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School of Business and Economics
North South University, Dhaka, Bangladesh

M. Khasro Miah, PhD
Professor
Department of Management
School of Business & Economics
North South University, Dhaka
Bangladesh

Jashim Uddin Ahmed, PhD
Professor & Chair
Department of Management
School of Business & Economics
North South University, Dhaka
Bangladesh

Mohammad Istiaq Azim, PhD
Professor
Department of Accounting & Finance
School of Business & Economics
North South University, Dhaka
Bangladesh

Dr. Shantanu Dutta
Associate Professor (Finance Area) and Telfer Fellow in Global Finance
Telfer School of Management
University of Ottawa, Ontario
Canada

Bhasker Mukerji, PhD
Associate Professor
Gerald Schwartz School of Business and Information Systems
St. Francis Xavier University, Nova Scotia
Canada

Kayvan Miri Lavassani, PhD
Associate Professor
School of Business
North Carolina Central University, Durham, NC
USA

Muhammad Sabbir Rahman, PhD
Associate Professor
Department of Marketing & International Business
School of Business & Economics
North South University, Dhaka
Bangladesh

Muhammad Shakaib Akram, PhD
Lecturer in Marketing
Essex Business School, University of Essex
United Kingdom

Published by: School of Business and Economics, North South University, Bashundhara, Dhaka 1229 Bangladesh. Phone: 880-2-5566 8200, Fax: 880-2-5566 8202
E-mail: mahmud_akh@yahoo.com

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EDITORIAL NOTE: STRATEGY FOR MARKET DEVELOPMENT

Hope you are staying safe in Covid-19 era. Due to this unprecedented situation, right now we are unable to publish hardcopy of NSBR. However, online version is now published and uploaded in NSU website. We are pleased to invite you to the first issue of Journal "North South Business Review" (NSBR) published by School of Business and Economics (SBE), North South University in 2020. It is our pleasure to acknowledge that international researchers from multidisciplinary areas with the new methods of business research are becoming interested to publish their research papers in this journal. Many researchers from different institutions with multidisciplinary background have shown immense interest to publish their scholarly articles in NSBR. After thorough blind review, we have selected four advance research papers to publish in this issue. In addition to these four papers, there is a special discussion on social marketing proposed by the managing editor and Bhasker Mukerji, PhD, Associate Professor, Gerald Schwartz School of Business and Information Systems, St. Francis Xavier University, Antigonish, Nova Scotia, Canada. We deeply hope that these papers can create scholars' interest as well as these can fulfill their inquisitive learning expectations to develop market. The central focus of this issue is to address multidisciplinary problems and strategic policies with applications for market development.

This issue contains the above mentioned papers which are precisely focused on different issues of policy and development study, management, and marketing aspects of global economy. Integrating these theoretical and application based concepts, this issue ultimately presents a comprehensive view of advance research and a new trend of market development.

It is our earnest hope that the readers will enjoy reading this issue as much as we did during our review of the papers for this issue.

Mahmud Akhter Shareef, PhD
Managing Editor
NSBR

ACKNOWLEDGMENTS

I would like to thank Professor Abdul Hannan Chowdhury, Dean, School of Business and Economics, North South University and Editor-in-chief of NSBR for giving me the opportunity and support to edit this issue. As Managing Editor, I have been impressed by the many scholarly articles we received in response to the call for papers for this issue. All submissions went through two blind review cycles before receiving final acceptance. We gratefully acknowledge the support of the referees who reviewed the manuscripts and provided thoughtful suggestions for improving the quality of the papers.

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MARKETING ON SOCIAL MEDIA-ADVERTISEMENTS ON FACEBOOK: MULTIPLE CASE STUDIES IN A DEVELOPING COUNTRY

Bhasker Mukerji[1], Mahmud Akhter Shareef[2]

ABSTRACT

Social Media marketing is growing and has created an excellent avenue for marketers to reach out to consumers. However, the technique, strategy, and appeal of social media marketing are quite different from traditional promotional marketing. This study has investigated consumers' attitudinal behavior toward social media marketing through three brief case studies.

Keyword: Social media marketing, Viral marketing, Advertisement, Promotional marketing, Digital marketing, Consumer behavior, Attitude

INTRODUCTION

From the end of the last century, marketing managers were striving to reach out to mass customers with new and innovative marketing tools which can serve the essential nature of effective marketing, i.e., the scope of two-way interaction (Shareef et al., 2016; Taylor et al., 2011). At the same time, the effect of traditional marketing was being faded out to create effective impressions on the consumer's mind (Taylor et al., 2011). Like Shareef et al (2019) remarked, "The use of traditional one-way communication to promote consumer perception and boost their favorable attitude for the product value has been dramatically losing its persuasive influence due to the introduction of Facebook as a connection for peers and its overarching appeal".

Several scholarly studies (Chu, 2011; Goraya, et al., 2019; Hayes and King, 2014; Logan et al., 2012; Shareef et al., 2018; Shareef et al., 2018) were engaged to explore new marketing strategies and identify customer relationship marketing which can effectively promote products. Digital marketing brought the solution of this extensive research which is now widely promoted through social media, named as viral marketing (Chu, 20111; Goraya, et al., 2019; Hayes and King, 2014). Nowadays, marketing managers are now competing among themselves about how to use this promotional marketing through social media more efficiently than others to capitalize market benefits and capture huge consumers with continuous interaction (Shareef et al., 2016). Social media marketing is regarded as one of the most effective and widespread marketing tools of the twenty-first century (Barnes and Mattson, 2009; Chu, 20111; Hayes and King, 2014; Logan et al., 2012). In reference to several social media marketing researchers (Akar and Topcu, 2011; Kim and Ko, 2012), Shareef et al (2019) revealed that, "Marketers and consumers are at present extending their communication through a dynamic new media called the social network. This is the latest development in advertising products and communicating with consumers. Facebook, in particular, is one of the fastest growing social media which encompasses enormous spontaneous brainstorming among its network members for developing any opinion".

Advertisement through social media has created a new way to promote products and reach out huge customers as well as to establish informal relations with them (Barnes and Mattson, 2009; Chu, 20111; Logan et al., 2012; Shareef et al., 2018; Taylor et al., 2011). In this regard the type, pattern, and procedure of promotional marketing have been changed in social media. While attempting to create exposure, attention, and persuasion, marketers of social media use not only traditional aspirational reference group but also associative reference group who have entirely informal influence on the peers of their group to build up shared views about any

1. St. Francis Xavier University, Antigonish, Nova Scotia, B2G1W5, Canada
2. School of Business & Economics, North South University

product or service (Barnes and Mattson, 2009; Taylor et al., 2011). "Fundamentally, a general peer of a network in Facebook can informally generate an influential statement, disseminate it as a regular network activity among loop peers, and substantially influence a favorable attitude towards the product" (Shareef et al., 2019).

Heuristically, general users of social media, while collecting information from their peers as a customer, act differently in comparison to regular customer (Barnes and Mattson, 2009; Chu, 2011). Several researchers (Goraya, et al., 2019; Hayes and King, 2014; Logan et al., 2012; Shareef et al., 2018; Taylor et al., 2011) have postulated that source derogation and type of statement (either formal or informal) have compounding effect on consumers mind to pursue their favorable attitude toward group opinion (Chu, 2011; Goraya, et al., 2019). In this regard, the real experience gained after purchasing plays a vital role among group members of any social media (Hayes and King, 2014; Shareef et al., 2019). As a result, it is very important for marketing managers to explore and understand the group behavior of social media users to create positive opinions about their products. This study, as its objective to understand social media users' group dynamics to create percussive perception about any product while sharing the views of their peers, has conducted three case studies in a social media group under the context of promotional marketing.

METHODOLOGY

Three brief case studies were conducted to fulfill the objective of this research. With the help of three research assistants who are members of the same Facebook network, the researchers of this study artificially launched a statement about post purchase experience of one research assistant. The first statement which was injected by the research assistant himself (he is an active member of that group) was about purchase of a new smart phone from Samsung. It was "Last week I have purchased the Samsung Galaxy A51. I'd like to say that it is an awesome phone. I'm enjoying using it. It is really fast and has a great camera!

This review was viewed, shared, and passed-on among other members. A week after the circulation of this review, a total fifty peers of that group (randomly selected) were briefly interviewed by the researcher with the help of that research assistant through a mobile. They were asked two simple questions about the mentioned statement regarding post-purchase experience:

1. Do you trust the review/opinion?
2. Why?

Majority of the members in the social media group who have seen and shared the statement replied positively, i.e., they have favorable view on the product after reviewing the aforementioned statement (82 percent). Their reasoning for this trust on that statement was because the person who has shared this view is their group member and they share similar views. In this context, the research assistant, being a close member of this group, worked as an associative reference.

One month after this experiment, the second research assistant shared a statement with the same group, quoting a Bangladeshi popular cricket player's comment regarding one Internet package of Grameen phone. This statement was viewed, shared, and passed-on among other members. One week later of the circulation of this statement, a total of fifty peers from that group (randomly selected) were briefly interviewed by the researcher with the help of that research assistant through a mobile call. They were asked the same two questions about the mentioned statement:

This time 51% of the members from the social media group who have seen and shared that statement replied positively. Their reasoning behind their moderate trust on that statement is because the person who has shared this view is a popular cricket player. The cricket player in this context, worked as an aspirational reference.

One month after the second study, the third research assistant shared a statement with the same group, providing an advertisement of Banglalink about their Internet package. This statement was viewed, shared, and passed-on among other members. A week after the circulation of this statement, a total of fifty peers from that group (randomly selected) were briefly interviewed by the researcher with the help of that research assistant through a mobile call. They were asked the same two questions about the mentioned statement:

This time only 16% of members in the social media group who have seen and shared that statement replied positively and most of the respondents do not have trust on that statement because the advertisement has a commercial purpose. Therefore, we can assume, this advertisement worked as a dissociative reference.

CONCLUSION

Several interesting conclusions can be drawn from these brief case studies. These are listed:

1. Appeal of traditional advertisement is changing, because consumers' attitude toward any commercial advertisement is not positive.
2. Consumers are now very much suspicious in the era of modern social media interaction.
3. In social media, peers have more influence on their group members than any external celebrities.
4. Social media group dynamic is effectively cohesive.
5. Consumers now prefer post-purchase experience to develop their buying attitude.
6. In social media, promotional marketing is spontaneous and not fully controlled by the company itself.
7. Marketers should develop different promotional marketing strategy for social media advertisement

LIMITATION AND FUTURE RESEARCH DIRECTION

The finding of this research can provide a deep insight about social media marketing. In that sense, it has potential contribution for future research. Nevertheless, this is a very brief study. From a research point of view, this finding can be advanced, but should be validated more systematically with detail empirical study.

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PATHAO: A tech start-up that shook Bangladesh

Omar Nasif Abdullah[1], Faysal Ahmed Likhon[2], Ashraf Ali Parvez[3] & Ishmam Ishtiaque[4]

ABSTRACT

"Design-reality gaps" had been a topic of discussion for very long among the tech enthusiasts and academics. The concept entails the challenges of using Information Technology to provide solutions for the emerging markets. While the technological advancements have brought tremendous benefits to the high-income consumers in developed countries; developing countries have been looking for innovative models to deal with their numerous social and infrastructural problems. The gap is therefore in designing solutions that fit into developing world reality. "Pathao", one of the fastest growing ride hailing services from South East Asia seemingly found the sweet spot. Over the past few years, it has grown from a small startup to an organization that is currently valued at approximately $100 Million USD. Ascending from a parcel delivery service, it escalated to a ride-sharing business and has brought a major revamp in the lifestyle, as well as the economy of Bangladesh, Asia's emerging tiger.Dhaka, country's capital city had been dealing with dismal traffic system that eats up 3.2 million working hours per day with significant contribution to air pollution. But, Pathao has brought a stride of change to this by revolutionizing the use of motor bikes. This article investigates how Pathao's smart and proactive business strategy has helped them fight against international powerhouses like Uber, and successfully contributed to the solution of public transport problem in Bangladesh.

Keywords: Value co-creation, Tech-startup, Ride hailing services, Startup, Innovation, Gamification

INTRODUCTION

Pathao is a Bangladeshi tech start-up that was established in the year of 2016. Within first three years of its operation, the company has grown exponentially. The mantra behind Pathao's success has been a business model that tapped into a market suffering from supply-demand gap in its urban transportation system. That too in a country where traffic congestion issues affect daily commute of millions. Initially a logistics service provider for online stores, Pathao's growth has catapulted because of its expansion into the ride-sharing industry of Bangladesh; an industry that has grown manifolds alongside Pathao's growth. But, the most valuable aspect of Pathao's success story is the impact it has brought upon the lives of the commuters of the megacities in Bangladesh. Because of the severe traffic congestions, life was often at standstill for a huge portion of the city dwellers; notably for those, who availed the public transportation. Pathao offered the city dwellers a new form of relief from this issue, and the impact had been so significant that Pathao has traversed from being just a company name to a verb for the local people, akin to how Google is now considered a verb.

This paper aimed at analyzing the success story of Pathao, to extrapolate the factors that had been vital for the growth of a company from a small start-up to a local giant. Pathao is one of the instances in which the level of innovation and the time of entry has been spot on, acting as the primary factors. Along with these, a continuous emphasis on service quality enhancement, successful branding, the socio-economic contexts and the ceaseless passion of the founding trios had been critical driving forces for the company's success.

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1. *Lecturer in the Department of Marketing & International Business at North South University's School of Business & Economics.*
2. *Graduate from North South University. He pursued his Bachelor's degree on Business Administration, majoring in Finance and Marketing.*
3. *Research Reporting Specialist for Uber Bangladesh.*
4. *Final year student pursuing Bachelor's degree on Business Administration, majoring in Finance and Marketing at NSU.*

A detailed analysis of the company can be found in the chapter entitled Company Background which also details out the various services provided by the company. Followed by a timeline of the company's evolution over the span of its operating years, discussed in detail in Evolution of the Company chapter. In the following chapter, we have analyzed the socio-economic as well as the environmental context of the transportation sector of Bangladesh to derive detailed insights that would lead us to a better understanding of the success factors that had been vital for the company's growth. Utilizing the insights obtained from the previous sections, we have derived the core success factors that were vital for the company's tremendous success and exponential growth. However, the company still has very important challenges that it needs to overcome. Challenges chapter discusses the major roadblocks for Pathao in coming times. And, in light ofthese challenges, we have suggested a few recommendations inthe following chapter, that we believe, will protect and sustain the upward trajectory of the organization

The surge of on-demand services around the globe following the tremendous acceptance of Uber has impacted transportation services globally. Such impact demands investigation and analysis. Investigating value co-creation in Self Service Technology industry (Uber and Pathao app, for example) can provide practitioners with important insights into further service improvement. The whole spectrum of value creation is different for on-demand services as the value delivery happens not directly between the consumer and service provider but with the help of a mediator. The mediator here is an application enabled by a smartphone. Therefore, it is important to understand value delivery and value-in-use (Grönroos, 2011) under this new circumstances. This paper, investigates into the success story of Pathao in an aim to provide valuable insights for the practitioners in that regard.

A key objective of this paper is to shed light on how Pathao, despite being a follower in the on-demand ride sharing industry, put forward a business model adaptive to the realities of Dhaka, one of the fastest growing megacity in Asia with abysmal traffic system. These insights could add value to the practitioner's understanding of how to build peer-to-peer solutions that necessarily cater to mass market in developing economies.

This paper's recommendation section put forward some suggestions for Pathao's service development with extensive references from literature. This is a novel attempt by the authors since there are almost no literature in this regard.

COMPANY BACKGROUND

The Beginning

Pathao, the fastest growing tech startup in Bangladesh started its journey as a logistics service provider. Latching on to the growth in e-commerce, Pathao expanded to bike ridesharing, car ridesharing, food delivery services, delivery logistics provider and parcel services. Headquartered in Dhaka, the ride-sharing platform is one of the fastest growing startups in Bangladesh serving more than three million customers. It has grown from a team of 30 people to over 500 in just a few years. Pathao claims more than 50,000 bikes that are a part of its ecosystem spanning across five major cities of Bangladesh. Currently, it handles more than a million rides and over one hundred thousand deliveries each month (Russell, 2018). The company has now become a digital lifestyle platform, a "super-app", offering multiple services that tackle everyday problems. Ascending on the local success, Pathao went beyond the borders of Bangladesh and expanded its operation in Nepal in September 2018. This is the first time that a Bangladeshi ride-sharing platform has launched operations beyond its borders (Antara, 2018).

A look into Pathao App

Pathao uses peer-to-peer ridesharing technology. Peer-to-peer ridesharing which is also called dynamic ridesharing or on demand ridesharing is a service that operates to arrange one-time shared rides on a very short notice. In simple words, it is a digital interface that connects drivers and riders on demand via platforms such as mobile applications and websites (Geron, 2013). It's an example of shared economy and shared mobility. They take advantage of the recent advanced technologies to run their operations. First, GPS navigation devices are used to determine driver's route and manage the ride. It even caters through routes that are not covered by public transports, so GPS plays a big role. Smartphones are the middle devices that are used to share the information. An efficient optimization algorithm is the key for making it happen (Ecosummit, 2011).

Pathao app operates in a simple 5-step process. First, the rider opens the app, sets the desired destination and choses the types of ride he/she is looking for. Then a nearby driver gets notified and he/she accepts the ride. On the next step they meet and starts their journey, the platform suggests their routes for fastest and safest travel. After reaching the destination the rider pays in his/her preferable method. On the last step, the rider shares opinion and suggestions about the ride on the platform.

BUSINESS PORTFOLIO

The following business canvas model summarizes Pathao's business model:

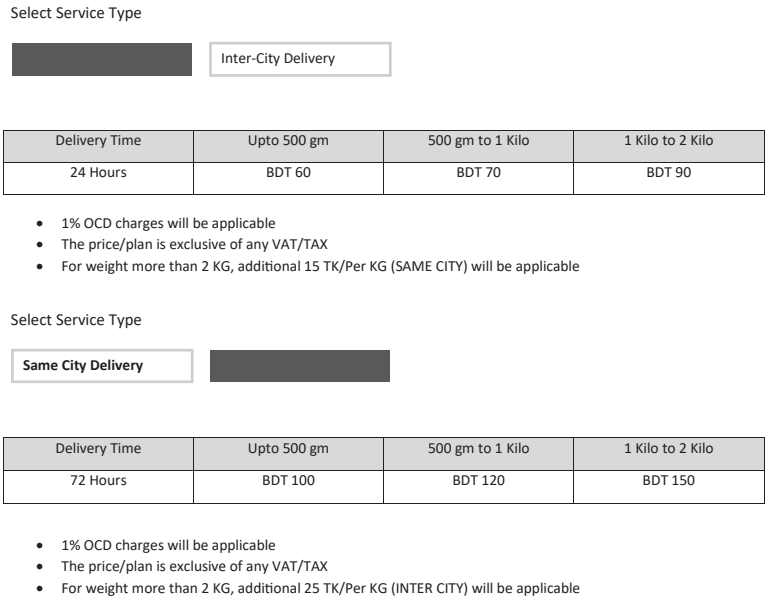
<table>
<tr>
<td rowspan="2">Key Partners
Drivers with their motor bikes, cars and bicycles
Restaurant owners
Payment processors
Investors</td>
<td>Key Activities
Product development and management
Customer acquisition
Hiring drivers & delivery men
Managing payouts
Marketing and promotional activities</td>
<td rowspan="2">Value Propositions
CUSTOMERS:
Fast transportation service at affordable price
Minimum waiting time because of huge availability of riders
Fast deliveries with minimum charges
DRIVERS & DELIVERY MEN:
Flexible working schedule
Incentives and bonus for fulfilling targets
Easy payment procedure</td>
<td>Customer Relationships
Social Media
Rating system
Instant Feedback system
Customer support</td>
<td rowspan="2">Customer Segments
CUSTOMERS:
Those who do not own car or motorbike
Those who want to avoid traffic jam
Those who don't have enough time to prepare foods home
People who want to send parcels at fastest possible time
DRIVERS & DELIVERY MEN:
People who have own motorbike or car and want to earn money
People who want to work part time and earn money</td>
</tr>
<tr>
<td>Key Resources
Skilled drivers
Technology
User friendly all in one service app</td>
<td>Channels
Mobile App for Android
Mobile App for ios
Website</td>
</tr>
<tr>
<td colspan="3">Cost Structure
Salaries to Employees
Marketing and promotional expenses
Technological infrastructure</td>
<td colspan="2">Revenue Streams
Motorbike/car rides on per km/Mile basis
Surge pricing
Food, parcel and items Delivery charges</td>
</tr>
</table>

Figure 1: A business canvas model for Pathao

Pathao Courier

Pathao was initially founded to provide logistical services to the e-commerce or f-commerce stores. The popularity of their e-commerce service was on the rise as the company's promise of delivering products to the clients in a comparatively quicker pace was kept intact by the usage of convenient transport means, such as motorbikes and bicycles. Pathao is constantly expanding its courier business which is evident through its presence in 54 out of 64 districts of the country. Its promise of ensuring delivery within 24 hours in the same city and 72 hours in the intercity has enabled it to partner with more than 3000 businesses around the country.

Additional services such as cash on delivery and reverse logistics which allow customers to return their ordered products, have made Pathao courier stand out from the competitors. On top of that, Pathao has always focused on competitive pricing to stay atop of its competitors. A 500-gram parcel delivered within the same city costs BDT 60 and within the intercity costs BDT 100. For other category of products in terms of weight, the difference is only BDT 40-60. Figure 1 shows the cost of courier services in Bangladesh.


Select Service Type

Inter-City Delivery

Delivery Time	Upto 500 gm	500 gm to 1 Kilo	1 Kilo to 2 Kilo
24 Hours	BDT 60	BDT 70	BDT 90

- 1% OCD charges will be applicable
- The price/plan is exclusive of any VAT/TAX
- For weight more than 2 KG, additional 15 TK/Per KG (SAME CITY) will be applicable

Select Service Type

Same City Delivery

Delivery Time	Upto 500 gm	500 gm to 1 Kilo	1 Kilo to 2 Kilo
72 Hours	BDT 100	BDT 120	BDT 150

- 1% OCD charges will be applicable
- The price/plan is exclusive of any VAT/TAX
- For weight more than 2 KG, additional 25 TK/Per KG (INTER CITY) will be applicable

Figure 2: Cost of courier services in Bangladesh (Pathao, 2019)

Pathao Rides

Pathao started its ride-sharing service with a tagline 'Moving Bangladesh'. Initially, it started with just 100 bike riders, and now they have more than 100,000 riders across the country providing a more convenient means of transportation to the mass people (Nasdaq, 2018). Pathao's ridesharing services help people beat traffic and reach their destination right on time at an affordable price. In 2016, ride-hailing tech companies stormed Bangladeshi market with Uber and Amar Ride launching services in Dhaka. However, Pathao's superior business model has made it more successful and popular. It appears that Pathao's success was noticed by Uber because in the final quarter of 2017, Uber launched UberMoto – adopting a similar model of motorbike hailing service that Pathao provides (IDLC, 2018).

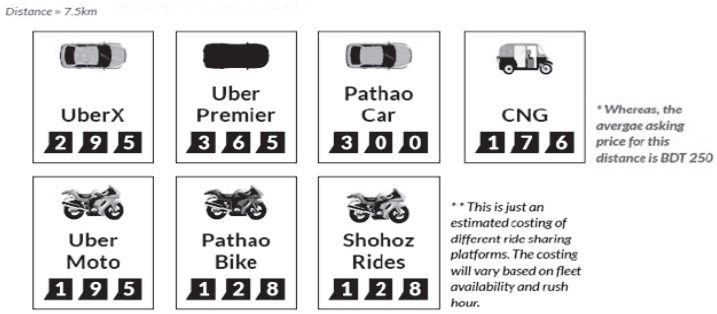
Pathao Bike

The startup's most popular service to date is its motorbike sharing, which users can seamlessly access through its smartphone app. The service has overtaken taxi and CNG auto rickshaw rental services by offering its customers a better way to weave quickly through the notorious traffic jams in the megacity of Dhaka. A culture of motorcycle taxis didn't exist before Pathao came into being. According to urban transport experts, the speed of cars is as high as (18.3km/h) during the morning but as slow as (10.7km/h) after the evening. Therefore, an average speed of 14 km/h can be estimated. The bike is the fastest mode of transportation, which can go as fast as 16 km/h. It indicates that a commuter taking a bike ride sharing service can reach the desired destination a lot earlier than by a bus, car or CNG. A comparatively hassle-free ride-share bike user spends less than BDT

150/trip (IDLC, 2018). Pathao motorbike sharing service is available in 5 major cities in Dhaka and in Kathmandu, Nepal.

Pathao Car

Pathao's ridesharing services in Bangladesh offer Car Plus for those who want to travel in complete comfort and Car Lite to those who are on a tight budget and are looking to travel conveniently at cheaper rate.A ride-share car user spends some BDT 300/trip (IDLC, 2018). Pathao Car has created a unique space among its competitors because of its comfortable rides with a competitive price. Pathao car service is currently available in only 2 major cities, namely Dhaka and Chattogram. Figure 3 shows a comparative cost structure between two industry giants Uber and Pathao.



	UberX	Uber Premier	Uber Moto	Pathao Bike	Pathao Car	Shohoz Rides
Base Fare	40	80	30	25	50	25
Per minute	3	3	1	0.5	2.5	0.5
Per km	18	22	12	12	20	12

Figure 3: Cost comparison between Uber and Pathao

Pathao Food Delivery Service

Pathao food service has become a big hit, thanks to its city-wide coverage. Pathao is the leader with 80% market share of food delivery service, leaving behind giant companies like HungryNaki, Food Panda, and Uber Eats (Islam, 2019). The company partnered with 3000+ restaurants across the capital, guarantees delivery in an hour. Around 20,000+ orders are currently delivered around Dhaka every day. Each delivery on an average costs Tk 50 to Tk 70. Thus, the delivery channels make at least BDT 1 million a day (Islam, 2019). The number of orders is increasing 10 times every year.

Pathao Parcel

Pathao introduced its messenger service "Pathao Parcels" in 2017 with a promise to deliver packages within three hours in Dhaka city. The parcels delivered are restricted into 12 inches x 12 inches x 12 inches in dimension and two kilograms in weight. Users have to specify the type of products they are delivering from a set of given categories. A nearest Pathao rider will arrive at the doorstep to pick up the product and deliver it to the receiver within three hours for BDT 135 (up to 7 km) and BDT 15 (for every extra km). In a city with paralyzing traffic, city dwellers breathed in comfort acknowledging this service by Pathao. The service can be availed from 9 am to 7 pm every day except on government holidays.

Pathao Pay

Pathao has always been a step ahead of the competitors in terms of technological advancement and usage. Pathao in 2018 started its Digital Payments platform, through which customers can make payment using Credit cards, ipay and bKash (Pathao, 2018). Partnership with bKash and card issuing banks have given a new edge in the business model of Pathao. Customers can choose any of them to make payment instead of cash.

Initially Pathao Pay was designed as a digital wallet where customers can top-up money and use credits to pay for Pathao services. However, Bangladesh Bank, the central bank of Bangladesh declined their proposal. Hence the wallet was closed in a very short period of time and later on introduced it only as cashless based payment platform.

Pathao Tong

Pathao Tong was introduced as a shopping service where Pathao users could buy anything from beverage, Sanitary Napkin to daily necessities and get it delivered to their doorsteps. It can be considered as an ecommerce market place. The sellers of different products are aggregated, in some cases other e-commerce sites, and enables its customers to shop using the same app they use for other purposes such as transportation, deliveries and sending parcels. This strategy is helping Pathao achieve four goals:

1. Giving its existing user base one more reason to keep using Pathao app
2. Building a strong moat
3. Improving earning per customer
4. Growth

Though the operations of Tong are focused on some selected areas like Bashundhara, Dhanmondi and Gulshan, it has plans to make the service available to other cities after creating the ecosystem of e-commerce (Kader, 2018).

EVOLUTION OF THE COMPANY

Since inception, Pathao has gone through a number of changes. The Changes include business expansion, strategic alliance with one of the biggest bike sharing business in the world, evolution of the user interface and so on and so forth. Figure 3 presents a comprehensive look at the company's evolution.

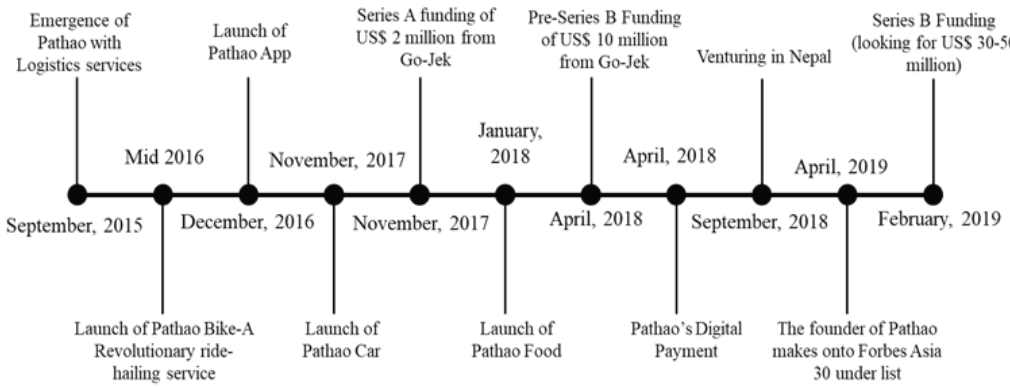


Figure 4: Evolution of Pathao: A timeline

The Initiation

Pathao Founder and CEO Hussain M. Elius along with the co-founders Shifat Adnan, and Fahim Saleh started a Facebook group to provide delivery services to their friends in 2016. The founders wanted to do more with their motor bikes instead of just making deliveries. With the question in mind 'would people in Bangladesh like to use a motorcycle as a ride-sharing option?' they started experimenting by providing motor bike ride sharing services to the university students (Future Startup, 2018). Dhaka commuters were initially reluctant to take the service due to security concerns. They however started liking the service as Pathao continued to push people to get on the bike and take the first few rides. After introducing the user-friendly mobile application- Pathao App, its service started to draw massive attention. Since Pathao pushed its product to virtually everyone with the need for a ride, the growth was exponential. Pathao correctly identified that a huge number of price sensitive Dhaka commuters would love to avoid crammed public transports but would not be able to afford a car instead. Motorbike therefore provided the correct product-market fit and Pathao expanded very quickly. While Uber and other ride-sharing companies lagged behind to address the need of the vast majority of hard working Dhakaites, Pathao had almost more than 90% of the market share. Pathao cultivated a sense of community among its users from the very beginning which has helped build a loyal user base who not only used its services but spread quick word of mouth. Hence in 2017, when Pathao rolled out the Car service, soon after the launch of the app, its service became very popular intensifying the competition for other established ride sharing service companies like Uber.

Strategic Marriage with Go-Jek Unlocked many Potentials

Tremendous growth and huge potential of scalability of Pathao attracted investors. At the end of 2016, Pathao raised investments from Battery Road Digital Holdings, Skycatcher and a pool of other investors in its seed round (Future Startup , 2017). In the end of 2017, Indonesian ride-hailing unicorn Go-Jek invested around US$2 million for a minority stake in Pathao (Future Startup, 2017). Strategic alliance with Go-Jek brought up technological advancements and many other opportunities. The first significant round of Series A capital venture financing for Pathao, resulted in rapid growth in multiple verticals. After the series A funding, Pathao entered into an untapped market by starting its Food delivery service operation in the beginning of 2018. While competitors had 600 restaurants over 13 areas in Dhaka; Pathao took the market with a storm while enlisting over 3600 restaurants to start Pathao Foods. Pathao beating competitors such as Food Panda, Hungry Naki and Harriken etc., became the market leader by lowering entry barrier for customers, making food deliveries affordable and increasing the availability of food from the wide range of restaurants. Using Pathao Food delivery app, consumers could order anything of any value where other platforms require customers to spend BDT 400 on an average for a regular lunch. After getting tremendous success within a short period of time, Pathao went for pre-series B funding in the second quarter of 2018. It raised around US$ 10 million in pre-series B round led by Go-Jek, Open Space ventures, Osiris Group and Battery Road Digital Holdings at US$100 million valuation. In the early 2019, Pathao went for US$ 50 million to add more services such as payments and expanded its food delivery business (Aravindan, 2019). Moreover, Pathao wants to add cycle rickshaws and allow users to shop online through the platform as part of its bid to grow as a super-app, similar to strategies of China's Tencent, Singapore's Grab and Go-Jek (Aravindan, 2019). Pathao co-founder Hussain M. Elius was named in the Forbes 30 under 30 Asia list of 2019 (Daily-Bangladesh, 2019).

Venturing in Nepal

Pathao, in the last quarter of 2018 expanded its operations into Kathmandu, Nepal. Initially, Pathao only focused on its bike ride-sharing service to develop an ecosystem among local community. Expanding into Nepal brought success for Pathao primarily due to Bangladesh being the number one motor bike exporter for

Nepal. To create demand for the bike ride-sharing service, Pathao pushed clients from the ground level in Nepal, the similar strategy the adopted earlier in Bangladesh. Due to cultural similarities, the strategy worked just right. Go-Jek, the strategic alliance of Pathao had been extending its support to capture the South Asian market including Nepal.

A VIEW OF BANGLADESHI STREETS

Bangladesh is one of the most densely populated countries in the world. Moreover, its capital city Dhaka is one of the densest megacities in the world, with around 9 million people living in the capital city (Hussain, 2018). In a city where per square kilometer houses almost 47000 people and road density per square kilometer is far from ideal, intense traffic is hardly a surprise. The traffic density has been observed to increase rapidly in Dhaka city from the middle of 90's (Hussain, 2018) due to the economic boom from that period (Sakib, 2018). With an estimated population growth of 4.2%, Dhaka is considered to be one of the most densely populated cities in the world (Hussain, 2018). While some see this as a problem, it has become a great opportunity for some businesses.

The primary forms of transportations in Dhaka include private cars, small sized buses, CNG auto- rickshaws, cycling rickshaws and taxi. It is estimated that 5,000 buses, 40,000 CNG auto-rickshaws and 400,000 cycling rickshaws take over Dhaka streets every day (Kamal & Ahsan, 2018). Despite the huge demand, the taxi industry is quite small with only two organizations operating with 350 taxis in the city (Hossain, 2014). These are not enough to cover a city with 47 thousand people living per square kilometer (Hussain, 2018). So, there's a huge gap in demand and supply, and a huge opportunity for marketers to tap into.

However, the context of traffic congestions is quite tragic in Bangladesh. According to a recent World Bank study average moving speed in Dhaka is between 7 and 8 kilometers per hour and an average car moves only 12 kilometers/hour (Kamal & Ahsan, 2018). These figures portray the degree of severity of the traffic congestion issue in the capital of Bangladesh.

Ride hailing services utilized this market opportunity to provide an innovative solution to the consumers. Uber, a global player initiated its business in Bangladesh in 2016 (Hasan, 2017). Asia has always been a huge market for ride hailing services, according to ABI Research's newest study on mobility out of the 16 billion rides provided in the whole world by the ride hailing service providers 70% were done in Asia (Vulcan Post, 2018). Although Uber failed to achieve its desired place in the South East Asia, they had 46% market share in India (Vulcan Post, 2018) which is considered to be the third largest ride hailing market in the world. As India and Bangladesh shared almost same kind of market, they wasted no time to conquer it and did it successfully with only car hailing service. In a global perspective a private car is used only 4% of the time and on average, 50 to 60 rides a month are done (Kamal & Ahsan, 2018), the situation was not different in Bangladesh with an average of 80 trips per month. Uber faced no problem in their supply side because of all the unused cars, With high promotional discounts from the very beginning, they attracted consumers and grabbed the market very quickly. By 2017, they bagged 1.5 million users and also provided 200,000 rides (Hasan, 2017).

Motorbikes were never used for commercial purposes in the country. About 19 percent of Bangladeshi households' own motorbikes, but it is comparatively low contrasted with neighboring countries, like India (47%), Pakistan (43%) and China (60%) (Ahmed, 2018). Local bike industry had their worst season back in 2014 because of the unstable political conditions but soon after the tax review in 2016-17, price of bikes came down and the industry experienced significant growth (Sakib, 2018). According to BRTA and Ministry of Industries, there used be 2,10,081 bikes in Dhaka city in 2010 which has jumped to 4,69,888 in 2018 (Sakib, 2018).

With successful launch of Uber in Bangladesh, they proved that ride hailing market is an industry that has huge potentials in Bangladesh. With sudden ascend of extra motorbikes in the country, it was a great opportunity to differentiate the market with a new service. Pathao did exactly the same.

SUCCESS FACTORS

Discovering Latent Demands

Pathao used the right time to strike the market. They were the first to create a commercialized platform of motorbike hailing in Bangladesh. They have chosen the year 2016 which was a booming season for motorbikes. It was an entirely new concept for Bangladesh and the consumers had to be made aware of the service. This was a huge challenge, to inform consumers and to develop desire to avail the service. But Pathao achieved this feat successfully. People took it positively, compared to other non-public transports, Pathao bike was the most cost efficient (IDLC, 2018). But the most important factor was its convenience. On average, Pathao bikes travels 16 km in an hour, making it the fastest, affordable and easiest mode of travel in Dhaka city. Pathao was the first to properly capitalize on this market opportunity and gain their positioning successfully.

Another major breakthrough for the Pathao team was their food delivery service. Soon after the collaboration with Go-Jek they expanded into the food delivery industry. They appeared as a disruptor with their very innovative food delivery framework. Before Pathao, existing online food delivery services were Food Panda, HungryNaki, Harriken and a few others (Siddiky, 2017).All of them formulated contracts with local restaurants who would place their products in the delivery service provider's website/application and a representative from the delivery service company picked up the food to deliver it to the consumers after they placed an order through the food delivery app. All the food delivery services had their own fleets and employees responsible for delivering the ordered food. However, Pathao's followed Go-Jek's footstep. Similar to its ride hailing framework, it uses a nearby interested rider who wants to deliver the food in exchange of a commission from the delivery charge. Pathao became the market leader within just three months because their model was just not unique, it was indeed more efficient (Future Startup, 2018). This innovative framework allowed them to minimize cost as they didn't require much of fixed assets while at the same time expanded the service coverage exponentially.

Balancing both Side of the Equation

Like any other ride hailing organization, Pathao's business is highly dependent on both demand and supply side. Pathao's first and differentiating business was the motor bike hailing. Supply of motor bike ride providers was dependent on two things, one was the enough supply of motor bikes and another was service provider's income. It would have been very difficult to pull off any business like this if there was not enough bike available in the city and their business model didn't promise enough income for the ride providers.

Motor bike market was down before 2015. After the tax review in 2016 the industry boomed. While annual sell of motorbike was 0.25 million in 2015, it almost doubled to 0.44 million in 2016(Sakib, 2018). From that point growth of the industry was constant. There is a rule of thumb that whenever a country's GDP goes above 6 per cent market penetration of vehicles is expected(Sakib, 2018). This flow of motor bikes worked as oxygen for pathao.

Now country's motorbike availability was enough, but the question was, will the bike owners embrace the new concept of Pathao. CNG auto rickshaw which is the most available cheapest motorized transport in the city has on average 250-taka cost per trip while a Pathao bike costs only 150 taka per trip (Kamal & Ahsan, 2018), so the range of margin for Pathao was higher from the beginning. A Pathao driver's income is considered to be double of the local average salary (Future Startup, 2018), This lucrative earning platform should make people

interested. But this had to be communicated and Pathao did it properly. From the beginning they were in the root level to make people understand that how this can be economically beneficial for them and the above described situation backed it properly.

Currently the stable growth of motorbike industry is highly backed by the ride hailing business (Ahmed, 2018). Pathao strategically crafted the culture of motorbike hailing and concreted their supply side which is one of their unique selling proposition (USP).

Now when Pathao is done ensuring enough supply of transport, the main challenge here is to ensure a safe ride. Trained drivers and fit rides are to be offered and the selection has to be plain vanilla so that the drivers don't feel hassled and get demotivated to drive. Pathao started multiple registration and training point in Dhaka. Once a driver assures clear car papers and his own driving license, they receive training about the platform and dealing with customers.

Yearly ride fitness and other papers are checked regularly to ensure safety. Moreover, the review system bounds the drivers to behave properly with the consumers, otherwise with a poor rating they won't get sufficient opportunity of trips.

Pathao has been offering large chunk of the ride income for their drivers, Pathao receives only 20%, and the promotional discounts will not be from driver's part, they will receive full payment according to the distance and waiting time. This attracted the drivers and with profound loyalty they had started providing proper service. Also bonus on completion of certain target trips in a a specific time also attracted the drivers. It created most word of mouth among the ride providers and later it was observed completing the targets has become a pride for the drivers. Through all this Pathao receives one precious thing, "brand image" to the supply side.

Another challenge of Pathao is to maintain the peak hours, especially in the morning hours when offices and educational institutions starts and at the afternoon when they finish. Pathao comes out with the same strategy to provide extra percentage and bonus to complete peak hour targets. It was quite effective and with proper supply on the peak hours, both ride takers and providers are glad.

Grabbing the Attention

"Moving Bangladesh" was the tag Pathao used to promote their brand from the beginning. Pathao used Ethnocentrism to differentiate themselves. While the industry promotional trend was only "promo codes", Pathao introduced discount on referrals. Soon after they receive their funding they started doing their core target groups, the college and university students. They started assigning campus ambassadors, who used to promote Pathao to the students of their relative educational institutions. It was a great success, not only on the demand side but also on the supply side.

Their target is not limited to young students. Pathao expanded their reach to older demographics who are not acquainted with mobile applications. Here Pathao did something quite phenomenal. They established call centers to register passenger demand for bikes and cars through the app. In the meantime, communication programs were launched to educate the consumers. Recurrent exposure led to more acquaintance and many of them learned to use the app. This customer-centric strategy has been a winner for Pathao.

They got very good response on their safety campaigns. The campaign was designed to make passengers and riders aware about road safety. The campaign has been a PR success for Pathao which previously suffered due to a number of bike accidents.

They also launched seasonal campaigns. Like promotions during the national sports events, campaigns on the holidays and so on. Their "UTHAO" campaign was based on a competition through which the top Pathao users were awarded with a helicopter ride to their respective homes during the Eid holidays.

Strategic Alliance

Go jek is considered to be a Unicorn startup of Indonesia. They started their journey with the ride hailing business and expanded fast by using their local knowledge and gradually creating a service eco system that covers a wide range of daily necessary services (Kader, Pathao's Future After Pathao, Go-Jek Strategic Marriage, 2017). Go-Jek is Pathao's major investor and strategic advisor. South East is almost covered by Go-Jek in spite of heavy competition from Grab and Uber (Freischlad, 2017). Go-Jek tried to reach one of the world's largest market which is India, but pilot project did not go well (Shankar, 2018). OLA and Uber India, two already established ride hailing services faced similar difficulties with their bike hailing services. Despite the setback in India, Go-Jek's 10 million USD investment in Pathao is a testament of their faith in Pathao's growth in South East Asia. Pathao is dominant in Bangladesh, launched successfully in Nepal and has a vision to launch in Sri Lanka, Bhutan and even India. Pathao's strategic alliance with Go-Jek therefore may pave a way for both to conquer South East Asian market. After Go-Jek's funding, Pathao expanded its wings and tapped into the food delivery business, launched their mobile wallet (Sharma, 2018). The most significant change happened to its user interface which looks a lot less clumsy and fluid leading to better user experience(Dhaka Tribune, 2019).This alliance is set to reach new heights and breaking boundaries.

Soon after Pathao launched their car hailing service, they got partnered with the other two taxi service providers (Corporate News, 2018). The almost dead Taxi industry in the country got a new lifeline and Pathao got 350 full time service providing cars on their platform.

Pathao established alliance with "Grameenphone", the subsidiary of Telenor in Bangladesh. This alliance turned out to be massive for Pathao as it opened the pathway to reach almost 70 million subscriber bases of Grameenphone. Grameenphone subscribers enjoy exclusive offers from Pathao in return. Clearly a win-win situation.

Filtering out the Best

Pathao's "Bar risen program" worked pretty well while maintaining their human resources. The program is a progressive recruitment scheme (Future Startup, 2018). A customer oriented and innovative organizational culture has been the aim of Pathao from the very beginning. They have done on-campus promotions to recruit talents from the top Private and Public Universities in Bangladesh.

Pathao has developed an organic culture of informal and non-hierarchical communication inside the organization. 500 employees and 20 managers work in an amicable atmosphere where proper trainings are given. A participatory decision-making is in place that encourages innovativeness (Future Startup, 2018). Pathao has established themselves among one of the top choices for employment in Bangladesh. It however is far from ideal. The recommendation chapter suggests further improvement.

CHALLENGES

In order to be the Super-application or the ubiquitous platform that Pathao aims to be in the near future, it still has quite a few major challenges that it needs to overcome. Some of these are mentioned below:

Dependency Pays Harsh

Pathao's investment and latest operational enhancements are largely dependent on Go-jek, as their sole investor. While the partnership has brought in benefits for the company, this also comes with a huge potential risk. Sole dependency on a specific partner can jeopardize the existence of Pathao (Hall, 2011). Because of this sole dependency, factors such as investor relations become quintessentially important for Pathao's growth foundation. Their growth prospects could collapse if the investor relation goes wrong.

Shifting Consumer Focus from Price to Quality Service

As reported by Mr. Omer Sharif, Head of Operations of Chalao, a local competitor, a huge challenge that the ride sharing platforms face is consumers' priority of price promotions over quality service (IDLC, 2018). For a company that is growing at such a fast pace like Pathao, burning cash to provide more price promotions to stay competitive is not an option. And to attain this shift in consumer mindset will be a huge challenge.

Dodgy Riders

In recent times, it has been seen that some of the bikers are giving up driving for the bike sharing applications. Rather, they are informally devising various waiting points, and formulating informal contracts with the consumers to take them to various places. This is a very significant challenge for Pathao. Since, the primary driver of the revenue of the corporation is driven by its bike sharing platform. These informal contracts are ways that will curtail the revenue that the company generates from its bike sharing platform.

Ensuring Proper Safety

The ride sharing industry of Bangladesh has a huge demand, considering the extent of the dense population of Dhaka city. Because of the advent of companies such as Pathao, the demand for motorbikes and motorbike drivers have skyrocketed in the past two years. Dhaka city had around 210,000 registered motorbikes in 2010 (Antara, Shoddy helmets put ride-sharing passengers at risk, 2019). But the number rose significantly since 2017, after the ride-sharing services such as Uber and Pathao started their operations in Bangladesh. The number is now 616,641 in 2018 (Antara, Shoddy helmets put ride-sharing passengers at risk, 2019). Dhaka traffic is notorious for chaotic traffic management. Long tailbacks lead to paralyzing traffic situation on a regular basis. With Pathao in action, Dhaka has seen a surge in traffic congestion and unruly management. Bikers in crammed streets tend to find their ways through regardless of traffic laws that lead to disputes among commuters. Moreover, a lot of passenger buses move around Dhaka during daytime and nights while trucks and trailers can be seen after evening till the next morning. Past two years, Dhaka has seen a number of accidents where motorbike collided with buses led to multiple deaths and scores of injuries. Accident Research Institute recorded 53 deaths and 19 injuries in 48 motorcycle accidents in 2017 only (Masum, 2018). Between July 2018 and April 2019, four deaths were reported on Pathao bikes. All of these accidents claimed the lives of the passengers while on one, the rider also died. Apart from reckless driving of buses, Pathao riders have been found responsible for not properly maintaining traffic laws. A large number of Pathao drivers hailed from outside Dhaka to seek opportunity from escalating demands in Dhaka. These riders, mostly unfamiliar with chaotic Dhaka traffic, fall victims of it. Dhaka Tribune (2019), found a large number of the riders did not go through formal training and the ones who did, lack knowledge of safety practices. This phenomenon has led to public outrage against the ride hailing services.,a clear danger for Pathao in terms of negative brand association. With such skyrocketing of demand, it'll be increasingly difficult for Pathao to ensure trained and experienced bikers. Ensuring quality service is going to be a huge challenge for Pathao in the coming days.

Encouraging Women Consumers to Adopt Pathao

Considering that Bangladesh is a country with almost equal distribution in population amongst the two genders (Trading Economics, 2016)., only 10% of the consumers of Pathao are women riders (Freischlad, 2017). For the company to ensure its path of sustainability, it needs to reach out to the female consumers of Bangladesh in a more effective manner.

Digital Payment

In order to be a holistic platform, or super application, Pathao needs a seamless digital payment option. The focus needs to be on shifting the business transactions to more secured and digital forms of payments. This is one area Pathao has been facing quite some challenges, as expected transition hasn't yet been achieved in terms of proper compliance with the regulations set up (Antara, Forbes' under 30 list in Asia: 'Pathao will be the super app of Bangladesh', 2019). For Pathao to grow to a super platform, it needs to have a cohesive digital payment process that is integrated to the core of its business model.

Properly Establishing the Micro-service based Architecture

In order to handle the huge amount of data that each proprietary services of Pathaogenerate every day, they decided to shift to a micro-service based architecture from a the monolith architecture in early 2018. Although the shift has resulted in a more manageable database, it does bear another significant challenge for the company i.e. the issue of cohesiveness and scalability. For the platform to be holistic in its approach, the services need to be cohesive, and they need to have scalability to be functional with any form of devices.

RECOMMENDATIONS: SERVICE DEVELOPMENTS

Driver-rider Training

Pathao has shown phenomenal growth during the last two years. It has now replaced the terms 'motorcycle' or 'taxi' with 'Pathao bike' and 'Pathao Car'. Pathao will always be a great case in product/service adoption. However, consumer perception of service quality depends on the promise the seller makes and the performance they actually delivered (Grönroos, 1984). These two are important to collective image development of the brand. Because of the accidents and unprofessionalism of the riders, Pathao has suffered from a negative brand image. For sustaining the image of a brand that cares, Pathao introduced Helmets for both the riders and the passengers. But Rider training program was not taken with similar urgency. This is a must. Pathao needs to design a comprehensive training program for its riders. The following table contains a suggested module for the training program.

Table 1: A suggestion for training programs

Training Week	Training Content
Week 1	Checking the basic driving and maneuvering skills
Week 2	Getting to know your vehicle
Week 3	Accidents and emergencies

The training program must include current riders and the potential riders. Each week's training will end with a comprehensive assessment program. The top performer in the assessment test will be rewarded with a badge that will be a part of their driver profile in the Pathao App. Apart from passenger rating, Rider training assessment result should be incorporated in determining the rider's overall performance. Apart from the display of passenger given rating, the app should display their training performance status. A rider could be awarded with a badge. A suggestive training performance rating scheme is presented in Table 2

.

Table 2: A suggestive training performance rating

Training performance score	Rider Badge Award
90% or above	Excellent
80% or above	Very Good
60% or above	God

Pathao could launch a 'Rider Masterclass' scheme. Similar to Uber Premiere, the passenger could be charged premium for a masterclass ride. However, unlike Uber, this scheme does not focus on the functionality of the vehicle, rather, focuses more on the service provider. Table 3 contains a suggestive format of the masterclass scheme.

Table 3: A suggestive format of Masterclass Scheme

Rider Status	Passenger Rating	Training Performance
Platinum	90% or above	Excellent
Gold	80% or above	Very Good
Silver	60% or above	Good

As Grönroos (1984) suggested, this improvement in service provider's performances will lead to positive brand image building. Thus, Pathao will be able to improve customer's perceived service quality. In the domain of value co-creation, customer do not only value the outcome of the service delivery, rather the process itself (Grönroos, 1984; Grönroos, 2011).

Product Developments

Customer's perceived service quality in case of using Self-Service Technologies (SST) like ride hailing app requires intensive study. This is surely an emerging field of research. Academics however previously suggested different aspects of SST adoption and developments. To attain competitive superiority in customer perception in SST, the degree of innovativeness plays an important role (Rogers, 1983). Yang & Park (2011) suggested two important dimension of value creation within the SST framework- customization flexibility and transactional efficiency. Pathao app needs to focus on these two to attain competitive advantage over global competitor Uber. The user interface in Pathao looks clumsy as it integrates all Pathao services. Under one app. The app also had issues like freezing and suspended operation. The rider's exact location versus the shown location on app seemed uncoordinated. The latest version of the app (as of May 30, 2019) dealt with some of the issue but more developments needed for better user experience.

Incorporating the Idea of Gamification to Improve User Experience

The most recent trend in researching Self Service Technologies (SST) and digital interfaces is Gamification. The concept refers to the "use of game design elements in no-gaming contexts" (Deterding, Dixon, Khaled, & Nacke, 2011). Using the Gamification ideas, Pathao could introduce a number of sections in the app that would give users a reason to use the app more often. Servicescape design plays a vital role in consumer's purchase decision (Reimer & Kuehn, 2004). For ride hailing services, the app is the most important touchpoint for service providers to create customer engagement. Pathao, therefore, should design a more appealing interface for its consumer to engage them with the app. Pathao could integrate some of the services mentioned below in their apps to engage customer more with the app:

Information Services

- Live traffic updates
- Announcements by traffic police department regarding route change
- News of the day

- Restaurant locations and menu
- Weather updates

Entertainment Services

- Interactive gaming with other Pathao app users like- Bike or car racing and more
- Live Cricket score updates
- Upcoming Cultural/ Entertainment Event updates
- Live blogs on Music, Fashion and Tech review

E-commerce Schemes

- Collaborative schemes with local e-commerce sites like Daraz and Sheba xyz where Pathao users can shop from these portals using Pathao's user interface
- Motorcycle and Car companies could collaborate with Pathao to place their promotional offers specifically designed for Pathao users

Employer Brand Developments

Pathao has become a very well-known brand within a relatively short span of time. Much credit goes to the ever-growing ride hailing industry. Moreover, country of origin association worked really well for Pathao as it is the only local ride hailing brand that has got significant global attention. Local graduates aspire to work for global companies in Bangladesh since they offer better compensation packages and growth opportunity. Pathao in recent times received good attention from local graduates. However, it is far from ideal. There is no denying that sustainable brand differentiation depends largely on employees. How employees nurture a positive attitude across the organization define the strength and superiority of customer service of the organization (Mosley, 2007). Adapted from (Mosley, 2007); Pathao needs to redesign following aspects as an employer, to improve their image as a strong employer brand:

- Recruitment
- Reward and recognition
- Communication

Pathao needs to adapt a comprehensive recruitment policy that incorporates schemes like web-based pre-employment testing, simulation based job-specific pre-employment test that assesses cognitive ability and job knowledge and customizable test to measure personality and intelligence. Pathao's rewards ad recognition should match big multinational and local players that have grabbed graduates' attention over the years. Pathao also should focus more on improving corporate image dimension and communication. Pathao's engagement in on-campus recruitment and promotions needs to be robust. Pathao need to develop strategic positioning statement regarding its people policy. Currently they have none. Pathao's careers website was found to be non-functional (as of May 30, 2019). Pathao needs to communicate itself as an employer brand that focuses on diversity and talent. They need to design national recruitment competitions targeting the best graduates. Similar programs by the likes of British American Tobacco Bangladesh and HSBC have been proved to be very popular among the competent graduates.

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

As demonstrated throughout the paper, Pathao's growth has been the fruit of an ingenious idea matched to a business model that focuses on excelling the quality of the core product. This goes on to show that focusing on innovative solution to raging problems is the key for a startup to avoid falling in the chasm. For Pathao, the great feat it achieved was shifting its business model in a way that successfully allowed them to shift their target market from early adopters to early majority.

The critical discussion regarding Pathao's success in this paper presents a framework to the practitioners on how to respond to latent demand in the market. As the paper revealed, Pathao, through peer-to-peer technology, integrated different on-demand services without having to build complex operational structures. The integration of idle resources to provide inexpensive solutions provides a guideline for practitioners in developing economies looking for innovative customer solutions.

The paper investigated into a number of challenges Pathao had to deal with. The authors aimed to enlist them for the practitioners to understand the recent challenges hailing from sharing economy. During the phase of researching Pathao, it appeared to be a key problem as the authors struggled to find enough academic works on the dynamics of sharing economy. Authors' criticism of Pathao's reliance on strategic partnership with Go-Jek and struggle to maintain consistent value delivery will invite more constructive discussions.

The recommendation section of the paper adds significant value for the practitioner as it laid out a number of important recommendation backed by literature. There is no existing literature that focuses on employer brand development scheme in ride sharing industry. This novel attempt by the authors surely provides managers and practitioners with some invaluable insights in value delivery. Integrating gamification ideas into Pathao's user interface is an important contribution of the paper. Digital interface design plays significant role in terms of customer's perceived value in digital platforms (Sunila, Ukko, & Rantala, 2019). The authors therefore put a lot of emphasis on the development of more interactive digital interface for Pathao, which, in different instances, have been criticized for a relatively poor digital interface design.

Finally, the paper proposes to integrate training performances into driver status improvements. This principle is based on value creation literature that extensively suggested that service providers be judged on the quality of service delivery. In case of ride sharing industry, this is the only way for the platform developers (Pathao, Uber) to make the service providers (car and bike drivers) responsible for quality service delivery that is yet to reach its full potential.

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AUTHOR'S BIOGRAPHY

Omar Nasif Abdullah is a full-time Lecturer in the Department of Marketing & International Business at North South University's School of Business & Economics. He teaches introductory Business and advanced level Marketing courses in NSU. His research interests include services recovery, customer relationship management (from the aspect of value co-creation), integrated marketing communications, strategic brand management, digital marketing (focused on social media) and strategic management. He has done his postgraduate with a specialization in Services Recovery from University of Manchester, UK.

Faysal Ahmed Likhon is a graduate from North South University. He pursued his Bachelor's degree on Business Administration, majoring in Finance and Marketing. Studying and analyzing businesses has always been a matter of passion for him. He participated in several research projects and business case competitions during his student life. He aced in many national case competitions such as "Blueprints" which is a national financial modeling competition, "Econ-master" which is a national macroeconomics modeling competition and so on. In his professional life he worked in the field of data analytics and corporate finance.

Ashraf Ali Parvez graduated from North South University, with dual major in Finance & Economics. He is currently working as Research Reporting Specialist for Uber Bangladesh. He was one of the leading members of the Champion team of CFA Institute Research Challenge in Bangladesh 2018-19.

Ishmam Ishtiaque is a final year student pursuing Bachelor's degree on Business Administration, majoring in Finance and Marketing. He is an avid participant of business competitions and has quenched multiple accolades on various subject matter related competitions. He is also very enthusiastic about research works and headed multiple research teams while working in the Finance club of North South University. Ishmam's passion lies on analytics, and he has worked in the Data Analytics department of Unilever Bangladesh Limited to derive insights from data.

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MARKET CONCENTRATION SCENARIO IN FINANCIAL SECTOR OF BANGLADESH

Shirin Sharmin[1], Mohammad Arman[2]

ABSTRACT

The Herfindahl–Hirschman Index (HHI) is one of the most commonly used measures to assess market concentration in industries and an increase in the value of the index is interpreted as an indicator of reduced level of competition. Measuring the level of competitiveness in an industry should help the decision makers and regulators formulate policies to facilitate proper growth of the industry. In this study, popular measures such as Herfindahl-Hirschman Index (HHI), 3-firm concentration ratio, and entropy concentration index were measured using market capitalization data of companies across different financial sectors such as banks, non-banking financial institutions (NBFI), insurance companies – life and general, and mutual funds. A total of about 140 companies in financial sector listed at the Dhaka Stock Exchange (DSE) were considered in this study and daily trading data from last ten years starting from January 2009 were analyzed. The NBFI, life insurance companies, and asset managers of mutual funds were found to be operating in highly concentrated market that offers relatively less competitiveness. On the other hand, industries such as banks and general insurance companies were found to have relatively less market concentration that fosters high competitiveness.

Keywords: market concentration, Herfindahl–Hirschman Index, entropy concentration index, 3-firm concentration ratio, Dhaka Stock Exchange, financial sector

INTRODUCTION

Market concentration refers to the extent to which the market shares in terms of sales, assets, etc. of the largest firms within a market account for a large proportion of economic activity. Other things remaining same, high levels of market concentration are more conducive to firms engaging in monopolistic practices. (OECD, 2003). If market concentration increases, it reduces competition and efficiency. In order to ensuring availability of products and services at a competitive price, it is essential to create a healthy competitive environment in the market. This also brings forth maximum utility of those products and services. Accordingly, regulators constantly monitor the state of market concentration esp. before and after possible merger and acquisition activities. Detection of high market concentration, which leads to lack of market competitiveness, at an early stage of the market development may help the regulators take appropriate proactive measure. Alternatively, if high market concentration, i.e., low competitiveness, is detected at a later stage, the regulators could also take corrective measures to reduce market concentration. Objective of this study is to analyze level of market concentration in financial sector in Bangladesh during the last decade, i.e., 2009-2019. Such a sector-wide analysis using more than ten years' data provides a relatively comprehensive study that tracks the evolution of market competitiveness in the financial sector of a developing nation such as Bangladesh. Till date there has not been similar studies in Bangladesh context and hence, this study could also contribute to the development of capital market since financial sector comprises a large part of the capital market and proper functioning of capital market depends on competitive environment in financial sector.

LITERATURE REVIEW

While measuring market concentration, many indices have been used, but the best-known among them are the m-firm concentration ratio, esp. the 3-firm concentration ratio (CR3), the 4-firm concentration ratio (CR4), entropy concentration index, and more commonly, the Herfindahl-Hirschman index (HHI). (Herfindahl, 1950;

1. VP (Investments), LR Global Bangladesh Asset Management Company Ltd. ssharmin@lrglobalbd.com
2. Assistant Professor, School of Business & Economics, North South University, Dhaka. mohammad.arman@northsouth.edu

Hirschman, 2018). HHI has long been used as a tool to measure market concentration, while the entropy index has been used mostly in economics literature, as a tool to measure competition.

Concentration indices have traditionally been used in measuring how a quantity is distributed among entities such as households or companies. For instance, few indices have been used to assess how income is distributed among a population and a few other indices have been applied to analyze the market structure to check the appropriateness of merger and acquisition operations (Naldi and Flamini, 2014). Relevant literature survey in the context of banking sector revealed that HHI, CR3 and CR4 have predominantly been used to measure market concentration (Bikker and Haaf, 2002). HHI requires market share data of all the companies in an industry while, CR3 and CR4 require data on the top three and four, respectively. The HHI has been a popular choice among the researchers as well as practitioners and have been compared to indices established among statisticians (namely those due to Gini, Bonferroni, and Amato). Compared to HHI, the CR4 is not much data intensive and hence relatively easy to calculate and interpret. This has been periodically provided by the U.S. Census Bureau for a number of industries (U.S. Census Bureau, n.d.).

Using different measures of concentration, i.e., market competitiveness has raised question among the practitioners since the researchers are yet to decide on an acceptable measure that captures the market scenario better compared to the rest. Most researchers report multiple indices since they fear no single index can capture everything happening within an industry (Kowka, 1985). Curry and George (1983) state that due to complexity of business life, a single concentration index cannot be judged best. Instead, they opted for a number of measures. Accordingly, this study computes a number of indices to better capture the level of market concentration in different segments of the financial sector esp. in the context of a developing economy such as Bangladesh. This approach was applied in the context of the USA by Nissan and Caveny (1993) who used six different measures to conclude that there was an increase in industry concentration in the 1980s.

Nawrocki & Carter (2010) argued that if the capital markets can value a firm's prospects, then market value of equity of firms in an industry could be used as a proxy to quantify market concentration. They also cautioned against such an approach by raising two points - it requires that all firms in an industry have the same leverage ratio and using market capitalization is only possible when the firms are listed (i.e., publicly traded). Keeping this limitation in mind, this study collected market capitalization data from listed companies belonging to different segments in the financial sector with a view to assessing the level of market concentration, i.e., competitiveness.

RESEARCH METHODOLOGY

This article applies primarily two measures of market concentration, the Herfindahl–Hirschman Index (HHI) and the entropy concentration index to financial sector in Bangladesh. The Herfindahl-Hircshman Index (HHI) is computed as the sum of the squared firm proportions within an industry and should vary between 0 and 10,000.

$$HHI = \sum (s * 100)^2,$$

where, s is the market share of the specific firm on basis the of sales, market capitalization, etc., and the value should be between 0 and 1. The HHI indicates concentration within an industry where a high number could be interpreted as high degree of concentration (i.e., monopoly power) while a low number could be interpreted as high degree of competition.

Besides, another measure described by Horowitz and Horowitz (1968) is the entropy measure of competition. Let s be the probability of a discrete event, the entropy H is given by:

$$H = - \sum s \ln s,$$

If entropy is used as a measure of the degree of competitiveness, then s is the firm's proportional market value within the industry and the higher the entropy value the higher the degree of competitiveness. The entropy measures have found acceptance within the economics literature as a measure of competition (Curry and George, 1983; Attaran and Saghafi, 1988). Furthermore, Kelly (1981) and White (1982) have suggested that a numbers equivalent be used to improve the performance of the Herfindahl Index (and subsequently the entropy measures). Fortunately, an equivalent number of firms' calculation is available from information theory.

$$E = e^{H},$$

where E is the number of equal size firms that would result in the same amount of entropy H. The equivalent number of equal size firms, E can be used to compare the degree of competition in one industry with that in another industry or to compare the degree of competition at one period of time with that at another. In general, higher values of E is indicative of less market concentration, i.e., better competition.

The CR3 index (the concentration ratio of the largest three firms) have also been used to measure market concentration. It is computed by summing market shares of the three largest firms –

$$CR3 = \sum_{i=1}^{3} s_i.$$

Despite the ease of calculation and subsequent easy interpretation, its shortcoming should be noted, too – differences in the market structure may not be evident since the market share distribution among the top three cannot be captured by this method. The same argument is applicable for 4-firm concentration ratio, CR4 and 5-firm concentration ratio, CR5 that are used by many researchers. However, higher values of CR3 generally indicate high market concentration, i.e., less competition among the firms.

Dataset

Market concentration measures such as HHI, CR3 and entropy indices were calculated using market capitalization data from different companies in sectors such as commercial banks, non-banking financial institutions, general as well as life insurance companies, and mutual funds. As explained earlier, daily trading data from financial companies listed at stock exchange were utilized in the study. This way only equity or market capitalization data were utilized assuming that capital structure remained similar across the different companies in a segment. Also, non-listed companies could not be included in the study.

Daily trading data from January 2010 to October 2019 were collected from Dhaka Stock Exchange (DSE) and analyzed in this study. Table I in Appendix lists all the companies selected for this study. Data from a total of 30 commercial banks, 23 non-banking financial institutions, 36 general insurance companies, 12 life insurance companies, and 37 mutual funds were analyzed in this study.

The Empirical Results

Result from the analysis are presented and discussed below following the U.S. Depertment of Justice guidelines (2010) for horizontal mergers. According to the guidelines, HHI value of less than 1,500 is indicative of 'un-concentrated market', while values exceeding 2,500 indicates a highly concentrated market. HHI values between 1,500 and 2,500 could be interpreted to be representing a moderately concentrated market.

Commercial Banks

Commercial banks constitute an integral part of financial sector, and in capital market, their market share stood at 40% at the beginning of the analysis period, i.e., January 2009. However, by the end of October 2019, the market share dropped to approximately 16% which is significant.

The presence of thirty listed commercial banks has contributed to an apparently unconcentrated market and it indicates to a highly competitive market. The HHI could be measured based on deposit, loan & advance, or, market capitalization data from the commercial banks. In all three cases, the HHI based on annual data showed that it never exceeded the 500 mark (Figure 1).

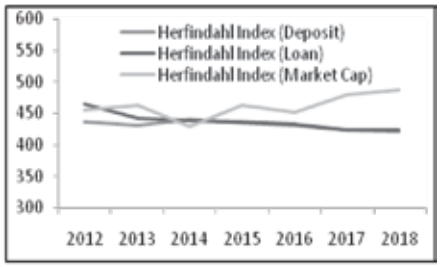
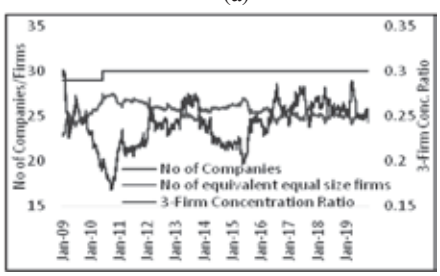


Figure 1: Level of market concentration in commercial bank sector (listed banks only) (2012-19)

Further, similar analysis was done using daily trading data that revealed similar findings - the HHI never exceeded the 600 mark while the number of equivalent equal-sized (hypothetical) firms was pretty close the actual number of firms present and it never fell below 20 (Figure 2a, 2b). The 3-firm concentration ratio, at no point during the analysis period, exceeded 0.30. In other words the 3 largest banks never enjoyed more than 30% of the total market share. That, too, supports the finding form other measures of market concentration. (Figure 2b)

(a)



(b)

Figure 2: Level of market concentration in commercial bank sector (listed banks only) (2009-19)

Non-Banking Financial Institutions: Unlike the commercial banks, the NBFI sectors showed little sign of market competitiveness. The average value of HHI stood at 2000 when the daily market cap data were analyzed over the analysis period, i.e., 2009-2019 that suggests a moderate level of market concentration. A further scrutiny suggests that the HHI level was below 1500 mark during most of the period between 2009 and 2012. However, since then the market started becoming less competitive or, more concentrated. The entropy concentration index fell during that period. Also, things are improving since 2015-16 and the HHI value is falling down. (Figure 3a).

The 3-firm concentration ratio paints an alarming picture of the NBFI sector in terms of marker concentration as Figure 3b shows that, on average, more than 60% of the market share are being enjoyed by top three NBFIs listed at the bourse and more alarmingly there is an upward trend in CR3 value. Further, the equivalent number of equal size firms was found to be less than half the number of NBFIs actually operating in the sector. The average number of NBFI that operated during the analysis period, i.e., 2009-2019 was found to be 22.2 against the average number of equivalent equal size firms that stood at less than ten. Such a relatively lower number of equivalent equal size firms indicates high level of market concentration, i.e., less competition.

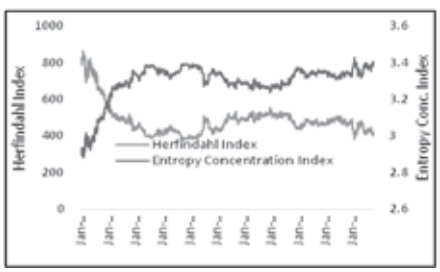
(a)

(b)

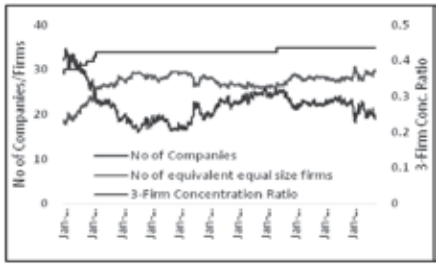
Figure 3: Level of market concentration in NBFIs (2009-2019)

General Insurance Companies: The number of listed general insurance companies rose from about 29 in 2009 to 36 in 2019 that shows relatively high level of market competition in this sector. The HHI value never exceeded the 900 mark and the average value was found to be less than 500 over the last eleven years. Such a low number is indicative of low market concentration and relatively high level of business competitiveness. (Figure 4a).

The number of equivalent equal size of firms was pretty high compared to actual number of firms operating in the sector. Its average over the last eleven years was found to be 27 compared to the average 33 general insurance companies actually operating. Such a high number indicates high level of market competitiveness. Besides, the 3-firm concentration ratio also suggests low market concentration. The highest value of CR3 during the last eleven years was found to be 43% while the lowest was 20% with an average of 27%. All these findings suggest that the market was not concentrated among few top players in the sector. (Figure 4b)



(a)

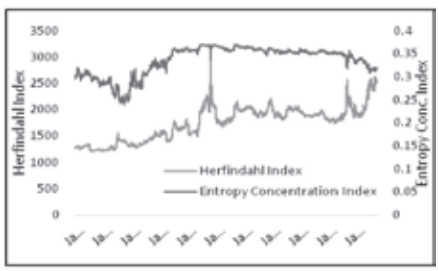


(b)

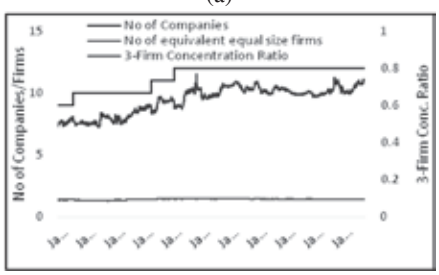
Figure 4: Level of market concentration in general life insurance sector (listed companies only) (2009-19)

Life Insurance Companies: The number of life insurance companies listed at DSE was only 9 in January 2009 and since then the number only grew to 12 till October 2019. Accordingly, the level of market concentration only deteriorates which is evident from the HHI value that averages 1,750, i.e., moderate level of market concentration, over the last eleven years and the highest value was found to be 3,200 indicating high level of market concentration. Such a high range of values of HHI indicates relatively low level of business competitiveness. (Figure 5a).

The number of equivalent equal size of firms was a fraction of the total number of firms in operation. It averages close to one, 1.4 to be precise, during the last eleven years while the average number of life insurance companies in operation was more than 11. Such a low figure suggests a low level of market competitiveness. Additionally, the 3-firm concentration ratio supports findings from other measures. The highest value of CR3 during the analysis period, i.e., 2009-2019 was found to be as high as 77% while the lowest was 48% with an average of 63%. All these findings suggest that the market was highly concentrated among few top players in the sector diminishing the overall market competitiveness in this sector. (Figure 5b)



(a)

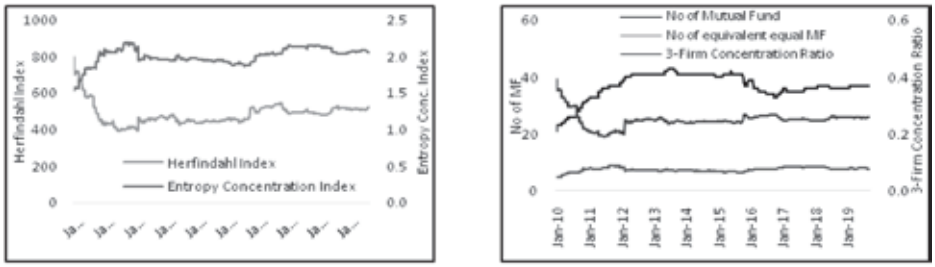


(b)

Figure 5: Level of market concentration in life insurance sector (listed companies only) (2009-19)

Mutual Funds: Mutual funds are an important part of the financial sector especially when it is considered in the context of listed companies. The total market share of closed-end mutual fund had been pretty low in

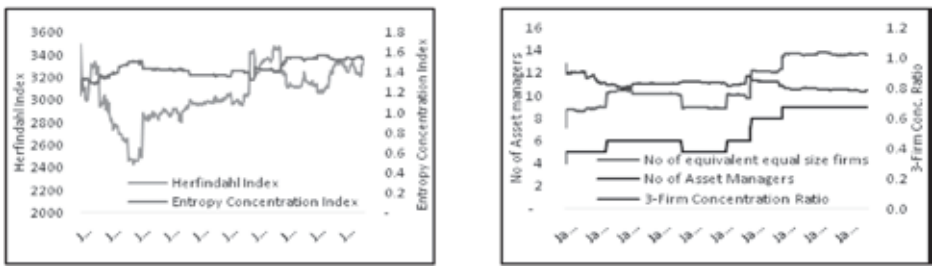
Bangladesh – it hovered near 2 % during 2010-2019.



(a) (b)

Figure 6: Level of market concentration among different mutual funds (closed-end only) (2010-2018)

Market concentration in mutual fund industries could be analyzed from two perspectives – mutual funds and asset managers. The mutual fund industry from the perspective of individual funds, was found to be less concentrated (Figure 6a) with the HHI never exceeding 900 mark since January 2010 with an overall average less than 500. Moreover, number of funds back then was 21 which stood at 37 as of October 2019 with an overall average of 37 that indicates presence of competitiveness among the different funds. The average CR3 during that period was about 25% that also supports the presence relatively less market concentration. (Figure 6b).



(a) (b)

Figure 7: Level of market concentration among mutual fund asset managers (closed-end only) (2010-2018)

However, mutual funds should better be analyzed from the perspective of asset managers whose number was only 4 in January 2010 and stood at 9 in October 2019 that is also the highest number of asset managers listed in DSE during the period. The market concentration has been found to be pretty high resulting in a lack of competitiveness among the asset managers. The HHI value hardly fell below the 2,500 mark while the overall average exceeded 3,000 and the highest value was found to be 3,492. (Figure 7a) Furthermore, the market was found to be highly concentrated among the top three managers with the CR3 value exceeding 95% in early 2010 and stood at almost 80% in October 2019. During the analysis period, the average CR3 value was found to have exceeded 82% indicating that market was highly concentrated among the top asset managers. (Figure 7b).

CONCLUSION

The current study focuses on the listed companies only and it was evident from data from 2009-2019 that commercial banks and general insurance companies had low market concentration that fosters competitiveness. On the other hand, market concentration remained relatively high in such as non-banking financial institutions (NBFI), life insurance, and mutual fund. This indicates a general absence of market competitiveness which

may result in downfall for the industry unless corrective measures are adopted by regulatory authorities, such as Bangladesh Bank, Insurance Development and Regulatory Authority (IDRA), and Securities and Exchange Commission (SEC). Such findings may help authorities such as Bangladesh Competition Commission (BCC) to formulate policies, i.e., anti-trust laws etc. to foster competitiveness in these segments of financial sector. Besides, potential investors will be able to better assess risk of their investment into financial companies by utilizing findings from this study.

In addition to market concentration, other measure of competitiveness could also be applied to industries in future studies to supplement findings from this study. Measuring market concentration helps, if not solely dictates in determining the presence of competitiveness. Moreover, a significant number of insurance companies, commercial banks, and open-ended mutual fund that are not listed in the stock exchange and whose data are hardly available could have supplemented the current study. Other participants in the financial sector such as rating agencies, micro finance institutions etc. could also be analyzed to get a better picture of state of market concentration in financial sector. Future research could also utilize revenue, enterprise value etc. in lieu of market capitalization data only in order to determine market share and subsequent analysis of market concentration. Finally, return data from market participants in different segments of the financial sector could be checked against respective market concentration level in order to verify possible linkage between market competitiveness and corresponding return.

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APPENDIX

Table I: Selected Financial Companies as of October 31, 2019

	Ticker of Banks	**Ticker of NBFIs**	**Ticker of General Insurance**	**Ticker of Life Insurance**	**Mutual Funds**	
					AM	Ticker of MF
1.	ABBANK	BAYLEASING	AGRANINS	DELTALIFE	RACE	EBL1STMF
2.	ALARABANK	BDFINANCE	ASIAINS	FAREASTLIF		TRUSTB1MF
3.	BANKASIA	BIFC	ASIAPACINS	MEGHNALIFE		IFIC1STMF
4.	BRACBANK	DBH	BGIC	NATLIFEINS		1JANATAMF
5.	CITYBANK	FAREASTFIN	CENTRALINS	PADMALIFE		POPULAR1MF
6.	DHAKABANK	FASFIN	CITYGENINS	POPULARLIF		PHPMF1
7.	DUTCHBANGL	FIRSTFIN	CONTININS	PRAGATILIF		EBLNRBMF
8.	EBL	GSPFINANCE	DHAKAINS	PRIMELIFE		ABB1STMF
9.	EXIMBANK	ICB	EASTERNINS	PROGRESLIF		FBFIF
10.	FIRSTSBANK	IDLC	EASTLAND	RUPALILIFE		EXIM1STMF
11.	ICBIBANK	ILFSL	FEDERALINS	SANDHANINS	ICB	ICBAMCL2ND
12.	IFIC	IPDC	GLOBALINS	SUNLIFEINS		1STPRIMFMF
13.	ISLAMIBANK	ISLAMICFIN	GREENDELT			ICBEPMF1S1
14.	JAMUNABANK	LANKABAFIN	ISLAMIINS			PRIME1ICBA
15.	MERCANBANK	MIDASFIN	JANATAINS			PF1STMF
16.	MTB	NHFIL	KARNAPHULI			ICB3RDNRB
17.	NBL	PHOENIXFIN	MERCINS			IFILISLMF1
18.	NCCBANK	PLFSL	NITOLINS			ICBSONALI1
19.	ONEBANKLTD	PREMIERLEA	NORTHRNINS			ICBAGRANI1
20.	PREMIERBAN	PRIMEFIN	PARAMOUNT		LRGLOBAL	DBH1STMF
21.	PRIMEBANK	UNITEDFIN	PEOPLESINS			GREENDELMF
22.	PUBALIBANK	UNIONCAP	PHENIXINS			AIBL1STMF
23.	RUPALIBANK	UTTARAFIN	PIONEERINS			MBL1STMF
24.	SHAHJABANK		PRAGATIINS			LRGLOBMF1
25.	SIBL		PRIMEINSUR			NCCBLMF1
26.	SOUTHEASTB		PROVATIINS		SEML	SEMLLECMF
27.	STANDBANKL		PURABIGEN			SEMLIBBLSF
28.	TRUSTBANK		RELIANCINS			SEMLFBSLGF
29.	UCB		REPUBLIC		VIPB	SEBL1STMF
30.	UTTARABANK		RUPALIINS			NLI1STMF
31.			SONARBAINS		VANGUARD	VAMLBDMF1
32.			STANDARINS			VAMLRBBF
33.			TAKAFULINS		CAPM	CAPMBDBLMF
34.			UNITEDINS			CAPMIBBLMF
35.			BNICL		AIMS	GRAMEENS2
36.			AGRANINS			RELIANCE1
37.					ASIAN TIGER	ATCSLGF

AUTHOR'S BIOGRAPHY

Shirin Sharmin is the VP (Investments) and Head of Research at LR Global Bangladesh Asset Management Company Ltd. She is pursuing PhD at Bangladesh University of Professionals (BUP). She holds an MBA (Finance) from Institute of Business Administration (IBA) and an MBA (Marketing) from Faculty of Business Studies, University of Dhaka. A graduate civil engineer from BUET, she also holds a Masters in Economics from Dhaka School of Economics. Her research interests include financial reporting and capital market analysis.

Mohammad Arman is an Assistant Professor at Department of Accounting and Finance, North South University, Bangladesh. He received his PhD and Masters Degree from Purdue University, IN. He is a certified FRM and holds an MBA (Finance) from Institute of Business Administration (IBA), University of Dhaka. His research interests include infrastructure finance, capital market analysis, banking, and risk management.

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ACCEPTANCE OF VIDEO STREAMING SERVICES IN BANGLADESH: AN EMPIRICAL STUDY

Faiz Ibne Hossain[1], Shafquat Rafiul Alam[2], Mahtab Muntazeri[3]

ABSTRACT

Streaming video content, using the internet, has been a booming industry globally, and its reach has extended to the Bangladeshi market as well. Previous studies show that online entertainment media piracy has been a significant thing in the local market, but the same cannot be said about the streaming platform. Thus, in order to get an insight into the usage of such services, the paper will choose to explore the acceptability and adoption of streaming services through the Technology Acceptance Model (TAM). Further, to better understand streaming service use, the current study examines the relationship between all the factors of TAM through Exploratory Factor Analysis (EFA), Confirmatory Factor Analysis (CFA) and Structural Equation Modelling (SEM).

Keywords: Technology Acceptance Model, Video Streaming Services, Video-On-Demand, VOD, Over The Top, OTT, TAM, TPB, Consumer Behavior

1. INTRODUCTION

As consumers continue to get accustomed to and replace conventional media consumption; such as linear TV (television that is traditionally broadcast and watched in real-time), newspapers, broadcasters, etc.; with digital experiences; such as video streaming services. According to Berman, Battino & Feldman (2011), these conventional media face primarily two problems: a prospective revenue generation challenge and an opportunity for an ever-increasing market of consumers which have allowed their entertainment preferences to shift to new industry entrants. Industry leaders in many media and entertainment (M&E) market segments must find a way to replace declining conventional revenue with something which will offer value of similar nature to the consumers.

Video streaming platform offers users a platform which offers viewers various types of content for recreation. Owing to these incentives, the number of people who use video streaming platforms has rapidly increased. This study aims to look into the acceptance of using video streaming services in Bangladesh. Due to the rapid increase in video streaming service providers, factors influencing acceptance can enhance users' experiences of these services. As such, the constructs users' perceived usefulness, perceived ease of use, attitude towards use and behavioral intentions were used to address the present study. The objective of the research, therefore, is to look into the acceptance and adaptability of video streaming platforms in Bangladesh.

Existing literature have primarily looked into the video streaming acceptance among customers in the developed region, but no work has been done in the Bangladeshi context. Through this research, the researchers are trying to address the gap so that it can provide insights to various international and local video streaming service providers.

1. *Lecturer, Department of Marketing and International Business, School of Business and Economics, North South University (NSU), Bangladesh*
2. *Lecturer, Department of Management, School of Business and Economics, North South University (NSU), Bangladesh*
3. *Lecturer, Department of Marketing and International Business School of Business and Economics, North South University (NSU), Bangladesh*

2. LITERATURE REVIEW

2.1 Acceptance of Video Streaming Services

In recent times, it has become quite easy to acquire information over the internet. Video content has become a major part of the information that people are getting via the internet delivered to their device of choice. Generally, there are two ways of getting video content over the internet: downloading and streaming. Downloading methods have been used quite heavily in the past because of a few reasons which seem to be changing with time. Content file size in the past was not large enough as the video quality and technology was not as advanced as the current times. Another issue of concern in case of downloading content is that the movie industry is constantly threatened by internet piracy through illegal downloads (Das, 2008), The advancement of internet technology, especially in terms of speed, is enabling certain parties to make large volumes of video content available for download without the permission of legal owners of the content in only a matter of minutes (Wang and McClung, 2012). The overall creative industry struggles with free copies of content being shared illegally online (Smith & Telang, 2009; Jacobs, Heuvelman, Tan & Peters, 2012). With the widespread availability of high-speed internet and modern technologies making better quality videos, people have been demanding increasingly better resolution and quality, which is making the file size significantly bigger. in addition, piracy detection is improving and many Internet Service Providers (ISPs) or other internet related regulatory agencies are getting increasingly more effective at detecting video content which are in violation of various forms of intellectual property rights. Many individuals/organizations are facing legal backlash for illegal downlouding and uploading (Das, 2008 and Ryu & Park, 2018). In case of streaming, by paying a small subscription fee, and in some cases even for free for some selected content in specific platforms, the users are being able to watch licensed/owned content legally without having to struggle with any legal or even moral dilemma. Moreover, downloading videos restricts users to particular types of device which allows for installing and running applications and software necessary for downloading, plus the device needed to be equipped with sufficient storage for saving all the downloaded file. Streaming services is one of the major applications of digital convergence. For both the users of such services and the platform operators, the motto of such convergence has become Any Time, Any Where, Any Device and Any Content (ATAWADAC) (Letaifa, Gratacap & Isckia, 2013). Majority of the streaming platforms offers its customers the option of viewing their content from almost any internet-connected screen, where the users can play, pause and resume watching their preferred video content (Adhikari et al., 2012; Chen, Zhou & Chiu, 2013; Daidj & Egert, 2018; García, Pañeda, García, Melendi, & Vilas, 2007; Oat, 2013).

Due to the reasons discussed, the most logical and viable solution is video streaming. In the case of video streaming, the user is able to play the best quality video, depending on the internet speed, instantaneously as it is received, whereas for downloading, the entire file had to be downloaded before being able to watch it (Bucknall, 2012). This video streaming service is also known as Over-The-Top (OTT) streaming services, as it bypasses the traditional cable-based video delivery services and rather relies fully on the internet for the delivery of the video content (Matrix, 2014). On top of that, the media files are compressed when sharing over the internet and then again it is decompressed by the player or interface being used to watch the video, thereby saving a lot of waiting time. Additionally, the servers are constantly connected to the user via the service, enabling the user to go forward or backward in the timeline of the video which is a major step forward compared to the traditional broadcast media, such as cable TV (Ho & Yang, 2015).

The popularity of video streaming services has gained immense momentum. Mobile TV, which was considered to be the prevalent technology before the current on-demand video streaming services, was regarded as the next big thing for the wireless industry (Jung, Perez-Mira & Wiley-Patton, 2009; Shim, Ahn, & Shim, 2006). In

quite a few major markets, such as Canada, the UK, Australia, New Zealand, and parts of Western Europe, video streaming services have transformed into mainstream media services in direct competition with cable TV. The platforms offering modern-day video streaming services, such as Netflix, Amazon Prime, Hulu, etc., offer an interactive catalog of content, many of which are organized by complex algorithms to reflect individual consumer's preferences (Lobato, 2017). Lotz (2017) states that one of the most distinguishing factors of such non-linear television, or video streaming services is the personalized delivery of the content which is not bounded by a fixed schedule, but rather can be operated at the schedule convenient for the user. Video streaming services are not limited to only specific parts of the world. In 2016, Netflix, one of the major video streaming platforms, announced an expansion to 243 countries, and as of 2019, they are already distributing video content to its users to over 190 countries, which shows how widespread these services have become throughout the world (Aguiar & Waldfogel, 2018 and Netflix, 2019). As per research conducted by Priec Waterhouse Coopers in 2013, about 63 % of households in the US used at least one video streaming service (Matrix, 2014). Further adding to the popularity and acceptance of video streaming services, many of the providers of such services are not the only Video on Demand (VOD) service providers, but also has come into the field of producing and distributing original content which would only be available in that particular video streaming platform (Jenner, 2016). According to The Daily Star (2019), Bangladesh has seen a steady growth in online platform penetration which helped local streaming services such as Hoichoi, iflix, Bioscope and Zee5 to gain huge subscription base alongside their global counterparts.

2.2 Technology Acceptance Model and Video Streaming Services

The Technology Acceptance Model (TAM) focuses on two key variables; Perceived Usefulness (PU) and Perceived ease of use. These constructs have been suggested by Venkatesh et al., (2012), to predict and explain the attitude and behavior intention of individuals towards new technology. Perceived Usefulness (PU) attempts to establish that a potential target adopter assesses a new technology based on his/her perceived understanding towards better value creation in comparison to previously available technology. Perceived Ease of Use (PEOU) tries to capture that the degree to which it is relatively easy and less effort required by the user of new technology which will lead towards the adoption of the technology. For example, a study on e-learning has shown that if there is media richness that creates convenience for the new users of the technology, then it has positive acceptance (Liu 2009).

Although research on TAM is widely available, the use of this model to understand consumer acceptance of video streaming service is limited. With the increased usage of advanced technology in the 80s, Davis proposed the use of the TAM model to study the likelihood of consumer acceptance of technology-based products & services (Davis. 1989). The framework of the TAM model has been based on the theory of reasoned action (Fishbein & Ajzen, 1975). This model has been useful in understanding consumer intention to accept information related to personal computer products (Chang 2008). Various extended and modified versions of this model have been used to figure out consumer acceptance of new technology and information products, such as social networking (Rauniar et al. 2014), m-commerce (Ervasti and Helaakoski 2010; Mallat et al. 2009), online services (Liao et al. 2007), mobile payments (Liébana-Cabanillas et al. 2014; Ramos-de-Luna et al. 2016) and e-health care services (Holden and Karsh 2010). A similar study used a modified TAM in mobile media subscription service (Youn and Lee 2019). A study on live streaming service acceptance in Taiwan with the aforementioned model can be found (Ho, 2015). The study found that live streaming was popular among the consumers' age groups of 20 to 29 years and they use chat room service along with the live streaming which can be an influencing factor. Our research adopts a TAM to study consumer acceptance of video streaming services especially in developing countries like Bangladesh.

2.2.1 Perceived Usefulness and Behavioral Intention to Use

One of the two primary contributing factors of TAM, Perceived Usefulness, can be defined as "the belief that using a particular system would enhance his or her job performance" (Davis 1989, p. 320).

A strong correlation between behavior intention to adopt new technology and perceived usefulness can be found, especially in the case of the new version of communication technology (Zaremohzzabieh et al. 2015; Lunney et al. 2016). A similar study found that there is a significant prospect of a new technology to be accepted when the given technology has sufficient advantages which are perceived to be useful by the adopters (Gong, Xu, and Yu 2004).

2.2.2 Perceived Usefulness and Attitude towards Use

According to the TAM framework, if adopters of new technology can find it useful compared to the existing options, they will form a favorable attitude towards the new technology. It's been proven time and time again that the positive relationship between the determinants and the ultimate acceptance of the new technology, especially in the streaming services. Shin (2009), found that perceived usefulness significantly correlated with the acceptance of technology among the South Korean market for services provided through digital multimedia broadcasting (DMB). A similar outcome could be seen in the study of Mobile TV adoption among the consumers of China (Zhou, 2013).

2.2.3 Perceived Ease of Use and Behavioral Intention to Use

Besides perceived usefulness, the other major determinant with the TAM framework is the perceived ease of use. This is defined as "the degree to which a person believes that using a particular system would be free of effort" (Davis 1989, p. 320). Since ease is the main premise behind this determinant, the actual experience of using the technology is considered more important compared to the achievement of external goals by using the technology (Van der Heijden, 2004). For various kinds of technology, past research has established the positive correlation either directly or indirectly between PEOU and BI, such as smartphones and tablet computers (Park and del Pobil, 2013; Joo and Sang, 2013; Kim and Sundar, 2014), cloud computing (Park and Kim, 2014), technology in the health care sector (Bhattacheijee & Hikmet, 2008), e-commerce (Gefen & Straub, 2000; Sentosa & Mat, 2012), news website of the TV networks (Lepervanche, 2006), teaching-related technology (Teo & Noyes, 2011), smartwatches and wearable fitness technology (Hossain, Rahman & Alam, 2019; Kim & Shin, 2015; Lunney, Cunningham & Eastin, 2016), LTE Service (Park and Kim, 2013).

Although the original TAM framework suggests an indirect correlation between perceived ease of use and behavioral intention, via either attitude (Hypothesis 4) or via perceived usefulness, this paper in addition to the basic TAM is also testing the direct correlation of PEOU and BI. The paper by Fusilier & Durlabhji (2005) also looked at a direct correlation bypassing attitude when studying the acceptance of the internet among students of India. Venkatesh (1999) and Venkatesh and Davis (2000) also argued in favor of the omission of measuring a direct correlation between PEOU and BI.

2.2.4 Perceived Ease of Use and Attitude towards Use

In the original TAM framework, PEOU can have a positive effect on the behavioral intention to use technology by having a positive impact on the attitude of the user towards that technology. Past research shows evidence that this correlation between PEOU and ATU holds true for different kinds of technology, for example, in the case of wireless healthcare for the senior citizens (Hsiao and Tang, 2015), wireless internet via mobile device (Lu, Yu, Liu & Yao, 2003), online retailing and online learning (Gong et al., 2004; Moon & Kim, 2001; O'Cass

& Fenech, 2003; Sánchez-Franco & Roldan, 2005). Although in the paper by Hu, Chau, Sheng and Tam (1999) the correlation between PEOU and ATU was proved to be insignificant in the case of acceptance of telemedicine by physicians based in Hong Kong. This exception could be explained by the fact that telemedicine has much more utilitarian features rather than hedonic features which is not the case for video streaming technology (Lunney et al., 2016; van der Heijden, 2004).

2.2.5 Attitude towards Use and Behavioral Intention to Use

Liu (2009) on the research about acceptance of e-learning found a positive correlation between positive attitudes towards use with favorable behavior intention. Quite a few research works using the TAM model found similar results (Shin 2009).

3. METHODOLOGY

An online survey was used to explore the psychological factors affecting the attitude and ultimately the behavioral intention to adopt video streaming services in Bangladesh.To achieve the objective of the research, the researchers decided to choose respondents from Dhaka, Bangladesh, because of its high internet penetration (18.02% in 2017 according to "Bangladesh: internet penetration rate 2017 | Statista", 2020), high bandwidth, and number of credit card holders which are needed for payment of online subscriptions for streaming services.

Convenience sampling has been used for the research because it allowed the researchers to collect basic information and trends regarding the study without the complications of randomized sampling. This sampling technique has also been useful in recording the fact that consumption of such services occurs within a given sample, in this case the sample which the researchers chose. This in the long run helped in detecting relationships among different variables (PU, PEOU, ATU & BI).

3.1 Sample

The study participants were all from Dhaka, Bangladesh, who are either pursuing their studies or have already joined the workforce. Before conducting any data analysis, the full data was checked for any erroneous data entry, duplicate participation or missing information. A total of 120 participants were invited to fill out a questionnaire, of which 110 were used for further analysis; rest were omitted due to incomplete responses. The response rate thus stood at 91.7 %.

Among the respondents, 52.7 % were female and 47.3 male. The majority (92.7%) of the respondents belonged to the age range of 15-29, followed by the age range of 30-39 (5.5%) and there were also 2 respondents (1.8%) from the age range of 40-49. Among the respondents, 87.3% are undergraduates, 9.1 % graduates and 3.6 % who were still in High School. It was noted that none of the respondents were below the high school level. Out of the respondents, a plurahty (42.7%) identified themselves as heavy users of video streaming services, whereas 38% identified as medium users and only 19.1 % identified as light users. The period of usage of video streaming services were fairly spread out across all the options given in that particular item. 18.2% respondents mentioned they have been using the service for more than 5 years and 13% have selected that they have used it for 3 to 5 years. 20.9 % responded by saying they have been using such services for 1-3 years, which was the plurality in this situation. Usage period of 6 months to 1 year was selected by 10% of the population and 20 % mentioned they have been using the service for a period of 1 to 6 months. Lastly, 17.3% respondents claimed they have only been using such services for less than a month.

Among all the different video streaming services available to the respondents, Netflix by far was found as the most common choice and 78.2% of the respondents mentioned that they use the services of this platform regularly.

3.2 Research Model

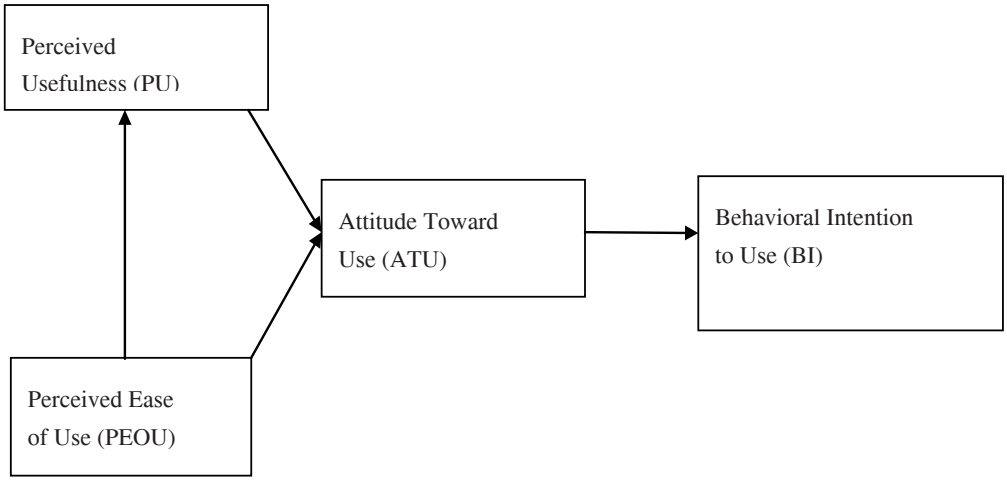

Figure 1: Technology Acceptance Model, version 1 (Davis, Bogozzi & Warshaw 1989)

3.3 Measures

All the measurement items used in the survey instrument were adapted from prior studies conducted in the field. The questionnaire was divided into four major sections that collected information on (1) attitude towards video streaming services, (2) behavioral intention to use video streaming services, (3) perceived ease of use of video streaming services, (4) perceived usefulness of video streaming services. The items were adapted from several established papers including:

ATU 4 items from Venkatesh et al. (2003)
ITU 3 items from Venkatesh et al. (2003)
PEOU 3 items from Davis (1989, 1993)
PU 5 items from Davis (1989, 1993)

4. DATA ANALYSIS

In order to understand the behavioral intention of using video streaming services, the collected data were first tested for reliability using KMO and Bartlett's test. The KMO measure was used to showcase sampling adequacy while Bartlett's Test is used to determine the Sphericity of the collected data. Moreover, the researchers applied exploratory factor analysis (EFA) to verify the construct measures what this study intends to measure. The EFA was applied to 15 items, which assesses the items measuring perceived ease of use, perceived usefulness, attitude towards usage and behavioral intention to use.

5. RESULTS AND DISCUSSIONS

From the analysis the variables were distributed under two retained factors; i.e. namely Perceived usefulness (PU), Perceived ease of use (PEOU), Attitude to use (ATU) and Behavioural Intention (BI) respectively. The reliability analysis of the two retained factors **(Table 1)** shows a high level of internal consistency as the calculated Cronbach's Alpha was greater than 0.70.

Table 1: Factors retained

Rotated Component Matrix		
	Component	
	1	2
ATU1	.709	
ATU2	.833	
ATU3	.835	
ATU4	.521	
BI1	.846	
BI2	.832	
BI3	.868	
PEOU1	.794	
PEOU2	.879	
PEOU3	.757	
PU1		.838
PU2		.912
PU3		.904
PU4		.911
PU5		.926

Thus the factors are considered to be valid as the alpha is over 0.5 and all items are appropriate for this study.

To measure the validity, the Kaiser-Meyer-Olkin (KMO) Test is a measure of whether the data is suitable for Factor Analysis. It measures sampling adequacy for each variable within and for the complete model. The calculated value of KMO Measure of Sampling Adequacy is 0.914 which is well above the standard cut point of 0.60. Similarly, Bartlett's Test of Sphericity is significant at 0.000 ($P<0.001$), and so the dataset is suitable for conducting further analysis (Table 2). Thus this paper stipulates orthogonal rotation as it eliminates the problems of multicollinearity in the analysis.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of		.914
Bartlett's Test of Sphericity	Approx.. Chi-Square	1936.057
	Df	153
	Sig.	.000

Table 2: KMO and Bartlett's test

5.1 Hypothesis Analysis

The analysis of the conceptual model relied on SEM, for three reasons. First, the research objective was to predict the acceptance of video streaming services and the SEM method is a multivariate statistical process for

the structural testing model with observed and latent variables. The analysis was conducted using Amos 20 using the maximum likelihood method (MLM). The result from the full structural model revealed that the proposed model confirms the fit test, in regard to absolute measures, indicate that the structural model meets the recommended levels and fits for the sample data. The results of the analysis also showed that the mediator (attitude towards use) influences the dependent variable (β=.78,$p < 0.001$).

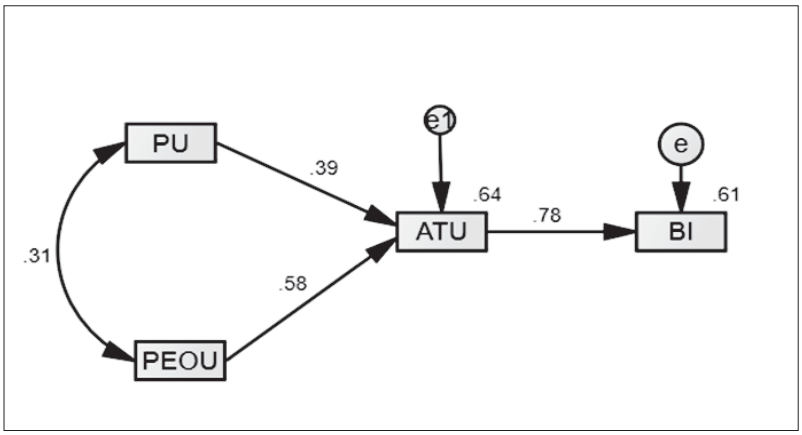

Fig 2: Empirical results for the conceptual model.

For the context of this paper, as the beta weight for in-between PEOU and ATU was greater than 0.5, this indicates there is a positive relationship between the constructs. Moreover, the R2 for both PU and PEOU on ATU was 0.64, which is also significant; therefore, the PU and PEOU has a positive effect on the attitude towards using video streaming services.

Moreover, the R2 between ATU and BI was 0.61 which indicates a strong relationship between the variables exists. Therefore as Attitude towards video streaming services increases, the Intention to use video streaming services also increases.

Moreover, all regression weights were significant (P<.05) (see Table 3), revealing all the constructs were significant.

			Estimate	S.E.	C.R.	P
ATU	<---	PU	0.33	0.051	6.468	***
ATU	<---	PEOU	0.53	0.056	9.549	***
BI	<---	ATU	0.938	0.073	12.921	***
BI	<---	ATU	0.938	0.073	12.921	***

Table 3: Regression weights

6. CONCLUSION

According to the findings, it can be claimed that all the factors of the Technology Acceptance Model are co-related, albeit it may vary slightly. The relationship seemed to be weakest between PU and PEOU, followed

by the relationship between PU and ATU. It was the strongest between ATU and BI, followed by the relationship between PEOU and ATU. This analysis will help the internal stakeholders involved in the online streaming service industry while developing new and existing streaming services to better understand the market and how to influence the customers. As the result shows behavior intention is highly driven by ATU, and since it has a stronger relationship with PU compared to PEOU, managers focus needs to be in creating usefulness factors for this particular market.

Therefore, the acceptance of Video Streaming Services in Bangladesh is increasing and the constructs of TAM may explain the antecedents of acceptance towards video streaming services. Organizations can understand the growth and future potential of the market from the outcome of the analysis of this study. Since no other research exists on the streaming service industry in the Bangladeshi context, this research tried to address and contribute to the insights of various international and local video streaming service providers.

Further research building on the findings can help relevant parties develop business model that are more suitable for this market. However, readers should caution themselves not to use these constructs as an absolute "one-size fits all" approach.

7. LIMITATIONS AND FUTURE RESEARCH

One of the limitations of this paper is that the majority of the respondents belong to a similar age group and have similar educational backgrounds. Had the sample been more evenly spread across different age groups and educational backgrounds, the results might also generate other valuable insights regarding the acceptance of this technology. This particular phenomenon might also be viewed as a strength as it had a wider representation of the same age group and educational background which strengthens the results following the same framework for that particular group. Another interesting insight into the results could have been added if the responses were analyzed for each demographic group. Then the demographic influences could be observed on the acceptance of this technology.

The proposed model in this study does not consider some of the antecedents to the underlying motivation for accepting such a technology, which is a limitation. Thus, future research could focus on some of these underlying causes of motivation, when exploring the factors affecting acceptance of such technology. Perceived Enjoyment could be used as an additional determinant particularly for video streaming technology as the hedonic aspect of this technology might have a major influence on the acceptance (Davis et al., 1992 & Van Der Heijden, 2004).

This particular paper can be further supplemented by adding some other facilitating conditions, such as the availability of relevant infrastructure and resources, necessary knowledge requirement, and compatibility with other systems. The facilitating conditions and its effect on the acceptance of such technology can be adopted from the UTAUT 2 model as proposed by Venkatesh, Thong and Xu, 2012.

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PROFILE OF RESEARCHERS

Faiz Ibne Hossain is a lecturer in the Department of Marketing and International Business, North South University. He has completed his bachelor's degree in business from North South University, Dhaka, Bangladesh: majoring in Finance & Accounting, and master's degree in international marketing from the University of Birmingham, Birmingham, UK: specializing in Brand Management. His research interests include Consumer Behavior, Diffusion of Technology, and Brand Management.

Shafquat Rafiul Alam is a lecturer at the Department of Management in the School of Business and Economics at North South University. He has completed his Masters from the University of New South Wales, Australia, specializing in Human Resource Management. Before that, he completed his Bachelor of Business Administration from Central Queensland University, Australia. His specializations include Marketing and Human Resource Management. His research interests include the fourth industrial revolution, business innovations, consumer behaviour, and contemporary issues in Human Resource Management, Marketing and Strategic Management.

Mahtab Muntazeri is a lecturer in the Department of Marketing and International Business, North South University. He has completed his bachelor's degree in business from North South University, Dhaka, Bangladesh, with a dual major in Finance & Accounting and Marketing, and received his master's degree in International Strategic Marketing from the University of Glasglow, Glasglow, UK. His research interests include Marketing Strategy, Digital Marketing, and Technology.

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TITLE: CONSTRUCTING AND VALIDATING SCALE OF CONSUMER SWITCHING BEHAVIOR

Farhana Habib Zinnia[1], Abdel Mubdiu Ibne Mokter[2], Mohammad Tayeenul Hoque[3], Kifayat Nahiyan Rafi[4]

ABSTRACT

This research aims to validate the scale of consumer switching behavior in regards to service industries (e.g. restaurants, banks and telecommunication).The researchers tested the data from the survey of the consumers of different service industries in Bangladesh and also applied exploratory factor analysis that measured the KMO value, communalities value, Eigenvalue, and the rotated component matrix values to justify the number of items under each construct to be retained. Thelimited sample size and focus in only service sector may affect the development of scale. The scale can be developed for other sectors too. Managers of service sector can use this scale to understand consumers switching behavior and take marketing strategies to improve their service quality accordingly.

Keywords: Scale Validity, Reliability, Consumer switching behavior, Service industry

Paper Type: Research paper

1. INTRODUCTION

In service literature, brand switching is defined as a consumer ceasing a trade relationship with an existing brand in favor of a new brand (Bansal, Taylor et al. 2005, Mortimer and Weeks 2019). Being a member of service industry, bank, restaurant and telecommunication industry is not immune from such impacts of consumer service switching. Switching behavior in case of service industry refers to the way customers shift from one service provider to another in the same industry. Scale construction is one of the primary aspects of any prediction measurement. Despite this important role, scholars often used improper practices in its construction (DeVellis 2012, Carpenter 2018) defined scales as "the collections of items combined into a composite score intended to reveal levels of theoretical variables not readily observable by direct means" (p. 11). Many researches, applied decisions and policies depend on the quality of measurement instruments, which is highly influenced by the effectiveness of its scale development (Ziegler 2014).

According to Gourville (2003) people are sensitive to relative advantages and disadvantages of any change and will therefore switch if the new product offers better satisfaction than what the consumer is currently enjoying. There are various factors that influence consumers' switching behavior. Several researchers pointed out that besides core benefits other factors like brand image (Al-Kwifi and Ahmed 2015), product features and product services, switching costs, subjective norms and interpersonal relationships (Chuang and Tai 2016) also influence switching behavior from one service to another.

Previous studies on consumer switching behavior have primarily looked into the causes and probability of

1. *Lecturer in Department of Marketing & International Business of North South University.*
2. *Graduate Research Assistant in Department of Marketing & International Business of North South University.*
3. *Assistant Professor and the Chairman of Department of Marketing & International Business of North South University.*
4. *Graduate Research Assistant in Department of Marketing & International Business of North South University*

certain factors influencing their decision making, but in the context of Bangladesh no scale has been developed thus far. For example, in the paper titled "Contraceptive Switching in Bangladesh" " (Steele and Diamond 1999), the authors looked into the specific determinants of contraceptive switching behavior rather than

creating a scale. Again, in the paper "Factors Influencing to Bangladeshi Consumers' Mobile Phone Operators Choice and Change Behavior", the authors Hasan, Yeasmin et al. (2013) looked into the factors influencing customers' mobile phone operator switching behavior, but again, no scale was developed. Therefore, the contribution of this paper would create a scale which can be used across multiple industries in the country.

The main objective of this paper is to investigate the scale construction of consumers' switching behavior towards service industries, e.g., bank, restaurant, and telecommunication. This study will describe the processes of scale construction in general, its challenges and future directions, and then connect to consumer's switching behavior towards the service industry. Switching from one brand to another is a major problem for any business. Therefore, managers need to understand what causes consumers to switch brands, and then try to construct tactics that will retain their customers and build loyalty towards their own brand. In order to do this, appropriate scale construction is necessary to effectively determine what causes switching behavior. If managers can avoid switching behavior of consumers, it will improve business performance, and the process also improves consumers' satisfaction towards a brand.

2. LITERATURE REVIEW

In the literature review, we have discussed some attributes that influence consumer's switching behavior towards the service industry. These attributes were chosen based on the suggestion by Shahzadi, Malik et al.(2018), titled "What influences customer satisfaction and behavioral intentions?" We have also discussed the impact of these attributes on consumer's switching behavior.

2.1 Service Related Attributes

Customer satisfaction is also highly dependent on the excellence of the service. Han and Kim (2009) stated that customers' perception of service quality, significantly influences satisfaction and loyalty in service industries. Satisfied and loyal customers have a low intention to switch service providers (Jung and Yoon 2012). Higher satisfaction also leads to good word of mouth and revisiting intention(Han and Kim 2009). Friendliness of the employee, quick responsiveness, facilities, etc. all contribute to service quality (Gerrard and Cunningham 2004, Omar, Ariffin et al. 2015) has subdivided "core service facilities" into position, operating hours and logistical support delay. According to Grossbart, Hampton et al. (1990) service quality is measured by what is delivered to the consumer and how it is delivered. The SERVQUAL scale proposed byParasuraman, Zeithaml et al.(1988) which consists of five dimensions, is used widely to measure service quality. Due to these reasons, service quality has a significant impact on consumer switching intentions. That is why service providers should focus on maintaining a high service quality to lower customer turnover.

2.2 Atmosphere Related Attributes

Service providers cannot rely on service quality alone to make customers satisfied nowadays. The atmosphere also heavily influences the satisfaction level of consumers. The atmosphere of a service provider includes aroma, temperature and employee appearance (Ryu and Jang 2007, Barber, Goodman et al. 2011) suggested

that cleanliness significantly affects the perception of a service provider's quality, while Sester, Deroy et al.(2013) emphasized the ambience. Good ambience has a positive effect on consumer's revisit intention (Njite, Njoroge et al. 2015). Perception of the interior influence, time spent in the interior and impact on sales are found (Robert and John 1982, Grossbart, Hampton et al. 1990, Ward, Bitner et al. 1992, Donovan, Rossiter et al. 1994) hence it can be said that consumer satisfaction and loyalty depends on atmosphere.

2.3 Price Related Attributes

Since a lot of service providers offer similar kind of services, price becomes the most prominent factor in those scenarios (Han and Kim 2009). When consumers think a price is reasonable for the benefit they want, it is referred to as perceived price fairness. Perceived price fairness can be considered as an primary indicator in making strategies since it guides the future plans of the business based on customers' perception (Shamma and Hassan 2013). This perception of price influences customer satisfaction and behavioral intentions (Andaleeb and Conway 2006). According to Gerrard and Cunningham (2004) this category subdivides into high prices, price increases, unfair pricing practices and deceptive pricing practices. Perception of customers regarding price vary on two dimensions, first consumers refer high price as a indicator of high quality and vice versa (Teas and Agarwal 2000) while the second, in contrast, suggests that low prices can also function as a indication of good value for money (Kirmani and Rao 2000). In either case, whether a low price is perceived as low quality or a high price is perceived as abusive, dissatisfaction of customers regarding unfair price perception for the value of money will tend to switch provider (Campbell 1999, Homburg, Hoyer et al. 2005). Since Bangladeshi people are somewhat price sensitive, it is of the utmost importance that managers know how price affects their customers switching intentions.

2.4 Brand Image Related Attributes

A brand image is one of the most competitive advantages of a service provider. A strong brand image helps consumers to identify a product or service much easily, and also helps them to feel safer about the monetary risks associated with a purchase (Matzler, Pichler et al. 2011). (Jin, Lee et al. (2012) also reported that there is a positive relation between brand image and consumer satisfaction and loyalty. Brand image consist of the consumers emotions and attitudes (Jin, Lee et al. 2012). "Ethical problems" has been categorized by Gerrard and Cunningham (2004) where it has been subdivided into dishonest behavior, unhealthy practices, conflict of interests, etc. This may logically have a direct effect on service-related brand image. Gordon, McKeage et al. (1998) stated that the benefit of the firm's relationship marketing strategies for highly-involved buyers is they value, and respond positively towards these strategies. Higher levels of satisfaction or dissatisfaction can result from highly involved customers (Richins and Bloch 1991). In different research it is found that when highly-involved customers are satisfied, they become more loyal to the brand and stay committed to their decisions and they also overlook certain service failures (Oliva, Oliver et al. 1992, Pritchard and Howard 1997). Thus, service providers should keep an eye on their brand image, and improve when necessary to retain satisfied consumers.

2.5 Innovation Related Attributes

With the advancement of technology in recent years, new innovative methods and procedures are introduced into the service industry. Service providers can reduce costs and improve sales by implementing various

innovative details that includes offering development, product differentiation and creativity (Ottenbacher, Gnoth et al. 2005). These innovative details will help a service provider to break into the market and gain a competitive advantage (Hjalager 2010). Moreover, innovation makes a service provider seem more upscale, which influences consumers to spend more money (Lee, Hallak et al. 2016). Loyalty is a big issue for the service industry, and managers expect it will only get intensified as advances in mobile and social technologies helps to gather customer data and create more relevant offers (Brandau, Hoffjan et al. 2014). Based on all these previous researches, managers should also think of creating innovative ideas and details for the service industry to effectively retain their customers.

The items of the scale should be straight forward; avoid any slangs, jargon, ambiguous words, and double negatives; have no leading statements or questions; have items that are identical to seek the same idea again; have the definition of constructs and relevant adjectives (Jebb and Tay 2017). Among other factors, consumer switching behavior seems to be primarily linked with customer satisfaction (Boshoff and Terblanche 2010). Thus, suggesting that the more satisfied customers are, the more loyal they are towards a particular service provider. In their research paper, Jebb and Tay (2017) defined scale development as "a process of developing a reliable and valid measure of a construct in order to assess an attribute of interest". According to this, there are two approaches to scale creation. The first one is a deductive approach, which is useful when the items are known and can be observed. The second one is an inductive approach, which should be used when there is uncertainty in the definition of an item (Jebb and Tay 2017). We will be using a deductive approach to construct our scale. In constructing a scale for the service industry, the focus is being shifted from transactions into relationships, particularly the relationship between the firm and its customers (Hyun and Perdue 2017). This study will write the items in the questionnaire based on these points to construct an effective scale to measure consumer switching behavior towards the service industry.

3. METHODOLOGY

This study has followed the descriptive research method. Descriptive research is defined as a study designed to describe the participants' characteristics being studied in an accurate way.

Data for a research are collected through different sources, i.e. primary and/or secondary. For the primary data, the researchers have surveyed more than one hundred fifty people. The group of respondents include students, service holders and businessmen. In Bangladesh, these people generally use the services of restaurant, bank and telecommunication industry. The researchers have provided the survey questionnaire in a printed booklet form to the participants to be answered, as well as conducting it online. For the secondary data, information has been gathered from certain relevant articles including Emerald Insight, Science Direct, Research Gate as well as Google Scholar.

For this research, people aged from 13 to 45 approximately have been surveyed. The reason behind choosing this target group was that these target groups are the ones who are willing to spend their money on service sectors like banks, restaurants and telecommunication (Berkhout and Van Der Duin 2007, Oliveira and von Hippel 2011). Apart from that, data are analyzed through descriptive statistics, means and standard deviation.

The items to collect data are constructed from the following list:

Table 1: Measurement Scale

Service Related Attributes	*Source: Shahzadi et al., (2018)*
SRA1	Importance of friendly and helpful employees in service industry
SRA2	Employees should have proper knowledge of the offerings
SRA3	Prompt delivery of service enhances the service attractiveness
SRA4	A service mistake affects customer's loyalty
SRA5	Customers like more than one delivery option from a service provider
Atmosphere Related Attribute	*Source: Shahzadi et al., (2018)*
ARA1	Good interior design and décor of the service area attracts customers
ARA2	Relaxation item (e.g. music) is necessary for you to have a good time in service station
ARA3	Aroma of the service station is an important factor
ARA4	Cleanliness of the service provider is a significant factor for customers
ARA5	Appropriate temperature is important to make customer comfortable
Price Related Attribute	*Source: Han and Ryu (2009)*
PRA1	Customers are sensitive to price changes
PRA2	Different Price offers heavily influence customer to revisit the service provider
PRA3	Transparency of the price is vital for deciding where to take the service
PRA4	Customers always look for the most affordable priced service providers
PRA5	Customers are ready to spend more for better quality
Brand Image Related Attribute	*Source: Jin et al., (2012)*
BRA1	Brand image of a service provider plays an important role for customers
BRA2	Service quality is evaluated based on brand image of service provider
BRA3	Word of mouth plays an important role to influence a customer
BRA4	Brand image of a service provider is considered more important than the price
BRA5	Good brand image reflects good quality
Innovation Related Attribute	*Source: (Horng et al., 2013)*
IRA1	Technological ordering and billing system attracts customers
IRA2	service providers using environment friendly methods increase loyalty
IRA3	Visible service process(e.g. live kitchen in a restaurant) increases the reliability on service provider
IRA4	Customized Service influence purchase decision
IRA5	Entertainment related activities makes a service more attractive
Consumer Switching Behavior	*Source: (Bansal and Taylor, 1999)*
CSB1	Customers revisits a service provider if quality of service is perceived high
CSB2	Service quality influences loyalty of a customer
CSB3	Atmosphere plays a role to bring in customers again and again
CSB4	Price is the main factor that helps choose a service provider
CSB5	Brand image is the first thing customer consider about a service provider
CSB6	Innovation in service process enhance loyalty

This study has designedLikert scale for respondents to indicate a degree of agreement or disagreement with each of a series of statements. Each question of this study contains 1 to 5 scales, in which 1 was referred as Strongly Disagree, 2 as Disagree, 3 as Neutral, 4 as Agree, 5 as Strongly Agree we have got variety of answers from our respondents. This study also conducted reliability analysis of the manifest variables, which measured the strength of linear association among manifest variables undera construct (Gujarati 2009), and the results showed positive and significant relationships among the latent variables.

Finally this study have done a factor analysis that measured the Kaiser-Meyer-Olkin (KMO) value, communalities value, Eigen value, and the rotated component matrix values to justify the number of factors to be retained in our research.

4. DATA ANALYSIS

4.1 Descriptive Statistics

SRA1, SRA2 and SRA3 have means above 4, whereas SRA4 and SRA5 have means above 3. This shows that a mistake in the order and a delivery option are the least influential factors on switching behavior. However, people do care about the staff being friendly, having knowledge about the offerings and a quick service to be loyal towards a service provider. As SRA4 and SRA5 both have a standard deviation above 1, it shows that people differ in their opinions more on these two topics. ARA1, ARA3, ARA4, ARA5 all of questions have a mean value above 4 except ARA2. This tells us that people do not think relaxation item is necessary to have a good time in a service station. However, a good décor, aroma, cleanliness and an appropriate temperature is essential for consumers to have a satisfying time in a service station. Overall, consumers think the atmosphere is an important factor for a restaurant. ARA2 has the most standard deviation here with a value of 1.174, as people tend to differ whether relaxation item is necessary or not, to enjoy their time at a service station.All of the questions related to price have a mean close to 4. This means that most of the people think that the price factor of service is important. To be more precise, people are sensitive to price changes, care about price offers, transparency of the price, and prepared to spend more to get better quality. However, people do not always look for the cheapest or most affordable option for service providers. This is shown in PRA4, which has the lowest mean of 3.86. Consequently, PRA4 has the most variability in the data with a standard deviation of 1.155.None of the Brand Image related attributes have a mean above 4. This shows that among all the other factors, brand image is one of the least influential in consumer switching behavior. BRA4 and BRA5 have the lowest mean, telling us that people usually do not care about brand image more than the price, and do not think that good brand image means good quality. However, they tend to believe word of mouth about a brand the most, as it can be seen BRA3 has the highest mean score of 3.99. Moreover, all of the questions have a standard deviation

above 1, except word of mouth. Therefore, it can be said that people have a relatively more differentiated opinion of the influence of brand image.All of the questions in Innovation Related Attributes have a mean between 3.5 to 4.0. This shows us that people relatively care less about the innovation of a service provider as well. The most important factor people are impressed by is any environment-friendly activities of a service provider, since IRA2 has the highest mean of 4.00. Secondly, people seem to care about the customization option of a service provider, as it has the second-highest mean of 3.85. Only the entertainment opportunity question has a standard deviation above 1, indicating that people's opinion about it is more varied than the rest.Service quality and price influence the most in consumer switching behavior, as CSB1, CSB2 and CSB4 have a mean score above 4. Among them service quality and revisit intention have the highest mean value of

4.36. On the other hand, brand image and innovation of a service provider are comparatively less important in consumer switching behavior, as CSB5 and CSB6 both have the lowest mean of 3.38 and the highest standard deviations.

4.2 Reliability Statistics

Reliability statistics is used to see how reliable is a scale and its items. One aspect of measure is to see the internal consistency, which is measuring how closely related items are in a group. It is measured with Cronbach's Alpha, which is a coefficient of reliability or consistency.

It is seen that the overall alpha value is 0.904 which means an excellent reliability of the internal consistency among the 31 items. However, the alpha value of each factor is discussed below:

The alpha value for service related attributes is 0.583, which means the internal consistency is not that reliable. However, all the items are positively correlated with SRA1 (Importance of friendly and helpful employees in service industry) and SRA2(Employees should have proper knowledge of the offerings) having the highest correlation of 0.565. That means friendliness and knowledge of staff about the offerings is moderately correlated among the items (Clark and Wood 1999, Radke, Brown et al. 2016).

The alpha value for atmosphere related items is 0.671, so there is a good reliability among the items. Again all of the values in the table have a positive correlation. ARA2 and ARA3, which are cleanliness and temperature seems to be the most correlated here. However, ARA2 and ARA4 have the least correlation of only 0.019, which means relaxation item and cleanliness is the least related (Vilnai-Yavetz and Gilboa 2010).

Price related attributes have reasonably good reliability, with an alpha value of 0.705. Again all of the items are positively correlated. Here PRA1 and PRA2, the sensitivity to price changes and looking for affordable service providers have the most correlation with 0.532. However, PRA4 and PRA5, that is looking for price offers, and prepared to pay more for better quality is the least correlated with a value of only 0.053 (Bertini, Wathieu et al. 2012).

Brand image related factors have the highest alpha value of 0.839, which means the internal consistency has a strong reliability. All the items are positively and comparatively highly correlated. BRA1 and BRA2 have the highest correlation with 0.632, which shows that the more important role brand image plays in a consumers' decision process, the more secured they feel about a particular brand (Malik, Ghafoor et al. 2012).

Innovation related attributes have a moderate reliability with an alpha value of 0.630. All the items are positively correlated with IRA1 and IRA2, technological ordering and environment-friendly activities, having the highest correlation of 0.591. Whereas, IRA4 and IRA5, having the least of 0.083. This means customization and entertainment opportunity are not correlated.

Consumer switching behavior has an alpha value of 0.768, which shows the items are reasonably reliable. The most correlated are CSB1 and CSB2, which indicates that service quality and loyalty are the most correlated. On the other hand, CSB4 and CSB5, the price and the brand image, have little or no correlation with a value of only 0.156.

4.3 Factor Analysis

In the KMO and Barlett's Test table, we can see the KMO value is .734. This tells us that the sampling adequacy is **acceptable** for a satisfactory factor analysis to proceed.

Table 2: KMO and Barlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.834	
Bartlett's Test of Sphericity	Approx. Chi-Square	1589.456
	df	630
	Sig.	.000

Table 3: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.402	3.896	53.345	1.402	3.896	53.345
2	1.343	3.730	57.075	1.343	3.730	57.075
3	1.278	3.550	60.625	1.278	3.550	60.625
4	1.140	3.166	63.791	1.140	3.166	63.791
5	1.112	3.088	66.879	1.112	3.088	66.879
6	.972	2.699	69.578			
7	.894	2.484	72.062			
8	.834	2.317	74.380			
9	.790	2.194	76.573			
10	.752	2.090	78.663			
11	.718	1.996	80.659			
12	.642	1.783	82.442			
13	.612	1.701	84.143			
14	.606	1.683	85.825			
15	.566	1.572	87.397			
16	.514	1.429	88.826			
17	.479	1.332	90.158			
18	.443	1.231	91.389			
19	.413	1.147	92.535			
20	.363	1.008	93.544			
21	.334	.928	94.472			
22	.316	.877	95.349			
23	.283	.787	96.136			
24	.263	.731	96.867			
25	.225	.624	97.491			
26	.213	.592	98.083			
27	.183	.508	98.591			
28	.164	.454	99.045			
29	.146	.406	99.451			
30	.107	.297	99.748			
31	.091	.252	100.000			

Table 4: Rotated Component Matrix

	Component					
	1 (Service Related Attributes)	2 (Atmosphere Related Attributes)	3 (Price Related Attributes)	4 (Brand Image Related Attributes)	5 (Innovation Related Attributes)	6 (Consumer Switching Behavior)
SRA1	.707					
SRA2	.495					
SRA3	.630					
SRA4	.596					
SRA5	.571					
ARA1		.721				
ARA2		.716				
ARA3		.752				
ARA4		.428				
ARA5		.636				
PRA1			.791			
PRA2			.730			
PRA3			.536			
PRA4			.774			
PRA5			.684			
BRA1				.816		
BRA2				.783		
BRA3				.550		
BRA4				.701		
BRA5				.795		
IRA1					.830	
IRA2					.741	
IRA3					.752	
IRA4					.681	
IRA5					.410	
CSB1						.833
CSB2						.536
CSB3						.663
CSB4						.648
CSB5						.665
CSB6						.721

5. DISCUSSION AND CONCLUSION

First of all, this study performeddata screening process to explore structure of the data. The highest mean value of each factor is given. In service quality is friendly and knowledgeable staff with 4.6, in atmosphere is cleanliness of the restaurant with 4.61, in price is spending more to get better quality with 4.32, in brand image is word of mouth with 3.99, in innovation is environment friendly activities with 4.00, and in consumer switching behavior is the influence of offerings with 4.36. Secondly, this study has conducted a reliability test based on Cronbach's alpha and found that the overall alpha value is .904. Moreover, the internal consistency of service quality is .583, atmosphere is .671, price is .705, brand image is .830, innovation is .630 and consumer switching behavior is .768. So it can be said that service quality and innovation were all moderately

reliable. Atmosphere, price and consumer switching behavior were reasonably reliable. And brand image was strongly reliable. Furthermore, from the reliability test we can see that the most correlated items in each factor are friendliness and knowledge about the offerings in service quality, cleanliness and temperature in atmosphere, sensitivity to price changes and affordable service provider in price, role brand image and security in brand image, technological ordering and environment friendly activities in innovation, and service quality and loyalty in consumer switching behavior. (Clark and Wood, 1998; Radke et al., 2016; Vilnai-Yavetz and Gilboa, 2010; Bertini, Wathieu et al. 2012, Malik, Ghafoor et al. 2012, Radke, Brown et al. 2016).

Therefore, from the above analysis it can be described as consumers who wants the staff to be friendly also wants them to be knowledgeable about the offerings, consumers who need the service provider to be clean also needs to have an appropriate temperature, consumers who are sensitive to price changes tends to look for affordable service providers, consumers who consider brand image as an important role in their decision making also feels secured with good brand images, consumers who likes technological functions of a service provider also cares about any environment friendly activities.

Finally, this study conducted exploratory factor analysis. In the KMO and Barlett's test table, we found a KMO value of .734, which means the sampling adequacy of this report is acceptable for a satisfactory factor analysis to proceed. In the rotated component matrix table, all the items were rotated and loaded onto to identify a common theme.

Customers generally have high expectations from the service industry, particularly in banks, restaurants and telecommunication settings. As a result, they expect to get higher quality of services in order to become satisfied and build their revisit intentions to the restaurant. This research has increased the understanding of the scale construction of consumer switching behavior of customers towards the service industries of Bangladesh. This research suggests that in service stations, higher quality of services helps to attract customers and get customer satisfaction. If the customer's demand is not fulfilled properly then customers switch their behavioral intention towards the service provider. Consumers switch from one service provider to another for different reasons, which leads to the original restaurant losing profits and increasing costs of acquiring new consumers.

In the literature review, this study has explained the importance of appropriate scale development required for researchers and the growing emergence of service industries in Bangladesh, and the rise of switching behavior of consumers. This research mainly focuses on improving the scale of switching behavior towards service industries. In accordance with data analysis, this study has discussed the internal reliability of the components. The reliability shows the internal consistency among the independent variables. This study has also discussed factor analysis which provides a healthy satisfactory factor analysis. So these research findings will help restaurant managers to understand which of the key restaurant attributes will help in satisfying customers and build their behavioral intentions.

6. IMPLICATION

This study has found some significantly helpful observations and data that helped gaining insight on the customer switching behavior towards service industries. Customers of different types have given their opinion regarding service, atmosphere, price, brand image and innovation related issues. Therefore, managers can use these information to strengthen their business and increase sales. Managers will get an idea regarding customer's satisfaction and strategies, and make necessary changes if required. Moreover, they should take necessary steps to take care of customer complaints in a positive way which is able to ultimately build customers happiness and loyalty.

Our findings indicate how customers are actually satisfied. Customer satisfaction is the main target for service

providers. If customers are happy, they will not switch easily. Some of the suggestions includes focusing on service quality, training staff to be friendly and have proper knowledge about the offerings, making sure that the service station is clean, even if it cannot be well decorated. Furthermore spending extra to increase quality, as customers are ready to pay more for better quality and partake in environment-friendly activities, as modern consumers have a concern for it.

7. LIMITATIONS & FURTHER STUDY OF THE RESEARCH

Every research has a few impediments and it is vital to recall them to utilize the consequences of the investigation. Firstly, limitation is the number of respondents was only 150 which isn't a real reflection of the entire population. Secondly, service providers vary in size and type which is not considered in this research. Lastly, this investigation just showed the switching behavior of service industries which can fluctuate in various industry.

The researchers believe that future researchers will be doing a research on the same or similar topic since the consumer switching behavior has been a vital issue not only in Bangladesh but also worldwide. Customers always tend to follow and explore new places. So, new trends and patterns are always emerging. Scope for further research is present in respect to other countries and by increasing the sample size results will be more accurate. Interviewing all categories of people could will increase the likelihood of getting a more reliable result.

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AUTHOR'S BIOGRAPHY

Farhana Habib Zinnia- is a Lecturer in Department of Marketing & International Business of North South University. She has been serving the university since January 2014. Her area of research is service quality and customer relationship marketing.

Abdel Mubdiu Ibne Mokter – is a Graduate Research Assistant in Department of Marketing & International Business of North South University. He is doing his MBA current majoring Marketing.

Dr. Mohammad Tayeenul Hoque – is an Assistant Professor and the Chairman of Department of Marketing & International Business of North South University. His research focuses on exploring the various aspects of marketing competencies in international markets along with understanding consumer behavior and experiences during post acquisition integration process.

Kifayat Nahiyan Rafi – is a Graduate Research Assistant in Department of Marketing & International Business of North South University