Abstract

Today increasing competition and rivals supply creates more confusion for the selection of suitable product for the customers in Sri Lanka. Currently, there are many industry competitors operate in this Market. It has found an aggressive competition in terms of product attributes. Product attributes usually comprise features, functions, benefits, and uses. It creates a meaningful difference in a brand’s performance. Product attributes determines the bargaining power of customers, as a result of that the switching behaviors of customers has been frequently happening along with strong customer bargaining power. This study was focused on the bargaining power of customers related with the product attributes of Tooth paste on switching behavior of customers. 300 respondents were selected under stratified probability sampling method. Data were collected through structured questionnaire along with Likert-scale. Five sets of independent variables were identified as per the literature reviews namely quality, product variety (differentiation), price, branding and packaging factors. An inferential statistical analysis was used to analyze the collected data. The “Regression Model” was used to test six hypotheses, these were developed to test the switching behavior impacted by bargaining power of customers. Variables of product attributes impacted on the bargaining power of customers. Data analysis revealed that the bargaining power of customers have more impact on switching behavior of customers. Quality and product variety factors had more impact on bargaining power of customers than price, branding and packaging factors. Reducing switching aspect of customers led to long term retention of customer with adequate level of customer satisfaction. Finally it led to business success through customer loyalty.

Keywords: Switching behavior, Product attributes.