

ABSTRACT

Customer service switching can have deleterious effect on the profitability and viability of firms in today's marketplace especially for the service retailer receiving low margin return on each service transaction like a book rental business. The purpose of this study is to study the switching behavior in book rental business in a case study of book rental shops around Assumption University (Huamark Campus). Moreover, the objectives also encompass to verify the factors that can be used to classify the switcher and continuer customers as well as to find out the most influential factor that affects the service switching behavior. The predicting factors in discriminating two groups of customers (switcher and continuer customers) compose of book renting rate, shop location, hours of operation, core service, physical evidence and service personnel.

Sample survey technique through the closed-end questionnaire is employed to gather information from a representative sample of the target population. The researcher selected 120 customers of two book rental shops (MOTHER & JEN and BOOK PLUS) near Assumption University. The Discriminant Analysis is used to test the hypotheses and to pursue the research objectives.

The results of the characteristics of the population show that the majority of respondents in this research are female. Most of them are students with bachelor degrees whose from ages are between 16 – 25 years, having an income level between 5,001 – 10,000 baht per month. Sixty – five percent of respondents are switchers while the rest are continuer customers.

The results of the Discriminant analysis show that all six variables (book renting rate, shop location, hours of operation, core service, physical evidence and service personnel) are significant in discriminating the customers into switcher and continuer customers. The research finding also suggests that book rental shop location is the most influential factor affecting switching behavior in the book rental business. On the contrary, hours of operation have the least effect on customer switching behavior.

The results, which are highly significant, provide the researcher with the ability to correctly identify the consumer switching behavior at 90% of the time. An important implication for shop owners is that all of these service switching factors are controllable from a service firm's point of view. This suggests areas in which the shop owners might take action to prevent switching and provide the guidelines to improve management in order to lessen the defective rate in book rental business.