show population emigration increases with increased population pressure on companies and therefore anticompetitive effects diminishes banking merges.
- 5 Liu et al 2011 The relationship of three main variables of quality of relations, barriers to customer switching and customer loyalty with each other was evaluated. The quality of relations is affected by two variables of trust and satisfaction and barriers to switching have direct correlation with customer loyalty.
- 6 Edward & Sahadev 2011 Edward and Sahadev (2011) evaluated the role of switching costs in relationship between service quality, perceived value, customer satisfaction and customer maintenance. The mediating role and direct effect of costs of switching among mobile phone services customers in India was evaluated. Results of the research showed that the mediating role of switching costs was statistically meaningful and other direct effects are also valid.
- 7 Roberto Valenzuela 2012 Switching barriers such as organizational credibility, costs of change, lack of attraction of other choices, relational values and agreement between values have been addressed in this research and their effect on outlook and behavioral loyalty has been evaluated.
- 8 Han et al 2011 In this study, interactive relationships between performance of nuclear and interactive services, customer satisfaction and costs of switching were evaluated by assessing relationships between satisfaction and switching intention. Results of structural analysis show that nuclear and interactive services have meaningful effect on customer satisfaction and satisfaction has a completely mediating role in the relationship between services' performance with switching intention. In addition, findings show that components of barriers to switching (including costs of switching, relational investment and lack of attraction of competitors) moderate the relationship between satisfaction and switching intention.
- 9 Kabiro et al 2012 The research performed by Kabiro and colleagues titled "Modeling history of customer switching in the industry of banking of Nigeria" evaluated the history of customer switching in the banking industry. Findings of this study showed that positive and important correlation exists between commitment and method of use of words in verbal relations and empathy and verbal relationships. This study found a negative and important correlation between verbal relations and customer switching. Yet, correlation between commitment and customer switching and empathy and customer switching were not found.

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| 10 | Subramaniam & Ramachandran | 2012 | Another research titled "Customers' switching behavior in banking industry-empirical evidence from Malaysia" by Dr Ramaii Subramaniam and Dr Jayal Aksheni Ramachandran had the purpose of identification of factors effective on change of bank customer behaviour in Malaysia. These factors were: 1) price 2) fame 3) quality of services 4) advertisement 5) involuntary changes 6) distance and 7) cost of change.  |
| 11 | Stan Mack                  | 2012 | In this article, 5 effective factors on customer switching behavior were evaluated. The first factor is influence. The second factor is repetitive services. Next is weak service provision which is considered the most important factor. Tiredness of the product or service is another stimulating factor for customer switching and the final factor is considerations meaning prevention of customer switching by way of receiving feedback from him or her and persistently improving service provision.                           |
| 12 | Keratmati et al            | 2009 | This research identified characteristics leading to customer attrition as the most expensive asset of the organization. The analytic method used was two level logistic regression. The results of this research shows that dissatisfaction of the customer, level of use of presented services and demographic characteristics of the customer have the most important effect on his or her decision to desert or remain. They also show that customer situation (active or inactive state) has a mediating role in staying or leaving. |
| 13 | Tavakoli et al             | 2010 | Results show that the customer attraction channel is the main factor predicting desertation or remaining of the customer in the company and next is history of purchase and use of location of the insured as predicting factor in deserting.  |
| 14 | Albadavi & Varasteh        | 2010 | Results show that customer purchasing behavior in the past particularly length of relations between the customer and the organization, variance of the time interval between purchase, relative alternation and monetary value are best predictors of customer attrition. The results of this study will be useful for marketing managers in the context of management of attrition and formulation of market strategies.  |
| 15 | Ahmadinejad                | 2012 | In this research, factors such as physical location of the branch, customer satisfaction, quality of services and customer trust in the bank were introduced as factors effective on customer deserting behavior.  |
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### **3. RESEARCH METHODOLOGY**

Considering that the main purpose of the research was design of a model for understanding and evaluating the process of bank customer switching for attaining and developing sustainable opportunities in the market with an approach based on the grounded theory, the kind of research belongs to the domain of qualitative and foundational class of study with an approach to introduce practical application in the areas of research.

Regarding the importance of the position of grounded theory, it suffices to say that it has been known as the leader in “qualitative revolution” and the year 1967, when Barney Glazer and Anselm Strauss introduced the mentioned theory, is considered a sensitive moment in the history of social sciences in which these two scientists defended qualitative research and confronted the tradition of the idea that quantitative research is the only form of organized investigation in social sciences.

The grounded theory method takes advantage of a kind of “inductive” approach. In other words, the trend of theory formation in their method is movement from constituents to the complete. This method uses a series of systematic approaches to create a theory based on induction regarding the phenomenon under consideration. The purpose of contextual theorizing is building and processing of a theory that is truthful and clarifying in the context under study. This method of research is based on three elements: “concepts,” “topics” and “propositions.” The main purpose of this kind of theorizing is explanation of a phenomenon by way of identifying its key elements (concepts, topics and propositions) and then classifying the relationship between these inner weaved elements and the process of that phenomenon (Strauss & Corbin, 1990). The method of performing this kind of research design has been extensively described by Strauss and Corbin in 1990. Additionally in the second edition of their book about techniques and methods of research more description has been brought (Strauss & Corbin, 1998).

The systematic research design of the grounded theory emphasizes use of data analysis stages by way of open coding, axial coding and selective coding and also presents logical paradigm or embodied image of the theory being created. In this definition, three stages of coding exist.

Open coding is the method of data analysis. Open coding is part of the process of data analysis which breaks the data into small pieces, makes comparison, names, conceptualizes and classifies them into topics.

Axial coding is the second stage of analysis in the grounded theory. The purpose of this stage is establishment of correlation between topics created in the open coding stage. This coding was named axial because coding is realized around the axis of one topic. Other topics include: causal conditions (factors influencing the main topic), strategies (actions taken in relation with the main topic), contextual and mediating factors (special environmental and contextual factors that influence the strategy) and consequences (end results of the strategies).

The third stage of coding consists of selective coding. In this stage, the researcher formulates a theory about the relationship between the topics obtained in the axial coding model.

Three approaches of systematic (Strauss & Corbin), emerging (Glazer) and constructivist or adapting (Charms) exist in the context of research methodology by the grounded theory method and selection from among the three approaches requires considerations. Since the purpose of this research is achieving a model based on a specific approach which is defensible based on documented processes, with reference to relevant documents and acquisition of opinion of professors of this school of thought, the approach of Strauss and Corbin (systematic approach) was selected for performing this research for obtaining an organized and systematic model. Considering the qualitative nature of the study, the validity was evaluated by way of the ten indices recommended by Strauss and Corbin and was confirmed. Participants in this research were customers (27 individual) and specialists and experts (24 individuals) in the banking industry in the province of Tehran. In this research, the systematic strategy of Strauss and Corbin was used and with performing 43 separate interviews the data reached theoretical qualification.

The primary sample in the first round of interview in the statistical population regarding location of residence in the province of Tehran and demographic characteristics is shown as below:

**Table 2**  
**Demographic characteristics of the bank customers**

<i>Identification</i>	<i>Occupation</i>	<i>Birth place</i>	<i>Education level</i>	<i>Age</i>
C1	Driver	Tabriz	Diploma	28
C2	Oil company expert	Neishabur	Bachelor's degree	28
C3	Hotel internal manager	Kerman	Master's degree management	45
C4	Civil engineer	Mashad	Master's degree	39
C5	Mechanic specialist	Khouzestan	Bachelor's degree	34
C6	Office services staff member	Tehran	Associates of arts	29
C7	Consultant company staff member	Shoushtar	Electric engineer	33
C8	Private company staff member	Tehran	Master's degree	32
C9	Office staff member	Abadan	Bachelor's degree literature	47
C10	Medicinal items merchant	Tehran	Master's degree	35
C11	Computer specialist	Masjed Soleiman	Bachelor's degree computers	29

C12	Deputy of planning	Tehran	Master's degree	42
C13	Lines subspecialist	Isfahan	Master's degree	34
C14	Information network staff member	Ilam	Industry and systems engineer	35
C15	Aero industry staff member	Karaj	Bachelor's degree aerospace engineering	40
C16	Staff member	Tonekabon	Master's degree Public management	42
C17	Staff member	Tehran	Bachelor's degree accounting	43

Additionally, it should be noted that the preliminary sample selected from among directors of bank branches in the province of Tehran was as follows:

**Table 3**  
**Demographic characteristics of banking specialists**

<i>Identification</i>	<i>Organizational post</i>	<i>Bank of place of service</i>	<i>Branch</i>	<i>Age</i>
S1	Branch chief	Melli Iran	Mosalla (Ghods city)	48
S2	Branch chief	Sepah	Ghods village	47
S3	Branch chief	Ansar	Ghods village	46
S4	Branch chief	Mellat	Sepahbod Gharani	44
S5	Branch chief	Maskan	Saadat Abad	49
S6	Branch chief	Keshavarzi	Ghods village	47
S7	Branch chief	Tosee va Taavon	Ghods city	50
S8	Branch chief	Saderat Iran	Monirieh square	45
S9	Branch staff member	Melli Iran	Mosalla (Ghods city)	37
S10	Branch staff member	Maskan	Saadat Abad	33

After extraction of topics and in the overall framework of the task, the project of data collection was halted for a little while and the researcher in the time created, reviewed the interviews several times and developed the topics regarding characteristics and dimensions and during this process, it was understood that in some topics there is need for related concepts to be further developed regarding characteristics and dimensions. Therefore, to accomplish this important matter and also achieve theoretical qualification, the researcher purposefully sought



to complete the existing topics and also search remaining possible topics in the second series of interviews with the following individuals and during the interviews with new people, with interest in acquiring increased experience in this context, asked questions related to evaluation of the acceptability of the findings and in a way acquired support for the findings from the next interviews and sufficient explanation regarding the latter is presented at the end of this chapter. The reason is that Strauss and Corbin (2008) disagreed with use of two criteria (reliability and validity) for qualitative research and suggested the criteria of credibility. Credibility means the extent to which research findings are true and believable in reflecting the experiences of participants, researcher and readers in relation with the phenomenon under study; although, the explanation given for the considered phenomenon can be only one of the valid and acceptable interpretations of the phenomena. Considering what has been mentioned, participants in the second series of data collection and completion are introduced by the following description:

**Table 4**  
**Demographic characteristics of bank customers-second phase interviews**

<i>Identification</i>	<i>Occupation</i>	<i>Birth place</i>	<i>Education level</i>	<i>Age</i>
C18	Trade director	Tehran	Master's degree Trade management	27
C19	Student	Isfahan	Bachelor's degree student	28
C20	Office staff	Tonekabon	Master's degree public management	42
C21	Office staff	Tehran	Bachelor's degree accounting	43
C22	Home maker	Arak	Diploma	44
C23	Accountant	Arak	Bachelor's degree accounting	27
C24	Executive deputy	Tehran	Master's degree Industrial engineering	33
C25	Financial director	Mahalat	Master's degree Financial management	43
C26	Calibration specialist	Kashan	Bachelor's degree Fluid engineering	32
C27	Financial controller	Tehran	Master's degree Financial management	40

Additionally, it should be noted that the second group selected from among bank directors were also as follows:

**Table 5**  
**Demographic characteristics of banking specialists-second phase interviews**

<i>Identification</i>	<i>Organizational post</i>	<i>Bank of place of service</i>	<i>Branch</i>	<i>Age</i>
S11	Branch chief	Refah	Saii	51
S12	Branch chief	Mellat	Gandi	50
S13	Branch chief	Refah	Dr Hesabi	47
S14	Branch deputy and facilities specialist	Maskan	Nezam Abad	58
S15	Regional manager, branch chief, special inspector and regional market finder	Saderat Iran	Supervision of Region 4	From 36 to 60
S16	Branch chief and deputy, facilities specialist, desk staff	Melli, Saman, Sepah	Fatemi Boulevard, Valie-Asr Blvd and Shahryar country	From 28 to 65

After performing the supplementary interviews, the researcher reached the necessary qualifications and tested the credibility of his findings as well.

#### 4. ANALYSIS OF THE DATA AND RESEARCH FINDINGS

Research data was analyzed using three kinds of codings which included open, axial and selective coding.

**Causal conditions:** causal conditions are events and incidents which lead to the occurrence or expansion of the phenomena under consideration. Causal conditions can be any event (such as a special behavior, something said or done) and also a possible incident. Causal conditions in the data are frequently referred to by terms such as “when,” “while,” “since,” “because,” “due to” and “with the reason that.” In this research, causal conditions are reckoned as follows:

1. Lack of satisfaction from the level of economic advantages from interaction with the bank include lack of satisfaction with the interest rate received for savings, lack of satisfaction of the rate of interest paid for loans, lack of satisfaction of the level of fees paid for banking services and lack of satisfaction of the situation of facilities awarded.
2. Lack of satisfaction from human factors include inappropriate encounter by the bank director (lack of respect for the customer by the director) which include issues such as lack of attention to the customer or cold, uninterested and non friendly approach, lack of responsibility with regards to the customer, bad manners, non truthful behavior or attitude

towards the customer, additionally inappropriate attitude of bank personnel (lack of respect by the personnel) which include issues such as lack of attention to the customer or cold, uninterested and unfriendly attitudes and irresponsibility with respect to the customer, bad manners, untruthful behavior or attitude towards the customer, inability to respond to customers' banking questions, lack of flexibility in interaction with the customer and lack of satisfaction resulting from discrimination between customers.

3. Lack of satisfaction from technical and operational factors include lack of satisfaction of bank electronic services, lack of technical satisfaction with the website including disconnection or lack of access to the website, lack of satisfaction resulting from complexity, weak design and user unfriendliness of the website environment, lack of satisfaction resulting from other electronic services such as bank mobile, telephone and ..., lack of appropriate coverage of all customer needs due to little service diversity, lack of appropriate coverage of customer special needs (lack of flexibility), occurrence of case deficiencies while receiving service (network disconnection) and ... and internal laws and regulations that come in the way of performing activities (guideline limitations).
4. Lack of customer trust which includes lack of security or lack of feeling of security in bank accounts (confidentiality, hacking possibilities) and ..., lack of mental trust regarding the private nature of the bank (lack of strong banking back up), lack of mental trust regarding new establishment of the bank (lack of strong back up), lack of trust in the bank brand due to hearing negative news about the bank.
5. Lack of accessibility of the bank including physical accessibility, long waits in the branch for receiving services, difficulty with electronic access (bank internet, bank mobile) and ... and also lack of access to banking auto tellers.

Axial topic: central topic which is sometimes called nuclear topic is representative of the main research content. Central topic can arise from existing topics or the researcher might evaluate them and reach the conclusion that even though each topic tells something from the total story, yet, none are comprehensive about the topic (Strauss & Corbin, 2013).

In this research, the central topic (creation of the sense or thought of need for switching) has been reckoned as follows:

1. Internalization of the feeling of dissatisfaction from the source bank;
2. Formation of thoughts of changing banks and
3. Engaging in search for selection of the destination bank.

**Contextual conditions:** context or grounds is a collection of special characteristics that apply to the phenomena under consideration; it means the place of events and incidents belonging to the phenomena. Context shows the collection of special conditions in which interaction and reaction strategies occur.

In this research, contextual conditions are reckoned as follows:

1. The nature of relationship with the bank includes level of savings in the bank, volume of work activities with the bank, number of interactions with the bank and the length of relationship with the bank and
2. Other people's recommendation including recommendation of economic experts and activists, collaborators, friends, acquaintances and also family and relatives.

**Confounding conditions:** confounding conditions are structural conditions that belong to the phenomena under consideration and influence interaction and reaction strategies. They limit or facilitate strategies in a special context. These conditions include: "time," "space" (place), "culture," "economic base," "level of technology," "occupation," "age," "gender," "history" and "events."

All conditions do not necessarily pertain to all cases and it is dependent on the researcher to decide which ones to use in his or her analysis. This task is possible with showing how they facilitate or create problems with interactions and reactions.

In this research, confounding or interfering conditions were reckoned as follows:

1. Demographic factors; including gender, age, education level, occupation, location of residence, income and culture of the customer and
2. Barriers and costs of switching; including psychological costs of getting used to the new bank, costs of lost opportunity and money due to switching, time required for switching, endeavor taken for switching and selection of the destination and lack of attraction of competitors.

**Strategies:** strategies are based on interaction and reactions for control, management and encounterance with the phenomena under consideration. Strategies have purpose and are goal oriented and occur for a reason. Yet, it is possible that they happen for purposes that are not related to the phenomena, but will still have consequences for it.

In this research, strategies (standards and criteria for mental judgment in selecting the destination bank) were reckoned as follows:

1. Economic advantage resulting from interaction; which includes level of interest received for savings, level of interest paid for loans, level of fees paid for receiving services from the bank, ease of conditions for receipt of facilities, economic interests resulting from savings in time and provision of facilities that are diverse and appropriate to customer needs.
2. Human factors; includes respectfulness to the customer by the bank director and personnel, sufficient knowledge of personnel for guiding the customer and providing suggestions appropriate with the customer's condition, informing the customer about the basket of provided services by the bank and the appearance and clothing of the bank personnel.
3. Comparative advantages to other competitors; which include a superior brand of bank and its fame, association with the bank's credibility in the mind of the customer, provision of wide facilities and discretions to the customer in accord with his or her conditions, respecting the customer appropriate to his or her special conditions and limitations and easy accessibility, diversity in provision of various services, innovation in provision of new services, flexibility in service provision, provision of services at the customer's workplace or home, timely provision for the needs of the customer, possibility of deposit box allocation to the customer, decoration and appropriate appearance of the bank, simple rules and regulations for receipt of service.
4. Appropriate informing; which includes effective advertisement, appropriate interaction with customers (systems for birthday cards and ...), consultation for present and potential customers in the basket of services, informing about the activities of the account (performance, circulation and...).
5. Proportionality; includes proportionality of advertisements with reality, proportionality of decoration with brand and services, proportionality of personnel appearance with their attitude, proportionality of the space and appearance of the bank with provision of services and ultimately, proportionality of potential services with customer access to them.

Outcomes: outcomes are results and products of interactions and reactions. Consequences cannot always be predicted and are not necessarily the same as what people intended. Consequences can be incidents and events, take a negative form, be real or implied and occur at present or in the future.

Regarding positive outcomes of understanding the process of customer switching, it can be stated that when the bank understands the described process

correctly, not only will maintenance of its present customers be guaranteed, it will also be able to attract customer deserting other banks and this matter rewards the bank with access to sustainable opportunities in the market for financial and credit services (banking industry). Naturally, negative consequences which are loss of present customers and inability to attract new ones will also take hold of banks that have not understood this process and not thought of necessary measures.

## 5. CONCLUSION AND SUGGESTIONS

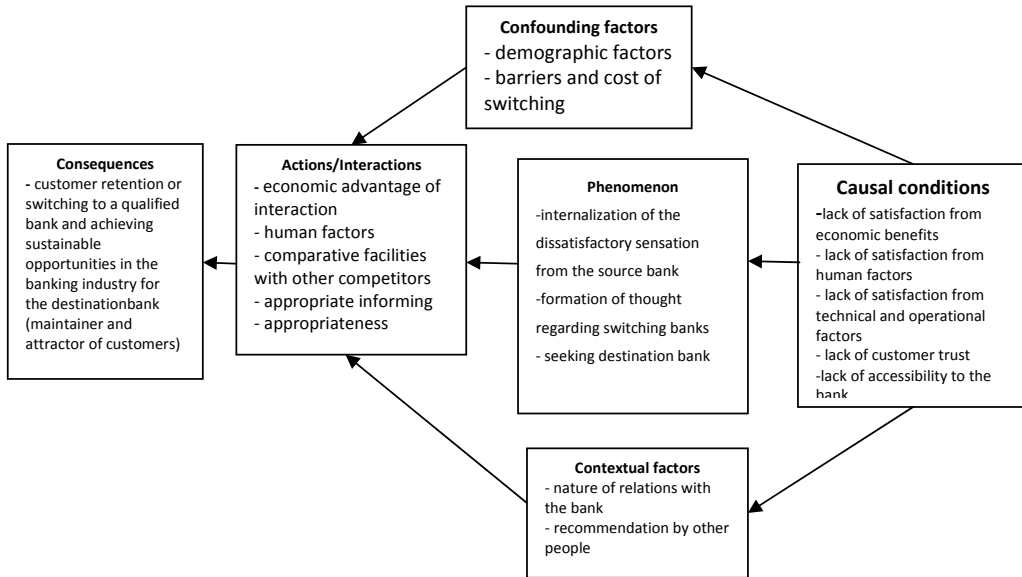
With consideration of the responses obtained for the minor questions of the research, it can be concluded that the process of customer switching in the banking industry of Iran begins with dissatisfaction from economic advantages, human factors, technical and operational factors as well as lack of trust of the customer in the bank and lack of access to the bank. After the sense of dissatisfaction is internalized in the mind of the customer, the thought of changing banks will form and in this stage the individual will search for finding a bank to transfer his or her account to.

Factors that are attended to by the customer at the time of selecting a destination bank in the first place are economic advantages resulting from interaction with the bank. Similar to the section on causal conditions, in this stage also personnel present in the destination bank have important role in the customer's choice. Additionally having advantages compared to other banks, proportionality and appropriate informing by the destination bank are factors that have definite role in being selected by the customer.

Yet, it should be noted that lack of satisfaction and other causal conditions mentioned will not always lead to customer switching. Meanwhile, confounding factors such as demographic characteristics of the customers and barriers and costs of switching can dissuade the customer from doing so. Among effective contextual factors on the decision of switching or not, we can refer to the nature of his or her relationship with the bank and recommendation of other people (such as relatives, friends and experts).

Ultimately and as has been described at long previously, knowledge of banks regarding the mentioned mental process can be effective and enlightening with maintenance of old customers and attracting customers leaving other banks for achieving and maintaining sustainable opportunities in the market.

**Figure 1: Conceptual model of the research-acquired from research findings**



Based on results of this research, the following applied suggestions in two groups “suggestions for maintaining present customers” and “suggestions for attraction of customers switching from other banks” are recommended with the purpose of achieving, maintaining and stability of sustainable opportunities in the banking industry market:

**(A) Suggestions for keeping the present customers:**

1. When the bank knows what the customer wants and his or her expectations from services under consideration is at what level, using able specialists, it can engage in designing the service. Therefore, in the first place, it is necessary that the characteristics of the service under consideration are defined and designed proportionately with the various dimensions of customer needs and expectations. If this adaptation does not form well in the stages of defining and designing and the various dimensions of the customer expectations are not transformed to appropriate characteristics in design, customer dissatisfaction after receipt and use of the service should be expected.
2. It should be noted that sometimes the two stages of defining and designing is performed well, but in the stage of operationalizing due to reasons such as deficiency in facilities and lack of sufficient and precise attention to the defined characteristics in design, what is put into practice will not be what the customer expects. These problems and lack of coordination at times show themselves at

the stage of service provision and lead to customer dissatisfaction. Interest in attracting customer satisfaction, necessitates the bank to provide an appropriate planning for procurement of financial resources and appropriate equipment for operationalizing the ideal services that are also expected by the customer.

3. Provision of the service of daily staircase interest for savings with various volumes for maximization of economic interests of both sides as a factor that has the most effect on bank customer choice.
4. Provision of some services in special ways particularly for customers based on their special needs. For example, provision of higher bank interest rates to customers who bring more profit for the bank or provision of some special services at the customers' workplace.
5. More flexibility in provision of facilities to customers that are known to the bank and have the necessary credibility.
6. Placing the needs of the customer in the center of attention of the bank and provision of various needs of different customers using innovative strategies for realization of this purpose.
7. It is better that at the time of selection of their personnel, banks give importance to qualification of human forces regarding relevant technical and behavioral attributes, physical appearance and education.
8. Attention of branch directors to the quality and kind of establishment of relations with customers which demands that respecting customers is performed with increased attention and sensitivity.
9. Positive outlook and behavior of employees towards the task at hand leads to gaining of customer satisfaction and as a result their maintenance and attraction of new comers who have attended the branches for evaluation of conditions. For this reason, it is necessary that this kind of behavior is encouraged and planning is made for its persistence.
10. Continuous education of employees with regards to persistent change in technology and method of interaction with customers appears very necessary. The result of this matter should be rapid response to customer questions and requests in the context of various banking services.
11. Hearing the voice of the customer and responding to it especially to their complaints and criticisms which will strengthen customer trust.
12. The bank should endeavor to strengthen its accessibility and in conditions and places where there is no possibility for establishment of a branch, the bank should be accessible to customers by other means such as bank internet, mobile and ...and create the sense of being by the side of the customer and availability at all times.



13. Electronic banking services require transfer of sensitive information by way of the internet or internal network. Therefore, the banks should use appropriate technologies for keeping important information trustable and without defect when they are transferred by internal or external networks and also when this information is stored in the bank's internal systems.
14. Creation of diversity and breadth in provision of electronic services by the website such that the need for physical presence of individuals in the branch is minimized can be considered a strategy for increasing the coefficient of accessibility of the bank.
15. Allocation of increased space to customers and design of desks in a way that possibility of seeing processes, document and bill lists is nil for others will create the sense of trust and security in customers.

**(B) Suggestions for attraction of customers switching from other banks:**

1. Having appropriate clothing, body and behavioral language which include a balanced collection of eye sight, facial expressions, body behavior, and tone of voice and style of speaking can lead to a good feeling in the customer particularly in first encounters and is considered a kind of respectfulness.
2. In addition to the previously mentioned issues in the prior section regarding attracting customer trust, the issue of private hood or public hood of banks and also the length of time of their operation are among items attended to by customers. Therefore, banks that do not have competitive advantage in this regard need to create a trusting atmosphere, to not short come in any endeavor and with added efforts, they need to take steps in the direction of trustability.
3. Provision of correct and clear information and truthful consultations and offering of specialization and added and complementary services can significantly help the sense of trust in the customer.
4. Use of guiding brochures and boards can significantly help customers in acquiring the service desired and the location of its provision (especially for new comers).
5. It is necessary that banks observe cleanliness and ornatation of the external façade of their branch buildings and provide well-being facilities for customers and pay attention to the internal condition of branches for increasing respect for customers.
6. Use of factors such as happy colors for design of decoration, appropriate furniture, slow music, beautiful plants and ... can be effective in creation of peacefulness for personnel and customers and increase physical desirability of the bank and create the interest in staying in the bank environment for

individuals. This matter is especially important for new comers who view the bank with increased precision and navigate the situation.

7. Banks should pay attention to word of mouth advertisement and recommendation by other people which have important role in customer decision making. Therefore, banks should with creation of maximum satisfaction, usefulness and trust turn their current customers to propagators among customers of other banks.
8. Banks should make their maximum effort to be attractive by various methods which most were discussed before. The latter increases the costs of switching for the current customers and leads to attraction of attention of unhappy or even happy customers from other banks.
9. For gaining special privileges relative to their competitors, banks should keep in mind factors such as branding and acquisition of fame, rewarding more credit to customers and provision of more expansive services to them for acquisition and maintenance of competitive advantage relative to other banks.
10. Marketing managers can identify their desired service location based on knowing its customers and the time, place and way of their use of service and in the context of banking attention to customer needs can be guiding.
11. In addition to the mentioned suggestion, since in some cases localization of services happens with attention to services of competitors, it can be stabilized with attention to the current situation of competitors and based on localizing strategies directly against the competitors, close to the competitors or far from them.
12. Provision of fringe services to customers such as various plans with tangible advantages or delegation of safe deposits to customers in case of their interest is considered an important point of differentiation for the bank.
13. Unfortunately, at this point is noted that customers do not have sufficient satisfaction from the quality of banking advertisements. Attention of banks to effectiveness of advertisements and creation of positive and productive interaction with present and potential customers, creation of free consultation services for individuals and effective and productive informing about facilities and services and its integration with new and attractive arts and innovations for customers is one of the critical and key factors for achieving sustainable opportunities in the industry of banking.
14. As the final suggestion to banks, it can be stated that the researcher during his interviews found out that in many cases, necessary proportionality between advertisements and reality, decoration with brand and services, space and appearance of branches with services and also potential services for the

customer with their access to it does not exist. The latter naturally leads to disappointment of customers and creation of a sense of hopelessness and dissatisfaction and leads to desertion and switching by them. Therefore, in the opinion of the researcher, attention to the elements of proportionality is one of the golden keys for achieving sustainable opportunities in the market for banking services.

Limitations of the research: one of the most important challenges of this research was the limited background and theoretical foundations regarding evaluation of the causes and mechanisms of customer switching with the use of the grounded theory. Additionally, lack of appropriate framework in this regard led to design of the proposed framework for this research and its implementation. Another difficulty in this research was lack of interest by bank managers and specialists to collaborate with this regard due to lack of correct understanding of results of qualitative research projects. Even in cases as referred to in previous chapters, interviewees either because of daily work preoccupations refrained from interview and at times for interviewing one director, meeting appointments were cancelled multiple times and deferred to another time or branch directors in case of acceptance was resistant to the interview and did not give permission for vocal recording of it. The latter show very weak collaboration of bank directors with researchers and advancers of marketing sciences.

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