

Understanding the Dynamics of Customer Switching Behavior among Ageing Consumers: A Special Emphasis on Health Tourism

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Abstract:

This study investigates the complexities of customer switching behavior within the realm of health tourism, particularly focusing on the aging consumer segment. With the escalating global demand for health tourism services, comprehending the determinants influencing aging consumers' decisions to switch providers has gained paramount importance. Through employing multiple regression analysis, this research aims to unearth the key factors impacting the switching behavior of aging consumers within the health tourism sector. It centers on evaluating the significance of customer satisfaction, perceived value, service quality, and socio-demographic elements like age and income in shaping their inclination to switch health tourism providers. Furthermore, it scrutinizes the influence of marketing strategies and communication channels on the decision-making process of aging consumers. The findings of this regression analysis are poised to offer invaluable insights for healthcare providers, tourism agencies, and policymakers, enabling the tailored development of strategies that meet the evolving needs and expectations of aging consumers. This, in turn, is geared towards fostering heightened satisfaction and loyalty among aging individuals within the health tourism industry.

Keywords: Ageing Consumers, Customer Switching Behaviour, Health Tourism, Marketing Strategies, Service Quality

Introduction:

In today's tourism landscape, there's an ongoing contribution to perceived health and overall well-being. This discussion delves into the individual and social motivations behind engaging in tourism within this framework. (Marmion & Hindley, 2020) opined that some individuals have precise and predetermined health-related motives for traveling, while others find a more implicit sense of escape and relaxation leading to an enhanced feeling of well-being. Recognizing that tourism experiences have the potential to positively impact specific health markers, acknowledging the role of tourism in fostering health and well-being becomes essential for advancing good health and overall well-being (Marmion & Hindley, 2020). Health tourism, a burgeoning industry, encompasses a diverse array of medical, wellness, and rejuvenation services sought by individuals across the globe. Future research could extend findings on elderly consumers and brands to investigate whether this demographic exhibits higher or lower brand loyalty in tourism compared to other consumer groups. Additionally examining how tourism contributes to enhancing the wellbeing of elderly consumers and determining the critical aspects of tourism that hold significance for this demographic. Moreover, (Berg & Liljedal, 2022) notes the importance of future research investigating the impact of the COVID-19 pandemic on elderly consumers within the tourism sector. (Berg & Liljedal, 2022) outlines three key future research directions for studying elderly consumers Replication of previous research in light of evolving demographics and technological changes. Integration of marketing research with psychology, gerontology, and technology for a holistic approach. Emphasis on more geographically and culturally diverse studies considering the global variation in ageing demographics, presenting an opportunity to explore consumer aging in regions with historically low proportions of elderly consumers. This implies the utilization of personalized marketing strategies and tools. Within this industry, the behaviour of ageing consumers regarding their choice of service providers and their potential to switch between them has garnered increasing attention. The dynamic nature of customer switching behavior within health tourism among ageing consumers represents a critical area of study.

The significance of understanding customer switching behavior among ageing consumers in health tourism lies in its multifaceted impact. As the global population ages, older individuals constitute a substantial consumer segment within the health tourism domain. Their distinct preferences, needs, and decision-making processes present unique challenges and opportunities for service providers. Recognizing the factors that influence their decisions to switch providers is imperative for service quality enhancement, customer retention, and sustainable business growth.

Customer switching behavior denotes consumers' propensity to change service providers due to various reasons such as dissatisfaction, perceived value, or changing needs (Kim & Kim, 2018). In health tourism, this behavior can significantly affect providers' ability to maintain a loyal customer base and sustain competitiveness in a rapidly evolving market.

Therefore, exploring the intricacies of this behavior among ageing consumers assumes critical importance for providers aiming to tailor their services and strategies to cater effectively to this demographic

Objectives and Research Questions:

This research aims to investigate the complexities of customer switching behavior among ageing consumers in health tourism with the following objectives:

1. To identify the primary factors influencing customer switching behavior in health tourism among ageing consumers.
2. To analyze the impact of satisfaction, service quality, and demographic variables on the propensity of ageing consumers to switch health tourism service providers.
3. To assess the implications of customer switching behavior for health tourism providers and propose strategies for customer retention and satisfaction enhancement.

This paper is structured to comprehensively explore the dynamics of customer switching behavior among ageing consumers in health tourism. The literature review section will delve into existing research, theories, and models pertinent to customer behavior, ageing consumers, and health tourism. Following this, the methodology section will outline the research design, data collection, and analysis methods employed in this study. Subsequently, the results and discussion sections will present and interpret the findings. Finally, the conclusion will summarize the key findings and their implications for health tourism providers.

2. Literature Review:

The phenomenon of customer switching behavior within the health tourism industry among ageing consumers reflects a dynamic interplay of various factors. Understanding these factors is essential for health tourism providers to adapt their strategies and retain this demographic.

Customer switching behavior involves consumers' decisions to change service providers. Within health tourism, this behavior can be driven by various factors. Enhancing their services across the five factors mentioned, particularly by bolstering capacity and tangibility, enables commercial banks to better meet their customers' needs. Moreover, there exists a robust and positive correlation between customer satisfaction and customer loyalty (Ngyun, Pham, Tran, & Pham, 2020). Satisfaction acts as a critical determinant influencing customer loyalty and retention within health tourism services. It was indicating that higher satisfaction levels positively correlate with reduced switching intentions. But (Wei, 2023) study suggests that effective coordination of factors influencing brand, firm, and sales people loyalty enhances customer satisfaction and loyalty. Failure to recognize or implement these elements may impede efforts, resulting in reduced loyalty or dissatisfaction. Furthermore, the perceived service quality significantly impacts customer retention. The level of service quality experienced directly influences the likelihood of customers switching . (Machin, 2016) findings propose that adopting a rejection-based decision strategy is a beneficial coping mechanism for consumers, especially when facing potential product or service failures. This strategy is recommended for various situations, including everyday consumer decisions and critical choices like medical decision-making.

Ageing consumers constitute a significant segment within health tourism due to their distinct preferences and needs. Past studies reveal that ageing individuals often seek health tourism for medical treatments, wellness programs, and rejuvenation experiences. Their decisions to engage in health tourism are influenced by factors like seeking better healthcare, enhanced well-being, and cultural experiences .

(Moschis, 2012) has concluded that the significance of emergent paradigms and methods that are gaining traction in behavioral sciences. These methodologies show potential in examining the consumer behavior of older adults.

(Nikitina & Vorontsova, 2015) concluded that population ageing presents a fresh demographic challenge in society, necessitating tourism to adapt with novel forms and types of tourism, as well as innovative service technologies. She highlights several key trends associated with population ageing that tourism organizers should prioritize: the expansion of the "third age" tourist segment, the emergence of "senior tourism" as a distinct segment, the development of advanced hotel and resort complexes offering comprehensive geriatric care, the promotion of active ageing, and the widespread adoption of technology. Ageing consumers' decisions in health tourism are also shaped by their demographics. Age, income, education, and cultural background contribute to their preferences and provider choices. For instance, older consumers might prioritize health-related services, while younger individuals might seek wellness or aesthetic treatments. Similarly, income levels and educational backgrounds influence the type and quality of services sought by consumers .

3. Methodology :

This study employs a quantitative approach to gain a comprehensive understanding of customer switching behavior among ageing consumers in health tourism. This approach integrates both quantitative and qualitative methodologies. The quantitative aspect involves structured questionnaires administered to collect numerical data on various factors influencing switching behaviour. The sampling strategy utilizes purposive sampling to select participants. Criteria for participant selection involve individuals aged 50 and above, who have engaged in health tourism services within the past two years. This criterion ensures a targeted focus on the ageing population actively involved in health tourism, allowing for insights specific to this demographic. Participants were recruited from diverse geographical locations to capture varied perspectives.

Quantitative data was collected through structured questionnaires distributed among ageing consumers accessing health tourism services through online forms and by telephonic conversations. The questionnaire encompasses items measuring satisfaction levels, perceived service quality, demographics, intention to switch providers, and other relevant variables using Likert scales and categorical responses.

The variables to be measured include:

1. Dependent Variable: Likelihood or intention of switching health tourism service providers.
2. Independent Variables: Factors such as satisfaction levels, perceived service quality, demographics (age, income, education), promotional influences, trustworthiness of information, and cultural preferences and marketing.

Quantitative data obtained from the questionnaires underwent statistical analysis using multiple regression analysis. The questionnaire contained 23 items on the basis of 5 point likert scale This analysis aims to identify significant predictors and their impact on customer switching behavior among ageing consumers. It explored the relationships between various independent variables and the dependent variable to ascertain which factors significantly influence the likelihood of switching providers.

The quantitative data analysis techniques enabled a comprehensive examination of the factors influencing switching behavior, offering insights into the complex interplay of variables and stakeholder perspectives within the health tourism industry.

4. Key findings :

Statistical software package SPSS (Statistical Package for the Social Sciences) was employed for regression analysis to facilitate data management, regression modeling, and interpretation of results. The key findings present a comprehensive understanding of factors impacting customer behavior and the predictive power of various variables. From table-1 it is evident that the descriptive statistics illuminated the average inclinations and perceptions within the sampled population. Customers exhibited a moderate inclination (mean of 3.8042) towards switching health tourism providers, with relatively lower variability in this behavior (standard deviation of 0.74403). Respondents generally perceived marketing efforts positively (mean of 3.8755) with consistent perceptions (lower standard deviation of 0.58583). Moderately favorable perceptions of service quality (mean of 3.7956) and relatively consistent satisfaction levels (mean of 3.9057) were reported, highlighting some variability in perceptions. The perception of value received (mean of 3.8113) .

	Mean	Std. Deviation	N
CustomerSwitchingBehavior	3.8042	.74403	106
Marketing	3.8755	.58583	106
ServiceQuality	3.7956	.72239	106
Satisfaction	3.9057	.64036	106
ValuePerception	3.8113	.70075	106
SocioDemographics	3.7406	.62661	106

Table -1

and socio-demographics (mean of 3.7406) portrayed moderate ratings with consistent perceptions among respondents.

The correlations among variables revealed intricate relationships influencing customer behavior. Marketing efforts showed significant correlations with service quality, value perception, satisfaction, and socio-demographic factors. Service quality exhibited moderate to strong positive correlations with customer switching behavior, marketing, value perception, satisfaction, and socio-demographics. Satisfaction and value perception showcased moderate associations with service quality, marketing, and socio-demographics. Socio-demographic factors exhibited strong correlations with various aspects, including customer behavior, marketing, service quality, value perception, and satisfaction.

Regression Model Building: Model 1, with only "Marketing" as a predictor, explained 34.7% of variance in customer switching behavior. Model 2, incorporating "Service Quality" alongside "Marketing," significantly improved the predictive power, explaining 47.5% of the variance. The R Square Change of 12.8% and the significant F Change value in Model 2 emphasized the enhancement in predictive ability with the addition of "Service Quality."

In Model 1, "Marketing" emerged as a significant predictor, showcasing a strong relationship with customer switching behavior. Model 2 revealed both "Marketing" and "Service Quality" as significant predictors, although "Service Quality" demonstrated a slightly higher Beta value, indicating its increased importance in predicting customer behavior in the presence of marketing efforts.

Model Summary^c

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.589 ^a	.347	.341	.60405	.347	55.304	1	104	.000	
2	.689 ^b	.475	.464	.54447	.128	25.006	1	103	.000	1.890

a. Predictors: (Constant), Marketing

b. Predictors: (Constant), Marketing, ServiceQuality

c. Dependent Variable: CustomerSwitchingBehaviour

Table -2

Multicollinearity concerns were observed, particularly between "Marketing" and "Service Quality" in both models, suggesting caution in interpreting their individual effects due to potential correlations among predictors. The exclusion of variables like satisfaction, value perception, and socio-demographics from Model 1 was due to weaker relationships with customer switching behavior in the presence of marketing efforts. In Model 2, satisfaction was excluded due to its weaker relationship when both marketing and service quality were considered.

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		
				(Constant)	Marketing	ServiceQuality
1	1	1.989	1.000	.01	.01	
	2	.011	13.368	.99	.99	
2	1	2.973	1.000	.00	.00	.00
	2	.017	13.036	.56	.00	.68
	3	.009	17.693	.44	1.00	.32

a. Dependent Variable: CustomerSwitchingBehaviour

Table-3

Variance proportion analysis indicated that marketing, service quality, and to a lesser extent, socio-demographic factors, contributed significantly to explaining variance in customer switching behavior. The predicted values ranged between 2.45 and 4.82, with an average predicted value around 3.80, suggesting reasonable accuracy. Residuals ranged from -1.24 to 1.74, indicating accurate predictions on average, although there might be slight overestimations or underestimations.

5. Discussion :

Understanding the Dynamics of Customer Switching Behavior among Ageing Consumers in the Health Tourism sector involves a multifaceted examination of various influential factors. The research questions

addressed major aspects of this intricate landscape, shedding light on critical aspects that impact customer behavior, satisfaction, and retention strategies.

Primary Factors Influencing Customer Switching Behavior:

The investigation identified crucial factors influencing customer switching behavior among aging consumers within health tourism. Correlation analysis revealed that marketing efforts, service quality, value perception, and socio-demographic factors significantly impact the propensity of customers to switch providers. Marketing emerged as a particularly strong influencer, showcasing robust correlations with service quality, value perception, satisfaction, and socio-demographics. Service quality also played a pivotal role, demonstrating strong connections with multiple factors, including customer switching behavior, value perception, satisfaction, and socio-demographics.

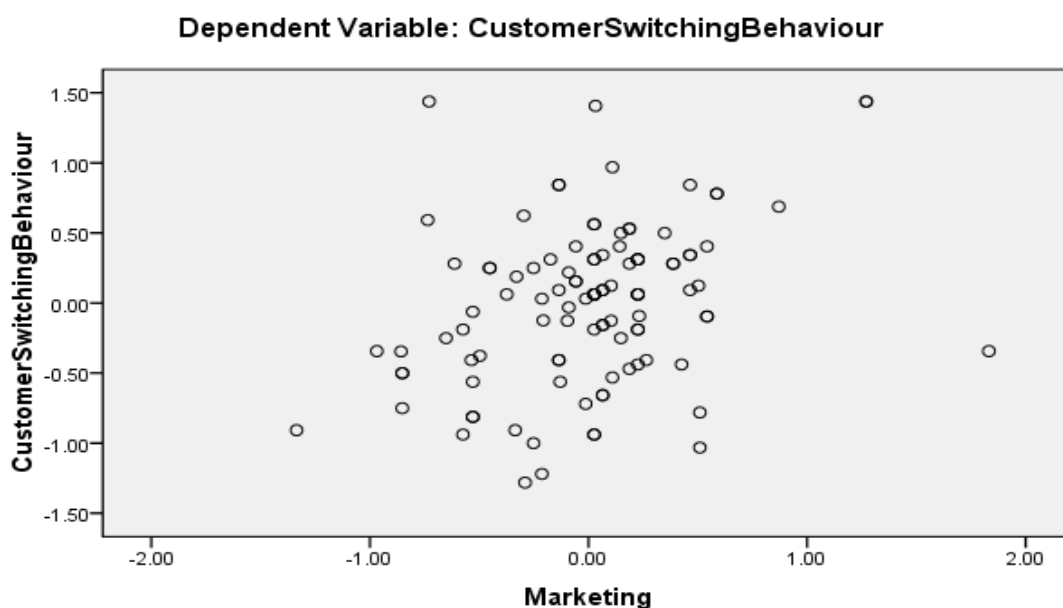
Impact of Satisfaction, Service Quality, and Demographic Variables:

Satisfaction levels, service quality, and demographic variables wield considerable influence over the propensity of ageing consumers to switch health tourism service providers. While satisfaction demonstrated moderate correlations with various aspects, its relationship with customer switching behavior was relatively weaker, indicating a nuanced role in influencing provider-switching decisions. Service quality emerged as a significant predictor, showcasing moderate to strong correlations with customer behavior, satisfaction, value perception, marketing efforts, and socio-demographics. Demographic factors also exhibited substantial associations, influencing perceptions and behaviors within health tourism, albeit in conjunction with other influential factors.

Implications for Health Tourism Providers and Retention Strategies:

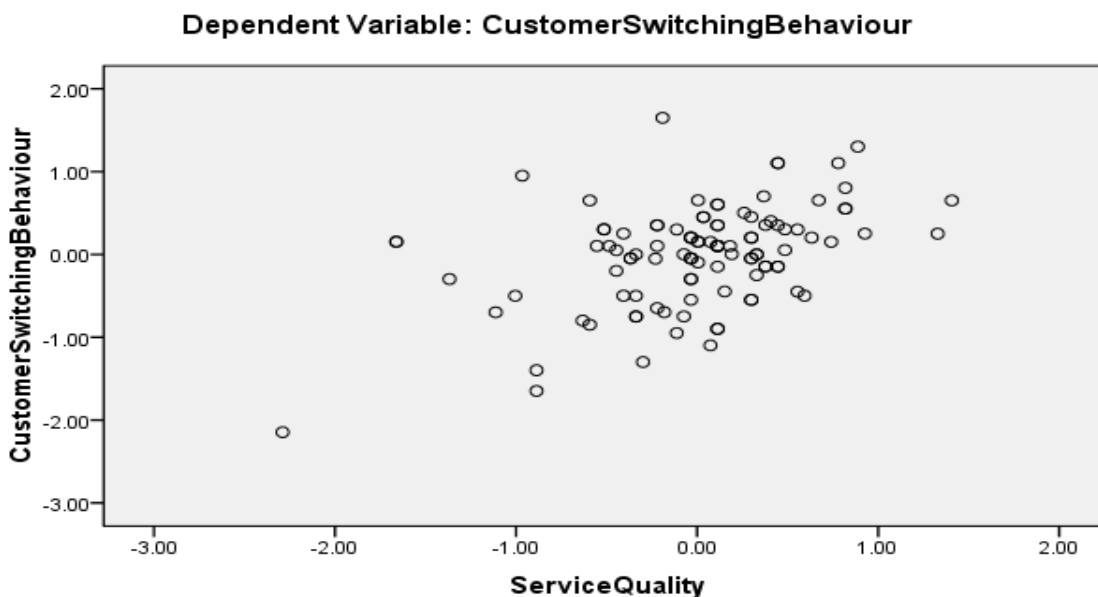
The research findings hold profound implications for health tourism providers seeking to optimize customer retention and satisfaction. The moderate inclination of aging consumers towards provider-switching, despite generally positive perceptions, underscores the importance of strategic interventions. Providers should focus on maintaining or elevating service quality and enhancing perceived value to bolster customer retention in this competitive sector. Effective marketing strategies, closely interlinked with service quality, could positively influence overall customer experience and perception, amplifying the potential for retention.

Partial Regression Plot



The significance of factors like service quality and marketing efforts was underscored by regression analyses, emphasizing their roles as key predictors of customer switching behavior. Model 2, which integrated both marketing and service quality, notably improved the predictive power, indicating that a comprehensive understanding of these factors is vital in anticipating and mitigating customer churn. However, the presence of multicollinearity necessitates cautious interpretation of individual effects.

Partial Regression Plot



Moreover, excluded variables like satisfaction, value perception, and socio-demographics, while influential in isolation, showed weaker associations with customer switching behavior when considered alongside marketing and service quality. This underscores the need for a holistic approach in analyzing customer behavior, recognizing the interconnectedness of various factors. The implications extend to strategies for enhancing customer retention and satisfaction within health tourism. Providers should prioritize both effective marketing strategies and continual improvement in service quality to reduce the propensity of aging consumers to switch providers. Balancing these factors could fortify the understanding of and mitigation against customer churn. Additionally, considering demographic differences in conjunction with these factors could facilitate tailored strategies for different consumer segments, fostering stronger retention and satisfaction.

6. Conclusion :

The investigation into Customer Switching Behavior among Aging Consumers in Health Tourism presented multifaceted conclusions, shedding light on vital aspects influencing consumer decisions and provider strategies within this domain. The research revealed that customers within health tourism, primarily aging consumers, generally reported moderate to high satisfaction levels and positive perceptions of marketing, service quality, and value received. However, variability in perceptions, particularly in service quality and value perception, suggested areas for improvement. The moderate inclination towards switching providers, despite general satisfaction, indicated underlying factors prompting consideration for change among some customers. Several influential factors were identified, showcasing significant correlations with Customer Switching Behavior. Marketing efforts displayed strong interconnections with service quality, value

perception, and demographics, emphasizing its role in shaping overall customer experiences. Service Quality emerged as a consistent influencer, impacting satisfaction, value perception, and customer behavior.

The correlation between Satisfaction and Value Perception underscored the relationship between perceived value and satisfaction levels, indicating the potential for increased satisfaction through enhanced perceived value. Additionally, socio-demographic factors were found to play a significant role in influencing perceptions and behaviors within health tourism.

The models highlighted the pivotal roles of Marketing and Service Quality in predicting Customer Switching Behavior. Although Marketing initially showed a strong relationship, the inclusion of Service Quality improved the models' predictive power, underscoring the importance of a holistic approach. Multi co-linearity concerns were noted between Marketing and Service Quality, urging caution in interpreting their individual effects. Despite this, the models provided reasonably accurate predictions for Customer Switching Behavior.

7. Implications of this study:

This research holds substantial implications for health tourism providers. The findings emphasize the interconnected nature of influential factors in customer behavior, urging providers to prioritize service quality enhancement, perceived value, and demographic understanding to mitigate switching behaviors and enhance satisfaction and loyalty. Effective marketing strategies aligned with these factors could significantly contribute to customer retention and positive experiences within health tourism.

Understanding customer switching behavior among aging consumers in health tourism is paramount for providers aiming to navigate an increasingly competitive market. The study underscores the necessity of prioritizing service quality improvements, tailored marketing strategies, and a comprehensive understanding of customer preferences to foster enduring relationships and sustain competitiveness within the health tourism landscape.

9. Future Research:

Refinement of Models: Future studies could refine models to address multi co-linearity concerns, possibly exploring alternative modeling techniques specific to the ageing population in health tourism. Long-term tracking of ageing consumers' health tourism behavior could provide deeper insights into the evolving dynamics and preferences over time. Further research also into the intricate mechanisms driving customer behavior will be pivotal in refining strategies and strengthen the health tourism sector's long-term viability and success.

10.Conflict of interest: There is no conflict of interest.

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