Relation between ethical sales behaviour and switching costs: a mediation of trust in medical schemes

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Abstract

Purpose – This study aims to assess how ethical sales behaviour affects switching costs typology, mediated by trust and moderated by brand affiliation, monthly contributions and the number of dependent beneficiaries in medical schemes in South Africa.

Design/methodology/approach – A quantitative study targeted a non-probability judgement sample of 250 main members of medical schemes, elicited near health-care facilities in South Africa's Gauteng province. Data was collected in a face-to-face survey and analysed using structural equation modelling on AMOS version 29 and PROCESS procedure for Statistical Package of Social Science release 2.041.

Findings – The results show that ethical sales behaviour negatively affects trust and positively affects evaluation, monetary and personal relational loss costs. Trust positively affects personal relational loss costs, economic risk, evaluation, monetary and benefit loss costs. Moreover, trust mediates the effect of ethical sales behaviour on evaluation, monetary and personal relational loss costs. Finally, the number of dependent beneficiaries, monthly contributions and brand affiliation significantly moderate these interactions.

Originality/value – The paper validates the application of commitment-to-trust theory in mediating how the effects of the general theory of marketing ethics on switching costs typology differ according to the number of dependent beneficiaries, monthly contributions and brand affiliation with medical schemes.

Keywords Ethical sales behaviour, Switching costs typology, Trust, Medical schemes National Health Insurance

Paper type Research paper

1. Introduction

Selecting a medical scheme and health benefits in South Africa is a challenge encountered mainly by new members. Consumers often rely on the information presented by sales practitioners, whose low ethical standards (i.e. false promises or coercion into purchases) are perceived negatively (Chonko *et al.*, 1996; Thomas *et al.*, 2002), later instigating consumers' switching behaviour. South Africa has a dual health-care system, where the private sector covers 16% of the population and 84% is covered in the public sector (M'bouaffou *et al.*, 2022). In 2022, the South African population of medical scheme members declined from 16% to 15.8%. Groups of white (71%) and Indian/Asian (48.7%) people were significantly

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more likely covered by medical schemes than coloured (18.2%) and black (9.7%) individuals (Statista, 2023).

According to Moeti *et al.* (2023), greater efforts are needed to ensure all citizens have access to public health care, especially disadvantaged individuals like informal dwellers. Despite South Africa's progressive constitution, which secures citizens' rights to quality health care and protection for human rights, the quality of the health sector is rapidly declining (Republic of South Africa, 1996, p. 13). Several challenges in South Africa's delivery of quality health care have been identified (Maphumulo and Bhengu, 2019), including imbalanced resources distribution, disaster management and poor leadership skills, slower progress in restructuring the health-care system, increased disease burden and push-and-pull dynamics, such as governmental strategies to improve the quality of health-care delivery.

Shi and Singh (2015) highlighted several areas that have been targeted for improvement in the US health-care system under the new law (i.e. revive prevention, improve care coordination, assist hospitals to improve quality and enhance quality reporting requirements). They noted that while federal assistance to primary care infrastructure is inadequate, it will help improve it and federal support should be provided for "generic" (biosimilar) versions of some biologics and insurance coverage for low-income citizens and certain vulnerable groups. Admitting similar challenges in the health-care reform in South Africa compared to the USA, Hilsenrath and Meyer (1996) noted that the role of the state in health care in the two countries differs significantly. In South Africa, the Department of Health is liable for overseeing and coordinating the provincial health services, with public facilities being the primary source of care for most of the population. Conversely, in the USA, most health-care expenditures in the public sector are funded through federal public insurance programmes (e.g. Medicare and GHAMPUS and the joint federal/state Medicaid programme), though they do not offer it. In addition, the Department of Veterans Affairs and military hospitals offer some direct health care. Katuu (2018), who analysed the three framework models that categorise South Africa's health-care system typologies compared to Canada and the USA, reported that despite similar implementations, health-care systems in many countries are not isolated, as they function within a larger context, meaning they are not static, but always evolving, with many nuances.

In South Africa, the objective of the National Health Act 61 of 2003 (NHA) is to effectively promote and improve the national health system by promoting a spirit of cooperation and shared responsibility among public and private health-care professionals, providers and other relevant stakeholders within the context of national, provincial and district health plans (Council for Medical Schemes [CMS], 2020). The Charter of the Public and Private Health Sectors of South Africa and the Presidential Health Compact, supported the NHA in a Presidential Health Summit in October 2018, committing the public-private partnership engagement in more prolific discussions addressing the key challenges encountered in both sectors to improve the health-care delivery system for South Africans. Such a system must be coherent, quality-driven, efficient and cost-effective and optimise the use of both sectors' resources to benefit the entire population (CMS, 2020). These discussions are progressing through regulatory interventions and will be accelerated towards the full execution of the National Health Insurance (NHI) by 2025 (CMS, 2018; Katuu, 2018; McKenzie *et al.*, 2017). The NHI white paper details a progress towards universal health coverage entailing renovating and reconfiguring institutions for the pooling of funds and purchase of public and private health-care services to accomplish income and risk cross-subsidisation, while refining efficiency and effectiveness in purchasing personal health services (CMS, 2020; McKenzie *et al.*, 2017). However, Persaud (1991, p. 10) asserted that

the effect of any cost-containment on medical ethical behaviour should be studied, asking: "What future for ethical medical practice in the new National Health Service?"

In South Africa, a medical aid scheme coverage operates as an insurance plan offering consumers financial protection for medical treatment and related medical expenses in exchange for monthly contributions. It can either be open or closed (restricted). There are 21 open and 55 restricted schemes (Profmed, 2019) accessible to consumers in South Africa. In 2019, the ten largest open and restricted schemes with accredited managed health-care services (no transfer of risk) covered almost 8,857,408 average beneficiaries (or 99.13%), which increased by 8.38% to R4.69bn in 2019 from R4.33bn in 2018 (CMS, 2020). Anyone can join an open medical scheme, but closed schemes have a particular qualifying criteria, including direct affiliation with clients' occupation, employer, profession or industry, in which case, a person joining an employer offering this benefit is permitted to join. For example, Profmed is a closed scheme for professionals, ranking under the top ten largest medical schemes and covers over 34,700 families. Another largest restricted medical scheme is the Government Employees Medical Scheme (GEMS), which covers over 690,000 families (Profmed, 2019).

From the R14.1bn paid to supplementary and allied health professionals in 2019, restricted health schemes spent just over R6.2bn and open medical schemes spent R7.9bn. Furthermore, the restricted schemes cost an average of R2,851 for each event in hospital, compared with open schemes' R1,478, although the in-hospital surgical specialist visits, the use of magnetic resonance imaging scans, angiograms, bone density scans and dialysis services, are mostly higher in open medical schemes than in closed schemes (CMS, 2020). Open schemes, compared to restricted medical schemes, paid 1.39% more benefits for hospital services and 2.59% more for specialists. Moreover, unlike the restricted schemes, open schemes paid 0.94% more towards managed care arrangements (CMS, 2020). Usually, restricted schemes do not have to cover large marketing and broker costs and use that money to pay member claims (Profmed, 2019). Contrastingly, open medical schemes in South Africa that incurred broker fees, marketing and advertising expenditure and with a loyalty and wellness programme gained a 0.36% increase in the number of main members from 2018 to 2019 (2017–2018: 0.71%) (CMS, 2020), but this growth excluded younger consumers and was not linked to new members who were not covered by any scheme before, as these were people who switched from other schemes (Competition Commission South Africa, 2018).

Nevertheless, it is unclear why people switch between medical schemes. The concerns of competitive reforms on disparities, the need to effectively compare health plans or to have supportive infrastructures that provide information and facilitate choice and the requirements that dissatisfied enrollees switch from one plan to another are less known, all almost certain to be visible among advantaged populations (Axtell-Thompson, 2005). The Healthcare Consumer Survey 2016 conducted by Competition Commission South Africa (2016) probed consumers' experiences of private health-care services. Among concerns discussed were consumers' understanding of the legal difference between health insurance and medical schemes and their decision to join or switch medical schemes. For instance, using computer-based information tools, consumers search, evaluate and choose health-care plan designs, services, benefits and providers and accept the financial risks (Axtell-Thompson, 2005). Accessing information on some health plan features (e.g. services covered, leading service providers in the plan's network and out-of-pocket premium) at a lower cost (e.g. if the employers release information on health plan quality), depending on what they learn, consumers may view another plan as a better quality than their current plan and switch (Abraham *et al.*, 2006). Buyers incur switching costs or one-time costs when switching from

one supplier to another (Porter, 1980, p. 10). Literature shows that perceived switching costs are positively related to trust in the service provider in various contexts (Aydin and Özer, 2005; Carter *et al.*, 2014; Yen *et al.*, 2011), though it is unknown how trust relates to switching costs typology between medical schemes.

Moreover, the ethical rules of the Health Professions Council of South Africa are cited as the reason for the lack of innovative models of health care and the development of alternative reimbursement models (Competition Commission South Africa, 2018). The CMS (2020) noted the deliberate and incorrect medical advice practitioners gave to members about the funding for treatment conditions listed as prescribed minimum benefits (PMBs). Members were told that medical schemes are obliged to pay the costs of treatment plans in full, despite their being non-designated service providers of those medical schemes, leaving members with huge medical bills to be paid out of their pockets. At times, the conditions were non-PMBs, but members were falsely told that they were PMBs. This practice has exposed the abuse of trust by medical advisors (CMS, 2020). As such, "We cannot trust that for-profit schemes will deliver better value for consumers given multiple information failures and adverse incentives shown to exist in the South African healthcare sector" (Competition Commission South Africa, 2018, p. 457).

Trust is defined as one party's confidence in the exchange partner's reliability and integrity (Morgan and Hunt, 1994, p. 23). For instance, perception is key to trust and the media reporting of misuse of public funds by commissioners could result in system-wide doubts about integrity (British Medical Association, 2017). The operational terms that Aydin and Özer (2005) used in measuring trust included reliability, ethics, service quality and cumulative process. Therefore, trust is a concept closer to customers' perceptions of the ethical sales behaviour. In the context of this study, unethical sales behaviour is short-run salespeople's conduct that enables them to gain at the expense of customers (Lagace *et al.*, 1991; Román, 2003). Research shows the effect of unethical sales behaviour on trust in life insurance (Crosby and Stephens, 1987), financial services (Bejou *et al.*, 1998), iPhone and MacBook corporate brands (Javed *et al.*, 2019) and sportswear stores (Mansouri *et al.*, 2022). However, it is unknown how ethical sales behaviour affects trust in medical schemes. Studying this knowledge gap will enhance recent literature. Loe *et al.* (2000) recommended researching the ethical ideas of ethical decision-making theory with marketing-related concepts (i.e. marketing orientation, quality and performance). Aside from the large body of marketing ethics literature produced to date, a few studies have examined ethical issues in the emerging markets of the world, which provides a definite reason to study consumers' ethical judgements in such areas (Al-Khatib *et al.*, 2005) and understand the effect of those judgements on trust and switching costs typology.

Considering that trust in public institutions, including medicine, is under scrutiny and that consumers no longer trust professionals with the same certainty (British Medical Association, 2017; Cosma *et al.*, 2020), this research assesses trust as a crucial element of effective organisations in the long term (Agrawal, 2017), in which its central role has been acknowledged in medical relationships (Tang, 2011). Relationship marketing theory posits customer trust as a complete mediator (Bloemer and Odekerken-Schröder, 2002; Castaneda, 2011; Delgado-Ballester and Manuera-Alemán, 2001; Garbarino and Johnson, 1999; Han and Ryu, 2012; Morgan and Hunt, 1994; Singh and Sirdeshmukh, 2000) or a partial mediator (Ganesan, 1994; Selnes, 1998) of the buyer satisfaction–loyalty relationship. However, it is unknown whether customer trust mediates the relationship between ethical sales behaviour and switching costs typology in a medical scheme setting, which is a knowledge gap necessary to investigate in a definite view that trust positively relates to perceived switching costs (Aydin and Özer, 2005; Carter *et al.*, 2014; Yen *et al.*, 2011). Agrawal (2017)

recommended a study that assesses trust as a mediating variable in the relationship between ethical climates and other organisational features, such as productivity, citizenship behaviour and commitment.

Moreover, Hong and Wang (2009) noted switching costs as an additional main concept in relationship marketing, which formerly advanced from the concept of transaction-specific asset proposed by Williamson (1975). In an extensive exploratory discussion of customer switching behaviour, Keaveney (1995) recommended further empirical examinations on factors, such as perceived ethics and switching costs. Consequently, this research offers a unique contribution to literature, adding the moderating effects of brand affiliation, monthly contributions and the number of dependent beneficiaries to the theoretical framework, as the consumption values are likely to be balanced against life values with the growing demand to build superior brand performance within the overall ethical business practice (Palazzo and Basu, 2007).

Accordingly, the research questions for this study are: what is the effect of ethical sales behaviour on trust and switching costs typology in medical schemes in South Africa? Does trust mediate the effect of ethical sales behaviour on switching costs typology? Do the medical scheme's brand affiliation, monthly contributions and the number of dependent beneficiaries moderate these interactions? Therefore, the study's objective is to examine how ethical sales behaviour and switching costs could be mediated by trust, based on ethical marketing theory (Hunt and Vitell, 1986), commitment-to-trust theory (Morgan and Hunt, 1994) and switching costs typology (Burnham *et al.*, 2003). Unifying these theories is a key subject area of this study that often lacks empirical data. Probing these questions built on proper theories, concepts and ideas contributes to marketing literature and health-care practice, as the results can be used to enhance public policy. From this background, the theoretical framework for the study (see Figure 1) is validated via structural equation modelling (SEM) on AMOS 29 and PROCESS procedure for Statistical Package of Social Science (SPSS) release 2.041.

This study tests the switching costs typology developed by Burnham *et al.* (2003), comprising subcategories of procedural costs (i.e. time and effort resulting from economic risk, evaluation, learning and set-up costs), financial costs (i.e. loss of financial quantifiable resources resulting from monetary and benefit costs) and relational costs (i.e. psychological and emotional discomfort resulting from personal and brand relationship breakages and identity loss). Although this typology continues to be tested across industries (Carter *et al.*, 2014; Deng *et al.*, 2010; El-Manstrly, 2016; El-Manstrly *et al.*, 2011; Ha *et al.*, 2023; Jones *et al.*, 2007; Matzler *et al.*, 2015; Shen and Ahmad, 2022), no research has measured how it is affected by ethical sales behaviour, mediated by customer trust and moderated by brand affiliation, monthly contributions and the number of dependent beneficiaries in the medical scheme industry.

The next section of this paper presents the literature review, followed by the development of the study's hypotheses. Thereafter, the research methodology is discussed, followed by the presentation and discussion of the main results. The theoretical contributions and practical implications are then explained, with the study's limitations and future research directions concluding this study.

2. Literature

Ethical decisions are made in companies and the transaction situation (i.e. online or in-store) (Baker and Saren, 2010). Prior studies in business ethics have assessed the marketing exchange process and the participants in this process (Ferrell, 2004; Hunt and Vitell, 1986; Muncy and Vitell, 1992), as the marketing exchange process is the main area wherein most

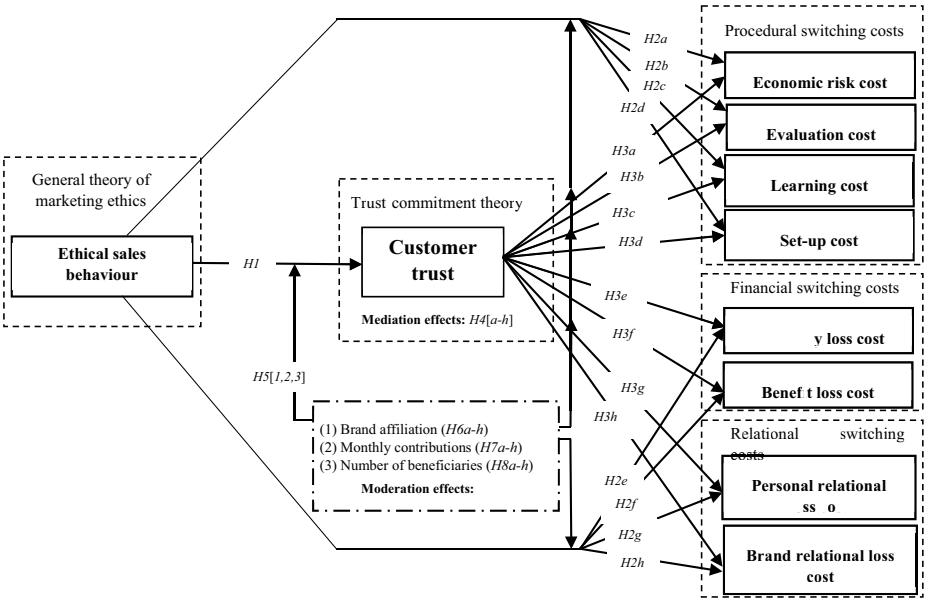

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Figure 1. Proposed framework for the study

business ethical problems arise (Vitell and Festervand, 1987). Such ethical problems include unsafe or unhealthy practices, dishonesty, intimidating behaviour and conflicting interests (Gerrard and Cunningham, 2004). The "general theory" of marketing ethics (Hunt and Vitell, 1986, 2006) is the most widely cited and applied theory in marketing ethics, which explains that once individuals perceive the evoked set of alternatives, two kinds of evaluations will occur: deontological and teleological. This theory is applied in this study to assess how individuals' perceived unethical sales behaviour – defined as short-run salespeople's conduct that enables them to gain at the expense of customers (Lagace *et al.*, 1991; Román, 2003) – affects trust and switching costs typology in medical schemes. As consumers may prefer to transact determined by trust and its actors (i.e. ethics, empathy, kinship and friendship), the social exchange relies more on unspecified, implicit duties, which depend on shared systems of meaning, belief and ethics, than on formal contracts (Nooteboom *et al.*, 1997). Trust in firms flows from a social exchange process where customers interpret and reciprocate an organisation's actions as the primary source of the personified organisation's actions. This role is supported by social exchange theory, as the increments in trust increase the social embeddedness of the consumer–provider relationship, thus enhancing customers' commitment to the relationship (Singh and Sirdeshmukh, 2000).

Behaviourally driven relationship marketing (BRM) is drawn from social exchange theory and organisational sociology and signifies "relationship marketing". It uses political economy concepts (e.g. power and dependency) and social aspects (e.g. commitment, trust, expectations, cooperation, communication and conflict behaviour) in analysing channel relationships (Baker and Saren, 2010), which are the main elements of the commitment-trust

theory of relationship marketing (Morgan and Hunt, 1994). Relationship marketing theory outcomes are explained by factors about the actors and their perspectives of the relationship. It explores key concepts, such as targeting profitable customers, using the strongest strategies for customer relationships, marketing to employees and other stakeholders and building trust as a marketing tool (Berry, 1995). As principal studies show (e.g. Crosby *et al.*, 1990; Morgan and Hunt, 1994; Parasuraman *et al.*, 1991), relationship marketing theory is built on trust, which is vital to form a relationship with another person or organisation. Commitment is necessary to maintain a relationship, which requires diligence (Baker and Saren, 2010). Hence, trust is essential to forming service-based relationships due to the intangibility nature of services. For instance, most services are difficult to evaluate before purchasing and experiencing them and some remain difficult to evaluate even after being performed (Berry, 1995). Services marketing literature shows that trust in service providers increases commitment to the consumer–provider relationship (Moorman *et al.*, 1992). It specifies trust as a central relationship-building block (Berry, 1995), as one party must acquiesce to the other to relish the benefits of the relationship, and trusting alters power positions in relationships (Rosenbaum *et al.*, 2006). Trust is a major determinant of commitment in any exchange relationship, referring to "one party's confidence in the exchange partner's reliability and integrity" (Morgan and Hunt, 1994, p. 23).

Furthermore, commitment-trust theory of relationship marketing (Morgan and Hunt, 1994) proposes commitment and trust as crucial mediating variables in building successful relationships in the offline context (MacMillan *et al.*, 2005; Mukherjee and Nath, 2007). Consequently, this study measures the mediating effect of trust on the relationship between ethical sales behaviour and switching costs typology, providing rare and valuable insights in existing marketing literature and health-care practice. It also examines the moderating effects of brand affiliation, monthly contributions and the number of dependent beneficiaries in medical schemes. This supports Story and Hess (2010), who reviewed the trust-based commitment relationship model and explored how evolving committed customer relationships may change brand and customer behaviours. In search of an ethics metric by which to measure the ethical effect of commitment on brand behaviour, they reviewed several ethical frameworks.

Equally, marketing relationships are assessed by criteria of fairness and trust and refraining from opportunist behaviour. In inter-organisational relations with "high relational complexity", the mutual interdependence ties relatively heterogeneous resources, making switching difficult. However, switching is quite easy in consumer relationships with "low relational complexity" (Baker and Saren, 2010). Kanchanapoom and Chongwatpol (2021) proposed strategies to retain prospective and profitable customers, as these customers are, on one extreme, willing to switch from one vendor to another based on the products, services and related campaigns they receive; or, on the other extreme, loyal to one vendor due to their past experiences, satisfaction or high switching costs. Switching costs are one-time costs buyers incur when switching from suppliers (Porter, 1980, p. 10). Contributions to switching costs theory include Selten (1965) and Von Weizsäcker (1984). In commitment-trust theory, switching costs foster brand trust and transfer intentions into action. Switching costs act as a deterrent against the thought of another service provider and build continuance commitment due to the desire to avoid the loss of investments in the relationship (Morgan and Hunt, 1994). As switching costs can result from investment by buyers in high-cost specialised equipment, investment in learning how to operate such equipment or the result of product specifications (Avgeropoulos and Sammut-Bonnici, 2014), these investments tie buyers to particular relationship inputs; if the relationship is terminated, these investments will be lost (Dwyer *et al.*, 1987; Klemperer, 1995; Morgan and Hunt, 1994). The potential for such loss

makes investment essential to switching costs (Burnham *et al.*, 2003). In addition to relational governance mechanisms, Li *et al.* (2015) noted that the investment model extends the scope of social exchange theory. They found social exchange factors, such as transaction-specific investment and switching costs, help stimulate suppliers to involve customers.

Nevertheless, it is essential to recognise that while BRM offers theory-based tools for rigorous modelling of the relationships, it is relatively weak in its contextuality. It tries to explain the outcomes of the relationships (e.g. performance, satisfaction and relationship duration) by factors related to the actors forming the relationship or the relationship itself. It is noteworthy that organisations exist to modify market relationships by offering mutuality, thus turning them into marketing relationships (Baker and Saren, 2010). To overcome deficiencies and avoid relying on a single theory, this study unifies the explanatory power of social exchange elements, such as ethics, trust and switching costs, to explain their integration in the proposed framework for the study (see Figure 1). Hair *et al.* (2022, p. 13) referred to this as a "structural theory", which specifies the relatedness of the constructs in the proposed framework for the study. Appendix summarises the related studies in literature.

3. Development of hypotheses

3.1 Relationship between ethical sales behaviour and customer trust

In this study, unethical sales behaviour concerns short-run salespeople's conduct that enables them to gain at the expense of customers. Examples of such activities include lying or exaggerating about the benefits of a product/service, lying about availability, lying about the competition, selling products/services that people do not need, giving answers when the answers are unknown and implementing manipulative influence tactics or high-pressure selling techniques (Lagace *et al.*, 1991; Román, 2003). This study adopts this definition to assess how ethical sales behaviour of medical schemes affects customer trust and switching costs typology. Ethical sales behaviour can play a key role in forming and maintaining long-term relationships with customers and create liability problems for firms' salespeople via intentional and inadvertent statements (Román, 2003), as consumers' subjective beliefs and ethical perceptions act as bases of attitude formation and may direct their buying behaviour to the detriment of some firms (Brunk, 2010). Therefore, marketing ethics is an organisational responsibility that is vital in maintaining long-term beneficial relationships (Ferrell, 2004).

The most significant effect of higher ethical burdens may be the cost of violating customer trust. Violating trust may carry far greater penalties than simple dissatisfaction (Story and Hess, 2010), since consumers are unlikely to remain or do further business with service providers that have violated their trust (Babin *et al.*, 2004). The customer–firm relationship exists due to mutual expectations built on trust, good faith and fair dealing in their interaction (Ferrell, 2004). The adopted definition of unethical sales behaviour (Lagace *et al.*, 1991; Román, 2003) reveals salespeople's behaviour perceived by customers during the interaction. During this interaction, each business partner forms confidence that the other party will act with integrity and reliability (Morgan and Hunt, 1994; Munuera-Aleman *et al.*, 2003). The operational definition of trust to salespeople in this study is based on that of Morgan and Hunt (1994), which views trust as a confidence in an exchange partner's reliability and integrity. The perceptions of ethics will vary among consumer groups based on their trust levels (Al-Khatib *et al.*, 2005), as customers' trust is affected by low-pressure selling (Kennedy *et al.*, 2001) and dishonesty (Beatty *et al.*, 1996), which are parts of unethical sales behaviour. Consequently, ethical sales behaviour (e.g. fair play, honesty and

full disclosure) is imperative to building customer welfare for organisations (Román and Ruiz, 2005).

Research shows that sellers' ethical behaviour can generate customer trust (Koponen and Julkunen, 2022; Morales-Sánchez *et al.*, 2020). Empirical data supports the idea that the greater the salesperson's ethical behaviour as observed by customers, the greater the customers' trust in that salesperson in the business-to-business (B2B) (Hansen and Riggle, 2009) and business-to-consumer fields (Román and Ruiz, 2005). For example, retail business ethics affect trust in the integrated social discount spaces (Diallo and Lambey-Checchin, 2017), salespeople's ethics behaviour positively affected customers' trust towards iPhone and MacBook corporate brands (Javed *et al.*, 2019) and sportswear stores (Mansouri *et al.*, 2022), and in the financial services (Bejou *et al.*, 1998) and pharmaceutical sectors (Lagace *et al.*, 1991). Therefore:

H1. Ethical sales behaviour has a positive influence on customer trust in a medical scheme.

3.2 Relationship between customer ethical perception and switching costs typology

In an earlier study outlining a complete exploratory discussion of customer switching behaviour, Keaveney (1995) identified eight significant causes of customer switching behaviour in service industries. Keaveney and Parthasarathy (2001) noted that some of these eight major causes of customer switching behaviour could be related to dissatisfaction with the service (e.g. failed service encounters, core service failures and poor service recoveries) and extrinsic or situational factors (e.g. involuntary situations, inconvenience, competition, price and ethics). Factors including core service failure, attractiveness of alternatives, price, low satisfaction, low trust and anger and failed service quality may trigger switching intention (Chuang and Tai, 2016). Liang *et al.* (2013) showed that the identification of seven significant groups of customer service switching causes (i.e. ethics problems, inconvenience, core service failure, high price, service encounter failure, family/friends/group impact and competition) has major implications for service marketing and service innovation research. Keaveney (1995) recommended further empirical research into search behaviour, affections, reference prices, ethics and switching costs (i.e. psychological, financial and time), noting that the view that price, competition, ethics and involuntary factors cause customers to switch services implies a need to examine these variables in addition to the more frequently researched variables. Caruana (2003) and Lappeman *et al.* (2022) reviewed the classification of defectors proposed by Keaveney (1995) to examine consumers' switching behaviour. Lappeman *et al.* (2022) found that the implications of turnaround time, convenience and ethics drive consumers' decisions to switch in the South African retail banking.

Moreover, brands have recognised that there are real, if not often quantifiable, costs and rewards related with un/ethical behaviour in the market (Story and Hess, 2010). For example, in the mobile phone service sector, the charge for temporarily stopping service is not *for using* the service, but *for not using* the service. This practice deviates from the social norm of charging for service and is thus considered unethical, leading to customers switching to other service providers (Liang *et al.*, 2013). Colwell *et al.* (2011) showed how switching costs may limit the degree to which consumers view supplier enforcement of ethical codes of conduct. Perepelkin and Wilson (2018) showed the non-financial costs (e.g. selling consumer data) as an ethical concern and insisted these views be assessed in the community pharmacy setting. To the best of the researcher's knowledge, the existing literature is silent on this assertion in the context of medical schemes' ethics. Burnham *et al.* (2003) insisted that businesses have strong incentives to ensure good switching cost management and customer satisfaction. In

addition, ethical as well as practical considerations indicate that firms should seek to increase switching costs in a way that adds value to consumers. Increasing customer switching costs and improving customer satisfaction is possible when firms help their customers better understand their products, identify the unique features they offer, offer valuable bonus points or loyalty services and engage them in more meaningful relationships. Each of these factors relates to the typology of switching costs. Therefore:

H2. Ethical sales behaviour has a positive influence on procedural costs (i.e. *H2a*: economic risk costs, *H2b*: evaluation costs, *H2c*: learning costs and *H2d*: set-up costs); financial costs (i.e. *H2e*: monetary loss costs and *H2f*: benefit loss costs); and relational costs (i.e. *H2g*: personal relational loss costs and *H2h*: brand relational loss costs) among medical schemes.

3.3 Relationship between customer trust and switching costs typology

Trust is often viewed as a dyadic construct in which the behaviour of one party influences the perceptions and actions of another party (Agrawal, 2017). The Morgan and Hunt (1994) definition of trust was adopted in this study, which considers trust as one party's confidence in the exchange partner's reliability and integrity. The cognitive dimension of trust relates to evaluating the referent's reliability, integrity and fairness. In contrast, the affective dimension of trust reflects a special relationship with the referent and is based on the emotional bond between parties. At a micro level, trust is often described as a dispositional attitude or state of mind (Agrawal, 2017). It is a customer's belief that obligations will be fulfilled (Román, 2003). In the relational sales view, trust is a confident belief that salespeople can be relied upon to behave in customers' long-term interest (Crosby *et al.*, 1990; Román, 2003). In this view, trust is essential in preserving relationship investments by cooperating with exchange partners, resisting attractive short-term alternatives in favour of the expected long-term benefits of staying with existing partners, viewing high-risk actions as being prudent due to the belief that partners will not act opportunistically (Morgan and Hunt, 1994). Thus, trust is theorised as a cumulative process built over repeated, successful interactions (Román, 2003).

Scholars (e.g. Moorman *et al.*, 1993; Román and Ruiz, 2005) propose that future studies on ethical behaviour and trust measure trust more validly and incorporate measures of relationship marketing theory. Relationship quality is a multidimensional concept that reflects trust, commitment and transaction-specific investment. Customers with high relationship quality feel greater betrayal and their trust in the suppliers is broken when they perceive high switching costs (Li *et al.*, 2022). The definition of switching costs adopted in this study is from Porter (1980), which refers to switching costs as one-time costs, rather than the ongoing costs accompanying the use of a product or service after establishing a repeat purchase relationship. As customers incur one-time costs in the switch from one provider to another (Burnham *et al.*, 2003), maintaining strong communication with customers is essential to generate trust and positive attitudes towards the brand and reduce the likelihood of customers switching service providers (Farah, 2017). As a core attribute and central construct in relationship marketing, trust affects perceived switching costs (Carter *et al.*, 2014; Hidayat and Idrus, 2023; Kaur and Soch, 2018; Qayyum *et al.*, 2013; Yen *et al.*, 2011).

Nonetheless, studies on the downstream effects of diverse types of switching costs are scant (Jones *et al.*, 2007). In literature, switching costs are viewed as a multidimensional construct. For instance, switching costs refer to the total costs incurred in leaving one service provider for another (Aydin *et al.*, 2005; Ram and Wu, 2016), which include monetary and non-monetary costs (time and effort) (Burnham *et al.*, 2003; Jones *et al.*, 2000) and profit losses derived from loyalty (Han and Ryu, 2012; Xhema *et al.*, 2018). From buyers'

perceptions, switching costs are perceived, anticipated and experienced costs consumers incur to switch a relationship from an existing seller to another (Avgeropoulos and Sammut-Bonnici, 2014; Matzler *et al.*, 2015). While switching costs contain customers' perception related to individual criteria alongside the monetary value, which can be objectively measured (Aydin and Özer, 2005), switching costs should not be limited to objective measurable monetary costs or "economic" costs, as they are not only economic in nature, but also involve the psychological, time and emotional effort incurred from the uncertainty of dealing with a new service provider (Chang and Chen, 2008; Dick and Basu, 1994; Edward and Sahadev, 2011; Jones *et al.*, 2002; Yen, 2010). The relationship exchange includes an investment of unique attributes related to the effort, time and money and an obstacle if customers dissatisfied with one service provider want to switch to another (Burnham *et al.*, 2003; Calvo-Porral and Lévy-Mangin, 2015; Chang and Chen, 2008; Jones *et al.*, 2000, 2002; Yen *et al.*, 2011).

Moreover, Klemperer (1987) identified three types of switching costs. Firstly, the learning costs incurred to switch to a new brand of the medical scheme after learning to use the current brand. Secondly, the transaction costs customers forfeit from switching their current service provider and acquiring a new service provider. This occurs, for instance, if two medical aid schemes offer identical medical benefits, but there are higher transaction costs in closing the current account and opening another with a competitor. Thirdly, contractual costs are the loss of repeat-purchase coupons and rewards customers have earned from their medical scheme and penalties for brand switchers. Therefore, switching cost dimensions are manifold, including lost performance, uncertainty, set-up costs and sunk costs (Jones *et al.*, 2002).

Of special interest is the typology of switching costs proposed by Burnham *et al.* (2003), which groups switching costs into:

- procedural switching costs involving the loss of time and effort;
- financial switching costs involving the loss of financially quantifiable resources; and
- relational switching costs, such as psychological or emotional discomfort incurred due to the loss of identity and the breaking of bonds.

Jones *et al.* (2007) further classified switching costs into procedural costs, social costs (i.e. similar to relational switching costs) and lost benefit costs (i.e. similar to financial switching costs). According to Blut *et al.* (2014), procedural switching costs are classified as internal switching costs, while financial and relational switching costs are external switching costs. Research indicates the direct effect of procedural switching costs on customer retention, and a non-significant direct effect of financial switching costs on customer retention (Li *et al.*, 2023). Chuah *et al.* (2018) noted that except for the social relationship loss, all antecedents of switching barriers (i.e. loss of material benefits, monetary switching costs and procedural switching costs) positively affect switching barriers, and procedural switching costs have the strongest effect on switching barriers.

Adopting the Burnham *et al.* (2003) classification of switching costs, Ha *et al.* (2023), Huang *et al.* (2021), Jones *et al.* (2007) and Shen and Ahmad (2022) examined "relational switching costs" as positive switching costs (foregone gains), "financial switching costs" as positive switching costs (foregone gains) and "procedural switching costs" as negative switching costs (actual losses). These scholars echoed this distinction as imperative due to the differential mediating roles of different types of commitment related to positive versus negative switching costs. They asserted that this classification is vital for industry experts, giving them more detailed guidance for applying switching costs to enhance customer loyalty.

Unlike Nagengast *et al.* (2014), who adopted and merged the two positive types of switching costs (i.e. financial and relational loss switching costs) as one construct, Moliner-Tena *et al.* (2018) suggested that it is interesting to categorise switching costs based on the underlying nature of the constraint: positive switching costs (social and lost benefits costs) generate rewards, such as benefits and value; while negative switching costs (procedural and economic costs) derive primarily from the negative sources of constraint (i.e. penalties). The positive switching barriers are regarded as "wanting to be" in a relationship (i.e. a positive reason to stay with a provider), whereas negative barriers can be described as "having to be" in a relationship (i.e. a negative reason to remain) (Jones *et al.*, 2000, p. 269). Thus, negative switching costs are observed as opportunistic behaviour suppliers perform in a position of power (Matos *et al.*, 2009). For instance, if consumers want to switch medical schemes, they must accept the negative consequences of cost expenditures, such as time and money and the loss of the long-term relationship (Lien *et al.*, 2014). Lee and Kim (2022) found customers' brand attachment (brand-self connection and brand prominence) to a hotel to be reinforced not only by positive switching barriers (relational benefits), but also by negative switching barriers.

While research confirms the effect of switching barriers on customers' trust in the banking sector (Hidayat and Idrus, 2023), this study tested the effect of customer trust on switching costs typology classified by direction (i.e. positive and negative) (Burnham *et al.*, 2003; Jones *et al.*, 2007) in the medical scheme industry. Empirical evidence shows that the relationship between trust and perceived uncertainty cost is higher than the relationship between trust and other switching cost dimensions (Aydin and Özer, 2005).

Regarding the procedural switching costs, global examples of product tampering illustrate the high economic costs that result when the high level of trust based on fairness and intrinsic motivation is damaged between consumers and organisations (Choi *et al.*, 2007). As per Moliner-Tena *et al.* (2018), trust is significantly affected by negative switching costs (i.e. procedural and economic switching costs) deriving mainly from negative sources of constraint (penalties for switching). These deductive attributes of freedom or penalties adversely influence customer trust. They reported that the relationship between trust and positive switching costs is stronger among older than younger consumers, and the relationship between negative switching costs and trust is weaker among older than younger consumers. They confirmed that during a financial crisis, suffering negative switching costs (penalties) causes mistrust, as younger consumers considered them not only as obstacles designed to retain them, but related this strategy with the bad banking practices that arose with the financial crisis.

From the transaction costs perspective, Teo and Yu (2005) stated that mistrust results from uncertainty and risk and tends to increase transaction costs in online purchasing behaviour. Results showed that customers' trust in online stores is negatively related to transaction costs. Pinto *et al.* (2009), Teo and Yu (2005) and Yen *et al.* (2011) asserted that the role of trust in transaction cost theory is important because, to some extent, it reduces transaction costs. Customers who have formed trust in specific providers are less likely to switch due to the difficulties associated with establishing new trusting relationships in a context of uncertainty and risk (Carter *et al.*, 2009). Moreover, the perceived evaluation costs (e.g. time and effort required to evaluate and select an appropriate service provider) are reduced based on trust issues (Bromiley and Harris, 2006; Huang *et al.*, 2021). Masri *et al.* (2021) proved that product evaluation costs relate to trust in online vendors in Taiwan's online shopping. Results illustrated that product evaluation costs have a positive relationship with trust towards an online vendor. In addition, trust eases the learning processes in service encounters as both parties are more open, thus enhancing perceived value

(El-Manstrly, 2016). Trust increases perceived value by lowering perceived non-monetary costs, such as the time and effort needed to select a suitable service provider (Ponte *et al.*, 2015).

Regarding the financial switching costs, Aydin and Özer (2005) indicated that the most significant information about monetary costs relates negatively to trust and customer satisfaction in the Turkish mobile phone business. They found that as users' perceptions of trust or satisfaction increases, the perceived monetary cost of switching to a new operator decreases. In addition, Moliner-Tena *et al.* (2018) found that trust positively impacts positive switching costs (social and lost benefits costs), creating rewards like benefits and value. They reported that loyalty rewards that customers have to give up when ending their bonds with their service providers are positive switching costs (foregone gains) and customers enjoying these benefits may recommend these service providers to other customers.

In terms of relational loss switching costs, compulsive buyers appear to switch a lot among brands due to their variety-seeking nature and focus less on the functional benefits of brands, such as quality. Consequently, they lack the opportunity to build trust in brands (Horváth and Birgelen, 2015). Contrarily, consumers' habitual purchases with an online hotel booking service provider build trust, increase the cost of brand relationship losses and prevent customers from switching (Huang *et al.*, 2021). As switching costs assist firms in building personal relations (Burnham *et al.*, 2003; Li *et al.*, 2015), customer trust should focus on personal relationships that matter (Bromiley and Harris, 2006). El-Manstrly *et al.* (2011) and Maicas Lopez *et al.* (2006) reported that trust reduces the perception of risk and increases the feeling of wanting to remain in a relationship. It can be posited that trust promotes positive switching costs. A mutual sense is that relationship maintenance costs must be greatly reduced as customer trust increases (Pinto *et al.*, 2009). El-Manstrly *et al.* (2011) confirmed that trust is correlated with relational costs. Therefore:

H3. Customer trust has a positive influence on procedural costs (i.e. *H3a*: economic risk costs, *H3b*: evaluation costs, *H3c*: learning costs and *H3d*: set-up costs); financial costs (i.e. *H3e*: monetary loss costs and *H3f*: benefit loss costs); and relational costs (i.e. *H3g*: personal relational loss costs and *H3h*: brand relational loss costs) among medical schemes.

3.4 Mediation of trust on the link between ethical sales behaviour and switching costs typology

Trust is typically built through repeatedly keeping quality promises (Horváth and Birgelen, 2015). According to Morgan and Hunt (1994), trust is an indicator of consumers' confidence in an exchange partner's reliability and integrity, embodying customers' beliefs of receiving a promised service. Trust is built when consumers believe that a company acts ethically, legally, favourably and responsibly (Pavlou and Fygenson, 2006). Within shared values, maintaining the highest level of ethics in all business transactions is the most significant issue (Mukherjee and Nath, 2007). Both ethical and practical considerations suggest that firms should seek to increase switching costs in ways that add value to consumers (Burnham *et al.*, 2003). Colwell *et al.* (2011) showed the link between ethical code enforcement and continuance commitment but argued that enforcing ethical codes matters less when switching is perceived as too costly. Despite the significant advances in the research on trust, the concept of trust, as a referent in the ethical sales behaviour and switching costs typology has not been studied and is interesting to examine in medical schemes setting. For instance, this research tests the mediation effect of trust on the relationship between ethical sales behaviour and switching costs typology (Burnham *et al.*, 2003), which is stronger when trust is higher (see Figure 1). The definition of trust operationalised in this study originates from

commitment-trust theory of the relationship marketing proposed by Morgan and Hunt (1994), which views trust as an essential mediating variable in building successful relationships. Prior studies (Diallo and Lambey-Checchin, 2017; Mansouri *et al.*, 2022) have found that customer trust mediates the impact of ethical sales behaviour on loyalty in the sportswear and retail industry. Masri *et al.* (2021) indicated that trust significantly mediates the relationships between monetary value, product evaluation, customer enjoyment and customer intention to purchase from an online vendor and reuse the product or service. Therefore:

H4. Customer trust significantly mediates the positive effects of ethical sales behaviour on procedural switching costs (i.e. *H4*a: economic risk costs, *H4b*: evaluation costs, *H4c*: learning costs and *H4d*: set-up costs); financial loss costs (i.e. *H4e*: monetary loss costs and *H4f*: benefit loss costs); and relational loss costs (i.e. *H4g*: personal relational loss costs and *H4h*: brand relational loss costs) among medical schemes.

4. Research methodology

4.1 Sampling

The proportion of beneficiaries covered by medical schemes, expressed as a percentage of the population in the country, declined from 16.5% in 2000 to 15.08% in 2019. Restricted schemes grew by 64,172 beneficiaries and open schemes added only 9.293 beneficiaries between 2018 and 2019, which represents an insignificant growth of 0.82% in the year-on-year increase in the total number of beneficiaries covered by medical schemes. Nevertheless, open medical schemes covered the largest number of beneficiaries in 2019 (55.38%) (CMS, 2020). For the purpose of this study, a sample of 250 South African men and women aged 18–65 years was targeted from members of open and closed medical schemes living in the Gauteng province, which accounted for 40% of the total proportion of the medical scheme beneficiaries in the country (CMS, 2020). According to CMS (2020), more benefits are paid to beneficiaries in the age bands above 44 years, with beneficiaries aged 65 and older (8.91% of the population) consuming over 26% of health-care benefits and beneficiaries aged 45–64 years (23.4% of the medical schemes population) consuming 34% of health-care benefits. This translated to 33% of the medical schemes' population consuming close to 60% of the health-care benefits provided in 2019, and the cross-subsidisation of benefits between the young and healthy and the older and sicker beneficiaries. However, this study did not survey respondents over the age of 65 due to various ethical factors that can result in adults or elderly people feeling vulnerable to abuse, neglect and ill intent from the topic being studied. The discussions prevented arousing feelings of neglect and abuse, as there was no instant prepared support for their decision to participate in the research and the study avoided tempering their independence and dignity.

The sample size of 250 medical scheme members was consistent with similar extant studies on this topic (Agrawal, 2017; Edward and Sahadev, 2011). Moreover, a sample size of 200 units has formerly been proposed as the minimum for SEM (Boomsma, 1982; Wolf *et al.*, 2013) and many scholars have used a similar sample size to test the SEM (Hidayat and Idrus, 2023; Li *et al.*, 2022; Morales-Sánchez *et al.*, 2020), while some have used it to test ANOVA (Zhao *et al.*, 2023). Even when applied to least squares estimation, a sample size should be 10 times larger than the number of variables impacting the conceptual constructs (Hair *et al.*, 2011; Ion *et al.*, 2021).

A non-probability judgement sampling method (Hair *et al.*, 2017) was used to identify and select the main members who used medical schemes over the six-month period preceding the survey. The structured self-administered questionnaires, written in English, were distributed by

well-trained fieldworkers face to face to respondents who were elicited in public locations near private and public health-care facilities. Research ethics (i.e. consent for participation in the study, voluntary participation, decision to terminate the participation, privacy and data safety) were adhered to in accordance with the ethics permit issued by the researchers' university. The respondents were thanked for their participation in the survey, without rewards.

4.2 Measurement instrument

The structured self-administered questionnaires contained a cover letter written in English to brief the respondents about the study's purpose. Screening questions filtered the sample. Section A collected the demographic data, including age, gender, monthly contributions, medical scheme brand affiliation, duration of affiliation and the number of dependent beneficiaries (see Table 1). Section B measured the latent constructs adapted from pre-validated scale items, as Churchill (1979) recommended. From the switching costs typology, procedural costs were measured with six scale items of economic risk costs, four scale items of evaluation costs, four scale items of learning costs and four scale items of set-up costs. Financial loss costs measured three scale items each of monetary loss costs and benefit loss costs. Relational loss costs measured the four scale items of personal relational loss costs and three scale items of brand relational loss costs, all adapted from Burnham *et al.* (2003). The ethical marketing issues were measured with nine scale items adapted from Murphy *et al.* (1992), and customer trust was measured with six scale items adapted from Morgan and Hunt (1994). These 46 scale items were modified to generate statements suitable to measure this study's objectives and were recorded using a five-point Likert-type scale (1 = "strongly disagree"; 5 = "strongly agree"). Table 2 illustrates how each construct was operationalised in the study.

The questionnaire was pre-tested on three experts in the medical and academic fields to gather their subjective opinions before the main survey and improve the quality of the study. A pilot study comprised a sample ($n = 50$) of medical scheme members sharing similar attributes to those targeted in the initial survey. It tested the measurement errors (i.e. sentence and sequence of questions) and improved the final version of the questionnaire. Cronbach's alpha ranged from 0.394 for evaluation costs to 0.923 for customer trust. In total, 208 completed questionnaires were returned in the primary survey, yielding an 83.2% response rate usable for data analysis. Due to a high percentage of missing data ($n = 42$), the study applied the data removal approach (e.g. remove rows or columns with a high proportion of missing values in the data set) as the primary method to handle and solve this error, rather than the imputation method, which substitutes reasonable guesses for missing data.

5. Results

5.1 Descriptive statistics

Table 1 outlines the descriptive statistics analysed using SPSS version 29. The final sample comprised 208 respondents, with more female (114; 54.8%) than male (94; 45.2%) respondents. Majority of these respondents (50; 24.0%) were aged 25–29, followed by 30–34 (43; 20.7%). Many respondents belonged to the Discovery Health Medical Scheme (115; 55.3%), followed by BankMed (42; 20.2%) and momentum (23; 11.1%). More respondents (84; 40.4%) contributed up to R3,000 monthly than those who contributed between R3,000 and R4,000 (74; 35.6%). A large number of respondents had exceeded five years' service experience with their medical schemes (87; 41.8%), compared to those who only had one to two years of service experience (59; 28.4%). Respondents who were registered as main members (88; 42.3%) equalled those who registered two to three dependent beneficiaries (88; 42.3%), followed by those who registered four to five dependent beneficiaries (30; 14.4%).

Table 1. Descriptive profiles of sample

Variable	Categories	*n* = 208	%
Age	18–24 years old	39	18.8
	25–29 years old	50	24.0
	30–34 years old	43	20.7
	35–39 years old	37	17.8
	40–45 years old	16	7.7
	46–49 years old	10	4.8
	50–65 years old	13	6.3
Gender	Male	94	45.2
	Female	114	54.8
Monthly contributions	Up to R3,000	84	40.4
	R3,000–R4,000	74	35.6
	R4,000–R5,000	31	14.9
	R5,000–R6,000	11	5.3
	R6,000–R7,000	4	1.9
	More than R8,000	4	1.9
Medical scheme brand affiliation	Momentum	23	11.1
	Discovery	115	55.3
	Best-med	5	2.4
	Bonitas	10	4.8
	Bank med	42	20.2
	One plan	2	1.0
	Fed health	2	1.0
	SANDF	1	0.5
	Affinity health	3	1.4
	BP medical aid	1	0.5
	Umvuso health	2	1.0
	Medipos	1	0.5
	GEMS	1	0.5
Duration of affiliation	1–2 year(s)	59	28.4
	2–3 years	29	13.9
	3–4 years	16	7.7
	4–5 years	17	8.2
	More than 5 years	87	41.8
A number of beneficiaries	1 (main member)	88	42.3
	2–3	88	42.3
	4–5	30	14.4
	5–7	2	1.0

Source: Author's own work

5.2 Common-method bias

According to MacKenzie and Podsakoff (2012), significant evidence suggests that method bias could extremely affect the reliability and validity of the scale items in a questionnaire and the covariation between latent constructs. Examples range from a series of causes, including manipulating the respondents' capabilities, creating complex opportunities for more accurate responses, discouraging the motivation to respond accurately and making statements easier for respondents to answer without proper adherence. In minimising these issues, some procedural remedies were applied when developing, distributing and administrating the questionnaire. In addition, more sophisticated statistical remedies were applied to evaluate the extreme effects of common-method bias (CMB). During the survey design, various predictor variables were separated from the outcome variables to reduce respondents' assumptions of their associations

Table 2. Summary of the measurement model

Codes	Items	CFA1		CFA2		M	SD	A
		β	t	β	t			
ESB[1]	My service provider allows customers to have information on their competitors	0.338	2.724	Deleted	Deleted	2.23	1.295	0.755
ESB[2]	My service provider uses misleading sales presentations	0.792	3.229	0.798	Fixed	2.00	1.092	
ESB[3]	My service provider gives gifts to customers in exchange for preferential treatment	0.709	3.194	0.703	10.436	1.72	1.036	
ESB[4]	My service provider offers wrong information to customers about competitor firms' medical services	0.797	3.231	0.795	12.082	1.74	1.100	
ESB[5]	My service provider's price is affordable	−0.114	−1.404	Deleted	Deleted	2.76	1.296	
ESB[6]	My service provider accepts favours from customers in exchange for preferential treatment	0.764	3.219	0.762	11.483	1.71	1.052	
ESB[7]	My service provider withholds information from customers, which could influence their medical cover selection	0.646	3.159	0.650	9.511	2.15	1.275	
ESB[8]	My service provider gives preferential treatment to some customers	0.708	3.194	0.704	10.453	2.15	1.282	
ESB[9]	My service provider allows customers to become dependent on one medical aid service provider	0.236	Fixed	Deleted	Deleted	3.08	1.384	
TRS[1]	My service provider is very honest	0.814	13.072	0.815	13.069	3.48	1.112	0.936
TRS[2]	My service provider is reliable	0.874	14.364	0.876	14.380	3.68	1.057	
TRS[3]	My service provider is responsible	0.921	15.429	0.921	15.402	3.74	1.032	
TRS[4]	My service provider understands consumers	0.785	Fixed	0.784	Fixed	3.66	1.122	
TRS[5]	My service provider is always professional	0.827	13.343	0.825	13.271	3.94	1.027	
TRS[6]	My service provider acts with good intentions	0.836	13.541	0.836	13.517	3.63	1.046	
ERC[1]	I worry that the service offered by other service providers will not work as well as expected	0.476	6.172	Deleted	Deleted	3.15	1.305	0.840
ERC[2]	If I switch service providers, I might need better service for a while	0.640	8.058	0.593	7.637	3.14	1.307	
ERC[3]	Switching to a new service provider may involve hidden costs/charges	0.770	9.403	0.773	9.652	3.27	1.273	
ERC[4]	I will likely end up financially with a bad deal if I switch to a new service provider	0.667	Fixed	0.684	Fixed	3.07	1.231	
ERC[5]	Switching to a new service provider will probably result in some unexpected hassle	0.797	9.649	0.817	10.061	3.43	1.218	
ERC[6]	I do not know what I will have to deal with while switching to a new service provider	0.725	8.957	0.710	8.987	3.68	1.268	
EC[1]	I cannot afford the time to get the information to evaluate other service providers fully	0.745	10.998	0.745	10.753	3.48	1.304	0.866

(*continued*)

Table 2. Continued

Codes	Items	CFA1		CFA2		M	SD	A
		β	*t*	*β*	*t*			
EC[2]	It takes much time/effort to get the information I need to feel comfortable evaluating new service providers	0.817	12.210	0.833	12.112	3.64	1.227	
EC[3]	Comparing my service provider's benefits with those of other service providers takes too much time/effort, *even when I have the information.*	0.817	12.223	0.808	11.745	3.61	1.250	
EC[4]	It is tough to compare the other service providers	0.778	Fixed	0.771	Fixed	3.32	1.280	
LC[1]	Learning to use the features offered by a new service provider and using my service would take time	−0.803	−2.680	Deleted	Deleted	3.45	1.269	0.384
LC[2]	There is not much involved in understanding a new service provider well. (r)	−0.124	−1.428	Deleted	Deleted	2.89	1.209	
LC[3]	Even after switching, it would take effort to "get up to speed" with a new service	−0.791	−2.677	Deleted	Deleted	3.43	1.140	
LC[4]	Getting used to how another service provider works would be easy. (r)	0.198	Fixed	Deleted	Deleted	2.97	1.099	
SUC[1]	It takes time to go through the steps of switching to a new service provider	0.857	6.053	Deleted	Deleted	3.52	1.163	0.366
SUC[2]	Switching service providers includes an unpleasant sales process	0.722	5.807	Deleted	Deleted	3.43	1.178	
SUC[3]	The process of starting up a new service is quick/easy. (r)	−0.313	−3.618	Deleted	Deleted	2.67	1.108	
SUC[4]	Many formalities are involved in switching to a new service provider	0.439	Fixed	Deleted	Deleted	3.55	1.158	
MLC[1]	Switching to a new service provider involves upfront costs (set-up fees, membership fees, deposits, etc.)	0.820	11.569	0.815	11.373	3.47	1.235	0.857
MLC[2]	It takes a lot of money to pay for all the costs of switching service providers	0.894	12.232	0.905	12.018	3.32	1.214	
MLC[3]	In general, it will cost a lot of money to switch from my service provider	0.746	Fixed	0.739	Fixed	3.06	1.149	
BLC[1]	Switching to a new service provider would mean losing or replacing points, credits, services and so on that I have accumulated with my service provider	0.899	14.959	0.898	14.979	3.57	1.371	0.912
BLC[2]	If I switch to a new service provider, I would lose credits, accumulated points, services I have already paid for and so on	0.964	15.617	0.964	15.633	3.61	1.375	
BLC[3]	I will lose the benefits of being a long-term customer if I leave my service provider	0.785	Fixed	0.786	Fixed	3.45	1.457	
PRLC[1]	If I switched providers, I would miss working with the people at my service provider	0.815	15.801	0.819	15.745	2.50	1.315	0.921
PRLC[2]	I am more comfortable interacting with the people working for my service provider than if I switched providers	0.857	17.441	0.863	17.433	2.82	1.302	

(*continued*)

Table 2. Continued

Codes	Items	CFA1 β	CFA1 t	CFA2 β	CFA2 t	M	SD	A
PRLC[3]	The people from whom I currently get my service matter to me	0.869	17.946	0.867	17.588	2.63	1.298	
PRLC[4]	I like talking to the people from whom I get my service	0.906	Fixed	0.901	Fixed	2.64	1.285	
BRLC[1]	I like the public image my service provider has	−0.805	−1.506	Deleted	Deleted	3.56	1.299	0.319
BRLC[2]	I support my service provider as a firm	−0.812	−1.507	Deleted	Deleted	3.27	1.317	
BRLC[3]	I do not care about the brand/company name of the service provider I use. (*r*)	0.115	Fixed	Deleted	Deleted	2.61	1.365	

Source: Author's own work

and anonymise them to hide their recognition deliberately. Respondents were asked to answer each statement honestly and from their own views, and were assured that there were no "correct"/"wrong" responses. For statistical evaluation, the Harman single-factor test was conducted using SPSS version 29.

The results indicated that a single factor accounts for 21.61% of the total variance, less than an acceptable threshold of 40% suggested by Babin *et al.* (2016). As Bagozzi *et al.* (1991) recommended, the inter-factor correlation matrix was also tested. The largest inter-factor correlation of 0.578 (between evaluation costs and economic risk costs; see Table 3) was below the 0.90 acceptable estimated threshold. Podsakoff *et al.* (2003) advised researchers to assess CMB by measuring the confirmatory factor analysis (CFA) as a more sophisticated assessment of the hypothesis that a single factor can account for all the variance among the items in the data. Tested on AMOS version 29, this diagnostic technique produced a one-factor model fit (χ^2 = 4815.252/df = 989; χ^2/df = 4.869; comparative fit index [CFI] = 0.300; root mean square error of approximation [RMSEA] = 0.137) significantly weaker ($\Delta\chi^2$ = 4142.651; df = 576, χ^2/df = 3.24; CFI = 0.638; RMSEA = 0.082) than that of the initial hypothesised CFA model (χ^2 = 672.601/df = 413; χ^2/df = 1.629; standardised root mean square

Table 3. Discriminant validity

Constructs	CR	AVE	PRLC	ERC	ESB	MLC	BLC	TRU	EC
PRLC	0.921	0.745	*0.863*						
ERC	0.841	0.518	0.252	*0.720*					
ESB	0.877	0.544	−0.045	−0.068	*0.737*				
MLC	0.862	0.676	0.209	0.522	0.110	*0.822*			
BLC	0.916	0.784	0.138	0.216	−0.029	0.321	*0.886*		
TRU	0.937	0.712	0.439	0.283	−0.383	0.189	0.250	*0.844*	
EC	0.869	0.624	0.171	0.578	0.146	0.535	0.308	0.183	*0.790*

Notes: Fornell and Larcker's method measured discriminant validity; PRLC = personal relational loss costs; ERC = economic risk costs; ESB = ethical sales behaviour; MLC = monetary loss costs; BLC = benefit loss costs; TRU = Trust; EC = evaluation costs
Source: Author's own work

residual [SRMR] = 0.0618; CFI = 0.938; RMSEA = 0.055). These findings strongly confirmed that CMB did not pose an extreme concern for this study.

5.3 Measurement model

The measurement model, or the initial hypothesised CFA model, was tested on AMOS version 29 using a maximum likelihood estimation to assess the covariance matrix and identify the estimates of various parameters (Anderson and Gerbing, 1988). Indicators of the composite reliability (CR) measured confirmed the construct reliability (Hair *et al.*, 2017). The average variance extracted (AVE) measured confirmed the discriminant validity (Fornell and Larcker, 1981) of the interrelationships between the latent factors. The measurement model tested the possibility of outliers or negative error variances (known as Heywood cases) and the standardised factor loadings above 1.0 or below −1.0 (Hair *et al.*, 2017). Table 2 illustrates the standardised regression weights of the CFA. All factor loadings > 0.70 showed the good internal consistency reliability of the scale items (Anderson and Gerbing, 1988; Hair *et al.*, 2017). The factor loadings above 0.5 were retained, as they were viewed to be statistically significant (Hair *et al.*, 2009). However, the few constructs with lower reliability scores (e.g. learning costs, set-up costs and brand relational loss costs) were deleted in the CFA1. In addition, Table 2 shows Cronbach's alpha values ranging from 0.755 for ethical sales behaviour to 0.936 for customer trust. Cronbach's alpha values > 0.7 and closer to 1 indicate a good internal consistency reliability of the construct measured (Hair *et al.*, 2017).

The measurement model had good fit indices as advocated by Bentler and Bonett (1980): χ^2 = 672.601; df = 413; χ^2/df = 1.629; goodness-of-fit index (GFI) = 0.831; adjusted GFI (AGFI) = 0.797; CFI = 0.938; Tucker–Lewis index (TLI) = 0.930; incremental fit index (IFI) = 0.938; non-normed fit index (NNFI) = 0.855; SRMR = 0.0618; and RMSEA = 0.055.

Table 3 shows the results of the discriminant validity tested using a method by Fornell and Larcker (1981). The square root of the √AVEs (bold values in Table 3) were significantly higher than the inter-correlation of coefficients, which show the discriminant validity (Henseler *et al.*, 2015). The AVE values were more significant than the shared variance with other variables (> 0.50) (Fornell and Larcker, 1981) and the CR values were above (> 0.70 level) (Hair *et al.*, 2017), strongly supporting the convergent validity of the measurement model tested in this study and allowing the testing of the structural model.

5.4 Structural model

The latent variables' causal structure was tested using SEM on AMOS version 29. The structural model tested the significance of the path estimates and overall model fit. The structural model had good fit indices as advised by Bentler and Bonett (1980): χ^2 = 802.893/df = 423; χ^2/df = 1.898; GFI = 0.803; AGFI = 0.769; CFI = 0.909; TLI = 0.900; IFI = 0.96; NFI = 0.910; SRMR = 0.1129; and RMSEA = 0.066. Results showed the R^2 was 0.29 for trust, 0.10 for economic risk costs, 0.12 for evaluation costs, 0.10 for monetary loss costs, 0.08 for benefit loss costs and 0.22 for personal relational loss costs. Table 4 summarises the results of the hypotheses. The cut-off value of 1.96 (t >1.96) was used to determine whether the hypotheses were supported or rejected. Hypotheses with t-values smaller than 1.96 were rejected, while hypotheses with t-values exceeding 1.96 were accepted. The t-values for *H1* was −5.042, which is lower than the cut-off value of 1.96. Consequently, *H1* was rejected, proving ethical sales behaviour negatively affects customer trust in medical schemes in South Africa. The t-values for *H2* were as follows: *H2a* (economic risk costs) = 1.239, *H2b* (evaluation costs) = 3.388, *H2e* (monetary loss costs) = 3.010, *H2f* (benefit loss costs) = 1.266 and *H2g* (personal relational loss costs) = 2.016. Consequently, *H2b*, *H2e* and *H2g*

Table 4. Summary of the results of the proposed structure

Hypothesis	Direct effects		(β)	t (> 1.96)	p	Result
H1	Ethical sales behaviour →	Trust	−0.389	−5.042	0.001	Rejected
H2a	Ethical sales behaviour →	Economic risk costs	0.105	1.239	0.215	Rejected
H2b	Ethical sales behaviour →	Evaluation costs	0.293	3.388	0.001	Accepted
H2c	Ethical sales behaviour →	Learning costs	Deleted	Deleted	Deleted	Rejected
H2d	Ethical sales behaviour →	Set-up costs	Deleted	Deleted	Deleted	Rejected
H2e	Ethical sales behaviour →	Monetary loss costs	0.259	3.010	0.003	Accepted
H2f	Ethical sales behaviour →	Benefit loss costs	0.103	1.266	0.205	Rejected
H2g	Ethical sales behaviour →	Personal relational loss costs	0.155	2.016	0.044	Accepted
H2h	Ethical sales behaviour →	Brand relational loss costs	Deleted	Deleted	Deleted	Rejected
H3a	Trust →	Economic risk costs	0.346	3.949	0.001	Accepted
H3b	Trust →	Evaluation costs	0.319	3.769	0.001	Accepted
H3c	Trust →	Learning costs	Deleted	Deleted	Deleted	Rejected
H3d	Trust →	Set-up costs	Deleted	Deleted	Deleted	Rejected
H3e	Trust →	Monetary loss costs	0.311	3.665	0.001	Accepted
H3f	Trust →	Benefit loss costs	0.300	3.672	0.001	Accepted
H3g	Trust →	Personal relational loss costs	0.505	6.286	0.001	Accepted
H3h	Trust →	Brand relational loss costs	Deleted	Deleted	Deleted	Rejected

Notes: $p < 0.001$; $p < 0.01$; $p < 0.05$
Source: Author's own work

were supported, while *H2a* and *H2f* were rejected. These results proved ethical sales behaviour has a positive influence on evaluation costs, monetary loss costs and personal relational loss costs in medical schemes in South Africa. The *t*-values for the third hypothesis were: *H3a* (economic risk costs) = 3.949, *H3b* (evaluation costs) = 3.769, *H3e* (monetary loss costs) = 3.665, *H3f* (benefit loss costs) = 3.672 and *H3g* (personal relational loss costs) = 6.286. Consequently, *H3a*, *H3b*, *H3e*, *H3f* and *H3g* were accepted, showing trust has a positive influence on economic risk costs, evaluation costs, monetary loss costs, benefit loss costs and personal relational loss costs in medical schemes in South Africa.

5.5 Mediation effects: trust

The mediation analysis used the PROCESS procedure for SPSS release 2.041 (Hayes, 2013). The bootstrap samples for bias-corrected bootstrap confidence intervals was 1,000 with a 95% confidence level for all confidence intervals. Mediation analysis was conducted to find out how variables related to one another. A significant relationship between the independent, mediating and dependent variables (i.e. greater than $t > 1.96$) shows that trust mediates this relationship. However, if the *t*-values of the independent, mediating and dependent variables do not meet 1.96 levels, there is no mediation effect (mediation-free). Partially mediated effects were observed in this study if a mediating variable, namely trust, was significant between ethical sales behaviour and type of switching cost. Conversely, if there was no significant difference between ethical sales behaviour and type of switching cost when a mediating variable was present, complete mediation occurred. The mediation analysis results for the variables studied in this study can be found in Table 5, which concludes that three mediation hypotheses (i.e. *H4b*, *H4e* and *H4g*) partially mediated the effect of their independent and dependent variables.

Table 5 shows the significant positive direct and indirect effect of ethical sales behaviour of medical schemes on monetary costs (β = 0.2765; t = 2.7100; p < 0.0073; low-level confidence interval [LLCI] = 0.4776; upper-level confidence interval [ULCI] = 0.0150)

Table 5. Direct and indirect effects: mediator (M): trust

Mediation of customer trust on the relationship between ethical sales behaviour and switching costs typology

The direct effect:	Effect	SE	*t*(>1.96)	*p*	LLCI (95%)	ULCI (95%)	R^2	*Result*
H4a: Economic risk costs	0.1572	0.0912	1.7239	0.0862	−0.0226	0.3371	0.0026	Rejected
H4b: Evaluation costs	0.2624	0.1043	2.5159	0.0126	0.0568	0.4681	0.0146	Accepted
H4e: Monetary costs	0.2765	0.1020	2.7100	0.0073	0.0753	0.4776	0.0150	Accepted
H4f: Benefit loss costs	0.1216	0.1255	0.9691	0.3337	−0.1258	0.3690	0.0000	Rejected
H4g: Personal relational loss costs	0.2566	0.1040	2.4677	0.0144	0.0516	0.4616	0.0013	Accepted

The indirect effect: Mediator (M): Trust	Effect	BootSE	BootLLCI	BootULCI
Ethical [X] Trust [X] Economic risk costs	−0.0911	0.0406	−0.1847	−0.0253
Ethical [X] Trust [X] Evaluation costs	−0.0838	0.0381	−0.1696	−0.0210
Ethical [X] Trust [X] Monetary costs	−0.0982	0.0422	−0.1937	−0.0314
Ethical [X] Trust [X] Benefit loss costs	−0.1273	0.0518	−0.2412	−0.0431
Ethical [X] Trust [X] Personal relational loss costs	−0.1981	0.0676	−0.3436	−0.0788

Notes: $p < 0.001$; $p < 0.01$; $p < 0.05$
Source: Author's own work

[$R^2 = 0.0150$]. The bootstrap confirmed the indirect positive effect of ethical sales behaviour on monetary costs (BootLLCI = −0.1937; BootULCI = −0.0314), explaining 15.0% of the variance and thus accepting *H4e*. Furthermore, the results showed the significant positive direct and indirect effect of ethical sales behaviour of medical schemes on evaluation costs ($\beta = 0.2624$; $t = 2.5159$; $p < 0.0126$; LLCI = 0.4681; ULCI = 0.0146) [$R^2 = 0.0146$]. The bootstrap confirmed the indirect positive effect of ethical sales behaviour on evaluation costs (BootLLCI = 0.4681; BootULCI = 0.0146), explaining 14.6% of the variance, hence *H4b* was accepted. In addition, the results showed the significant positive direct and indirect effect of ethical sales behaviour of medical schemes on personal relational loss costs ($\beta = 0.2566$; $t = 2.4677$; $p < 0.0144$; LLCI = 0.4616; ULCI = 0.0013) [$R^2 = 0.0013$]. The bootstrap confirmed the indirect positive effect of ethical sales behaviour on personal relational loss costs (BootLLCI = −0.3436; BootULCI = −0.0788), explaining 01.3% of the variance and supporting *H4g*. Trust, directly and indirectly, mediated the positive relationships between ethical sales behaviour of medical schemes and monetary costs, evaluation costs and personal relational loss costs, thus showing partial mediation.

However, the relationship ethical sales behaviour of medical schemes had with economic risk costs ($\beta = 0.1572$; $t = 1.7239$; $p > 0.0862$) and benefit loss costs ($\beta = 0.1216$; $t = 0.9691$; $p > 0.3337$) produced *t*-values below 1.96 levels, and these were not statistically mediated by trust, thus rejecting *H4a* and *H4f*. Consequently, trust did not significantly mediate the impact of ethical sales behaviour of medical schemes on economic risk costs and benefit loss costs. Hypotheses that trust mediates the significant positive relationship that ethical sales behaviour has with learning costs (*H4c*), set-up costs (*H4d*) and brand relational loss costs (*H4h*) could not be measured, as these factors were deleted due to low-reliability scores in the CFA.

5.6 Moderation analysis

The moderating effects of medical schemes' brand affiliation, monthly contributions and the number of dependent beneficiaries in the theoretical framework were tested on PROCESS

procedure for SPSS release 2.041 (Hayes, 2013). The level of confidence for all confidence intervals in output was 95%. The results of the moderating effects and the conditional effects are shown in Table 6. Figures 2–8 show the directions of these conditional effects.

Table 6 shows a significant negative interaction effect of brand affiliation on the relationship between ethical sales behaviour and trust [R^2 = 0.1170] (β = −0.1306; t = −3.2026; p < 0.0016; LLCI = −0.2111; ULCI = −0.0502). Figure 2 shows that the moderation is more significant for members with high brand affiliation (β = −0.6394; t = −5.1115; p < 0.0000; LLCI = −0.8861; ULCI = −0.3928) than for those with low brand affiliation (β = −0.2475; t = −2.7194; p < 0.0071; LLCI = −0.4269; ULCI = −0.0680), explaining 11.70% of the variance. Thus, *H5(1)* was supported, showing that a high brand affiliation negatively affects the relationship between ethical sales behaviour and trust.

In addition, Table 6 shows a significant negative interaction effect of the brand affiliation on the relationship between trust and economic risk loss costs [R^2 = 0.0816] (β = −0.0635; t = −2.4024; p < 0.0172; LLCI = −0.1157; ULCI = −0.0114). Figure 3 shows that the moderation is strongly significant for members with low brand affiliation (β = 0.2991; t = 4.0446; p < 0.0001; LLCI = 0.1533; ULCI = 0.4450), but not for those with high brand affiliation (β = 0.1086; t = 1.2747; p > 0.2039; LLCI = −0.0594; ULCI = 0.2765), which explains 8.16% of the variance. Thus, *H6a* was accepted, showing that a low brand affiliation, but not a high brand affiliation, positively affects the relationship between trust and economic risk costs.

Furthermore, Table 6 shows a significant positive interaction effect of the monthly contributions on the relationship between trust and benefit loss costs [R^2 = 0.0788] (β = 0.1705; t = 1.9786; p < 0.0492; LLCI = 0.0006; ULCI = 0.3405). Figure 4 shows that the moderation is strongly significant for members with high monthly contributions (β = 0.5116; t = 4.0521; p < 0.0001; LLCI = 0.2627; ULCI = 0.7606), but not for those with low monthly contributions (β = 0.1706; t = 1.3305; p > 0.1848; LLCI = −0.0822; ULCI = 0.4233), which explains 7.88% of the variance. Thus, *H7f* was accepted, as it proves high monthly contributions, but not low monthly contributions, positively affect the relationship between trust and benefit loss costs.

In addition, Table 6 shows a significant negative interaction effect of the number of beneficiaries on the relationship between trust and economic risk loss costs [R^2 = 0.0970] (β = −0.2382; t = −2.9461; p < 0.0036; (LLCI = −0.3976; ULCI = −0.0788). As per Figure 5, the moderation for members with low number of beneficiaries is strong (β = 0.3945; t = 4.5011; p < 0.0000; LLIC = 0.2217; ULCI = 0.5673) compared to members with high number of beneficiaries (β = 0.1563; t = 2.1632; p < 0.0317; LLCI = 0.0138; ULCI = 0.2987), which explains 9.70% of the variance. Therefore, *H8a* was accepted, proving that having a low number of beneficiaries over a high number of beneficiaries positively impacts the relationship between trust and economic risk costs.

Furthermore, Table 6 shows a significant negative interaction effect of the number of beneficiaries on the relationship between trust and evaluation costs [R^2 = 0.0554] (β = −0.2228; t = −2.3806; p < 0.0182; LLCI = −0.4073; ULCI = −0.0383). Figure 6 illustrates a strongly significant moderation for members with low number of beneficiaries (β = 0.3401; t = 3.3528; p < 0.0010; LLCI = 0.1401; ULCI = 0.5401), but not for members with a high number of beneficiaries (β = 0.117; t = 1.4031; p > 0.1621; LLCI = −0.0475; ULCI = 0.2822), which explains 5.54% of the variance. Therefore, *H8b* was accepted, showing that having a low number of beneficiaries, but not a high number of beneficiaries, positively affects the trust and evaluation costs relationship.

Table 6 also shows a significant negative interaction effect of the number of beneficiaries on the relationship between trust and monetary loss costs [R^2 = 0.0694] (β = −0.2257; t = −2.4553; p < 0.0149; LLCI = −0.4069; ULCI = −0.0444). Figure 7 illustrates that the

Table 6. Interaction effects and conditional effects of the moderating variables

The interaction effects of brand affiliation on the relationship between ethical sales behaviour and trust [R^2 = 0.1170]						
	Coeff.	*t*	*p*	LLCI	ULCI	Result
Constant	3.6421	11.2308	0.0000	3.0026	4.2815	
Brand association	0.2629	2.9614	0.0034	0.0879	0.4380	
Ethical sales behaviour	0.0138	0.0976	0.9223	−0.2651	0.2927	
H5(1): Int_1	−0.1306	−3.2026	0.0016	−0.2111	−0.0502	Accepted
The conditional effects of brand affiliation on ethical sales behaviour and trust						
Brand affiliation	Effect	*t*	*p*	LLCI	ULCI	
Lower	−0.2475	−2.7194	0.0071	−0.4269	−0.0680	
Higher	−0.6394	−5.1115	0.0000	−0.8861	−0.3928	
The interaction effects of the brand affiliation on the relationship between trust and economic risk costs [R^2 = 0.0816]						
	Coeff	*t*	*p*	LLCI	ULCI	Result
Constant	1.6976	4.3704	0.0000	0.9318	2.4635	
Brand association	0.2429	2.5527	0.0114	0.0553	0.4304	
Trust	0.4262	4.0141	0.0001	0.2169	0.6355	
H6a: Int_1	−0.0635	−2.4024	0.0172	−0.1157	−0.0114	Accepted
The conditional effects of brand affiliation on trust and economic risk costs						
Brand affiliation	Effect	*t*	*p*	LLCI	ULCI	
Lower	0.2991	4.0446	0.0001	0.1533	0.4450	
Higher	0.1086	1.2747	0.2039	−0.0594	0.2765	
The interaction effects of the monthly contributions on the relationship between trust and benefit loss costs [R^2 = 0.0788]						
	Coeff	*t*	*p*	LLCI	ULCI	Result
Constant	3.5339	4.7720	0.0000	2.0738	4.9940	
Monthly contributions	−0.6214	−1.9365	0.0542	−1.2540	0.0113	
Trust	0.0000	0.0001	0.9999	−0.3892	0.3892	
H7f: Int_1	0.1705	1.9786	0.0492	0.0006	0.3405	Accepted
The conditional effects of the monthly contributions on trust and benefit loss costs						
Contribute	Effect	*t*	*p*	LLCI	ULCI	
Lower	0.1706	1.3305	0.1848	−0.0822	0.4233	
Medium	0.3411	3.6446	0.0003	0.1566	0.5256	
Higher	0.5116	4.0521	0.0001	0.2627	0.7606	
The interaction effects of the number of beneficiaries on the relationship between trust and economic risk costs [R^2 = 0.0970]						
	Coeff	*t*	*p*	LLCI	ULCI	Result
Constant	0.8563	1.5262	0.1285	−0.2499	1.9625	
Beneficiaries	0.9397	3.1668	0.0018	0.3546	1.5247	
Trust	0.6327	4.1523	0.0000	0.3322	0.9331	
H8a: Int_1	−0.2382	−2.9461	0.0036	−0.3976	−0.0788	Accepted
The conditional effects of a number of beneficiaries on trust and economic risk costs						
Beneficial	Effect	*t*	*p*	LLCI	ULCI	
Lower	0.3945	4.5011	0.0000	0.2217	0.5673	
Higher	0.1563	2.1632	0.0317	0.0138	0.2987	
The interaction effects of the number of beneficiaries on the relationship between trust and evaluation costs [R^2 = 0.0554]						
	Coeff	*t*	*p*	LLCI	ULCI	Result
Constant	1.3827	2.1293	0.0344	0.1024	2.6631	
Beneficiaries	0.8546	2.4884	0.0136	0.1775	1.5318	

(*continued*)

Table 6. Continued

Trust	0.5629	3.1917	0.0016	0.2152	0.9106	
H8b: Int_1	−0.2228	−2.3806	0.0182	−0.4073	−0.0383	Accepted
The conditional effects of the number of beneficiaries on trust and evaluation costs						
Beneficial	Effect	*t*	*p*	LLCI	ULCI	
Lower	0.3401	3.3528	0.0010	0.1401	0.5401	
Higher	0.1173	1.4031	0.1621	−0.0475	0.2822	
The interaction effects of the number of beneficiaries on the relationship between trust and monetary loss costs [R^2 = 0.0694]						
	Coeff	*t*	*p*	LLCI	ULCI	Result
Constant	1.0031	1.5727	0.1173	−0.2545	2.2606	
Beneficiaries	0.8569	2.5403	0.0118	0.1918	1.5220	
Trust	0.6075	3.5071	0.0006	0.2659	0.9490	
H8e: Int_1	−0.2257	−2.4553	0.0149	−0.4069	−0.0444	Accepted
The conditional effects of the number of beneficiaries on trust and monetary loss costs						
Beneficial	Effect	*t*	*p*	LLCI	ULCI	
Lower	0.3818	3.8323	0.0002	0.1854	0.5782	
Higher	0.1561	1.9011	0.0587	−0.0058	0.3181	
The interaction effects of the number of beneficiaries on the relationship between trust and benefit loss costs [R^2 = 0.0844]						
	Coeff	*t*	*p*	LLCI	ULCI	Result
Constant	0.7253	0.9381	0.3493	−0.7991	2.2497	
Beneficiaries	0.9237	2.2589	0.0249	0.1174	1.7299	
Trust	0.7315	3.4838	0.0006	0.3175	1.1455	
H8f: Int_1	−0.2307	−2.0711	0.0396	−0.4504	−0.0111	Accepted
The conditional effects of the number of beneficiaries on trust and benefit loss costs						
Beneficial	Effect	*t*	*p*	LLCI	ULCI	
Lower	0.5007	4.1463	0.0000	0.2626	0.7388	
Higher	0.2700	2.7119	0.0073	0.0737	0.4663	

Notes: $p < 0.001$; $p < 0.01$; $p < 0.05$
Source: Author's own work

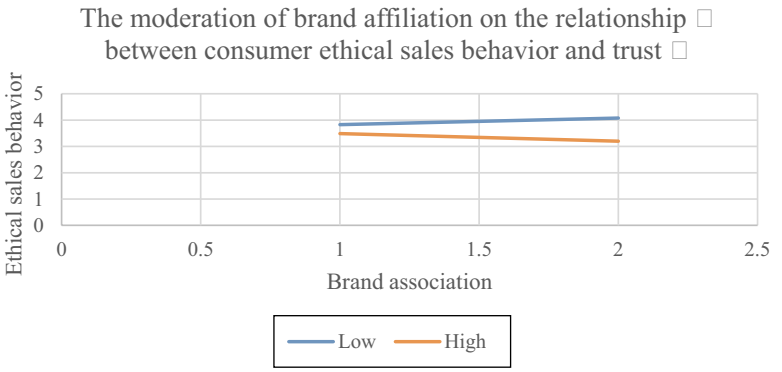

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Figure 2. Conditional effects of brand affiliation on the relationship between ethical sales behaviour and trust

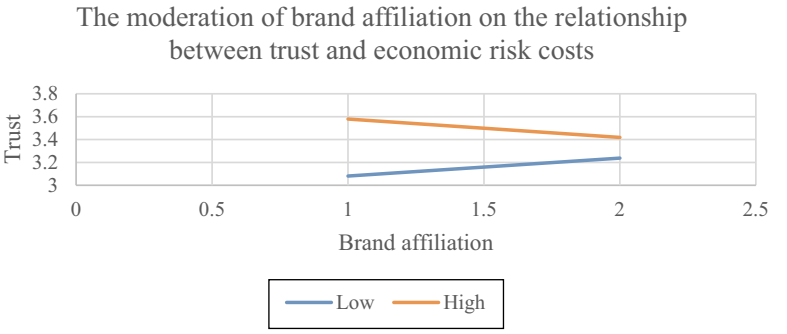

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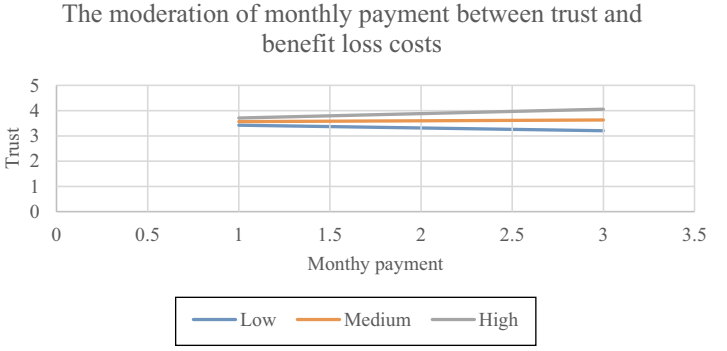
Figure 3. Conditional effects of a brand affiliation on the relationship between customer trust and economic risk costs

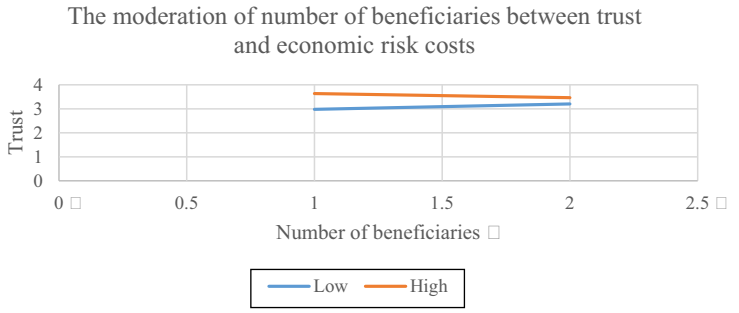


Source: Author's own work

Figure 4. Conditional effects of monthly contributions on the relationship between customer trust and benefit loss costs

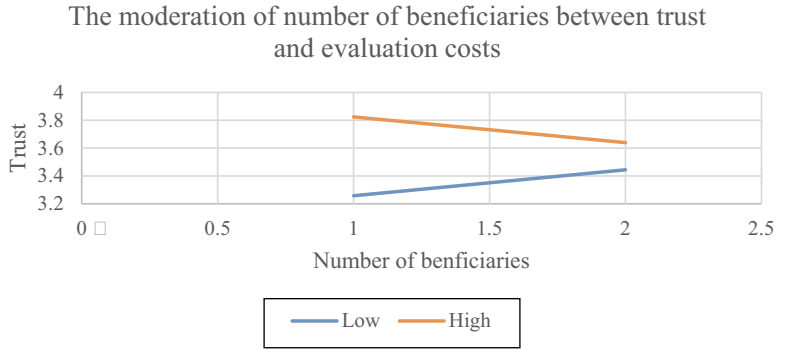
moderation is significant for members with a low number of beneficiaries (β = 0.3818; t = 3.8323; p < 0.0002; LLCI = 0.1854; ULCI = 0.5782), but not for members with a high number of beneficiaries (β = 0.1561; t = 1.9011; p > 0.0587; LLCI = −0.0058; ULCI = 0.3181), which explains 6.94% of the variance. Therefore, *H8e* was accepted, proving that having a low number of beneficiaries, but not a high number of beneficiaries, positively affects the relationship between trust and monetary loss costs.

Finally, Table 6 showcases a significant negative interaction effect of the number of beneficiaries on the relationship between trust and benefit loss costs [R^2 = 0.0844] (β = −0.2307; t = −2.0711; p < 0.0396; LLCI = −0.4504; ULCI = −0.0111). Figure 8 depicts the moderation as being strongly significant for members with a low number of beneficiaries



Source: Author's own work

Figure 5. Conditional effects of a number of beneficiaries on the relationship between customer trust and economic risk costs



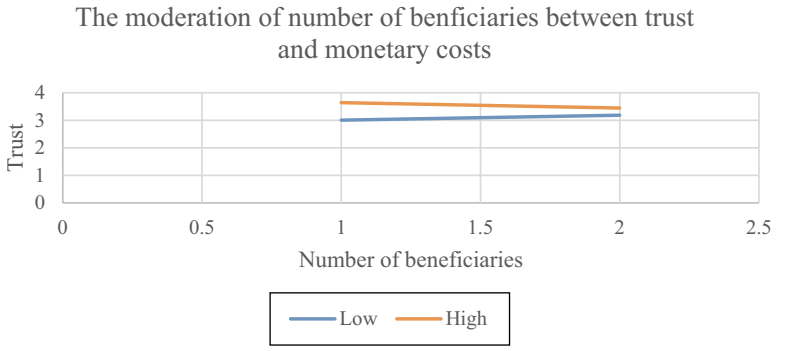
Source: Author's own work

Figure 6. Conditional effects of a number of beneficiaries on the relationship between customer trust and evaluation costs

(β = 0.5007; t = 4.1463; p < 0.0000; LLCI = 0.2626; ULCI = 0.7388), compared to members with a high number of beneficiaries (β = 0.2700; t = 2.7119; p < 0.0073; LLCI = 0.0737; ULCI = 0.4663), which explains 8.44% of the variance. Therefore, *H8f* was accepted, showing that having a low number of beneficiaries, over a high number of beneficiaries, positively impacts the relationship between trust and benefit loss costs.

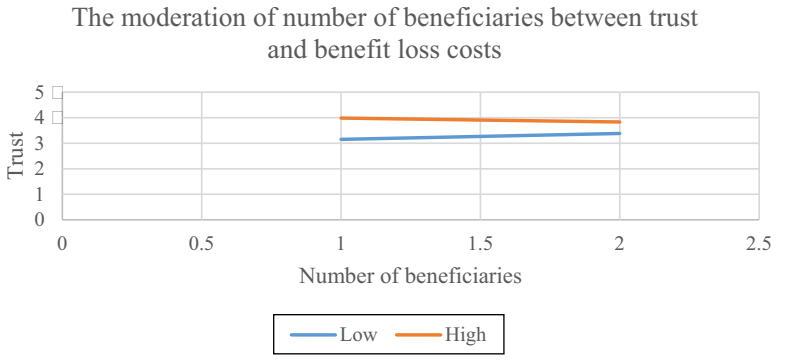
6. Discussion

This study assessed how ethical sales behaviour affects switching costs typology, mediated by trust and moderated by brand affiliation, monthly contributions and the number of dependent beneficiaries in medical schemes in South Africa. This research concerned the main members of South African medical schemes residing in Gauteng, which accounts for 40% of the largest proportion. This province recorded a 1.4% increase in medical scheme membership compared to other provinces, which declined (CMS, 2018). The respondents



Source: Author's own work

Figure 7. Conditional effects of a number of beneficiaries on the relationship between customer trust and monetary loss costs



Source: Author's own work

Figure 8. Conditional effects of a number of beneficiaries on the relationship between customer trust and benefit loss costs

were affiliated with 13 schemes from the 15 (ten open and five restricted) schemes offering efficiency-discounted options as of 31 March 2020 (see Table 2), showing the representativeness of the medical schemes in this study.

The study's findings provide evidence-based research linking ethical sales behaviour, customer trust and switching costs typology in the medical scheme sector. The results show that sellers' ethical behaviour significantly and negatively affects customer trust and positively affects switching costs typology. Ethical sales behaviour also indirectly impacts switching costs typology, mediated by trust. Trust is essential to establishing long-term relationships between parties and continuing any exchange relationship (Morgan and Hunt, 1994). This study shows a negative relationship between the ethical sales behaviour and customer trust. Consistent with prior research (Chonko *et al.*, 1996; Donoho *et al.*, 2013;

Schwepker and Schultz, 2013; Trawick *et al.*, 1991), this study proves customers perceive the ethical behaviour of salespeople in the medical scheme sector negatively. A plausible explanation for this finding is that unethical sales practices (i.e. hard-selling tactics) negatively affect trust and practitioners of medical schemes must prohibit them. The extent to which salespeople are sales-orientated negatively influences the relationship quality, as the "hard sell" and pressure associated with such an approach could result in consumer suspicion and thus inhibit the relationship development (Bejou *et al.*, 1998, p. 171).

This result contradicts prior research showing a positive impact of ethical sales behaviour on customer trust in other industries (Mansouri *et al.*, 2022; Ou *et al.*, 2015; Park *et al.*, 2017; Singh *et al.*, 2012; Wijaya *et al.*, 2022). While a positive ethical climate may be desirable and positively influence trust in management, translating positive core values of salespeople into practical action is a complex process in ethical matters (Agrawal, 2017). Sellers must put transparency and honesty at the forefront of their work to improve the factors prominent to customer trust (Mansouri *et al.*, 2022). As deceptive sales practices may be effective on a short-term basis (Santana *et al.*, 2020), establishing customers' trust necessitates respectful behaviour, tolerance and asking the right questions that best serve their needs. Sellers must avoid using false or unacceptably misleading sales presentations (Murphy *et al.*, 1992), but provide customers with the best product and service advice, as proper guidance is linked to a higher level of trust (Mansouri *et al.*, 2022; Wijaya *et al.*, 2022).

Surprisingly, some constructs of switching costs typology (e.g. learning costs, set-up costs and brand relational loss costs) had low reliability and were deleted in the CFA1. From the origin of the scale, Burnham *et al.* (2003) reported that three of the four scale items of set-up costs had factor loadings of 0.6, and four scale items of learning costs were strongly correlated to set-up costs. One of the three scale items from brand relationship costs had factor loadings of 0.5. Loadings of lower-order constructs on higher-order types showed that brand relationship loss costs had a strong standardised regression value (0.87), but was weak compared to personal relationship loss costs (0.89). These scale inspections were relevant and led to these factors being suspicious.

Firstly, when evaluating the procedural switching costs, the effect of ethical sales behaviour on economic risk costs was not statistically significant. It is surprising that ethical sales behaviour does not have a significant positive effect on economic risk costs. A plausible explanation for this finding is that ethical sales behaviour does not predict the economic risk loss of switching medical schemes (e.g. accepting financial, performance and convenience risks when switching providers) (Carter *et al.*, 2009). This view complements the view of Furrow (1988) that health-care costs are treated as primarily an economic problem when they are not. To be solved, they have to be treated as an ethical problem. Instead, ethical sales behaviour had a positive significant effect on evaluation costs. It shows that perceptions of evaluation costs derived primarily from the negative sources of constraint (i.e. evaluating the penalties for switching providers) are positively determined by ethical sales behaviour. These non-financial costs may be an ethical concern (Perepelkin and Wilson, 2018). In support of the literature (Keaveney, 1995; Keaveney and Parthasarathy, 2001; Lappeman *et al.*, 2022; Liang *et al.*, 2013), this study shows that the ethical problem is one of the causes of customer service switching, which has key implications for service marketing and service innovation research. Switching costs may limit the extent to which consumers acknowledge providers' enforcement of ethical codes of conduct (Colwell *et al.*, 2011).

Secondly, when evaluating the financial switching costs, the results proved ethical sales behaviour had a significant positive effect on monetary loss costs. It shows that the perceptions of monetary loss costs (i.e. the loss of financial quantifiable resources resulting from monetary costs), which are positive switching costs (foregone gains), are positively

determined by ethical sales behaviour. Based on the confirmation of the association between ethical sales behaviour and monetary loss costs, medical schemes should admit that there are real, if not often quantifiable, costs and rewards associated with ethical sales behaviour in the market (Story and Hess, 2010). However, ethical sales behaviour had an insignificant effect on benefit loss costs. It shows that the benefit loss costs (i.e. positive switching costs) that generate rewards and value customers lose when switching medical scheme providers after accumulating points are not determined by ethical sales behaviour. A possible reason for this finding is that losing health-care plan benefits, premiums and discounted services, is not linked to ethical sales behaviour in medical schemes.

Thirdly, when evaluating the relational loss switching costs, ethical sales behaviour of medical schemes significantly and positively affected personal relational loss costs. This result agrees with prior research suggesting that customers experience a loss of comfort when breaking bonds with familiar service providers (Carter *et al.*, 2009). A plausible explanation for this result is that customers experience a loss of psychological and emotional discomfort when breaking bonds with familiar medical scheme providers due to the ethical sales behaviour.

Fourthly, as for the role of customer trust in relation to procedural switching costs, the results showing a positive significant effect of trust in medical schemes on economic risk costs and evaluation costs were not expected, as in the switching costs typology, the "procedural" costs are negative penalties and actual losses customers incur for switching services providers (Burnham *et al.*, 2003; Jones *et al.*, 2007). A plausible explanation for this result is that the higher economic costs result when the high level of trust based on intrinsic motivation and fairness diminishes between consumers and organisations (Choi *et al.*, 2007). This result reverses the study by Moliner-Tena *et al.* (2018), showing that trust is significantly influenced by negative switching costs (i.e. procedural and economic switching costs), deriving mainly from negative sources of constraint (penalties). They reported that reductive elements of freedom or penalties adversely affect consumer trust. Nonetheless, these results are consistent with prior research findings (Pinto *et al.*, 2009; Teo and Yu, 2005; Yen *et al.*, 2011), showing that the role of trust in transaction cost theory is necessary because, to some extent, it reduces transaction costs. In the transaction cost economics perspective, Teo and Yu (2005) stated that mistrust results from uncertainty and risk and tends to increase transaction costs in online purchasing behaviour, showing that trust in online stores is negatively related to transaction costs.

Furthermore, the results showed that customer trust in medical schemes significantly and positively affects the evaluation costs incurred in searching for and evaluating information about service providers and the time and effort needed in acquiring the skills required to use new service providers. This can be explained by the fact that the extent to which consumers trust medical schemes predicts their decision to switch due to the searched information about and evaluated health-care benefit options (Abraham *et al.*, 2006). This result supports a study by Masri *et al.* (2021), showing that product evaluation costs in online shopping positively relate to trust in an e-vendor in Taiwan.

Fifthly, when evaluating the financial switching costs, customer trust in medical schemes was positively related to monetary loss costs (i.e. one-time financial outlays customers incur for switching providers other than those used to purchase the new product) (Burnham *et al.*, 2003; Carter *et al.*, 2009). This result differs from Aydin and Özer (2005), who reported that monetary costs relate negatively to the trust and satisfaction of customers in the Turkish mobile phone industry. Concerning their finding, as customers' trust or satisfaction increases, the perceived monetary cost of switching to a new operator decreases. Alternatively,

customer trust in medical schemes decreases due to higher acceptance of the one-time financial outlays incurred when switching service providers.

Moreover, customer trust in medical schemes significantly and positively relates to benefit loss costs, which occur when customers who switch to other providers lose accumulated points, benefits or discounts (Burnham *et al.*, 2003; Carter *et al.*, 2009). This result deviates from Koponen and Julkunen (2022), who showed that relational benefits relate to customer trust, commitment, social bonding, conflict management and communication. Nonetheless, this finding is consistent with a study by Nilssen (1992), which showed the effect of customer trust on feelings of losing accumulated points, benefits or discounts by switching and the total discounted future benefits from being disloyal, with only transaction costs incurred at a switch rather than loyal and with net switching costs. Moliner-Tena *et al.* (2018) confirmed that trust positively affects positive switching costs (i.e. lost benefits costs), such as loyalty rewards.

Finally, when evaluating the relational loss switching costs, customer trust in medical schemes was significantly and positively related to personal relational loss costs, such as the loss of comfort experience due to breaking relationships with familiar service providers (Carter *et al.*, 2009). Huifeng and Ha (2020) concurred, showing that higher switching costs facilitate relationship termination relatively if time and personal loss are incurred. This could be because as trust increases, the costs related to maintaining the relationship with a partner should reduce significantly (Pinto *et al.*, 2009). Hence, trust should focus on personal relationships in which it matters (Bromiley and Harris, 2006). Customers switch service providers when after-sales interactions are not provided, resulting in a lack of relationships (Kanchanapoom and Chongwatpol, 2021).

In further answering the research questions, the study offers empirical evidence of the direct and indirect mediating effects of customer trust in the theoretical framework of this study. The findings show that the significant relationships between ethical sales behaviour and switching costs typology (e.g. monetary loss costs, evaluation costs and personal relational loss costs) are mediated by trust. These results provide more evidence supporting the findings in earlier studies regarding the mediating effect of customer trust, either totally or in part (Diallo and Lambey-Checchin, 2017; Mansouri *et al.*, 2022), which found that customer trust mediates the influence of ethical sales behaviour and loyalty in the retail industry and sportswear brands. In addition, Masri *et al.* (2021) showed that customer trust significantly mediated the relationships between monetary value, product evaluation, customer enjoyment and customer intention to buy from an online vendor and reuse the product or service. These results support relationship marketing theory, which views trust as a key mediating factor in relational exchanges (Garbarino and Johnson, 1999; Han and Ryu, 2012; Morgan and Hunt, 1994). Conversely, although trust mediates the relationships between ethical sales behaviour and switching costs, there is no valid evidence about the mediating effect of trust on the relationships between ethical sales behaviour and economic risk/benefit loss costs. Lin *et al.* (2021) indicated that green trust mediates the effect of the comparative economic value on the disruptive green product switching intention. A possible reason for these results is that customer trust in a medical scheme reinforces the significant positive influences of ethical sales behaviour on monetary costs, evaluation costs and personal relational loss costs, as opposed to economic risk costs and benefit loss costs.

In addition, the study's findings underscore the differential moderating effects of the number of beneficiaries, monthly contributions and brand affiliation on the interrelationships between ethical sales behaviour, trust and switching costs typology. Customer trust and ethical sales behaviour continue to be key determinants of perceived switching costs and their effects are strengthened or weakened based on the observations of specific directions of

the number of beneficiaries, monthly contributions and brand affiliation. Firstly, the number of beneficiaries plays a more specific moderating role (moderates the trust-economic risk costs, trust-evaluation costs, trust-benefit loss costs and trust-monetary loss costs relationships). Secondly, monthly contributions play a more specific moderating role (moderates the relationship between trust and benefit loss costs). Thirdly, brand affiliation plays a more general moderating role (moderates the ethical sales behaviour-trust and trust-economic risk costs relationships).

Regarding brand affiliation, the results indicate that brand affiliation negatively moderates the relationship between ethical sales behaviour and customer trust. The moderation is more significant for members with high brand affiliation than for members with low brand affiliation. Therefore, the relationship between ethical sales behaviour and trust is stronger for customers with high brand affiliation than low brand affiliation. Moreover, the results show that brand affiliation negatively moderates the relationship between trust and economic risk costs. The moderation is significant for members with low brand affiliation and not high brand affiliation. Thus, the relationship between trust and economic risk costs is significant for members with low brand affiliation, but is not significant for those with high brand affiliation.

In terms of monthly contributions, the results show that monthly contributions negatively moderate the relationship between trust and benefit loss costs. The moderation is significant for members with high monthly contributions, but not significant for those with low monthly contributions. Thus, the relationship between trust and benefit loss costs is significant when members have high monthly contributions, but not significant for low monthly contributions.

Concerning the number of beneficiaries, the show that the number of beneficiaries negatively moderates the relationship between trust and economic risk costs. The moderation is strongly significant for members with a low number of beneficiaries compared to a high number of beneficiaries. Therefore, the relationship between trust and economic risk costs is stronger for customers with a low number of beneficiaries than a high number of beneficiaries. Furthermore, the findings indicate that the number of beneficiaries negatively moderates the relationship between trust and evaluation costs. The moderation is significant for members with a low number of beneficiaries, but is not significant for those with a high number of beneficiaries. Therefore, the relationship between trust and evaluation costs is significant for customers with a low number of beneficiaries, but not significant for those with a high number of beneficiaries. Moreover, the results prove that the number of beneficiaries negatively moderates the relationship between trust and monetary loss costs. The moderation is significant for members with a low number of beneficiaries, but not for members with a high number of beneficiaries. In other words, the relationship between trust and monetary loss costs is significant when members have a low number of beneficiaries, but is not significant for members with a high number of beneficiaries. The findings also show that the number of beneficiaries negatively moderates the relationship between trust and benefit loss costs. The moderation is more significant for members with a low number of beneficiaries than for members with a high number of beneficiaries. Hence, the relationship between trust and benefit loss costs is stronger when members have a low number of beneficiaries.

Finally, none of the moderating variables (brand affiliation, monthly contributions and the number of beneficiaries) significantly affect the relationships between ethical sales behaviour and personal relational loss costs and trust and personal relational loss costs. A possible reason for these results is that number of beneficiaries, monthly contributions and brand affiliation do not strengthen the influence of ethical sales behaviour and trust on personal relational loss costs relationships.

6.1 Theoretical contributions

There are some significant techniques in which this paper extensively expands the theoretical understanding of switching costs typology. The study undertakes the view that the relationships between ethical sales behaviour, trust and switching costs are complex and enlarge some additional components to the body of prior research in the area. The switching costs typology in this study was adapted from the work by Burnham *et al.* (2003), which classified switching costs into three distinct dimensions: procedural, financial and relational switching costs. This diverges from research that measured switching costs as a unidimensional construct of some diverse elements for approving its connection with other constructs. This study advocates that a more complex perspective of classifying switching costs by type and direction provides a more sophisticated understanding of the role of switching cost frameworks. The findings empirically confirm the importance of differentiating between positive and negative switching costs. Moreover, the study specifies that a unidimensional assessment may be too simplistic, thereby potentially confusing imperative theoretical and managerial implications required in the industry.

Firstly, this study redirects the academic interest away from a focus on probing the interrelationships between ethical sales behaviours, trust and switching costs towards understanding the boundary conditions of these interrelationships. Despite the fact that prior studies in numerous areas, including hairdresser service providers, the banking industry and digital scholarship settings, have confirmed the favourable relationships between ethics, trust and switching costs (El-Manstrly *et al.*, 2011; Kaur *et al.*, 2012; Lappeman *et al.*, 2022; Moliner-Tena *et al.*, 2018; Mutula, 2011), very limited research exists in the health-care context, particularly in medical schemes. Therefore, the current understanding of switching costs and their specific determinants in medical scheme health care is extended and improved by the results of this study. The study's findings with regard to medical schemes in health care have similar results to extant research in different settings (Carter *et al.*, 2009; Chonko *et al.*, 1996; Donoho *et al.*, 2013; Koponen and Julkunen, 2022; Masri *et al.*, 2021; Moliner-Tena *et al.*, 2018; Schwepker and Schultz, 2013; Trawick *et al.*, 1991), which enhances the scope of marketing literature in the several subsequent approaches: ethical sales behaviour and trust are negatively related; ethical sales behaviour and switching costs are positively related; trust and switching costs are positively related; trust significantly mediates the relationship between ethical sales behaviour and switching costs; and the interactions of these variables are moderated by the number of beneficiaries, monthly contributions and brand affiliation. Consequently, the study expands knowledge on the applications of ethical sales behaviour in relation to trust and switching costs typology in health-care marketing literature, which is an exclusive contribution.

Secondly, trust is examined in its relationship with switching costs (Koponen and Julkunen, 2022; Masri *et al.*, 2021; Moliner-Tena *et al.*, 2018). Limited studies emphasise the different types of switching costs in that relationship. In this research, switching costs are conceptualised in three forms, including procedural, financial and relational switching costs in medical schemes in the health-care sector. The three conceptualised types of switching costs are very important, as attested by Ha *et al.* (2023), Huang *et al.* (2021), Jones *et al.* (2007) and Shen and Ahmad (2022), who stated that this distinction is necessary due to the differential mediating roles of different types of commitment related to positive versus negative switching costs. These scholars agree that this classification is crucial for industry experts, giving them more detailed guidance for applying switching costs to enhance customer loyalty. As such, this classification enriches theoretical gaps by linking ethical sales behaviour, trust and procedural, financial and relational switching costs in medical schemes in the health-care sector. Probing a three-dimensional concept compared to a unified concept,

the conceptualised switching costs could provide a more nuanced understanding of the relationships between switching costs, ethical sales behaviour and trust. Thus, this study contributes to the systematic evaluation of current literature by highlighting the different switching costs as an appropriate and effective solution for firms to create a barrier in ways that add value and prevent customers from switching to other firms. The results reveal that, compared to the other two types of switching costs, procedural costs (e.g. evaluation costs) are largely impacted by ethical sales behaviour, while relationship loss costs (e.g. personal relational loss costs) are largely impacted by customer trust in the medical schemes context. Chuah *et al.* (2018) showed that procedural switching costs had the strongest effect on switching barriers among the mobile data service providers.

Thirdly, although earlier studies treated trust as a mediator in the relationship between ethical sales behaviour and loyalty (Diallo and Lambey-Checchin, 2017; Mansouri *et al.*, 2022; Masri *et al.*, 2021), no extant research has measured the mediating role of trust on the ethical sales behaviour-switching costs typology relationship. Therefore, this study contributes a unique perspective or idea that extensively advances the understanding of the mediating role of trust in the linkages between ethical sales behaviour and the three dimensions of switching costs (i.e. procedural, financial and relational) in the medical schemes. Ha *et al.* (2023) confirmed the three-dimensional switching costs (procedural, financial and relational) as mediators of the customer satisfaction-loyalty and service value-customer loyalty relationships in the private health-care sector. Consequently, this paper is the first to study trust as a mediator in the relationships between ethical sales behaviour and the three-dimensional switching costs (procedural, financial and relational switching costs) in the medical scheme sector. This valued conceptualisation enriches relationship marketing theory, which considers trust a key mediating factor in relational exchanges (Garbarino and Johnson, 1999; Han and Ryu, 2012; Morgan and Hunt, 1994). The empirical results in this study significantly validate the mediating role of trust in the effect of ethical sales behaviour on procedural switching costs (e.g. evaluation costs), financial switching costs (e.g. monetary loss costs) and relational switching costs (e.g. personal relational loss costs) in the medical schemes industry.

Moreover, ethical sales behaviour, trust and switching costs are three of the most recognised elements in relationship marketing literature, and this research is one of the few, if not the first empirical study to unify them for the purpose of not only confirming their interlinks, but also understanding the boundary conditions of these interrelationships in the context of medical schemes in an emerging market like South Africa. In a study testing the effect of ethical code enforcement on inter-organisational relationships, Colwell *et al.* (2011) reported that higher switching costs weakened the relationship between supplier-enforced ethical codes of conduct and continuance commitment. Instead, the current study confirms that higher customer trust strengthens the relationships between ethical sales behaviour and personal relational loss costs, evaluation costs and monetary loss costs in the medical scheme sector.

However, this study's findings also support certain well-accepted conclusions from earlier research in the relationship marketing area (Carter *et al.*, 2009; Chonko *et al.*, 1996; Donoho *et al.*, 2013; Koponen and Julkunen, 2022; Masri *et al.*, 2021; Moliner-Tena *et al.*, 2018). This is proven through ethical sales behaviour being an antecedent of trust and switching costs; ethical sales behaviour and trust being antecedents of switching costs; trust partially mediating the relationships between ethical sales behaviour and switching costs typology comprising procedural, financial and relational switching costs.

Finally, the inclusion of moderating variables in the theoretical framework provides a more detailed evaluation of how two types of switching costs, procedural and financial

switching costs, are not only influenced by trust and ethical sales behaviour, but also by medical scheme industry-related services, such as brand affiliation, monthly contributions and the number of beneficiaries members have registered on their health-care plans. This sophisticated consideration is necessary to explain, for instance, why specific segments of customers perceive ethical sales behaviour and trust specific to medical scheme service providers with specific types of switching costs. Thus, this idea to test the simultaneous moderating effects of these variables on the interrelationships between ethical sales behaviour, trust and switching costs classified by type and direction is likely to provide not only a complete understanding, but also add to current inconclusive results. This study is unique in showing a simultaneous understanding of three different types and two distinct directions of switching costs in the medical scheme industry.

6.2 Managerial implications

In addition to its scholarly contributions, this study has numerous important managerial implications. The results suggest that managers can revise and refine the ethical sales behaviours, trust and switching costs strategies, but the effectiveness of these strategies differs. Considering the specific types of perceived switching costs, managers may need to first establish trust followed by ethical sales behaviour as the most effective switching costs strategy in the medical scheme sector. Managers must invest in ethical sales behaviour practices as their sales tactics seem to negatively affect customer trust. For example, practitioners should avoid unethical sales behaviour, such as false advertising, price conspiracies, pressure selling and discriminatory pricing, as these practices are within the public view and subject to an excessive societal scrutiny (Du Plessis *et al.*, 2010).

Likewise, in building customer trust, service managers with high employee contact can offer customised services needed to attract attention in enhancing relational (personal relational loss costs), procedural (economic risk costs and evaluation costs) and financial (monetary costs and benefit loss costs) as perceptions of these switching costs are impacted by consumer trust, and also restructure the procedural costs (evaluation costs), financial costs (monetary loss costs) and relational costs (personal relational loss costs), which seem to be affected by ethical sales behaviour. The conventional wisdom among many service managers is that the higher the switching costs are, the higher customer loyalty and profitability will be. Ironically, both ethical and practical considerations require managers to plan on building trust as a successful strategy to increase personal relational loss costs, economic risk costs, evaluation costs, monetary costs and benefit loss costs in ways that add value (Burnham *et al.*, 2003). Managers should devote resources and competencies towards dynamic capabilities of providing service efficiency, well-explained services, discounted services, competitive prices and easy-to-use services to encourage their customers to trust their service providers. This is relevant considering that increases in switching costs by the affective dimensions are a form of avoiding customers' negative word-of-mouth generated in a lock-in situation (Jones *et al.*, 2007). Customers' desire to avoid losing the financial (monetary and benefits loss costs) constraints is less likely to be affected by their inclination to trust service providers.

Furthermore, managers in medical schemes should concentrate on building positive ethical sales behaviour to increase procedural (evaluation costs), financial (monetary costs) and relational (personal relational loss costs) switching costs in ways that add value to customers. Proficient managers can operate this by offering co-created value, convenience and detailed-information services to stimulate customers' perceptions of procedural switching costs (i.e. the time and effort in evaluating information about the health-care services and options). They may activate positive ethical sales behaviour by offering

customers the monetary added value (i.e. economic savings, discounts and rewards for staying loyal). It is also necessary to offer sales training to service personnel with a focus on improving ethical sales tactics as a key to secure the employees–customer relationships (i.e. personal relational loss costs). Apparently, customers' desire to avoid losing personnel relational bonds is less likely to be influenced by ethical behaviour of salespeople in medical schemes. Surprisingly, customers' desire to avoid losing the non-monetary benefits (i.e. types of special treatment and customised service, and cognitive and emotional benefits not only aimed at attracting or enhancing the perceived intrinsic value, privileges and confidence benefits, but also removing customers' anxiety in the service exchange) is not triggered by ethical sales behaviour.

In addition, practitioners who can improve ethical sales behaviour practices will be in a better position to generate customer trust as a key mediator influencing personal relational loss costs, monetary loss costs and evaluation costs in the medical schemes. This practice is in sync with relationship marketing theory, which considers trust a key mediating factor in relational exchanges (Garbarino and Johnson, 1999; Han and Ryu, 2012; Morgan and Hunt, 1994). Resultantly, generating higher levels of trust could help strengthen ethical sales behaviour in building long-term personal relationships with customers, openly discussing with them the most suitable health-care plans (discounted offers, premiums) and enabling customers to evaluate information that the salespeople present to them. Ethically and legally, a fiduciary relationship must be established based on trust (British Medical Association, 2017). As such, salespeople's relational selling behaviour (e.g. staying in touch with clients; personalising the relationship by opening hearts to clients and sending cards and gifts; and demonstrating a cooperative, responsive service attitude) improves the relationship quality (i.e. clients' trust in, and satisfaction, with the salespeople) in the life insurance service sector (Crosby and Stephens, 1987). Due to research centring on companies' relationships with the practice of gift-giving to physicians by medical representatives, Marmat *et al*. (2020) noted that it appears that medical companies' ethical or unethical behaviour is limited to these factors. Therefore, as ethics is a set of principles people use to decide what is right or wrong (Ferrell, 2004; Handa *et al.*, 2014), medical scheme practitioners could establish trust in society and affect quality of life by avoiding misleading sales presentations or offering customers gifts in exchange for preferential treatment, or presenting wrong information about competitor firms, or accepting customer favours in exchange for preferential treatment (Murphy *et al.*, 1992). Managers must ensure the value of such gifts rely on a higher level of trust between receivers and givers, as the actual economic or business value of the gift may be intangible or negligible (Choi *et al*., 2007).

Moreover, if the organisational climate conveys a high level of trust, employees are likely to reciprocate with high levels of trust in management (Agrawal, 2017). Practitioners need to be aware that an unethical environment and an organisational culture that does not value ethics can steadily erode the trust organisational members have (Agrawal, 2017; Mechanic, 1996). This study supports the idea that unethical sales behaviour has a significant negative effect on customer trust (Bejou *et al.*, 1998; Chonko *et al.*, 1996; Donoho *et al.*, 2013). Hence, it is vital to abide by the American Marketing Association's code of ethics regarding promotions (marketing communication), stated as follows: avoid deception in communications about products and services offered; avoid misleading and false advertising; discard the misleading, manipulative and high-pressure sales tactics; and avoid deception or manipulation in sales promotions (Du Plessis *et al*., 2010). It means that practitioners must avoid corporate practices that rob customers of self-esteem or justice, as these may not only be illegal, but can destroy trust and, consequently, the potential for building relationships (Berry, 1995). In this view, relationship marketers must be prepared to subject every policy

and strategy to a fairness test. They must be willing to ask: "Is it legal?" *and* "Is it right?" (Berry, 1995, p. 243; Berry and Parasuraman, 1991, p. 145), and search for the meaning of "what is good" in a medical aid context or an answer to the question "What should I do?", which defines ethics (Ion *et al.*, 2021). As businesses lack a clear understanding of their consumers' ethical beliefs (Brunk, 2010), the key is that all health facilities, services and goods must be sensitive to culture and meet the acceptable ethical standards, and health-care providers must acquire the skills needed (Competition Commission South Africa, 2018).

Trusting relationships are built over time as consumers gain evidence that their trust is well-placed (Fritz and Holton, 2019). In practice, practitioners must behave ethically and provide realistic expectations about the core medical scheme services (e.g. not exaggerate the gains to be made from an investment fund) and should be less likely to push customers into buying services they do not need (Román, 2003). Instead, they should strive to build perceived benevolence and honesty, and be competent enough to engage in proper behaviour about the relationship, ensuring customers rely on the service provided and show commitment towards the relationship (Morgan and Hunt, 1994). Salespeople's ethical behaviour is imperative to establishing and maintaining relationship quality (Ou *et al.*, 2015). Therefore, marketers should understand the ethical mindsets of customers, suppliers, business partners, distributors and staff (Al-Khatib *et al.*, 2005). For instance, the ethical sales behaviour of contact employees (e.g. salespeople) can be used as a differentiating tool to achieve higher revenue growth, improved market share and competitive advantage (Mulki and Jaramillo, 2011; Román, 2003).

The first companies in an industry or first movers can gain advantages, such as enjoying brand and customer loyalty, combined with switching costs. This is helpful because once customers become used to products or producers, they show a (natural) reluctance to switch (Competition Commission South Africa, 2018). Marketplace reality shows that marketing managers inflict switching costs on customers to inhibit them from defecting to new suppliers (Yang and Peterson, 2004). If a firm can develop switching costs at the same time that it differentiates, it will boost its ability to offer superior performance and build a sustainable competitive advantage (Porter, 1980). Advantages of switching costs to a firm include customers' satisfaction and lower price sensitivity and customers perceive functionally homogeneous brands as differentiated heterogeneous brands (Aydin and Özer, 2005). The strategic implications of switching costs are that they create imperfections in competitive markets by raising the barriers of change in terms of consumers' ability to switch suppliers and in terms of the rate of adoption of new technologies (Avgeropoulos and Sammut-Bonnici, 2014).

In a globalised economy, how ethics is lived in businesses based on these countries is essential for many successful practitioners, policymakers and academicians (Abraham *et al.*, 2006). However, in South Africa, academics have shown little leadership in driving evidence-based best practices in the private health-care sector (Competition Commission South Africa, 2018). Consequently, this research study alerts academics in marketing ethics to develop successful strategies aimed at this vulnerable social market, and to teach or discuss them with students and colleagues to raise awareness of the quality of the products they offer, the level of fairness in pricing products and the most viable distribution channels needed in such an emerging market (Baker and Saren, 2010). Therefore, managers in medical schemes should establish trust by refining the perception of ethical sales behaviour, especially among members with high brand affiliation. Increasing economic risk costs and benefit loss costs rely on the trust of members with a low number of dependent beneficiaries. Increasing benefit loss costs rely on the trust of members with high monthly contributions.

This study offers valuable knowledge to the professional practice of health-care managers, especially in the South African medical scheme sector. Offering special treatment benefits has become part of relationship marketing programmes due to the expectation of positive financial returns. As noted earlier, managers may operate this ethically by increasing switching costs and offering added value, such as types of special treatment, economic savings, customised service and cognitive and emotional benefits (Hennig-Thurau *et al.*, 2002). The net effect of switching efforts relies on the strength of switching costs relative to the equivalent benefits (Yang and Peterson, 2004). Customers primarily evaluate "the greatest good for the greatest number" by performing a social cost-benefit analysis, and all possible benefits and costs of the assessed act are listed and summarised as the net of all benefits minus all costs. If the net result is positive, the act is morally acceptable; if the net result is negative, the act is not acceptable (Takala and Uusitalo, 1996, p. 52).

According to Mukherjee and McGinnis (2007), any health-care reform strategy aims to reduce costs. They noted that in an efficient system, costs are reduced while patient care is improved and administrative burdens are reduced. This is relevant in the medical scheme market, which is characterised by high and increasing costs of health care and medical scheme cover, highly concentrated funders' and facilities' markets, disempowered and uninformed buyers, absent value-based purchases, ineffective limits on rising volumes of care, practitioners who are subjected to very little regulation and failures of accountability at various levels (Competition Commission South Africa, 2018). For example, formally launched on 1 October 2019 by South African President Cyril Ramaphosa, the Health Sector Anti-Corruption Forum pointed that in the health sector, both public and private health-care markets are vulnerable to fraud and corruption due to large and varied numbers of transactions on goods and services, poor governance, bribery, over-pricing, fraudulent orders, tender irregularities, fiscal dumping by government departments through non-governmental organisations, transfer of liabilities to the state and bogus and fraudulent qualifications (CMS, 2020). The CMS is worried about the growing market concentration of administrators and managed care providers that has occurred in the past five years. The concerns centre on market failures that could result in market dominance and anti-competitive behaviour by these entities, which may be at odds with beneficiary interests and welfare. Again, at the provincial level, there are no direct positive associations between patient loads or density ratios with the use of general practitioners in health-care services (CMS, 2020).

For policy direction, the Joint Commission, committed to improving quality and safety in health-care organisations, has extensively offered an ethics framework entailing "marketing and advertising plans" (Schenker *et al.*, 2014, p. 37). The ethical sales behaviour of salespeople in the medical scheme industry could play a key role in eliminating unethical practices, build customer trust and minimise switching behaviour. This approach contributes insights to standardising options and consolidating medical schemes in South Africa, which offer stable planning for health-care reform strategy, such as a full legislature of the NHI by 2025 (CMS, 2018).

Finally, the effectiveness of communication in building trust can improve organisational structure, especially in organisations typically serving customers through different salespeople at each service contact (Berry, 1995). Communication must lead to trust and trust builds the relationship commitment (Morgan and Hunt, 1994). Consequently, good communication increases the chance that patients will disclose intimate information and stigmatised conditions, and further improve cooperation in treatment and adherence to medical advice, and become open to suggestions about adopting health-promoting behaviour, which are essential goals to the emerging health-care agenda (Mechanic, 1996).

In leveraging this, managers can invest in loyalty programmes offering special rewards to members for frequent medical visits or provide discounted visits to key health-care services, dental services and optometrist services and offer wellness programmes that enhance a direct medical benefit, such as free medical screening, HIV programmes and counselling to main members and beneficiaries with a lengthy relationship. For value co-creation, the wellness programme may be combined with the loyalty programme (Competition Commission South Africa, 2018).

7. Conclusion

Literature is insufficient in addressing the need for the theoretical framework that explains the role of ethical sales behaviour in affecting the switching costs typology, mediated by trust and moderated by brand affiliation, monthly contributions and the number of dependent beneficiaries in the medical schemes sector. This knowledge gap prompted a study examining how ethical sales behaviour impacts trust as a mediator of switching costs typology in medical schemes. As no research has examined this role in literature, validating it remained interesting. The study shows the direct impact of the findings, which may be necessary for health-care marketing theory and relevant stakeholders, policymakers and practitioners. The results affect the target community or study area. The study contributes to general theory of marketing ethics (Hunt and Vitell, 1986; Hunt and Vitell, 2006), commitment-trust theory of relationship marketing (Morgan and Hunt, 1994), and switching costs typology (Burnham *et al.*, 2003). The unified explanatory power of these relationship exchange theories enriches the theoretical framework and unveils new insights unifying ethical sales behaviour, trust and switching costs typology explanations in the health-care marketing field. The findings adhere to prior research (Aydin and Özer, 2005; Carter *et al.*, 2014; Yen *et al.*, 2011) recommending studies test the relationship between trust and switching costs in several contexts. Moreover, Agrawal (2017) proposed that future research evaluates trust in management as a mediating or moderating variable in the link between ethical climates and other organisational variables, including commitment, citizenship behaviour or productivity. Other scholars, Gundlach and Murphy (1993) even recommended the research, asking: what ethical values are vital in establishing trust, commitment and solidarity of association in exchange relationships? Loe *et al.* (2000) recommended a study that unifies the ethical constructs suggested by ethical decision-making theory with marketing-related variables, namely, marketing orientation, quality and performance, as appropriate in reducing the gap. Thus, the novel contributions of this study are shown in the mediation of customer trust on the relationship between ethical sales behaviour and switching costs typology, moderated by brand association, monthly contributions and the number of beneficiaries in the medical scheme. By examining these interactions, this study unveils the role of the dimensions of these theories in literature and practice.

Considering the relevance of ethical sales behaviour as the primary marketing variable in the marketing strategy formulation and success (Al-Khatib *et al.*, 2005), this study illustrates that unethical sales practices negatively affect customer trust, despite the positive effect trust has on personal relational loss costs, economic risk costs, evaluation cost, monetary costs and benefit loss costs in the context of medical schemes in South Africa. A negative effect of ethical sales behaviour on trust differs from previous studies, showing the positive relationship between salespeople's ethical behaviour and customer trust in service literature (Mansouri *et al.*, 2022; Ou *et al.*, 2015; Singh *et al.*, 2012; Wijaya *et al.*, 2022). Paradoxically, customer trust was expected to affect economic risk costs and evaluation costs negatively, as Burnham *et al.* (2003) classified these "procedural switching costs" as negative switching costs (actual losses). For instance, customers incur an economic loss if a

contract is ended or they lose investments (i.e. reward points, discounts and rewards) that may have been painstakingly acquired.

Implications of trust as a mediator of the influence of ethical sales behaviour on personal relational loss costs, evaluation costs and monetary costs are crucial. The valuable insights for managers suggest how to initiate practices that increase ethical sales behaviour, trust and switching costs typology by adding value in the medical scheme industry. This is important for members with high brand affiliation, high monthly contributions and a low number of beneficiaries.

8. Limitations of the study and future research directions

The study's findings contribute valuable knowledge to the health-care system transitioning to the NHI by 2025 in South Africa. A unique contribution of this study is in showing the mediation effect of trust on the relationships between ethical sales behaviour of medical schemes and personal relational loss costs, monetary loss costs and evaluation costs. Furthermore, the findings show the moderating effect of brand affiliation on the relationship between ethical sales behaviour and customer trust in the medical schemes setting. Concerning procedural switching costs, the relationship between trust and economic risk costs is moderated by low brand affiliation and a low number of beneficiaries. Moreover, a low number of beneficiaries moderates the relationship between trust and evaluation costs. For financial switching costs, the relationship between trust and benefit loss costs is moderated by low monthly contributions and a low number of beneficiaries. In addition, a low number of beneficiaries moderates the relationship between trust and monetary loss costs. For relationship loss switching costs, none of the moderating variables affect the relationship between ethical sales behaviour and personal relational loss costs and the relationship between trust and personal relational loss costs.

This study validates a direct negative effect of unethical sales behaviour of medical schemes on trust. Trust mediates the impact of ethical sales behaviour on personal relational loss costs, monetary loss and evaluation costs. Similar to the origin of the scale by Burnham *et al.* (2003), a few facets of the switching costs typology (learning, set-up and brand relational loss costs) had low reliability scores, which require further investigation. For example, it suggests that these are not key concerns to customers in medical schemes as they were deleted due to a low reliability score. The moderating effect of the duration of affiliation was also not considered, as the topic primarily focused on customer switching behaviour between medical schemes than retention. This may limit the understanding of medical scheme practitioners who need to understand the importance of these factors, as consumers seem to value them less and cannot comprehend their significance when evaluating kinds of switching costs between medical schemes. This study assesses perceptions of beneficiaries in open and restricted medical schemes, as opposed to M'bouaffou *et al.* (2022) who focused on open-scheme principal members.

However, the study's findings cannot be generalised to the broader beneficiaries of medical schemes in South Africa, as the study included only principal members residing in Gauteng, despite accounting for 40% of the medical scheme members in the country, which is considered the highest percentage of beneficiaries. Estimating a sample size using non-probability sampling could be irrelevant, mainly if convenience sampling is used, as it is likely to generate non-generalisable results, which preclude statistical inference to the larger population (Althubaiti, 2023). Therefore, this study applied a non-probability judgement sampling method. Unfortunately, this research did not include respondents over the age of 65 years due to various ethical factors that can result in older adults or elderly people feeling vulnerable to abuse, neglect and ill intent as a result of the topic being studied. Discussion prevented arousing feelings of

neglect and abuse; as there was no instant prepared support for their decision-making to participate in the survey, and the study avoided tempering their independence and dignity.

Future research can undertake a longitudinal study to explore related health-care services and better understand the role of NHI in the South African environment, as customers perceive the ethical sales behaviour of medical scheme salespeople negatively. This research only focuses on buyers' perceived switching costs and excludes sellers' perceptions. Future studies can examine this concern. Moreover, probing the role of switching costs within a network is essential because, in particular network industries, only one standard exists from the outset (Hess and Ricart, 2003). For instance, pharmacists are also considered ethical decision-makers (Perepelkin and Wilson, 2018). In addition, future studies could explore the health-care services and outcomes associated with caesarean deliveries in the medical schemes' population. Factors for investigation may include, but are not be limited to, gestational age at the time of caesarean delivery, post-delivery hospital admission of baby or mother, birth weight and maternal clinical comorbidities (CMS, 2020).

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Table A1. Summary of related empirical studies in the literature

Authors (year)	Time period	Scope	Country	Method(s)	Results	Limitations and future
		Ethical sales behaviour and trust				
Vitell and Festervand (1987)	–	To examine the views of business ethics and various business practices. In addition to identifying various sources of ethical conflict, current business practices are also examined with respect to how ethical or unethical each is believed to be	The USA	• Mail survey • 258 business executives of manufacturing firms located in the Southeast • 118 were returned	Results outline executive responses to four ethical business situations	Research is needed to determine whether small firms are more likely to engage in unethical practices than large firms
Trawick et al. (1991)	–	To investigate the effect of perceived unethical salesperson behaviour on intentions to choose a supplier	The USA	• Mail survey • 187 two purchasing management association groups–one in the southeastern United States and the other in the north-central U.S • Five-point scales • Pearson correlation coefficients • The regression analyses • List-wise deletion (SPSS) resulted in a sample size of 135	As salesperson behaviour is perceived as more unethical, the purchaser is less likely to choose the firm that the salesperson represents	-
Bejou et al. (1998)	1992	To examine the role of trust, ethics and knowledge in supplementing sales personnel's level of customer orientation and selling orientation as explanatory	The USA	• A two-stage area telephone survey • 568 consumers • Seven point scales • Stepwise OLS regression and the standardised regression coefficients	Regarding the ethics variable, evidence is rather more ambiguous; ethics appears to be correlated with trust, but is also relationship satisfaction	The relatively high levels of satisfaction during the intervening stages may account for the lack of correlation when measured using linear scales. Further research to explore this possibility would be useful
Kennedy et al. (2001)	–	To assess the role of trust in business relationships, with a focus on the characteristics of the salesperson, manufacturer and the product ownership experience that contributes to this relationship	The USA	• A mailed survey • 786 first-time buyers of Saturn and Toyota vehicles • Path analysis via LISREL	The buyer-seller trust results from salesperson competence, low-pressure selling tactics, service quality, manufacturer ethical concern and a general tendency to trust others	Another study could evaluate the types of signals that customers use to decide how ethically a company conducts its business

(*continued*)

Table A1. Continued

Authors (year)	Time period	Scope	Country	Method(s)	Results	Limitations and future
		Ethical sales behaviour and trust				
Román (2003)	–	To represent an initial step in analysing the role of ethical sales behaviour, as perceived by bank customers, in developing and maintaining relationships with customers	Spain	• Preliminary versions of the questionnaire were administered to a convenient sample of 249 consumers • In-depth interviews with 10 financial services consumers • 630 telephone interviews • 210 final observations • 10-point multiple-item Likert questions • Confirmatory factor analysis in LISREL 8.30 • Structural equation modelling	The salesperson's ethical behaviour leads to higher customer satisfaction, trust and loyalty to the bank that the salesperson represents	Further studies of ethical sales behaviour could investigate the construct from the salesperson's perspective. Additional research on sales ethics could also consider the effect of variables such as the customer's industry knowledge/ familiarity and the extent of the relationship, both in terms of time, purchase frequency and volume (volume would refer to financial maturity in the banking industry), that may moderate the effect of ethical sales behaviours on relationship outcomes
Román and Ruiz (2005)		To analyse the effects of perceived ethical sales behaviour on customer satisfaction, trust and commitment to the salesperson. To analyse the role of the customer's attitude towards the industry as a moderator of these effects	Spain	• In-depth interviews • 10 financial services consumers • 630 telephone interviews • Convenient sample of 249 consumers • 210 final observations of salespeople • 10-point Likert scale • Structural equation modelling • LISREL 8.30	The perceived ethical sales behaviour plays a major role in affecting the quality of the buyer-seller relationship, as it has a positive effect on customer satisfaction, trust and commitment to the salesperson. In addition, satisfaction with and trust in the salesperson positively influence customer commitment to the salesperson. Finally, perceived ethical sales behaviour has a stronger effect on customer satisfaction with the salesperson when the customer's attitude towards the industry in which the salesperson works is more negative than when it is more positive	Future research dealing with ethical behaviour and trust should measure trust more validly, incorporating measures used in the relationship marketing literature

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Table A1. Continued

Authors (year)	Time period	Scope	Country	Method(s)	Results	Limitations and future
		Ethical sales behaviour and trust				
Pučėtaitė et al. (2010)	–	To explore the interrelations between organisational trust and ethics management tools as well as ethical organisational practices in a post-socialist context	Lithuania	• An electronic and paper survey • 519 respondents from 44 companies which had joined the UN Global Compact initiative by May 2007 • Regression analysis	A significant dependence of organisational trust on ethical organisational practices has been established	The studied relationships need further research considering other characteristics of the represented organisations, e.g. the reported size, the sector (public/private) in which they operate and the origin of capital
Salminen and Ikola-Norrbacka (2010)	Spring 2008	To present an empirical study and contribute to the discussion of administrative ethics and integrity by investigating three ethical issues, namely trust, good governance and unethical actions in the Finnish public administration	Finland	• National Citizen Survey • 5,000 Finnish citizens • Statistics program SPSS	The strength of the Finnish society concerning trust is that the citizens feel confident in public sector organisations and societal institutions. Even though serious corruption cases have remained few in Finland, there is still work to do to control the situation. Ignorant and bad treatment of citizens occurs mostly in individual service encounters, it does not reflect the whole of the administration's ethics	Further research is needed in order to investigate the societal background factors that can explain the different findings from the research questions. Also, further research is required to compare the results of different countries
Colwell et al. (2011)	–	To explore the impact of ethical code enforcement on inter-organisational relationships	Canada	• Mail survey packages • 158 purchasing managers across three manufacturing industries • Structural equation modelling	Results confirm the connection between ethical code enforcement and continuance commitment but suggest that a supplier's enforcement of ethical codes matters less when switching suppliers is perceived as too costly. Higher switching costs weakened the relationship between supplier-enforced ethical codes of conduct and continuance commitment	This study shows how switching costs may limit the extent to which buyers consider supplier enforcement of ethical codes of conduct. This research is of importance to ethics researchers and practitioners as it increases understanding of ethical behaviour between organisations

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Table A1. Continued

Authors (year)	Time period	Scope	Country	Method(s)	Results	Limitations and future
		Ethical sales behaviour and trust				
Singh et al. (2012)	–	To analyse the relationship between perceived ethicality at a corporate level, and brand trust, brand affect and brand loyalty at a product level	Spain	• An online consumer panel • 4,027 Spanish consumers • Structural equations modelling	There is a positive relationship between the perceived ethicality of a brand and both brand trust and brand affect. Brand affect also positively influences brand trust. Further, brand trust and affect show a positive relationship with brand loyalty	Since self-reported measurements of loyalty may not be representative of real behaviour, to further demonstrate the impact of an ethical image, it would be interesting to consider objective measurements such as financial performance, market shares and related metrics such as outcome variables and CSR investments, and other company inputs such as antecedent variables
Tuan (2013)	November 2011 and April 2012	To examine how corporate social responsibility (CSR) influences trust, which engenders the chain of effects from upward influence behaviour through organisational health to knowledge sharing	Vietnam	• 1,028 shipping companies listed in the 2012 Vietnam Trade Directory • LISREL 8.52	The findings offered a model of organisational health and its levers, such as CSR, trust and upward influence behaviour. Ethical CSR was found to nurture high trust in the organisation	The research model should be retested in other manufacturing and service industries, especially such service industries as health-care services, where upward influence strategies for adopting technological innovation are necessary
Schwepker and Schultz (2013)	–	To examine how customer-oriented selling is linked to two important antecedents – unethical intention and the trust of salespeople in their manager	The USA	• An electronic mail survey • 345 business-to-business sales professionals • Structural equation modelling	Support was shown for a negative relationship between unethical intention and both trust in managers and customer-oriented selling. Interestingly, this sample did not support the proposed negative relationship between trust in managers and customer-oriented selling	Future research should study various variables impacting moral judgment and ethical behaviours. A subset of managerial trust-building behaviours and ethical intention would also make valuable contributions to the understanding of sales management/salesperson interactions
Carter et al. (2014)	2009	To test the relative influence of trust vs switching costs on e-loyalty for e-service providers. To examine whether trust moderates	—	• A web-based survey • 299 experienced repeat users of online travel services	Trust is a more important predictor of e-loyalty than switching costs. In addition, the impact of switching costs	Despite this study's finding that trust does not prime a person's overall perceptions of switching costs, one might argue that trust is

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Table A1. Continued

Authors (year)	Time period	Scope	Country	Method(s)	Results	Limitations and future
		Ethical sales behaviour and trust				
		the relationship between switching costs and e-loyalty. To propose that in the presence of high customer trust, e-service providers should have less need to rely on switching costs as a driver of e-loyalty		• Structural equation modelling	on e-loyalty depends on the level of trust felt by customers	not necessarily distinct from the first-order relational facets of switching costs. For example, trust might directly affect perceived costs associated with ending a relationship with an e-service provider (i.e. trust increases the emotional discomfort associated with switching)
Ou et al. (2015)	–	To investigate the influence of ethical sales behaviour on relationship quality and its consequences in the context of telemarketing to identify the complex nature of relationship marketing	Taiwan	• Observations survey • 312 qualified customers from financial institutions • Structural equation modelling	Ethical sales behaviour components, that is, avoiding overharvest, security, honesty, privacy and non-harassment, have significant effects on relationship quality. Satisfactory relationship quality has positive effects on relationship commitment and customer loyalty	Will a higher corporate ethical standard be associated with better customers' ethical sales perceptions, and hence enhance relationship quality? Further investigation is required to answer these research questions
Ha and Nam (2016)	On 19 November 2012 to 20 January 2013	To analyse managers' ethical judgments in supply chain management. It investigated the influence of those judgments on trust and collaboration in supplier relationships	South Korea	• The e-mail or regular mail survey • 341 managers of large companies and SMEs working in SCM • Structural equation modelling	The managers' ethical judgments in bidding/ contracting, information management and inventory management significantly increase trust, which in turn increases supply chain collaboration	As studies have argued that ethical judgment is a critical antecedent of ethical behaviour, future studies should examine how managers' ethical judgments affect ethical behaviours in the supply chain and how ethical decision-making influences SCM
Diallo and Lambey-Checchin (2017)	–	To investigate the influence that consumers' perceptions of retail business ethics have on their responses (trust and loyalty) when retailers either create social discount spaces (integrated or collaborative) or do not	France	• Online (Google Docs) survey • 689 consumers of different retail companies • The partial least squares (PLS) path modelling	The consumers' perceptions of retail business ethics have positive effects on consumer loyalty, both directly and through consumer trust, as well as positive, strong influences on the retailer's corporate social responsibility and corporate	Although this study distinguished CSR from ethical perceptions, it treated it as a whole construct, not a composite one. Thus, this study cannot specify the effects of different dimensions of CSR activities (e.g. economic, social and environmental) on consumer trust and loyalty

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Table A1. Continued

Authors (year)	Time period	Scope	Country	Method(s)	Results	Limitations and future
		Ethical sales behaviour and trust				
					reputation. Moreover, consumers' perceptions of retail business ethics exert a stronger effect on consumer trust in integrated social discount spaces. However, social discount practices do not affect the link between such perceptions and loyalty	
Park et al. (2017)	–	To identify the congruency between consumer values and the goals of corporate social responsibility (CSR) activities and corporate ethical standards as the two main determinants of CSR quality and commitment. It further investigates how consumer perceptions of CSR shaped by these two factors increase loyalty	South Korea	• Online survey • 931 valid responses from retail consumers • Seven-point Likert scale • Structural equation modelling	The higher ethical standards lead consumers to perceive that the company is committed to its CSR activities. The company's CSR commitment induces greater satisfaction with and trust in the company and its services, ultimately encouraging consumers to remain loyal	Variables such as corporate reputation, perceived risk and individual differences among consumers (e.g. age, gender and education) are known to influence how consumers make purchase decisions. Therefore, incorporating the potential moderating effects of these variables into the analysis could extend the explanatory power of the findings
Agrawal (2017)	2012–2013	To explore the effects of ethical climate types on trust in management using Victor and Cullen's framework, which is based on Kohlberg's theory of moral development and Gouldner's sociocultural theory of organisations	India	• A sample of 270 employees from 10 organisations • Exploratory factor analysis • Hierarchical regression analysis	The ethical climates characterised by caring, laws and codes and rules and procedures are significant predictors of trust in management. However, no support was obtained for any impact of ethical climates emphasising company profit, self-interest or independence on trust in management	Future research should examine trust in management as a mediating or moderating variable in the relationship between ethical climates and other organisational variables such as commitment, citizenship behaviour or productivity
Javed et al. (2019)	–	To examine the ethical perceptions of Chinese consumers as an example of effective and efficient management of company/brand strategies in an economy	China	• Central locations such as shopping malls, parks, cafeterias, university sitting areas and electronic markets survey • 328 university students	The ethical perceptions of consumers translate into purchase intentions, both at the corporate and product brand levels. Similarly, a significant direct relationship	The product brands did not represent a wide variation in consumers' perceived fit levels. A wider range, such as service brands, might offer deeper insights into the functioning of perceived

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Table A1. Continued

Authors (year)	Time period	Scope	Country	Method(s)	Results	Limitations and future
		Ethical sales behaviour and trust				
		experiencing rapid socioeconomic growth		• Seven-point Likert scale • Structural equation modelling	between CCI and brand trust reveals that corporate-level ethical identification is trivial to customers. However, these perceptions do apply to product brands under a corporate umbrella. Furthermore, moderating variables were found to be useful in identifying target groups of Chinese consumers who are receptive to ethical appeals	ethicality. In addition, different moderating variables (e.g. social variables) can be used, and comparisons can be made between consumers in developed and developing countries
Mansouri et al. (2022)	–	To examine the relationship between sellers' ethical behaviour and customer loyalty. The mediating effect of trust and satisfaction in the relationship between ethical behaviour and loyalty was also assessed in the sportswear industry	Iran	• Face-to-face survey • 265 consumers of sportswear stores • Structural equation modelling	There is a significant influence between sellers' ethical behaviour and consumers' loyalty. Also, satisfaction and trust mediate the relationship between sellers' ethical behaviour and consumers' loyalty Trust is also found to be the most proximal antecedent to customer loyalty	Sellers' ethical behaviour, customers' satisfaction, trust and loyalty can co-evolve over time. Repeated data collection would be particularly relevant when examining consumer response to a new brand or product that lacks extensive customer history or other external quality markers (e.g. positive word of mouth from existing customers)
		Trust and switching costs				
Aydin and Özer (2005)	–	To examine the relationships between these factors and customer loyalty, and the relationships among these factors in the Turkish GSM sector	Turkey	• 1,662 mobile phone users in the biggest cities in Turkey (Istanbul, Ankara, Izmit and Bursa) • Structural equation modelling	Trust in the operator relates positively and significantly with perceived switching costs	This paper may guide future research, as the relationships between each switching cost dimension and other variables (customer satisfaction, loyalty and trust) and the significance of these relationships have been examined in this study. As there are simultaneous correlations based on cause-effect relationships between the variables studied here, relationships should be tested using

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Table A1. Continued

Authors (year)	Time period	Scope	Country	Method(s)	Results	Limitations and future
		Ethical sales behaviour and trust				
						the structural equation modelling technique. Future research could contribute to the literature by developing a multidimensional measurement model of switching costs and implementation in different sectors
Aydin et al. (2005)	–	To measure the effects of customer satisfaction and trust on customer loyalty, and the direct and indirect effect of "switching cost" on customer loyalty	Turkey	• 1,950 GSM users in four Turkish cities • Moderated regression analysis	The perceived switching cost moderates the relationship between trust in the service provider and customer loyalty	Future research might expand the data base, measure the sub-dimensions of switching cost and examine their moderating effects, simultaneously examine all the effects of these variables on loyalty, and apply the hypotheses and models developed here to other market sectors
Platonova *et al.* (2008)	–	To test a model reflecting a system of interrelations among patient loyalty, trust and satisfaction as they are related to patients' intentions to stay with a primary care physician (PCP) and recommend the doctor to other people	The USA	• A survey • 554 patients of two internal medicine outpatient clinics • Structural equation modelling	Patient trust, satisfaction and loyalty are strong and significant predictors of patients' intentions to stay with the doctor and to recommend the PCP to others	Further research should focus on strategies that would facilitate strengthening and helping primary care doctors develop trust and good personal relationships with their patients
El-Manstrly et al. (2011)		To further explore the links between trust, switching costs and service loyalty by examining the relative effect of trust and switching costs on attitudinal and behavioural loyalty	United Kingdom	• 290 retail banking customers • Regression models	The key drivers of attitudinal loyalty are trust and relational switching costs and the key drivers for behavioural loyalty are trust relational switching costs and attitudinal loyalty	Trust and customer-perceived value could be manipulated while switching costs are measured. As the current model focuses on selected moderators (i.e. switching costs), future research should examine other moderators that may affect the strength of the relationships between trust, customer-perceived value and loyalty, such as channel type, expertise and alternative attractiveness

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Table A1. Continued

Authors (year)	Time period	Scope	Country	Method(s)	Results	Limitations and future
		Ethical sales behaviour and trust				
Yen et al. (2011)	–	This study seeks to extend current research by testing a framework for understanding the impact of perceived suppliers' willingness for customisation, effective communication and trust regarding perceived switching costs	Taiwan	• A mail survey • 281 buyers and purchasing supervisors in these Taiwanese-listed electronic manufacturing firms • Structural equation modelling	The perceived trust contributes to perceived switching costs. The perceived willingness of a supplier to customise for a buyer can indirectly impact perceived switching costs by way of perceived trust towards the supplier. Furthermore, analysis of the direct and indirect effects reveals that effective communication plays a dominant role and significantly influences trust and perceived switching costs	Further research should, therefore, apply a multidimensional switching cost model. Future studies could examine other possible antecedents of switching costs
Han and Ryu (2012)	2009	To investigate the roles that these variables play in determining WOM intentions of customers in a full-service restaurant by considering monetary and non-monetary switching costs as moderators in WOM intentions, along with satisfaction, trust and commitment	The USA	• A field survey • 263 full-service restaurant customers • Structural equation modelling	The encounter performance, satisfaction, trust and commitment had essential roles in generating WOM intentions. In contrast, satisfaction, trust and commitment were found to act as partial or complete mediators in the proposed framework. Last, the tests verified the moderating effects of monetary and non-monetary switching costs on the bonds linking encounter performance and satisfaction to WOM intentions. However, switching costs did not moderate the paths from trust and commitment to WOM intentions	A complete mediating role of commitment may cause the insignificant impact of switching costs on the trust and intention link, and the insignificant moderating role of switching costs in the link from commitment to intention may be attributable to suppressor effects. Future research should further examine the relationships among these variables in a different context and compare different ways of modelling these associations

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Table A1. Continued

Authors (year)	Time period	Scope	Country	Method(s)	Results	Limitations and future
		Ethical sales behaviour and trust				
Laksamana et al. (2013)	–	To re-examine the commitment-trust model in the context of premium banking services	–	• Personal interviews • (n = 9) bank relationship managers from the top five banks in the country and (n =22) premium retail customers • Qualitative themes within and across the two surveyed cohorts • A series of quotations from the interview transcripts	The findings provided evidence of the commitment-trust link, and in particular continuance-based commitment, within the context of premium banking relationships	Perhaps a good starting point here would be to build upon our model through the introduction of other salient relationship variables and test whether it holds when coupled with a variety of other constraints
Şahın et al. (2013)	–	To explore the role of switching costs in the relationship between satisfaction, trust and commitment for a brand	Turkey	• Pen-and-paper, self-administered survey • Convenience sample • 457 students' mobile phone consumers • Multiple regression analysis	Switching costs positively affects the relationships between satisfaction, trust and commitment for a brand	Further research should focus on the antecedents and long-term consequences of the switching costs
Sharma and Patterson (2000)	–	To extend the relationship marketing literature by testing a contingency model to assess the impact of trust and service satisfaction on relationship commitment under conditions of varying switching costs, alternative attractiveness and experience-based norms in the context of professional consumer service	Australia	• A series of one-on-one, in-depth interviews • Convenience sample • 25 individual clients of two financial service firms • A mail survey • 201 clients of financial planning services • Regression analysis	The impact of trust and satisfaction varies according to contingency conditions of switching costs, the attractiveness of alternatives and client experience	Further research might focus on other services of a similar nature (e.g. dental, medical, optometry, veterinary, accounting and taxation services) to ascertain their generalisability. Future research might develop more comprehensive models and test for moderator effects on a range of antecedent variables
Lien et al. (2014)	18 February 2013 to 18 March 2013	To examine the effect of service quality (interaction, physical environment and outcome quality) on trust, to investigate the trust transfer in the health-care industry, to explore the moderating effects of image congruence and switching costs on the trust transfer and to assess the effect of trust on	Taiwan	• Convenient samples • 483 patients in 15 medium-to-large hospitals (district hospitals and regional hospitals) • Five-point Likert scale • Structure equation modelling	Switching costs do not appear to moderate the trust transfer. The results also confirm that trust in the original hospital and its allied hospitals positively affects patients' willingness to recommend allied hospitals	Future research could examine specific ways to achieve image congruence and explore the management of brand extensions in the health-care industry

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Table A1. Continued

Authors (year)	Time period	Scope	Country	Method(s)	Results	Limitations and future
		Ethical sales behaviour and trust				
		patients' willingness of recommendation				
Milan *et al*. (2015)	–	To develop and test a theoretical model considering perceived value, service provider reputation, trust and switching costs as determinants of customer retention	Brazil	• 269 client companies of corporate health plans • Structural equation modelling	Perceived value positively influences service provider reputation, service provider reputation directly impacts trust and switching costs, switching costs are configured as determinants of customer retention and customer retention is positively influenced by service provider reputation in a relational context	There is also the possibility of testing other constructs and relations as determinants of customer retention, such as, for example, commitment, binding tactics, perceived quality and customer satisfaction
Moliner-Tena et al. (2018)	2008 financial crisis	To analyse consumer trust during a financial crisis, studying its antecedents and consequences. The perceptions of older and younger consumers are also compared	Spain	• 634 individuals • Structural equation modelling	In a period of financial crisis, older consumers' trust is protected by an emotional and experiential shield from the effects of negative news in the surrounding environment. In contrast, although important, trust is not the core variable for the younger segment, whose preferences result from a broad range of cognitive and emotional variables	It would also be interesting to adopt the multilevel vision of trust in order to specify more accurately where the erosion of consumer trust has occurred
Kaur and Soch (2018)	June 2013	To develop an understanding of the factors influencing Indian consumers' loyalty towards mobile phone service providers by exploring the mediating roles of commitment, corporate image and switching costs on causal relationships between customer satisfaction, trust and loyalty	Indian	• 855 university students and employees who own and use mobile phone connections • Structural equation modelling	Calculative commitment and switching costs are each proven to be partial mediators between trust and attitudinal loyalty, while corporate image is proven to be a complete mediator	Future research can improve this measurement process by using the actual behaviour of consumers, such as average monthly expenditure and duration of the contract

Source: Author's own work