

Factors Affecting U.A.E Consumer's Attitude towards Brand Switching: A Comparative Investigation of Black Berry & Android Phones

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Abstract

Form the recent past there is ongoing issue of the slump of BlackBerry in the Smartphone industry. So the purpose of this study was to investigate the variables that affect the brand switching among the BlackBerry smart phone users in UAE. For data collection focus group and in depth interview was held and self-administered survey was also conducted from sample of 100 respondents at convenience. Findings from the qualitative and survey results reveal that low brand loyalty and loss of exclusive features in BlackBerry are major reasons to switch the customers to other smart phones. However the changing perceptions and decreasing brand aspiration are also motives to switch the brands.

Keywords: Customer Loyalty, Brand Awareness, Reference Groups, Brand Switching

1. INTRODUCTION

BlackBerry limited, formerly known as Research in motion limited has a wide range of wireless handheld devices. Mobile phones are one of the technological innovations which have garnered immense public interest and have gained huge popularity across the globe. In a study conducted by Trade Arabia in the year 2013, it showed that 99% of individuals in the UAE have mobile phones, wherein only 46% of households have fixed lines.

However in the recent past, there is a shift in user's choice from BlackBerry to other smart phones. The purpose of this report is to conduct a marketing research for a practical marketing problem in the UAE that is to identify the variables that influence brand switching among BlackBerry Smartphone users. Hence, this report outlines the major findings of the reasoning behind the fall of BlackBerry resulting to consumer brand switching and further explicates relevant hypotheses of the defined problem, detailed approach and appropriate research designs including the usage of SPSS software for data analysis for extensive data analysis.

This Marketing Research report is related to the Smartphone industry in UAE. According to a report published by Arabian Gazette; BlackBerry brand was the #3 best-selling Smartphone in UAE. Moreover, a research by GfK reported that 98% of the all the BlackBerry Smartphone users, use BBM (BlackBerry Messenger) to maintain connections with their friends, families and other networks (Arabian Gazette, 2013).

However, it is a well known fact that BlackBerry Smart phones are not the best-selling Smart phones in UAE; where I-Phone 5S 16GB is reported to be the fastest selling Smartphone in UAE (Cherrayil, 2013). Meanwhile, another challenge that BlackBerry regularly encounters in UAE market is that according to a research 60% of UAE population reported to develop preferences for Smart phones based on 'Brand consciousness', while only 45% of the respondents were influenced by price with respect to Smartphone purchasing decisions; where Samsung and Apple Smart phones were identified to have greater brand aspiration, as compared to BlackBerry Smart phones – owing to their brand names (Hamid, 2013).

Thus, indicating a high potential of brand switching in the Smartphone industry in the UAE market, where BlackBerry Smartphone users customers are periodically under pressure due to network failures, non-user friendly applications, technical difficulties and other similar shortcomings (Croucher, 2011).

Therefore, the major objectives of this marketing research are:-

- i) To identify and understand the potential factors that could lead BlackBerry Smartphone users to shift to other well known/best-selling Smartphone brands (like Apple/Samsung Smart phones)
- ii) To collect relevant information from selected sample (collection of respondents that would hypothetically represent the UAE population) by conducting focus group and in-depth interview
- iii) To quantify the information obtained from focus group session and interviews by preparing a self administered survey (to fill them by conducting extensive field work), to enter the data obtained from all the filled surveys and analyze it using SPSS in order to test research hypotheses

- iv) To interpret results, draw conclusions and to provide suitable recommendations

Problem Statement

BlackBerry, once known as a significant premier mobile gadget throughout the international market, especially including the Middle-East; UAE happened to be omnipresent not only in regards to its social or business popularity but also acknowledged as a unique cultural trend mainly focusing corporate users and the youth in the Middle East. Hence, early in 2009, BlackBerry had earned a nickname “Crack berry” in reference to its excessive usage and the addictiveness corresponding to that of crack cocaine drug.

In addition, BlackBerry had been rated as one of the fastest growing mobile industry with earnings exploding by 84% per year, worldwide. For e-mail obsession and the convenience QWERTY Keyboard, and also the most favorite BlackBerry Messenger app; BlackBerry had immensely placed its recognition globally. Gustin (2013) states that BlackBerry is also been considered as a most secure phone in terms of e-mail and other business usage. Moreover, BlackBerry was said to have a bigger market share in the UAE in comparison to its competitor Apple, primarily due to its widespread popularity of BlackBerry messenger. As previously assumed, ‘Apple’s i-messaging service will take time to seriously compete with BBM’ (Cherrayil, 2012).

Nevertheless, the outlook of the recent smart phone industry and the new trend of the app economy, followed by competitive firms such as the Apple’s I phone and Samsung in line has enormously paved its way for abrupt success over the consumer market, leading to immense loss in market share and profitability of the BlackBerry industry. In addition, ‘BlackBerry had been considered as a leader in smart phones, but unfortunately rapidly lost ground to apple and other manufacturers, mainly using the Google Android Operating System’ (AFP, 2013). BlackBerry over the last couple of years has definitely been on the slide downward, losing market share to the iPhone and Samsung in the UAE. In addition, ‘In terms of revenue, it’s a little over half it was for last year’ (Flanagan, 2013).

This definitely proves the fact that BlackBerry happened to fail to understand the growing consumer buying trends and satisfaction and also understanding the competitive market offerings and to position their electronic in a differentiating criterion in order to continue winning its market share. Hence, consumers happened to lose confidence over their loyalty towards BlackBerry and eventually were obligated to switch to stylish competitive brands. Furthermore, the latest variety of app’s and much conveniences provided by competitors have gained consumer interest and attention upon high level quite rapidly.

Also, the advanced operating software provided by smart android phones followed by the flashy look of touch screen with other technical advances, such as higher quality of camera & battery life and many other user friendly features provided by Apple i-phone and Samsung happen to win consumer market vastly. Hence, BlackBerry happened to make an extensive strategic error. Thompson (2013) stated that they didn’t know what they were good at, and consequently threw their differentiation away.

The recent launch of BlackBerry z10, Q10 and now z30 has unfortunately seen signs of downfall in sales in the UAE due to the latest competitive model from the rival, Samsung s4 leading to less favorable position of BlackBerry effort’s to advancing it’s product offering (Kapur, 2013). Additionally, ‘as with all BlackBerry devices, the downfall is really with the lack of exciting applications to help it compete with Android and iTunes’ (Hamid, 2013). According to the YouGov poll in UAE regarding consumer attitudes to big brands, BlackBerry took a hit in its satisfaction score, indicating that the Q10 failed at consumer expectation. BlackBerry seems to struggle to meet consumer need and hence the users switch to rival mobile phones, leading the brand to fail to revive its fortunes. Flanagan (2013) stated that several UAE retailers are selling fewer BlackBerry compared to a year ago, suggesting that the brand is falling behind.

BlackBerry has recently signed a tentative agreement to be purchased by a Canadian holding company, Fairfax Financial in a 4.7 billion deal. Gustin (2013) indicates that this agreement seems to be a massive turning point for BlackBerry to be transferred into a private company that once played a significant role in the cell phone revolution; yet unfortunately deteriorated by strong competing brands like Apple and Samsung. Recent news also states that Fairfax failed to build its investment and further struggled to finalize the financial terms and execute the proposed bid over the past few months. Hence ‘BlackBerry abandons the plan to sell itself and rather seeks to change the CEO and further needs to come up with the required marketing strategy in order to build the brand image and to revive the lost consumer loyalty that was once strongly present among previous BlackBerry users’ (Reuters, 2013).

(Functional Problems)

To begin with, the BlackBerry Ltd. has failed to surpass distinctive consumer growing needs in the mobile industry internationally. Similarly in the UAE market, the company sales and demand had decreased in the past few months (Kapur, 2013).

The current BlackBerry Ltd management decision problem would be:

What should be done in order to increase the usage of BlackBerry phones within the U.A.E? And so, should a new product be introduced?

2. LITERATURE REVIEW

It refers to the theoretical foundation that guides to understand the concepts related to the selected research and also helps in understanding them through different perspectives of various scholars. Literature review acts like a brain-storming session where we get an insight of the previous work done on similar concepts. It also provides a base to the research, wherein the initial startup work takes place.

2.1 Brand Switching

When a consumer shifts from one brand to another brand within the same product category; this phenomenon is termed as 'Brand Switching' (Afzal, 2013). The different factors and variables related to our BlackBerry research problem are extensively searched, studied and paraphrased below;

2.2 Brand awareness

Brand awareness is 'the ability for a buyer to recognize or recall that a brand is a member of a certain product category' (Aaker, 1991). This definition 'also includes brand recognition and recall in brand awareness' (Keller, 1993). Brand awareness for a particular brand or a product leads to brand popularity and recognition in the market. Brand credibility has a positive impact on a consumer's purchase intention. Brand awareness and brand image are two important factors in increasing the brand credibility for a product (Wang et al, 2010).

Awareness can be made through extensive promotion, circulation of a brand across a market or a country, imparting knowledge through different campaigns and also by use of different media. For smart phones, awareness creates an impact across the customers which lead to different decision making. Brand awareness significantly drives market performance (Homburg et al, 2010). The performance is also moderated by market and organizational buyer's characteristics. This also shows that the company sales and the overall market sales do have an impact through awareness.

Hutter, Hautz, Dennhardt and Fuller (2013) stated that Facebook fanpage could positively impact on awareness, increases word of mouth and also leads to purchase intention. Similarly, it may also lead to negative impact on purchase decision based on the fanpage critics. This explains its potential influence on brand switching.

2.3 Customer loyalty

To understand the main cause that why their customers prefer to switch brands from his/ hers current mobile cell phone, the company should always analyze the due factors that affected their customer previously or currently. To hold with what customer loyalty means, appealing or engaging with the right type of consumers who buy from the same organization, even often provides their customer with the right facilities, keeping a communication track daily, meeting with their needs, likes/ dislikes, innovative offers, provide them with affective prices over their competitors, to build up trust among their customers by rewarding them the best outcomes among the other brands.

Jussi (2013), explains the reasons that why consumers change their choice of mobile cell phones to technologies current smart phones which relies on the disapproval with reliability, the advance not matching with their core competence or personal wants/choices. To add on, the influence of the brand and pricing of the smart phones attracts the customers to switch to other preferences. The other brands have favorable desires which succumb their needs.

Another main finding was done by Malhotra (2013), where he emphasized that the customers switch their mobile gadgets if their service provider does not provide them with quality service they want. Quality service mainly explains treating your customers with all the rights they deserve. Customers can be loyal with their product if they get apprehended feedback of what they have asked for. If the company doesn't return back with their favor of interest, there are chances the customers lose interest. Developing a relation among the customers is very important as it helps in retaining them and being loyal with your brand.

Word of mouth is the most essential aspect. If the company does not add value of interest or innovativeness to the products, it leads to a purchase intention of other brands. It is very important that the customers who use your brand are satisfied with their gadget with due importance given to creative features, latest applications matching with the growing technology, modified updates, mobile appearance (shape, size, color), etc.

2.4 Effects of pricing in brand switching

Price is the monetary amount charged precisely for a product/service. It is an essential aspect from the customer point of view as price is a factor which makes them decides to buy that product or know. Many consumers are sensitive when it comes to price. Their purchase intention duly relies on the price structure of the product they want.

Srinuan, Bohlin (2013) explains that the mobile industries have come up with effective and creative

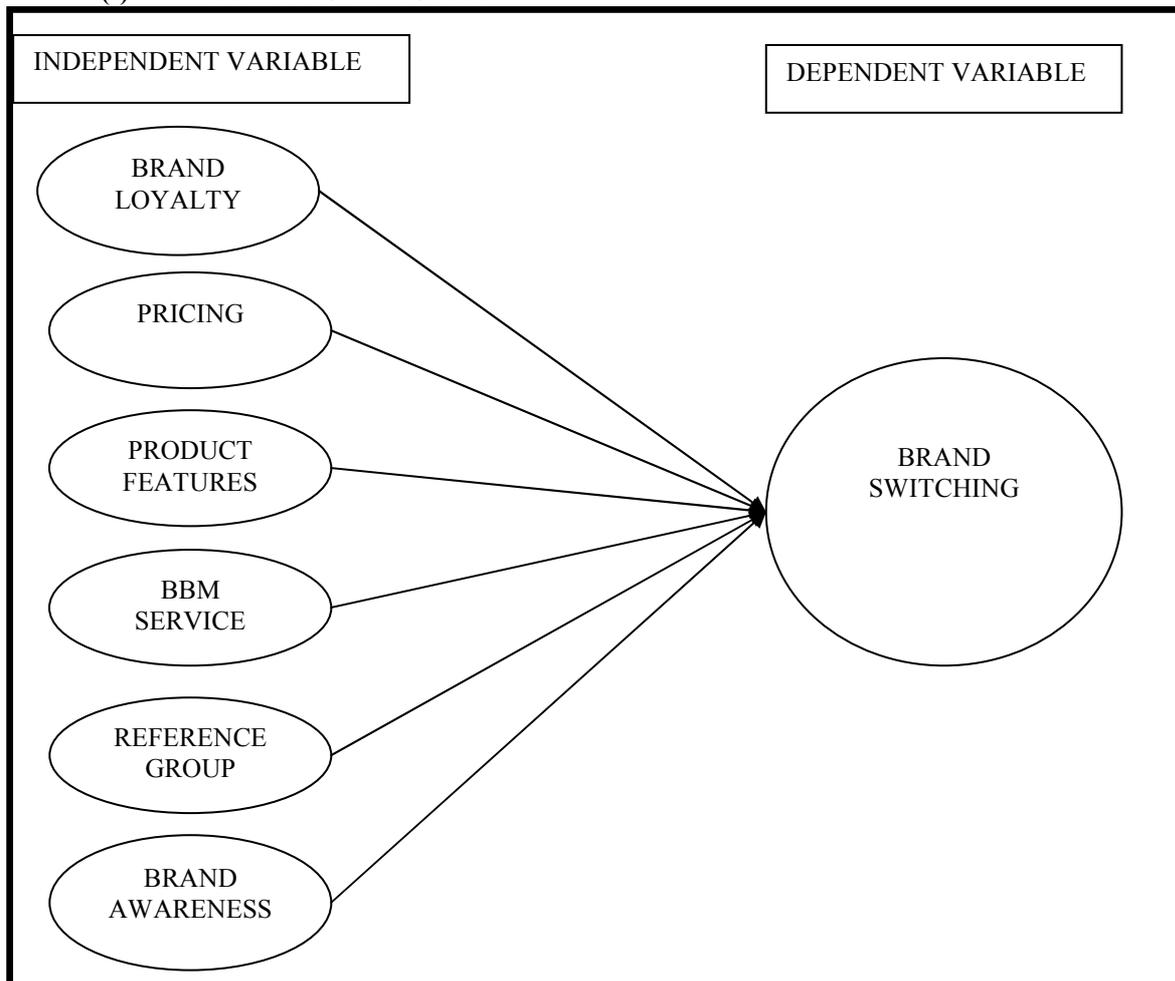
price structures that helps them retain their customers for a longer period and remain loyal with their brand. Different products with high/low prices can leave the customers in a thought process. In order to give the customers a clear understanding of their pricing strategy, the mobile industry should come up with innovative pricing programs which would help them view their price plans better.

Thayer (2013) says that quality, price, advertising are some other factors that affect consumer in purchasing a particular brand of choice. Through an empirical research, knowledge was acquired that price and advertising gave a significant relation when it comes to purchasing. Social factors such as individual experience and lifestyle have a mere role in the price context.

2.5 Product variations or enhancements could influence brand switching

Smart phones are the new technological friends for consumers as they have become more user-friendly and cater to the millennial. Most of the smart phones and other mobile phones try to distinguish themselves through differences in their technological features and attributes. While considering technological products, consumers look at various dimensions for making a choice (Petruzzellis, 2010).

(I) ANALYTICAL MODEL



(RESEARCH QUESTIONS)

The following research questions were drawn based on the initial literature review, with respect to the Smartphone users in UAE;

- i) Does lack of customer loyalty really lead to increased brand switching among Smartphone users?
- ii) Are customers switching from BlackBerry to other Smartphone brands because they are able to get better features for the same price? Do customers consider the price of BlackBerry Smart phones to be fair?
- iii) Are BlackBerry users switching to other Smartphone brands because they are able to get better product features in other branded Smart phones?
- iv) Do reference groups cause customers to switch from BlackBerry Smartphone to other branded Smart phones?

- v) Does brand awareness have any influence on customers switching from BlackBerry Smart phones to other brands?

To sum it all, the *Major Research Question* is: **What are the factors that influence brand switching among BlackBerry Smartphone users in UAE?**

(HYPOTHESES)

In this research, we have undertaken 6 hypotheses to test the research problem. These hypotheses were drawn from the results of literature review, focus group and in-depth interview.

- H1: Lack of customer loyalty leads to brand switching
- H2: Pricing matters lead to brand switching
- H3: Product advancements lead to brand switching
- H4: Reference groups influence Smartphone users to switch brands
- H5: Brand awareness influences brand switching among Smartphone users
- H6: Availability of BBM in all Smartphones will lead to brand switching

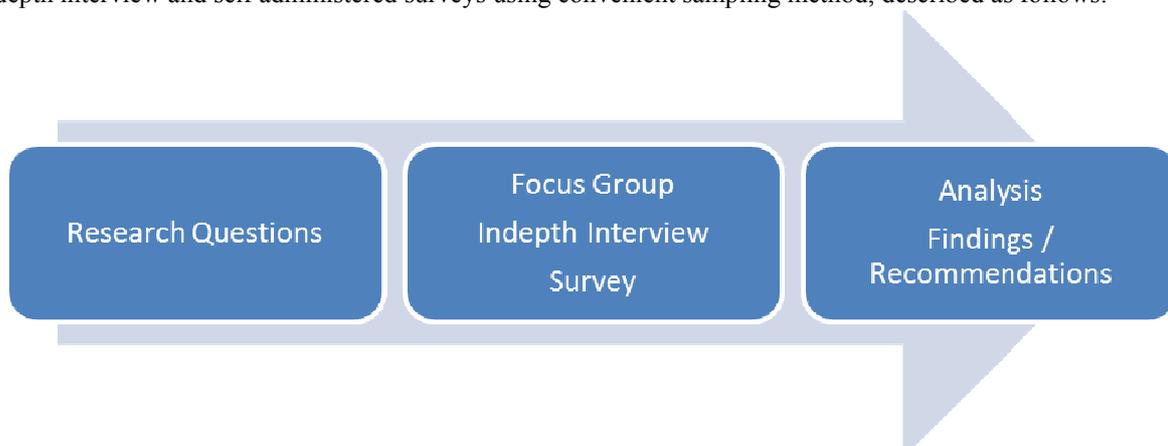
(SPECIFICATION OF INFORMATION NEEDED)

It is evident from the research questions and the hypotheses, that the information that is required must identify the current perceptions of the Smartphone users in UAE, that would further include the following;

- a) The current situation in terms of current users, previous users and prospective users (with reference to the use or potential purchase of a BlackBerry Smartphone)
- b) The major factors that Smartphone users in UAE consider at the time of purchasing a Smartphone
- c) The factors about BlackBerry Smartphone that are strongly liked by Smartphone users in UAE
- d) The likelihood of prospective buyers in UAE to purchase a BlackBerry Smartphone
- e) The extent to which Smartphone users in UAE consider BlackBerry Smartphones as reasonably priced
- f) The extent to which Smartphone customers in UAE would consider purchasing a BlackBerry Smartphone as their next phone
- g) The preference of Smartphone users in UAE in terms of Smartphones available in the market
- h) The perception of BlackBerry Smartphone before and after the launch Samsung and iPhone Smartphones among consumers in UAE
- i) The impact on Smartphone purchasing in UAE due to the availability of BlackBerry Messenger (BBM) on all Smartphones

3. RESEARCH METHODOLOGY

The research design helps in formulating a plan that directs one to follow certain systematic steps to conduct the research. Once the questions are prepared, then three tasks (focus group, in-depth interview and survey) were conducted to gather insights, draw hypotheses for testing. This was then followed by analysis, findings, limitations and recommendations to the research problem. In this research, data was collected from focus group, in-depth interview and self administered surveys using convenient sampling method, described as follows:



(FOCUS GROUP)

In this research, an exploratory research is conducted to gather information. Focus group involves active participation from various respondents in order to understand their views and opinions on a given topic. It helps to look at different opinions and perspectives based on one's experience, knowledge and observation. Focus group helps in analysing the facts beyond any verbal communication (Onwuegbuzie et al, 2009). It is a medium

to gather qualitative research from a dynamic group. The selection criterion for this focus group was to recruit respondents that reported to have an experience with BlackBerry Smartphone in UAE.

FOCUS GROUP CHARACTERISTICS

Group size	8 respondents
Age	18 – 25
Profession	Students
Physical setting	Library meeting room
Duration	40 minutes
Recording	mobile voice note
Moderator	Asma (Speaker), Salma (Assistant)

(IN-DEPTH INTERVIEW)

In order to augment the findings of the focus group session, an In-depth interview was conducted, which is a much detailed discussion compared to the focus group as it directs a personal interview with a single participant on a one-to-one basis in order to gather detailed insights and uncover associated motivations, attitude, belief and feelings over a specific topic. Mr. Owais Kabani, a graduate in B.Com finance and Masters in international business from the U.A.E and currently completing PhD program in finance and public healthcare policies; Researcher at Krakow university of Economics, was selected as a suitable respondent for this interview, as he falls well in the recruitment criteria (previous user of BlackBerry Smartphone – based in UAE) and was a long-term loyal consumer of BlackBerry.

(SELF ADMINISTERED SURVEY)

In order to quantify the findings obtained from focus group analysis and in-depth interview analysis, a self administered survey was prepared; survey includes a set of questionnaire which is prepared to quantify the results from a sample to represent a given population (Refer Exhibit 5.0). It is prepared after analyzing the focus group and the in-depth interview so that we all research hypotheses could be tested and descriptive data could be obtained. The survey conducted in this research is the self-administered survey where the respondents were asked to complete it directly. In this research, the surveys were filled by 100 respondents wherein the survey was conducted at different places and at different times to achieve good respondent ratio. In this research, the respondents were chosen based on their relevance to BlackBerry as a previous user, current user and even a prospective user. The selection criteria required a suitable respondent to be aged within 18-25 or 26-33, that are currently based in UAE, while the sample was decided based on convenience sampling method. Furthermore, the questions included in the survey are a combination of questions; wherein some are measured using nominal and some are measured using continuous scale; where likert scale and stapel scale are used (according to the relevance).

4. DATA ANALYSIS

(FOCUS GROUP)

1. Product

It is observed through the focus group discussion that consumers were highly satisfied with the following aspects of BlackBerry Smartphone:-

- BBM Messenger
- QWERTY keypad feature
- Availability of Bluetooth
- User-friendliness

However, other negative factors experienced by the respondents were that:-

- **Loss of Distinguishing factor**
 BBM Messenger can be downloaded in all iPhone / Android phones, hence the most important feature that distinguished BlackBerry phones from other Smart phones was lost, customers do not feel the need to purchase BlackBerry Smart phones (especially not for the BBM messenger)
- **Lack of User-friendly Applications**
 BlackBerry had a reputation for NOT being able to provide user friendly apps (Viber/Skype/Games) like other Smart phones (iPhones & other android phones)

2. Trends in Consumer Behavior

- **Reference Groups**
 The major factor that promoted the use of BlackBerry phones was the influence of various reference groups among their target customers. Reference groups were in the form of friends, family and even co-workers at workplace and were actively influencing the purchasing

decision in terms of using BlackBerry Smartphone. However, observations from the current trends indicate that reference groups are influencing BlackBerry's target customers to shift their preferences from BlackBerry to other popular Smartphones like iPhones & Samsung Smartphones; owing to the loss of BlackBerry Smartphone's distinguishing factor (availability of BBM Messenger) that previously used to be its best-selling feature.

- **Perception**

BlackBerry Smartphone is not perceived to be as popular as iPhone / other Android phones (Samsung / HTC). Moreover, its recent loss of competitive advantage (with reference to the availability of BBM Messenger in all Smart phones) had further deteriorated its positioning strategy. Their target population does not consider their Smartphone as unique.

3. **Brand Aspiration**

It is observed that the brand aspiration for BlackBerry Smartphone has significantly reduced owing to the popularity of other Smartphones (like Samsung / HTC & iPhones), as customers are looking for increased user-friendliness of Smartphones, improved features / increase in innovative features and desire to be categorized as the users of unique Smartphones

4. **Price**

Despite it being a failing product, the prices of BlackBerry phones are as high as other popular Smartphones (like iPhone / other Android phones). Moreover, it is observed through discussion in the focus group, that people are not keen on buying BlackBerry Smartphones; even if the price is considerably reduced; on account of its current image, lack of user-friendly applications and inability to distinguish itself as unique – in the mind of customers

RESULTS

Considering all the above mentioned factors, it is observed that customers are displaying brand switching behavior owing to the collective influence of product features, changing perceptions, control of reference groups, decreasing brand aspiration and indifference to the pricing of BlackBerry Smartphones.

IN DEPTH INTERVIEW – DATA ANALYSIS

According to the detailed In-depth interview response related to the BlackBerry Research, it can be examined that the respondent had various factors pointed out in relation to his long-term personal experience and knowledge over the brand. Hence, the relevant observation and analysis are explicated below:

(i)Product

Similar to the focus group evaluation, the detailed In-depth interview observes that, the participant was highly satisfied with BlackBerry's BBM feature and the Physical QWERTY keypad. Also, in contrary it was also determined that available cheap data plan and memory card installation was also a plus point to owning a BlackBerry Smartphone.

Nevertheless, there were few major negative aspects outlined such as:

- **Poor Battery Life:** According to the participant personal experience, BlackBerry was said to "randomly-die" and never returned until replaced by the brand.
- **Low Quality Camera:** Although this was improved in the later touch models, it still didn't fit in line with the extra advanced quality presented by rivals.
- **Limited apps and lesser feature set offered in comparison to competitive offering.**
- **Operating Software issues :** This was one of the major issue highlighted as the participant claimed that even the newest versions had 'bugs' and the software was very slow at upgrading itself.

(ii) Price

The observation conducted from the in-depth interview in regards to the pricing criteria was equivalent to that obtained from the focus group previously as the participant claimed that it was extremely high and unfit in accordance to the decreased feature set and overall package offered by BlackBerry. Moreover, there seemed to be no re-sale value for the product which was expressed to be a significant factor for the interviewed respondent. Also it was further pointed out by both interviews that the members would prefer purchasing the rival's (such as iPhone & other android phones) high-tech and superior product for the same value. Nonetheless, if the price of BlackBerry is reduced to a fair extent, it may be considered as an option for the major advantage of having a keyboard in its product features.

iii) Customer Loyalty

The interviewed participant in the detailed in-depth interview happened to be a long-term BlackBerry user for over 6 years, experiencing most of the product models until the recent downturn of the product failing to meet its feature set to that of market offering. Mr. Owais

claimed to have “lost confidence” in BlackBerry, therefore, this, in turn had lead to the participant’s expressed switching behavior.

iv) Reference Group

In contrast to our focus group determination, the personal in-depth interview participant happened to not fall under the influence of reference group as there is a possibility that a Smartphone consumer is a self dependant person when it comes to making purchase decisions. Additionally, technological preferences are based much upon personal needs, usage and also reflecting personal beliefs. Therefore, external influence such as any form of peer pressure or the related didn’t seem to affect the participant’s switching behavior of BlackBerry. Hence, this factor may be differentiated based upon changing consumer personality.

v) Brand Awareness

According to the in-depth analysis, BlackBerry was said to have decreased its image in terms of being productive with its brand marketing strategy especially when it has launched the latest models this year in the U.A.E. As said by Mr. Owais “the newer generations such as the Q10 and Z30 were marketed extremely poorly to the point where people had no idea what they were and were surprised when they saw the phones”. This seemed to verify that the participant initial positive feeling towards the brand was now reluctant due to limited knowledge being publicized of the latest features in the new models. In addition, the intense competition from other Android and iPhone products remained much favorable in response to not only the high technological advancement but also the dynamic advertising, leading to a vast increase in consumer diversion and commitment to those products. Hence, the results lead to risking BlackBerry loyalty and conversion of the switching behavior.

RESULTS SUMMERY

Taking into account all the above mentioned factors, it is observed that Smartphone users in UAE may have similar preferences as that of our selected respondent (Mr. Owais); and may have been previous loyal consumers of the BlackBerry Smartphone, but later switched brands due to the collective influence of various factors like; lack of innovative product features, the disinclined pricing policy of its models, lack of confidence in BlackBerry service; which further lead to deteriorating the loyalty for the brand and lastly, limited awareness advertized publicly of the latest BlackBerry advanced models launched in the U.A.E. It was observed through this interview, that the influence of reference group may not be relevant in all cases, as different consumers have different motives at the time of making any high-risk purchase (that involves the expenditure of a big amount of money).

(I) QUANTITATIVE DATA ANALYSIS

In this section, the results of the descriptive analysis and hypotheses testing will be presented; these were computed using the survey results obtained from the selected 100 respondents that represented the Smartphone users population in UAE.

I) Descriptive Analysis (refer Exhibit 8.0 in the Appendix)

The following details were obtained from the Descriptive Analysis of the independent variables (IV), from the data that was collected from the ‘self administered survey’, which were filled by 100 selected respondents;

a) Demographics

This section will highlight about the characteristics of the total respondents; the survey was filled by 50 males and 50 females; that are based in UAE. 67% of the total respondents are aged represented the age of 18-25, while 33% of the total respondents represent the age between the ranges of 26-33.

b) Variables

i) Brand Awareness:

In this section, various variables are quantified based on the data obtained from survey results. It is observed that 94% (majority) of the total respondents were aware of BlackBerry.

ii) BlackBerry users

76% of the total respondents represent themselves as previous users of BlackBerry Smartphones, while 51% of the total respondents are still current users of BlackBerry Smartphone; which indicates that 25% of the total respondents switched to other Smartphones (refer Exhibit 8.0).

iii) Important factors that are considered at the time of purchasing a Smartphone

The following details were obtained from the survey results:-

Most important factor in deciding to buy a Smartphone		
Factors	Yes	No
Popularity/Trend	69	31
Electronic WOM	62	38
Advertising	33	67
Peer Pressure	30	70
Trade Show/Events	7	93

This indicates that majority of Smartphone users rely on Electronic WOM (62%) and Popularity/Trend (69%), in terms of purchasing Smartphones and the least influencing factors are trade shows/events.

iv) Factors that are mostly liked about BlackBerry Smartphones

The following details were obtained from the survey results:-

What do you like most about BlackBerry Smartphone?		
Factors	Yes	No
Exclusive features	83	17
Brand Name	43	57
Value of money	36	64
Quality	21	79
Broad Selection	17	83

It is observed that BlackBerry Smartphones are highly favored for their exclusive features among the 83% of the total respondents; and least favored for their broad selection. This implies that majority of Smartphone users (from the total respondents) are not satisfied with the variety that BlackBerry offers in terms of their product line under Smartphones category.

v) BlackBerry Smartphone pricing

According to the survey results; 21% of the total respondents strongly agree that BlackBerry charges fair prices; while 36% of the total respondents agree on the same; while 29% of the total respondents are neutral about this statement and only a small percentage of the total respondents disagree and strongly disagree on the fact that BlackBerry charges fair prices.

vi) Positive experience with BlackBerry

It is observed that 17% of the total respondents strongly agree that their experience with BlackBerry is positive while 11% of the total respondents strongly disagree on this factor. Moreover, 34% of the total respondents are reported to be neutral on this issue; which indicates their indifference on their experience with BlackBerry; implying the fact that their experience with BlackBerry Smartphone was neither considerably positive nor considerably negative.

vii) Preference in terms of Smartphones

It is reported from the survey results that 36% of the total respondents strongly disagree that they would prefer using other Smartphones (like Android/iPhone) over BlackBerry Smartphones; while 9% strongly agree that will prefer to use other Smartphones over BlackBerry Smartphones.

viii) Purchasing BlackBerry Smartphone

It is reported from the survey results that 42% of the total respondents strongly disagree about purchasing BlackBerry Smartphone as their next phone; while only 7% strongly agree about purchasing BlackBerry Smartphone as their next phone.

ix) Recommending BlackBerry Smartphone

It is reported from the survey results that 32% of the total respondents will not recommend BlackBerry to their friends or colleagues, while only 5% of the total respondents are likely to recommend BlackBerry to their friends or colleagues.

x) Current favorability of BlackBerry relative to iPhone / Samsung Smartphone

It is observed from the survey results that 48% of the total respondents do not consider BlackBerry Smartphone to be as favorable as it was before the launch of iPhone and Samsung Smartphone in UAE's Smartphone industry.

xi) Availability of BBM in all Smartphones

45% of the total respondents have reported to have strongly disagreed regarding purchasing a BlackBerry Smartphone; on account of the fact that BBM is available on all Smartphones, while 11% of the total respondents strongly agreed that they will purchase BlackBerry Smartphone, regardless of the fact that BBM is available on other Smartphones.

(II) HYPOTHESES TESTING (Refer Exhibit 9.0)

* Those hypotheses that are in bold italics are accepted

H1: Lack of customer loyalty leads to brand switching

Ho: Customer loyalty has no impact on brand switching among Smartphone customers

Independent variable (IV) = Brand loyalty

Dependent variable (DV) = Brand switching

In this research, the preference of using BlackBerry Smartphone over other Smartphones is used to measure 'brand loyalty' (Q11 from the survey) and the intention of purchasing BB as the next phone (Q12 from the survey) is used to measure brand switching

In order to test the correlation between the above mentioned variables (brand loyalty – being the independent variable & brand switching being the dependent variable), SPSS was used to compute the bivariate correlations between the above mentioned variables. It is observed that the significance is 0.00 (that is lower than 0.05); hence, it is evident that there is a significant correlation between 'customer loyalty' and 'brand switching' i.e. there is a significant correlation between the preference of using BlackBerry over other Smartphones and intention of buying a BB as their next Smartphone. Therefore we reject the null hypothesis (H_0) and accept the research hypothesis (H_1).

Since adjusted R^2 is 43.9% - this means that 43.9% of variance in the brand switching behaviour of customers is explained by brand loyalty. According to the regression equation (refer to Exhibit 9.0**); high loyalty will lead to low brand switching among Smartphone customers and low loyalty will lead to high brand switching among Smartphone customers.

H2: Pricing matters lead to brand switching

Ho: Pricing does not influence brand switching among customers

IV = Pricing matters; defined as extent to which BB price is considered fair

DV = Brand Switching

To test this research hypothesis (H2), (Q9) from the survey is used to measure whether Smartphone users consider BB prices as 'fair' (Independent variable that implies the fact that BB Smartphones are reasonably priced i.e. those prices are justified) and (Q12) from the survey is used to measure 'brand switching'. In order to study whether the extent to which Smartphone consumers consider BlackBerry prices to be fair has any correlation on brand switching, (where both are measured using continuous scale); bivariate correlation is conducted through SPSS based on the data obtained from the surveys. The results from this exercise indicated that the significance level is 0.054 (slightly greater than 0.05), therefore H_0 is accepted. Therefore, the research hypothesis is rejected. Hence, it is concluded that there is no significance correlation between the extent to which Smartphone consumers believe that BlackBerry is fairly priced and brand switching among Smartphone customers; thus there is no significant correlation between pricing matters and brand switching. Since there is no correlation between H2 and H_0 , further regression analysis is not conducted, as it is not relevant in this case.

H3: Product advancements lead to brand switching

Ho: Product advancements do not influence brand switching among customers

Independent variable: Product advancements; defined as any variation in terms of product features

Dependent variable: Brand switching

In order to test H3, (Q7_5 from the survey) is used to measure product advancements (in terms of the no. of Smartphone consumers that consider buying BB because of its product features) and (Q12) is used to measure Brand Switching. Since IV is measured using nominal scale and DV is measured using continuous scale; Independent t-test method is used to test the validity of H3. The results from the independent t-test indicate that H_0 is accepted (since significance level is 0.608) and hence, it is concluded that Product advancements do not influence brand switching among customers and therefore the Research Hypothesis is rejected.

H4: Reference groups influence Smartphone users to switch brands

Ho: Reference groups do not influence brand switching behaviour among Smartphone users

Independent variable: Reference group

Dependent variable: Brand switching

In order to measure the influence of reference groups (Q6_3 from the survey) is considered and (Q12) is used to measure brand switching). On account of the fact that IV is measured using nominal scale and DV is measured using continuous scale; an Independent t-test is conducted to test the validity of H4. It is observed from SPSS results that the significance level is 0.975 (greater than 0.05); which means that the H_0 is accepted and hence it is concluded that 'reference groups do not have any impact on the brand switching behaviour among Smartphone users), while the research hypothesis H5 is rejected.

H5: Brand awareness influences brand switching among Smartphone users

Ho: Brand awareness does not influence brand switching among Smartphone users

Independent variable: brand awareness

Dependent variable: brand switching

IV is measured using (Q3 from the survey) and DV is measured using (Q12) from the research survey; upon conducting independent t-test (as IV is measured using nominal scale and DV is measured using continuous scale) in order to test the hypothesis (H5), it is observed that – since the significance level is 0.369, H_0 is accepted and it is concluded that brand awareness has no impact on brand switching among Smartphone users. Therefore the research hypothesis H5 is rejected.

H6: Availability of BBM in all Smartphones will lead to brand switching

Ho: Availability of BBM will not have any influence on brand switching

Dependent variable (IV): Brand switching

Independent variable (DV): Influence of the availability of BBM on purchasing Smartphones

Furthermore, in order to test H6, (Q15 from the survey) is used to measure the influence of the availability of BBM on purchasing BlackBerry / other Smartphones and (Q12) is used to measure Brand Switching. Since both variables are measured using continuous scale, bivariate correlation is tested between the mentioned IV and DV. It is observed that the significance level is 0.00 (lower than 0.05); H_0 is rejected and therefore it is concluded that there is a significant positive correlation between the brand switching behaviour among Smartphone users and the influence of BBM availability on Smartphone purchasing. Hence regression testing is further carried out; where it is observed that 43.9% of the variance in brand switching is explained by the IV in this case (i.e. the influence of the availability of BBM on purchasing Smartphones).

5. LIMITATION & CAVEATS

As useful as market research tools and techniques are, limitations exist to the fine research. The sample size selected for the research has been on the basis of the chosen target segment and so it shouldn't be mistakenly taken in consideration for a larger group of population. Furthermore, the research design adopted may be subject in terms of various types of errors, including Random sampling error as mentioned earlier and Non- sampling error which outlines response error such as the researcher's side of surrogate information, the measurement, population definition, sampling frame and data analysis errors.

Moreover the research maybe subject to interviewing and respondent feedback errors. In addition, this report is the foundation of the practical market failure of BlackBerry within the U.A.E and shouldn't be used as bases to absolute decision making. Therefore, BlackBerry Ltd is advised to not overly rely upon the outcomes and further use them for inadvertent or immoral purposes. Nonetheless, this research is a significant aspect of what has been critically analyzed from the selected sample size in regards to various beliefs, current understanding and value in relation to where BlackBerry Smartphone stands as a brand. Moreover, the time that has been allocated for the marketing research study lasted for one semester. Therefore, all critical data calculated and findings gathered for this research report reflect current consumer perception and the pertinent market analysis up until the date of submission of this report. Last but not least, this report is not entitled to or subject to any future changes within the chosen Smartphone industry and/or other business's mentioned.

6. RECOMMENDATIONS

Considering the various potential variables that influence Brand Switching, from the focus group analysis and in-depth analysis and their validation using quantified results; the following important factors are highly recommended;

- a. It is evident that BlackBerry Ltd must strongly focus on increasing loyalty among its target customers, as majority of their customers are shifting heavily towards other Smartphone brands; where the concept of increased brand switching is significantly prevalent due to lack of loyalty. It is apparent that loyalty could be increased by increasing brand aspiration of the BlackBerry brand; which is currently known to be deteriorating especially amongst those who switched from BlackBerry Smartphones to other brands. Moreover, they must also increase their brand aspiration by creating innovation in their products, while positioning their brand to be unique; to gain customer trust and loyalty; which is currently lacking due to the onset of BBM being available on all Smartphones; that has proved to be a substantial factor in highly encouraging Smartphone users to switch brands among Smartphones).
- b. Furthermore, it should focus on improving their product line in terms of their Smartphone products, as it is observed from the descriptive results that they are least favoured in this marketing aspect (according to the research, only 17% of the total respondents perceive BlackBerry to have a broad range of products).

Therefore; to sum it all, BlackBerry Ltd must focus on ways that could substantially discourage the current users of BlackBerry Smartphones from switching to other Smartphone brands, by establishing a strong focus on maintaining and strengthening customer loyalty and improve its product strategy by means of innovation and

establishment of distinguishable unique factors that could momentarily instil positive brand attitude amongst current users as well as prospective customers.

7. CONCLUSION

It is evident that the major findings indicate that lack of Customer loyalty had significant influence on Brand switching behavior among Smartphone users and therefore it has been observed that the greater the loyalty for BlackBerry as a brand, the lesser the likelihood of switching from BlackBerry Smartphone to other Smartphone brands. Moreover, the availability of BBM in other android/ iPhone Smartphones (that was previously BlackBerry Smartphone's unique feature) has caused a downturn and is proved to be another major factor that significantly influences brand switching among BlackBerry Smartphone users in UAE; which is allowing opportunist competitors to take advantage of BlackBerry Smartphone's loss of exclusivity. Meanwhile, the impact of reference group, pricing matters, brand awareness and product features proved to have significantly negligible on brand switching. Therefore, it is concluded that by means of comprehensive exploratory and quantitative research; all research questions pertaining to the current brand switching of BlackBerry users to other Smartphone brands were appropriately answered to the utmost level of criticality; where all variables were validated through adequate quantification of results and relevant hypothesis testing.

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