Relating Personality with Consumer Brand Switching: Moderating role of Involvement and Value of Service

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Abstract

The purpose of this study is to examine relationships between personality factors and customer switching for services. Earlier research was directed towards establishing relationship between individual personality traits and customer switching variables considering five-factor model comprised of five personality dimensions (OCEAN), in which personality was not the only influencing factor. Moreover, these works were found to be focused on products and not services. In contrast, the current study is aimed at investigating role of personality using Myer Briggs Type indicator (MBTI) as well as Five-Big Factors, on customer switching and building the conceptual framework on services rather than products. MBTI also known as four opposite pairs or dichotomies of personality dimensions in our study are studied using different levels Involvement (High, Low) of consumer and Value of service-offering (Value for money and Premium) as moderators associated with Consumer Switching. The study is unique in sense that consequences of these indicators of personality on switching behavior has never been studied considering moderating effect of involvement and value of services. According to our prepositions for a more Extrovert, Intuitive Personality the switching is going to be high whereas the switching is going to be less for an Introvert, Judgemental kind of personality. Similarly, for a consumer with high Neuroticism and Agreeableness the switching would be less as compared to an Open and Conscious Personality type. These level differs with level of a consumer’s involvement and type of a service being offered based on its value.

Keywords

Consumer switching, Involvement, Myer Briggs personality type indicators, Personality, Value of service

1. Introduction

In conventional marketing, Consumer switching and loyalty have been studied together as more of a same phenomenon. (Dick & Basu, 1994; Knox & Walker, 1995; Zeithaml, Berry, & Parasuraman, 1996; Knox, 1998). Until recently, when these have been separated (Keaveney, 1995; Hill & Alexandar, 2000) after realizing that customer may still switch even after being loyal and satisfied. These factors for consumer switching can fall into different categories of core service failure, service encounter failure, employee responses to service failures, pricing, inconvenience, competition, ethical issues, and involuntary switching (Keaveney, 1995). Apart from these demographic factors such as age and income, as well as individual factors such as risk aversion can influence
customer switching (Keaveney & Parthasarathy, 2001). Earlier research on customer switching is mostly considered as having extrinsic values to customer whereas intrinsic factors like role of personality of a consumer is under studied. Also, most of the studied focus on role of Brand personality on consumer switching instead of studying switching from consumer’s personality perspective. This research is one such attempts at investigating the effect of consumer’s personality on switching behaviour in services. Apart from examining effect of Consumers Personality on Brand Switching this study takes into account the role of Consumer Involvement and Value of Service as moderators.

2. Literature Review

2.1 Consumer Switching Behavior

CSB is the way customers shift from one supplier/service provider to another. Also Known as customer defection behavior it can be defined as the extent to which the customer has changed his/her service provider(s) in the past (Reichheld, & Sasser, 1990). In the other words, it can be defined the level of propensity of customers to switch from one product or service provider to another in a given industry or purchase situation. For services, it can be defined as determination to use the same service. Retaining customer is a lot effective strategy than acquiring new ones as existing customers are more profitable and less expensive to keep, as opposed to the costs of attracting new ones (Dawkins & Reichheld, 1990). According to them, a 5% decrease in customer switching might lead to an increase in the net present value of customers of between 25% and 85% in a wide range of service category switching from one service provider to another (Keaveney & Parthasarathy, 2001).

Previous research laid emphasis on switching intensions and switching behavior mostly through Consumer Characteristics, Firms marketing strategy, service experience and perception of consumers, but switching from an intrinsic perspective like consumer personality is an area unexplored. Since personality of a consumer can be a driving force towards underlying behavior, it is very important to study the effect of personality on consumer switching. An examination of the previous literature suggests that research on the influence of consumer personality on customer switching construct, is largely absent. Also, in traditional marketing literature customer loyalty and customer switching have been studied from brand personality’s perspective and not consumers. Personality traits are an important variable in the study of Consumer switching patterns as different personality traits affect attitudes and behavior of a consumer (Ong, Bergeman, Biscoti, & Wallace, 2006).

2.2 Personality

Personality is a set of characteristics that influences individual’s behaviour. These characteristics are patterns of thoughts, feelings and behaviours which makes a person unique. While a few aspects of personality may change as we grow older, some of the well-known psychological theories are Biological Theories, Behavioural Theories, Psychometric Theories, Humanist Theories and Trait Theories.

Personality is the unique, relatively enduring internal and external aspects of a person’s character that influence behavior in different situationl (Schultz and Schultz, 2009). It also refers to the set of invisible characteristics and practices that lie behind a relatively stable pattern of behavior in response to ideas, objects, or people in the environment (Daft, 2011). Sung and Kim, (2010) explained personality is the general tendency to behave consistently across various situations and can be broadly classified into five stable and enduring dimensions, referred to as the Big Five: Extroversion, Agreeableness, Conscientiousness, Emotional Stability, and Culture Literature on personality traits is vast. From 4,000 words and characters many researchers have identified several important factors to measure personality (Tupes and Christal, 1961; Norman, 1963; Costa and McCare, 1985; Goldberg, 1990; Benet and Walter, 1995; Asthon et al., 2004).

2.3 Big Five factor/ OCEAN

Openness- Openness is associated with cognitive ability. It is associated with moderate intellect and enjoyment of new experience.

Conscientiousness- It is associated with moderate level of efficiency with which a person goes about doing his routine tasks. Conscientious people are good planners.
Extraversion- Extravert people like to interact with the external world, and are best suited to deal with environment and other people.

Agreeableness- Agreeableness is the parameter by which we can judge a person: how much he or she is cooperative, easy going, empathetic and friendly in nature. Agreeable people are ready to do what other people want. Agreeable people are unselfish and they have concern for other people. Agreeable people tend to form cohesive structure.

Neuroticism- These people are stressed easily. When things are so wrong they are unable to handle their impulse and desires. They generally make efforts to see things done right.

2.4 Myers-Briggs Type Indicator (MBTI)

The MBTI was constructed by Katharine Cook Briggs and Isabel Briggs Myers. It is based on the conceptual theory proposed by Carl Jung (Jung & Gustav, 1971) who had speculated that humans experience the world using four principal psychological functions – sensation, intuition, feeling, and thinking – and that one of these four functions is dominant for a person most of the time. (Daniel et al, 2017) The MBTI was constructed for normal populations and emphasizes the value of naturally occurring differences. (Pearman & Albritton, 1997). The underlying assumption of the MBTI is that we all have specific preferences in the way we construe our experiences, and these preferences underlie our interests, needs, values, and motivation." (Kaplan & Saccuzzo, 2009)

The four scales used in the MBTI have some correlation with four of the Big Five personality traits, which are a more commonly accepted framework. (McCrae & Costa, 1989) The Myers-Briggs Type Indicator (MBTI) is based on Carl Jung’s theory of psychological type. It indicates your personality preferences in four dimensions: Where you focus your attention – Extraversion (E) or Introversion (I), the way you take in information – Sensing (S) or INtuition (N)

At the heart of Myers Briggs theory are four preferences. If you prefer to deal with:

- People and things (Extraversion or "E"), or ideas and information (Introversion or "I").
- Facts and reality (Sensing or "S"), or possibilities and potential (Intuition or "N").
- Logic and truth (Thinking or "T"), or values and relationships (Feeling or "F").
- A lifestyle that is well-structured (Judging or "J"), or one that goes with the flow (Perception or "P").

The identification and description of the 16 distinctive personality types is a result from the interactions among these preferences:
Favorite world: Do you prefer to focus on the outer world or on your own inner world? This is called Extraversion (E) or Introversion (I).
Information: Do you prefer to focus on the basic information you take in or do you prefer to interpret and add meaning? This is called Sensing (S) or Intuition (N).
Decisions: When making decisions, do you prefer to first look at logic and consistency or first look at the people and special circumstances? This is called Thinking (T) or Feeling (F).
Structure: In dealing with the outside world, do you prefer to get things decided or do you prefer to stay open to new information and options? This is called Judging (J) or Perceiving (P). When you put these four letters together, you get a personality type code. Having four pairs to choose from means there are sixteen Myers Briggs personality types.

2.5 Consumer Involvement

Ganesh et al, 2000, discussed moderating role of involvement on Customer satisfaction and loyalty relation and hence influencing consumer switching. Classifying involvement in Purchase and ego involvement he argued that high purchase involvement will lead to high switching tendency as it would mean investment of cost, effort and time in purchase. But with high levels of ego-involvement consumer might identify itself with the product/ service offering and hence is less likely to switch. Anton et al, 2005, found in his research that high levels of involvement would lead to high levels of satisfaction/disaffection with the product/ service.
2.6 Service Value

In our research we are broadly classifying an offering into “Value for Money” or “Premium” Services. A Premium services’ value lie in the upper mid- to high price range and targeted at groups with high income group, and are mostly designed to convey an impression of exclusiveness or rarity, whereas value for money services are most likely made available for mass markets. Business Class and Economy Class resp. for an airline can be one such example.

3. Conceptual Framework and Hypothesis Development

Big Five factor and MBTI (Myer Briggs personality type indicators) as instrument to study these personality traits of an individual are two important, most popular and reliable tools to judge personality and cognitive style of a person. Big five factor is the most used theory of personality. Here in our study we are using these, to predict an effect of personality on switching.

3.1 Big Five Factors

Extraversion: Extroverted people are friendly, talkative and they like the presence of others (Rothman and Coetzer, 2003). It represents personality characteristics as warmth, gregariousness, excitement seeking and energetic (Barrick and Mount, 1991; Goldberg, 1990; Watson and Clark, 1997). They are not interested to do boring and monotonous work. They are seeking excitement in nature (Costa and McCrae, 1992). Feist (1998) concluded that introverted people are more proficient on creative work. Extraversion has a positive connection with new experience, especially in an organizational setting (Furnham & Bachtiar, 2008; Wolfradt & Pretz, 2001). Based on these arguments following hypothesis are framed:

H1: Extraversion is positively related to consumer switching.

H1a: Extrovert consumers will experience more CS for high level of Consumer Involvement.

H1b: Extrovert consumers will experience more CS for Premium Service.

Openness to Experience: Open people are more inclined to involve in new things (Hogan et al., 1994; John & Srivastava, 1999) and they don’t follow and believe in old and traditional values (McCrae & Costa 1987; McCrae & Costa, 1997 and Feist, 1998). This attribute helps a person to try new offerings. They have a lot of intellectual curiosity and imagination, which helps them to think about problems and solutions beyond the conventional set of norms. This type of divergent thinking has strong correlation with creative works (McCrae,1987; Wolfradt and Pretz, 2001). Openness is one of the most important factors for a person to do innovative work (Patterson, 2002; Batey & Furnham, 2006; Furnham, 1999; Gelade, 1997; Harrison et. al, 2006; King et al, 1996; McCrae, 1987; Wolfradt & Pretz, 2001).

H2: Openness to Experience is positively related to consumer switching.

H2a: Openness to Experience will lead to more CS for high level of Consumer Involvement.

H2b: Openness to Experience will lead to more CS for Premium Services.

Neuroticism: Neurotic people are nervous and they have fear, sadness and anger. Neurotic person is self-conscious. Self-conscious people always consider about what others think of them. If any types of failure happen, they easily get depressed (Piedmont, 1998; Judge, Frez, Bono and Thoresen, 2002). The person with the lowest score in this scale is calm when faced with difficulties (Foulkrod et al., 2010). They are vulnerable in nature, means they are panicked, confused and helpless if they face any hostile situation. They are a risk-averse type of person (Bass, 1985, P.173). An artist, who is less neurotic in nature are less creative than who has high scores in neuroticism (Feist, 1998). Low neuroticism makes a person less creative in nature (Matthews, 1989). There are few other studies that suggest the negative correlation between neuroticism and creativity (Dollinger et al., 2004; Martindale and Dailey, 1996).

H3: Neuroticism is positively related to consumer switching.
H3a: Neuroticism will lead to more CS for high level of Consumer Involvement.

H3b: Neuroticism will lead to more CS for Premium Services.

Agreeableness: Agreeable people assume that most of the people around them are fair, honest and have good intentions. They have a strong sense of morality. A person who has high morality doesn’t like to manipulate information and he has courage to unveil the truth behind a fact (Costa jr. et al., 1991). Agreeable people consider the opinion or suggestion of others (McCrae & Costa, 1997; Barrick et al., 2003). It doesn’t have the strongest influence on enhancing creativity (King et. al., 1996; Feist, 1998). Past studies have identified a negative association between agreeableness and innovation or creativity (George & Zhou, 2001; Gelade, 1997 and Patterson, 1999).

H4: Agreeableness is unrelated to consumer switching.

H4a: Agreeableness will be unaffected by level of Consumer Involvement.

H4b: Agreeableness will be unaffected by Value of Services.

Conscientiousness: Conscientious people are well-organized, tidy and neat to complete their work. They have strong will power to complete their work despite boredom and other distraction (Costa Jr. et al., 1991). They are order line in nature and follow a set of rules and regulations at the time of their work (Barrick & Mount, 1993). A voluminous research has demonstrated that conscientiousness is negatively related to creativity (Barron & Harrington, 1981; Gelade, 1997; Harrison et al, 2006; Runco, 2004). Conscientiousness people are methodical, ordered and dutiful in nature and they are less interested and not suitable for innovative work (Robertson et. al., 2000). Individuals with the highest score on agreeableness, conscientiousness and neuroticism are less creative in nature (Abdullah et. al., 2016, Olakitan, 2011).

H5: Conscientiousness is negatively related to consumer switching.

H5a: Conscientiousness will lead to less CS for high level of Consumer Involvement.

H5b: Conscientiousness will lead to less CS for Premium Services.

3.2 MBTI:

Extraversion and Introversion - The first pair of styles is concerned with the direction of your energy. If you prefer to direct your energy to deal with people, things, situations, or "the outer world", then your preference is for Extraversion. If you prefer to direct your energy to deal with ideas, information, explanations or beliefs, or "the inner world", then your preference is for Introversion. Based on above arguments, we propose following hypothesis: H6: Extroversion will lead to more consumer switching.

H6a: Extroversion will lead to less CS for high level of Consumer Involvement.

H6b: Extroversion will lead to less CS for Premium Services.

Sensing and Intuition - The second pair concerns the type of information/things that you process. If you prefer to deal with facts, what you know, to have clarity, or to describe what you see, then your preference is for Sensing. If you prefer to deal with ideas, look into the unknown, to generate new possibilities or to anticipate what isn't obvious, then your preference is for Intuition. The letter N is used for intuition because I has already been allocated to Introversion.

H7: Sensing would lead to less consumer switching.

H7a: Sensing will lead to less CS for high level of Consumer Involvement.

H7b: Sensing will lead to less CS for Premium Services.

Thinking and Feeling - The third pair reflects your style of decision-making. If you prefer to decide on the basis of objective logic, using an analytic and detached approach, then your preference is for Thinking. If you prefer to decide using values - i.e. on the basis of what or who you believe is important - then your preference is for Feeling.

H8: Thinking will lead to less consumer switching.
H8a: Thinking will lead to less CS for high level of Consumer Involvement.

H8b: Thinking will lead to less CS for Premium Services.

Judgment and Perception - The final pair describes the type of lifestyle you adopt. If you prefer your life to be planned and well-structured then your preference is for Judging. This is not to be confused with 'Judgmental', which is quite different. If you prefer to go with the flow, to maintain flexibility and respond to things as they arise, then your preference is for Perception.

H9: Judgement will lead to high consumer switching.
H9a: Judgement will lead to less CS for high level of Consumer Involvement.
H9b: Judgement will lead to less CS for Premium Services.

Figure 1. Research Model based on Conceptual Framework developed for Personality effecting Consumer Switching

4. Methodology

Our study follows an exploratory research design through Focused Literature Review and In-depth Interviews to identify the unexplored research gap in literature. We performed an extensive literature review to develop a conceptual framework which can be further employed to empirically test and support the findings.

In the next version of this paper, i.e. the verification stage, data will be collected from cities of selected country(s). Structured questionnaire-based survey was developed. Then, we plan to send it through Google link (online) and manual distribution. The questionnaire consists of two parts: part one is helping to get the biography and their experience in consumer switching; Part two of the questionnaire asks for responses on the key constructs of the research variables of Big-Five Factors, MBTI, Involvement, Value of Product and Switching. Data will be examined using structural equations modeling (SEM) which is basically a combination of confirmatory factor analysis (CFA),
and linear regression, to find out the causal relationship between the factors considered and consumers’ switching Intensions in Services.

5. Conclusion & Discussion

In this paper through literature review, we have identified that personality affects consumer Switching Behavior. In this paper we are using Big-Five factors and MBTI (Myer Briggs personality type indicators) with Consumer Involvement and Value of Product acting as moderators. It is also proposed that CSB would vary depending on the level of involvement and value of a service, which acts as a moderator between different personality of a consumer and Switching Behavior. And hence, it is concluded that different market strategies can be developed by marketing firms and consumer business’ to tackle personality differences of global consumers on these pre-defined Personality dimensions to discourage switching, on different levels of consumer involvement for different types of Services depending on value-offering. We propose that openness to experience, extraversion and neuroticism have positive correlation with Switching, whereas conscientiousness behavior of a leader is not appropriate for Switching, and agreeableness is unrelated to consumer switching a brand. We give a theoretical framework here and will get back after we are done with data collection and results. The proposed hypotheses will be verified through empirical data in the next version.

6. Limitations of Study

The study considers MBTI scale and big five factors to judge the cognitive styles and personality of our respondents. On one hand MBTI and Big five factors are popular and reliable to judge personality and cognitive style of a person, but on the other hand, it is required to consider, whether these personalities and cognitive style measurements are sufficient to make relations among personality, cognitive style and Product/Service type. Situational factors and age might influence switching for different consumer differently.

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Biographies

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R.R.K. Sharma is a HAG scale and Sanjay Mittal chair Professor at Indian Institute of Technology Kanpur, in the Department of Industrial & Management Engineering. He is a graduate in Mechanical Engineering from the National Institute of Technology (NIT) Nagpur and fellow of Indian Institute of Management (IIM) Ahmedabad. He has more than 28 years of experience spanning automobile manufacturing, operations consulting, research and teaching. He has professional experience in TELCO and TVS-Suzuki Ltd, India. His areas of interest are marketing management, operations research, production and operations management, strategic management, manufacturing policy, and computers and information systems. There are several awards and honors to his credit and he held many administrative responsibilities at IME department, IIT Kanpur. He has completed many sponsored projects. His publications have appeared in IJPE, EJOR, IJAMT, IJPR, IJOR, AJOR, IJOQM, TQM Journal, Benchmarking, IJQRM, IJPQM, IJPMB, IIJSE, IJBS, among others. He has till date 161 publications (24 book chapters; 35 international conferences published and 101 journal articles) to his credit in all areas of management nationally and internationally. He has taught 22 different courses in IME department at IIT Kanpur since 1989.