Brand switching behavior among internet service users: Investigation of mediating effect of switching intention

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ABSTRACT

This paper aims to investigate the brand-switching behavior among internet service users by assessing the mediating effect of switching intention in Kathmandu, Nepal. The switching behavior of service users relies on diverse factors, which reveals inconsistent evidence. Thus, this research attempts to discover the existing research gap. This research is theoretically grounded on the idea of planned behavior. This research employed a descriptive and explanatory research design. Moreover, a total of 385 useful primary sources of data were collected using the judgmental sampling techniques and disseminating a structured questionnaire consisting of a five-point Likert scale. Further, data were analyzed with Partial Least Squares Structural Equation Modelling (PLS-SEM). The findings of the study revealed an adverse influence of service failure on brand-switching behavior. Additionally, switching cost and switching intention positively influence brand-switching behavior among internet service users. Similarly, service encounters, stagnation, and switching costs are favorably inclined with the brand-switching intention of consumers. This evidence concludes that a strategic move of an internet service provider could enhance favorable behavior among the service users by managing service failure and service costs to stabilize the switching behavior among service users. Thus, these findings establish a benchmark for the business executive to drive the organization towards a sustainable path by enhancing the understanding of the market scenario and simultaneously offering evidence for research scholars. Furthermore, this research recommended that internet service providers embrace better service standards to prevent switching behavior of clients strategically and provide equal attention to adopt a cost leadership approach, which ultimately helps retain clients, eliminating prospective challenges of switching behavior.

Keywords: Brand Switching Behavior, Service Encounter Failure, Switching Cost, Switching Intention
JEL Classification: M30, M31

I. INTRODUCTION

The behavior of service users is an important factor that plays a vital role, which requires sophisticated marketing strategies to retain the existing users and attract new customers. In addition, the market volatility with heterogeneous preferences of consumers is challenging in the modern market scenario. Similarly, the brand-switching behavior establishes unstable trends among the clients that create diverse desires. Thus, brand-switching intention is stimulated by several factors linked to brand-switching behavior. Therefore, such a behavioral shift in the market manifests the unpredictability of business entities (Colgate & Lang, 2001). Additionally, several consumer behaviors depict the tendencies of discovering services, procuring decisions, assessing, purchasing, and even consist of service discarding behavior (Baker & Cameron, 1996). Moreover, promotional endeavors of business entities are another influencer for brand switching behavior, building trust with novel products and services (Dube & Menon, 2000; Ananth et al., 2011). Addressing these shifts and the behavioral dynamism of consumers is a significant aspect for service providers.

Similarly, brand-switching behavior among consumers in emerging markets is widespread, demonstrating the cognitive, rational decision-making involved in service procurement. Factors including involuntary switching, cost, service failure, service encounter failure, and pace of response stimulate consumers' cognitive switching intention, ultimately leading toward brand switching behavior (Jiang & Wang, 2006; Normand, 2004). Additionally, emerging markets depict different expectations among the service users. This sort of preference exists among Internet service users. However, empirical evidence manifested inconsistent outcomes that service encounter failure continues the service by its clients (Hung & Lee, 2015). Similarly, the previous evidence manifests that service encounter failure and brand switching behavior are weakly supported by switching intention as mediating roles (Han et al., 2011). These inconsistent results show the research gap. Moreover, the emerging market of Nepal is a vital geographical place to test the theoretical doctrine in the Nepalese context to discover the brand-switching behavior of consumers, especially internet users. Thus, this study attempts to address this research gap, aiming to investigate the following research objectives:

1.1 Research Objectives

i. To examine the effect of service encounter failure and switching cost on brand switching behavior
ii. To investigate the influence of service encounter failure and switching cost on switching intention
iii. To examine the effect of switching intention on brand switching behavior
iv. To investigate the mediating role of switching intention between the service encounter failure, switchning and brand switching behavior

II. LITERATURE REVIEW

2.1 Theoretical Review

This section comprises the theoretical foundation of the research. The relevant theoretical ground relevant to this study has been reflected in the theoretical review.

2.1.1 Theory of Planned Behavior (TPB)

The brand-switching behavior derives from several factors, especially the service encounter failure, cost factor, and the switching behavior of service users. Moreover, this research embraced the doctrines linked to the behavioral dimension. Thus, this research is theoretically grounded on the idea of planned behavior, which was developed by Ajzen (1991). This idea states that people's attitudes, subjective norms, and perceived behavioral control influence their behavioral intentions. Using the idea of planned behavior as a framework, Hidayat et al. (2021) investigated how consumers' attitudes, subjective norms, and perceived behavioral control affected their intention to switch to healthier food options. In order to investigate the behavioral intentions of Internet Service Provider (ISP) users, it is essential that this research include a theoretical framework.

2.2 Empirical Review

Behavioral intention inclined toward brands is significantly influenced by service encounter failure and switching costs. Similarly, the act of defecting from one service provider to another is the concept of brand-switching behavior (Bhatt & Saiyed, 2018). Next, the brand-switching behavior describes the situation in which devoted consumers decide to move brands, which is the ultimate action-oriented behavior, with making the final decision to acquire the product or services. When consumers consistently show a preference for one brand, it might be seen as the opposite of brand loyalty. This change usually occurs as consumer experience budgetary constraints, whether it's their own or because of the market as a whole. Although consumers may benefit from changing brands, companies may encounter considerable difficulties as a result of customers often switching brands. In today's cutthroat business climate, consumers constantly swap brands. Whether it's due to brand weariness or the appeal of rival items, consumer behavior dynamics often lead to buyers changing their purchasing selections (Subramanian, 2012). Just as a company's value and identity could take a hit if its target market segment is unstable within a certain client base, so can the worth of a brand if customers often switch brands. Retail, food services, technology, and telecommunications are just a few of the many industries that are not immune to the issue of brand flipping. Companies that want to be resilient and adaptable in a dynamic market must recognize and address this prevalent consumer behavior (Youngju, 2014).

Additionally, effective management of service failure complaints and errors, coupled with care, politeness, knowledge, and timely response, is considered a service encounter failure. When service providers resolve service failures, the term service encounter failure describes how they use soft human skills. Certain attitudes and actions shown by service workers are linked to service encounter failure (Nyarko, 2015). If service providers' employees exhibited apathy, rudeness, unresponsiveness, or incompetence, customers would go elsewhere (Vyas & Raitani,

2014). Another piece of evidence Keaveney first investigated was the link between failed service encounters and brand-switching behavior in 1995, and the investigation found that when customers experience poor service, they are forced to transfer brands due to service providers that are uncaring, rude, unresponsive, and ignorant (Vyas & Raitani, 2014). In a similar vein, Nyarko (2015) found that some aspects of service personnel's attitudes and actions were consistently associated with service encounter failures.

Customer switching costs (SC) refer to the expenses incurred by consumers when switching service providers, including penalties, data movement costs, and account setup. High SC can lead to reluctance to switch, which service providers can exploit to maintain market dominance and customer base. Consumers who are unsatisfied but unable to switch providers due to high switching costs are considered falsely loyal, while those who are content but lack loyalty and are inclined to move to rival suppliers are referred to as mercenaries. These findings suggest that consumers are less likely to change providers when they perceive high switching costs (Sharma & Panga, 2018). Next, the study suggests that companies should highlight the significance of switching costs as a deterrent to consumers from switching providers and services (Hung & Lee, 2015). In the context of service consumers, it is important to declare that the switching cost is the primary factor that influences customer switching behavior. This cost also serves as the primary predictor of behavioral loyalty among service consumers (Han et al., 2011). Switching costs are the primary factor that encourages consumers to transfer brands, particularly in situations when customers have just a fleeting affiliation with a particular brand. Those customers who are part of long-term collaborations, on the other hand, often exhibit brand loyalty. The study found an inverse relationship between switching costs and brand-switching behavior, suggesting that even unsatisfied consumers may be kept if switching costs are high. Dissatisfied customers are often considered falsely loyal, while content customers who lack loyalty and are more likely to switch to rival suppliers are referred to as mercenaries (Sharma & Panga, 2018).

Next, a person's willingness to engage in an activity is determined by their capacity to do so, which is controlled by three major factors: attitudes, subjective standards, and a feeling of control over one's actions. Switching intentions indicates a person's motivation and willingness to do certain activities and their commitment to carrying them out. Moreover, intentions serve as a measure of a person's plan and desire to shift from one service to another. Meanwhile, the behavioral part refelects final execution of the action based on the interest of the clients to complete a task (Ryan & Bonfield; 1980; Ajzen, 1991). Further, the purpose of switching significantly influences brand-switching behavior, but it's important to note that intentions may change over time (Youngju, 2014). However, it is important to recognize that intentions might change with time. As more measurements and observations of actual behavior are acquired, the accuracy of intention prediction tends to decline (Ajzen, 1991). Next, an individual's behavior may seem deliberate when influenced by uncontrolled external factors. The actual switching behavior may be directly affected by the inclination to change behavior. The evidence showed a strong correlation between customers' intention to transfer brands and their actual brand-switching behavior (Hidayat et al., 2021).

Furthermore, switching behavior is the purposeful act of terminating a connection with a certain service provider (Oyeniyi & Abiodun, 2009). This step comprises discontinuing the purchase of products and services from the specified provider and establishing a new business connection with another supplier in the same category. Switching behavior refers to the deliberate decision to change service providers. This might occur for a variety of reasons, including a change in requirements or preferences, a more appealing offer from a rival, or discontent with the present supplier. The study also highlights the fact that modifying behavior does not necessarily result in a long-term decision. After a given period, clients may opt to return to their previous service provider. However, altering one's habits may incur high financial costs for both the client and the service provider. Switching to a new provider and becoming skilled in their services may require a significant amount of time and effort on the part of the consumer. This might result in client attrition, forcing the service provider to spend money on customer acquisition. Based on the findings of the literature review following hypotheses have been developed:

H_1: Service encounter failure influences switching intention.
H_2: Service encounter failure impacts brand switching behavior.
H_3: Switching cost influences switching intention.
H_4: Switching cost impacts brand switching behavior.
H_5: Switching intention leads to brand-switching behavior.
H_6: Switching intention of the user mediates the relationship between service encounter failure and brand-switching behavior.
H_7: Switching intention mediates the relationship between switching cost and brand switching behavior.

2.3 Research Framework

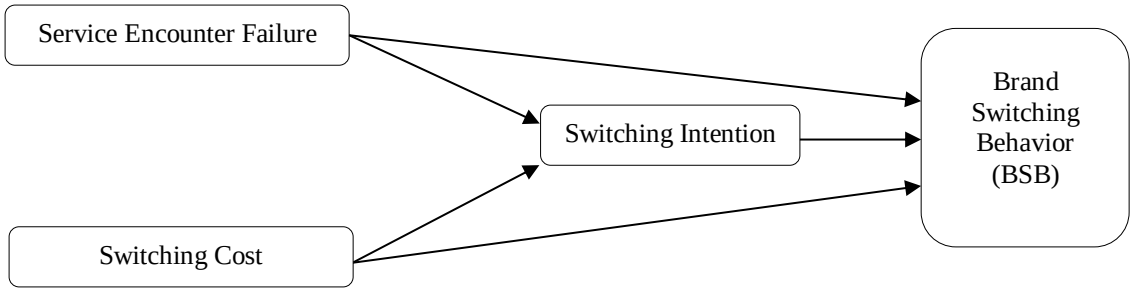

Figure 1
Research Framework of the Study

Figure 1 illustrates the conceptual structure of the investigation. This study examines the influence of service encounter failure, switching costs, and switching intention on brand-switching behavior. Moreover, switching intention serves as a mediating variable, whereas service encounter failure and switching cost are regarded as independent variables, with brand switching behavior as the dependent variable in this study.

III. METHODOLOGY

This study examines the role of switching intention as a mediator in the link between brand switching behavior and switching costs. The study used a positivist research ethic, and hypotheses were subjected to testing. The study aimed to analyze brand-switching behavior among subscribers of Nepalese internet service users. This research employed a descriptive and explanatory research design. The characteristics of the variables examined were delineated by a descriptive research methodology. Correspondingly, relevant cause-and-effect relationships among variables were examined and validated by a causal research technique. The study's target group included internet service consumers in Nepal. The selection of the sample was carried out using the judgmental sampling method, as this method supports comprising informative respondents, it is less resource intensive than probability sampling, and allows direct access to main informants (Clemes et al., 2014). The rule was used to choose a sample size of 385 with a 5 percent margin of error and a 95 percent confidence level (Cochran, 1977; Makudza, 2021). A self-administered structured questionnaire using a 5-point Likert scale (from "strongly disagree" to "strongly agree") was used to collect the data. Service encounter failure was measured using four items (Keaveney, 1995). Switching costs were measured using nine items developed by Clemes et al. (2014). To measure switching intention, Hidayat et al. (2021) developed four items. Brand-switching behavior was tested using four questions designed specifically for this purpose by Vyas and Raitani (2014). Internet customers from many ISPs participated in it. Data analysis was done using SMART PLS 4.1.0.9. The acquired data was thoroughly inspected and analyzed utilizing a broad range of statistical methodologies and tools. This study uses both descriptive and causal analysis to draw relevant findings on brand-switching behavior. Empirical findings were acquired by the methodical collection and analysis of original data. To find out what people felt about brand switching among Internet Service Provider (ISP) consumers, a survey was created and sent to a sample of 497, with 390 deemed valid. The survey form required respondents to answer demographic questions as well as Likert scale questions. A 5-point Likert scale was used to measure the perceived relevance of each aspect. This survey covers mostly the respondents of young people and does not include the service uses of older age. Moreover, the four statements of switching cost-related constructs were dropped as their threshold score in the PLS SEM remained unmatched. Additionally, a score of one indicated strong disagreement with the theory, whilst a score of five indicated widespread agreement. These participants' data were classified, organized, and reviewed, allowing for a clearer and more descriptive analysis of the research. The participants' profiles were gathered by a questionnaire survey that questioned about their income level, gender, and age group. PLS-SEM was used to compute the primary data sets.

IV. FINDINGS & DISCUSSION

4.1 Findings

Table 1

Demographic statistics for all samples

Demographics	Class	Frequency	Percent	Cumulative Percent
Gender	Male	273	70.9	70.9
	Female	112	29.1	100.0
	Total	**385**	**100.0**	
Economic Class	Lower middle class	70	18.2	18.2
	Upper middle class	315	81.8	100.0
Age group	Below 20	20	5.2	5.2
	20-30	363	94.3	99.5
	Above 30	2	0.5	100.0

Table 1 reveals the demographic profile of the 385 responses, which shows that 273 are males and 112 are women. It was discovered that 70.9 percent of responders were men and 29.1 percent were women. The 385 participants are likewise separated into two groups: 70 from the lower middle class and 315 from the upper middle class. However, no one from the upper social strata participated. According to the data, 81.8 percent of the participants were upper middle class, while the remaining 18.2 percent did not fall into this category. Twenty people in the whole sample were younger than 20, 363 were between the ages of 20 and 30, and two were older than 30. According to data, 5.2 percent of the respondents are under the age of 20, while 94.3 percent are between the ages of 20 and 30, with the remaining 0.5% being above the age of 30.

Table 2

Descriptive Statistics for all Variables

Variables	Mean	SD
Service Encounter Failure	4.52	0.64
Switching Cost	4.03	0.82
Switching Intention	4.35	0.73
Brand Switching Behavior	4.43	0.64

Descriptive statistics for each variable are shown in Table 2. Four-item constructions are used to assess switching intention. A considerable number of participants indicated that they intended to move their Internet service provider (ISP) in the future, as shown by the average weighted score for switching intention of 4.35. A large percentage of participants have indicated agreement with the statements supplied, indicating their desire to switch, as shown by the standard deviation score of 0.73. Four-item constructions are used to test switching behavior. A considerable percentage of participants indicated agreement with their plan to change their Internet Service Provider (ISP) brand, as seen by the average weighted score for brand switching behavior of 4.43. A high percentage of participants have indicated agreement with the statements presented, indicating their desire to switch, as shown by the standard deviation score of 0.64.

The evaluation of indicator reliability entails looking at how components together affect the indicator's variability. Examining the outer loading of observables in a parametric linear structural equation modeling (PLS-SEM) model is how indicator reliability is determined. A measure of the degree of correlation between indicators that assess the same concept is called internal consistency reliability, or rho_c. Average Variance Extracted (AVE) measures convergent validity, or how closely a given test is connected to other tests that assess the same or related topics.

Table 3
Outer loadings of indicators

Constructs	Indicators	Outer Loading	Alpha	Alpha if deleted
Service Encounter Failure	SEF1	0.889	0.853	0.786
	SEF2	0.898		0.752
	SEF3	0.906		0.732
	SEF4	0.902		0.763
Switching Cost	SC1	0.712	0.791	0.790
	SC4	0.783		0.723
	SC8	0.831		0.741
	SC9	0.853		0.763
Switching Intention	SI1	0.881	0.921	0.715
	SI2	0.805		0.745
	SI3	0.858		0.729
	SI4	0.877		0.713
Brand Switching Behavior	BSB1	0.850	0.853	0.714
	BSB2	0.834		0.732
	BSB3	0.783		0.745
	BSB4	0.865		0.715

Both the external loadings and the Cronbach alpha coefficient value without the indicators are shown along with the Cronbach alpha coefficients. Outside loading values of 0.7 or above are regarded as adequate and acceptable, whereas readings less than 0.4 may be disregarded. As per Hair et al. (2022), values between 0.4 and 0.7 may be eliminated if doing so raises the Cronbach alpha and AVE values. Under 0.7 is the outer loading of indicator SC1. Nevertheless, the Cronbach alpha does not rise when it is eliminated. Rather, it results in the Cronbach alpha declining. As a result, SC1 has not been eliminated. Certain components of the measurement model, namely SC2, SC3, SC5, SC6, and SC7, were eliminated since their AVE value was less than 0.5 in order to guarantee the study's effective completion and provide the intended results. Each variable in Table 4 has Rho_c and AVE values that are more than 0.7 and 0.5, respectively (Hair et al., 2011). The constructs are responsible for over half of the variation shown in their indicators. Convergent validity and acceptable internal consistency are therefore demonstrated by the constructions.

Table 4
Internal consistency of indicators

Indicators	Cronbach's alpha		Rho_c		AVE	
	Value	Remarks	Value	Remarks	Value	Remarks
SEF	0.921	Good	0.944	good	0.808	acceptable
SC	0.791	Good	0.865	good	0.617	acceptable
SI	0.878	Good	0.916	good	0.732	acceptable
BSB	0.853	Good	0.901	good	0.695	acceptable

Table 4 reveals the Fornell-Larcker tabulation, which assesses the capacity to distinguish one another. How empirically different a concept is from other elements in the structural model is measured by discriminant validity. In order to prove discriminant validity, the correlation index between constructs must be greater than the index value for the same construct, according to the standards set out by (Fornell & Larcker, 1981).

Table 5
Fornell-larcker test for discriminant validity

	BSB	SC	SEF	SI
BSB	**0.834**			
SC	0.491	**0.786**		
SEF	0.477	0.334	**0.899**	
SI	0.808	0.516	0.658	**0.856**

Table 5 shows that SI and SI have a connection index of 0.856. The fact that none of the other numbers in the same row are higher than 0.856 is noteworthy, however. As a result, the validity of SI differs from one another. In the

same row, there are no values that are greater than the correlation coefficient of 0.856 between the variables SI and SI. Thus, discriminant validity is shown by SI. Likewise, the correlation coefficient between SC and SC is measured at 0.786; no other values in the same row are higher than this cutoff. SC demonstrates discriminant validity as a result. When there are no other values in the same row, it indicates discriminant validity for BSB.

Table 6
HTMT test for discriminant validity

Variables	BSB	SC	SEF	SI
BSB				
SC	0.576			
SEF	0.536	0.379		
SI	0.831	0.603	0.73	

Nonetheless, where there is little variation in the loadings of indicators on a construct, the Fornell-Larcker test's reliability has come under examination from both conceptual and empirical angles (Henseler et al., 2015). This condition occurs, for instance, when all indicator loadings fall between 0.65 and 0.85. The heterotrait-monotrait ratio (HTMT) was proposed by Henseler et al. (2015) as a substitute technique to assess a test's capacity to differentiate between several characteristics in response to the shortcomings of the Fornell-Larcker test. A high HTMT score indicates that there may be cross-correlation between the constructions. To pass the HTMT discriminant validity test, constructs must have HTMT values less than 0.90 (Henseler et al., 2015). Following an analysis of Table 6, it is evident that all components' HTMT scores fall below the recommended cutoff, satisfying the requirements for the discriminant validity test.

The study's structural model evaluation included four key steps: analyzing collinearity issues, assessing the significance and relevance of model relationships, calculating the model's explanatory power, and evaluating its predictive ability. A score of less than three on the Variation Inflation Factor (VIF), which is used to assess collinearity, is often indicative of a lack of collinearity.

Table 7
VIF of indicators

Indicators	VIF
SEF1	2.877
SEF2	3.213
SEF3	3.178
SEF4	3.244
SC1	1.144
SC4	1.749
SC8	3.043
SC9	3.081
SI1	2.497
SI2	1.789
SI3	2.288
SI4	2.572
BSB1	2.155
BSB2	1.918
BSB3	1.755
BSB4	2.271

Table 7, the table, which presents the study's VIF values, demonstrates that, with the exception of SEF2, SEF3, SEF4, SC8, and SC9, most structures had VIF values below the critical threshold of 3. However, a more forgiving examination takes into account an acceptable VIF value, often between 3 and 5 (Hair et al., 2022). As a result, it is possible to infer that there is inadequate evidence of collinearity between the components used to build the models. Path coefficients are important in developing conclusive hypotheses since they serve as measurements for determining the relevance and statistical value of associations. To establish the significance of route coefficients, confidence intervals, and p-values are calculated using bootstrapping on a two-tailed test with a 95% significance threshold. According to Hair et al. (2022), a route is statistically significant if the p-value is less than 0.05 and there is no 0 between the 5% and 95% confidence intervals.

Table 8

Path coefficients

Factors	β	STDEV	P values	LCI 5%	UCI 95%	Decision
SEF→BSB	-0.095	0.05	0.058	-0.192	0.002	Insignificant
SC→BSB	0.101	0.032	0.002	0.041	0.165	Significant
SEF→SI	0.547	0.048	0.001	0.447	0.634	Significant
SC→SI	0.333	0.043	0.001	0.248	0.416	Significant
SI→BSB	0.818	0.043	0.001	0.731	0.902	Significant

Table 8 displays the path coefficient and indicates that the p-value for the route between SC and BSB is 0.002, which is less than the alpha criterion of 0.05. Furthermore, 0.002 exceeds the 5% lower confidence interval (0.041) and 95% upper confidence range (0.165), suggesting a strong association. As a result, the cost of switching may encourage consumers to switch brands. The correlation between SEF and BSB has a p-value of 0.058, which is above the set threshold of 0.05. Furthermore, when considering the confidence intervals (-0.192, 0.002), it is clear that the value 0 falls within the 5% lower confidence interval (-0.192) and the 95% upper confidence interval (0.002). As a result, the route is judged statistically unimportant and hence deleted. As a result, inefficient service encounters have little effect on brand-switching behavior. The connection between SEF and SI has a p-value of 0.001, which falls below the significance level of 0.05. Furthermore, the value zero is not included in the confidence interval. As a result, the connection is regarded as statistically significant. As a result, the insufficiency of a service contact impacts the willingness to switch providers. The correlation between SC and SI has a p-value of 0.001, which is less than the significance level of 0.05. Furthermore, the value zero is not included in the confidence interval. As a result, the route is deemed vital. As a result, the cost of transferring impacts one's inclination to shift. The p-value for the association between SI and BSB is 0.001, which is less than the significance level of 0.05. Furthermore, the value zero is not included in the confidence interval. As a result, the route is deemed vital. As a consequence, the urge to switch leads to the subsequent action of changing brands.

Table 9

R square

Construct	R square	P values	R square adjusted	P values	Explanatory power
SI	0.532	0.001	0.53	0.001	Moderate
BSB	0.665	0.001	0.663	0.001	Moderate

Table 9 shows R-squared, and it includes R-squared and adjusted R-squared metrics of the PLS-SEM model. All components are accurately fitted, with 66.3% of the variability in brand switching behavior explained by the independent variables, namely service encounter failure and switching cost. The model accounts for a 53% variance in switching intention by examining two independent variables: service encounter failure and switching cost. All R-squared values over 0.25 indicate a robust model fit. Hair et al. (2011) indicate that the R-squared value for both SI and BSB is modest.

Mediation analysis is conducted using Smart PLS to elucidate the mediating influence of switching intention between SEF and BSB, as well as between SC and BSB. Mediation may be categorized as complete or partial. Comprehensive mediation refers to the process by which the influence of an independent variable on a dependent variable is transmitted via a mediator. Partial mediation refers to a situation where just a portion of the independent variable's impact on the dependent variable is mediated by the intermediate variable. This signifies that both the direct and indirect effects are statistically significant.

Table 10

Mediation Analysis

Type	Path	β	p	Remarks	Result
Direct Effects	SEF→BSB	-0.095	0.058	Insignificant	
Specific Indirect Effects	SEF→SI→BSB	0.448	0.001	Significant	Full Mediation
Total Indirect Effects	SEF→BSB	0.352	0.001	Significant	
Type	Path	β	P	Remarks	Result
Direct Effects	SC→BSB	0.101	0.002	Significant	
Specific Indirect Effects	SC→SI→BSB	0.273	0.001	Significant	Partial Mediation
Total Indirect Effects	**SC→BSB**	**0.374**	**0.001**	**Significant**	

Table 10 illustrates the mediation analysis. The impact of service encounter failure on brand switching behavior is -0.095 (p-value = 0.058). The p-value surpasses the significance level of 0.05, suggesting that the

observed effect is not statistically significant. According to Zhao et al. (2010), full mediation occurs when the independent variable has a statistically negligible direct influence on the dependent variable. The association between switching costs and brand-switching behavior exhibits partial mediation, as seen by the presence of both direct and indirect effects.

Table 11
Sobel test

Variables	Test Statistic	Standard Error	P-value
SEF→SI→BSB	2.16	0.045	0.001
SC→SI→BSB	2.32	0.041	0.001

Table 11 shows the Sobel test. The Sobel test is a statistical method used to evaluate the significance of a mediation effect. The assessment is based on the study of Sobel (1986) and exemplifies a practical use of the delta method. In mediation, it is said that the relationship between the independent variable and the dependent variable is an indirect effect, resulting from the influence of a third variable termed the mediator. Incorporating the mediator into a regression analysis model with the independent variable diminishes the effect of the independent variable, whilst the effect of the mediator remains statistically significant. The Sobel test is a specific t-test used to evaluate the significance of the decrease in the independent variable's effect when the mediator is included in the model. It assesses the statistical significance of this decrease and the significance of the mediation effect. The test statistics for both models with mediation exceed 1.96, indicating considerable mediation. Likewise, the p-value for both models is below 0.05, indicating strong mediation.

Table 12
Summary of Hypothesis

S.N	Hypothesis	Results
H_1	Service encounter failure influences switching intention.	Accepted
H_2	Service encounter failure impacts brand switching behavior.	Rejected
H_3	Switching cost influences switching intention.	Accepted
H_4	Switching cost impacts brand switching behavior.	Accepted
H_5	Switching intention leads to brand-switching behavior.	Accepted
H_6	Switching intention mediates the relationship between service encounter failure and brand-switching behavior.	Accepted
H_7	Switching intention mediates the relationship between switching costs and brand-switching behavior.	Accepted

Table 12 shows a summary of the hypothesis. The statistical summary confirms and accepts H_1: Service encounter failure influences switching intention. H_3: Switching cost influences switching intention, H_4: Switching cost impacts brand switching behavior, H_5: Switching intention leads to brand switching behavior, H_6: Switching intention mediates the relationship between service encounter failure and brand switching behavior, H_7: Switching intention mediates the relationship between switching costs and brand switching behavior. However, hypothesis H_2: Service encounter failure impacts brand switching behavior based on the statistical observations.

4.2 Discussion

The research examined the relationship among service encounter failure, cost, brand switching intention, and brand switching behavior, focusing on the mediating function of switching intention. The findings of the study revealed that a failure in the service encounter has a considerable impact on the possibility that customers would switch providers. The findings of this study aligned with the investigations carried out by Huang and Lee (2015), Hidayat et al. (2021), Riaz and Khan (2016), Vyas and Raitani (2014), and Keaveney (1995). Similarly, the study reveals that service encounter failure significantly impacts the desire to switch providers, suggesting that an increase in failures may increase the likelihood of switching. It advocates that a poor service attribute enhances the level of dissatisfaction among its users, and an intention to shift develops in the mind of clients. Thus, switching intention reflection in the inverse direction with service failure. This result is in line with the findings of previous research (Keaveney, 1995; Mavri & Ioannou, 2008; Clemes et al., 2014). This study's findings revealed a statistically significant relationship between switching costs and switching intentions. An escalation in switching costs may lead to an increased likelihood of switching. Consequently, subscribers of Internet Service Providers (ISPs) express a readiness to change their ISP regardless of the magnitude of the switching costs. This reflects that as the portion of the cost of service changes, it influences the decision-making process of clients, affecting the brand-switching behavior in which the service provider can consider this outcome as a benchmark for the effective strategic decision. This

tendency may be linked to consumers' choice of the quality of internet services offered by ISPs rather than the costs incurred in changing providers. If clients move to a superior service provider, high switching costs do not act as a barrier. The study found that brand-switching behavior is significantly influenced by the desire to switch, as supported by previous research by Youngju (2014) and Hidayat et al. (2021). The results demonstrate a significant influence of switching intention on behavioral patterns associated with brand switching. This suggests that an increase in the inclination to switch may result in a proportional rise in brand-switching behavior. Consequently, in the Internet Service Provider (ISP) industry in Nepal, users exhibit a propensity to switch their ISP brands anytime they choose to do so. The research has shown that the expense of switching significantly affects brand-switching behavior. This finding is consistent with the evidence of previous studies (Keaveney, 1995; Mavri & Ioannou, 2008; Clemes et al., 2014; Vyas & Raitani, 2014). The empirical findings demonstrate a statistically significant correlation between switching costs and brand-switching behavior. An increase in switching costs may enhance individuals' propensity to change brands. This result contradicts the findings of previous studies (Mavri & Ioannou, 2008; Clemens et al., 2014; Vyas & Raitani, 2014; Riaz & Khan, 2016). The study results demonstrate that service encounter failure does not significantly influence brand-switching behavior. The customers' impression of analogous services provided by all Internet Service Providers (ISPs) in Nepal may influence this occurrence. Subscribers of Internet Service Providers (ISPs) do not swiftly transition to other ISPs in response to service interruptions. They rigorously assess their alternatives to choose a superior service provider. The findings indicated that the inclination to switch completely moderated the association between service encounter failure and the behavior of shifting to an alternate brand. The findings similarly indicated that the inclination to switch completely mediated the association between the switching cost and the behavior of shifting to a different brand. This result is in line with the findings of (Wijaya et al., 2023).

V. CONCLUSION & RECOMMENDATIONS

5.1 Conclusion

The major purpose of this research was to determine whether or not customers' experiences with service encounter failure and switching costs influenced their brand switching behavior among Nepalese ISP subscribers. Excluding the impact of unsuccessful service encounters on consumers' propensity to transfer brands, the research validated most of the findings. This study indicates that switching costs and switching intentions are two critical factors in understanding why individuals change brands. This trend could benefit the decision maker among the internet service providers to retain the existing clients and attract new service users by understanding the switching intention and cost aspect of the services. However, service encounter failures and switching fees may be of less significance to users of Internet Service Providers (ISPs), since several ISPs provide comparable services throughout multiple sectors, including products, maintenance, and services. Customers of Internet Service Providers (ISPs) commonly hold the misconception that customers in metropolitan areas experience more frequent outages and problems that are more quickly resolved than users in more rural areas. For this reason, eliminating service failures is a formidable challenge for any ISP. As a general rule, it's advised that internet service providers work toward having as few service outages as possible. On the other hand, significant increases in the switching cost are necessary to reduce occurrences of customers and brands switching. It is concluded that the likelihood of acting increases as the degree of desire to do so grows. Among Internet Service Provider (ISP) users, this research shows that service encounter failure is a motivator for switching intentions. To exacerbate the situation, individuals begin to change brands when these issues persist. Consequently, an ISP subscriber is likely to change providers when the service is inadequate or ineffective in aspects such as promptness, politeness, customer concern, problem resolution, and complaint handling. The expectancy hypothesis posits that individuals are more inclined to act when they possess a strong conviction that their actions will yield a favorable result, particularly if they hold that result in high regard. It reflects that although substantial switching costs, Nepalese ISP consumers are inclined to change brands. Individuals using internet service providers (ISPs) often believe that transitioning to an alternative brand will enhance their service quality. Consequently, individuals choose to change ISPs while incurring increased switching expenses.

5.2 Recommendation

This research recommended that managerial decision-making could be boosted through embracing the scenarios and trends occurring in the market, which could bridge the expectation of service users and sustain both business and client loyalty, crafting customer brand-switching behavior stable with effective strategic moves. Additionally, the internet service provider could foster users' retention by strategically diagnosing the service failure and improving the service quality, and adoption of a cost leadership approach could retain their existing clients, preventing the buyers from switching behavior for the use of internet services.

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