

An Empirical Study of the Consumer Buying Behaviour for the Mobile Phones in the Delhi Region

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ISSN 2348-2869 Print

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Studies, NOIDA

Journal of General Management Research, Vol. 1,
Issue 1, January 2014, pp. 37–50.

Abstract

Abundance of technology has made our life very rich and qualitatively healthy. Gadgets like phone, refrigerator, microwave, TV, computer, Internet, and smart phones are now ubiquitous. These innovations make us more efficient, break geographic barriers, connect and entertain us and make our living easier. But of course, this has resulted in a more demanding consumer and intense competition amongst the marketer. The interesting part in all this is the challenge which a marketer faces, in order to stand out amongst the crowd, for a better product, better service and for delivering a better experience to the consumer. This study focuses on how a consumer formulates his purchase decision regarding a mobile phone, what are the forces and factors which influence him while making such decisions. Although the process of buying is not mere transfer of item from seller to buyer, consumer of today wants value enriched and ecstatic buying process, enhancing his experience of shopping.

Keywords: *Consumer Behaviour, Mobile Phone, Technology, Demographic Variable, Psychographic Variable*

INTRODUCTION

Growth in the mobile phones and technologies has resulted in new innovative and newfangled features resulting from the progressive metamorphosis in consumer's needs and preferences. In the midst of these developments, mobile phone devices have had one of the fastest household adoption rates in the world's modern history. The Indian mobile handset market has grown by 14.17 percent year-on-year in 2012-2013. The 18th annual survey 'V&D 100' said that the Indian mobile handset market posted a revenue (FY12-13) of Rs 35,946 crore (Rs 359.46 billion) in 2012-2013, compared to Rs 31,330 crore (Rs 313.30 billion) in the earlier fiscal year.

Nowadays, mobile handsets have become an integral part of human daily life and personal communication across the globe. The usage of mobile phones have bridged the gaps and provided long distance connectivity. Mobile phones have not resulted only in the connectedness but also made life smooth and simple either in daily life, at work or for entertainment purpose. Mostly people use applications for internet browsing, email, navigation, social media, listening music, reading news, games, finance, health and fitness, taking notes, calendar, weather forecast and lots of other things. Now the question confronted by the marketers is,

how to make their product superior from that provided by their competitor's and create value for the customer and the company. Such questions can be answered through an exhaustive research study, whose focus would be to identify the various factors and the characteristics of buyers, influencing the purchase of the mobile handset. There are complex abundant factors that need to be taken into consideration when exploring mobile phone buying decision process, including both macro and microeconomic environment that affect the growth of mobile phone market in general and individual consumer's motives and decision making in particular. This paper is an initiative in which the author has tried to explore and unearth various factors influencing the buying process of the consumers for the mobile phones.

LITERATURE REVIEW

Consumer Behaviour Literature

Consumer buying behaviour is deliberated as a part of the marketing and is studied with the main objective, to discover the way how the organizations, groups and individuals, choose, purchase, utilize and dispose off the goods and how the factors such as their previous experience, price, taste and branding influence their purchase decisions (Kotler and Keller, 2012).

Lee (2005) carried out a study to unearth the five stages of consumer decision making process with china as an example. The researcher concentrates on the facts that

are divulged while studying the consumer decision making process of imported health food products, it was revealed that, in particular demographic variables such as gender, education, income and marital status impacts the process. Further analysis of five stages of consumer decision making process indicates that impact of family members was also significant on the consumer decision making process of purchasing imported health food products.

Five Stages Model of consumer decision making process has also been studied by a number of other researchers. Although different researchers have varied dimensions towards the definition of the five stages, but all of them have common viewpoint as per the understanding of the process, as they describe the stages in similar ways. One of the common models of consumer decision making process has been offered by Blackwell et al (2006). According to him, the five stages of consumer decision making process are followings: *problem/need recognition, information search, evaluation of alternatives, purchase decision made and post-purchase evaluation.*

Each stage is then defined by a number of researchers varying slightly but concluding commonly about what each stage involves. For example, according to Bruner (1993) first stage is need recognition which occurs when an individual identify the difference between what they have and what they intends to have. This observation is also maintained by Neal and Questel (2006) stating that need recognition stage occurs due to several factors

and status such as personal, lifestyle and professional which in turn articulate the idea of purchase.

In the subsequent stage, consumer searches for the information associated with the desired product or service (Schiffman and Kanuk, 2007). This process can be internal and external. While internal search refers wherein the consumer depends their personal experiences and believes in contrast to the external search which comprises of search from internet media, advertisements in the newspapers or feedbacks from other people (Rose and Samouel, 2009).

The next stage deals with the analysis of the alternatives searched on the various dimensions and attributes of the products. Kotler and Keller (2005) consider this stage as one of the vital stages as the consumer ponder over all the types and choices taking into account the factors such as size, quality and also price.

Backhaus et al (2007) suggested that purchase decision is one of the essential stages as at this this stage transaction occurs. Once the consumer has deliberated on all the options, regarding all the dimensions under consideration the output of all this exercise done is the act of purchase. Purchasing decision can further be categorized into planned purchase, partially purchase or impulse purchase as stated by Kacen (2002).

Finally, post-purchase decision involves experience of the consumer about their purchase. This is the stage where the consumer experiences the product if he has a favourable

experience he will repurchase it or may refer it to others for the purchase and if the product performance does not match the expectations of the consumer than he can avail various options like throw it , rent it , lend it etc.

The most noteworthy writers that serve as academic advocates of The Five Stage Model of consumer decision making include Tyagi (2004), Kahle and Close (2006) Blackwell et al. (2006), and others.

Mobile Phone Literature:

A research which focused on the inhabitants of erode city of Tamil Nadu On Customer Purchase Behaviour towards Mobile Phone by A.Mohan kumar, & U.Dinesh Kumar found that there is a significant relationship between Income and Reasonable price where as there exist no remarkable relationship between Occupation and Brand Image.

It was clear from a study (2013) by Mesay Sata that consumer's value price followed by mobile phone features as the most important variable and it also acted as a motivational force that influences them to go for a mobile phone purchase decision.

In a study (2013) on Factors Affecting Mobile Phone Purchase in the Greater Accra Region of Ghana: A Binary Logit Model Approach by Raymonds revealed that advanced technology features such as internet browsing and durability or quality of mobile phone handsets are the two main factors that are likely to positively and significantly affect mobile phone purchase decision.

The finding of the empirical study (2012), in the costal areas of odisha, divulge that maximum respondents believe that low maintenance cost followed by wide variety of usage and the advertisements play an important role in the purchase decision of the mobile handset.

Jagvinder Singh & B.B Goyal in there work (2009) on "Mobile Handset Buying Behaviour of Different Age and Gender Groups" divulged that the users in the age group of 18 to handset users of age group of 18-30 years are less price sensitive than consumers of other groups; rather they consider 'physical appearance', 'brand', 'value added features', and 'core technical features' more important than users of any other age groups. On the contrary, the consumers of age group 50 years and above have given greater importance to 'price' than consumers of other age groups.

A study (2009) of the cultural impact on the purchase decision of the mobile phone on the Thai and British consumers by Srikes, Louvieris, Collins, revealed that Thai consumers purchase a mobile phone which enables them to have social connection and relates them to their peer groups.

Heikki Jari, et. al in their work "Factors Affecting Consumer Choice of Mobile Phones: Two Studies from Finland"(2005) established that the choices for mobile phones are influenced by the price, user interface, brand, features and the size to suit their pockets, Where as the technical problems are the basic reason to change mobile phone.

Problem Statement

Today mobile handsets have become very common and one of the essential means for every one of us in our day to day life. The challenge amongst the marketer, is to understand the buying behaviour of the consumers which influences their purchase decision. In this paper the author has selected various characteristics of mobile phone and the demographic characteristics of the respondents to analyse the buying behaviour. The results of this study will provide an insight to the marketer on how to tailor made the product according to the requirements of the customers.

Research Methodology

This is an empirical research investigating the behaviour of the consumer for the purchase of the mobile phone based on the survey method. A structured questionnaire was employed to collect the primary data. The questionnaire was derived from the results of the secondary research literature review. Questionnaire is made up of three parts one constitute the demographic profile of the individuals and the second one deals with the psychographic profiles and the attributes regarding the mobile phone are grouped into the third part of the research instrument. **Non probabilistic convenience sampling** was employed to collect the sample from the respondents and the sample size comprises of 126 (126/150) respondents from different age groups and different professional backgrounds. The data was collected from different consumers

visiting the electronic shops for the purchase of the mobile phone through the convenience sampling method.

The hypothesis which were developed to understand choices of the mobile phone attributes while making a purchase of the mobile phone:

Hypothesis

H₀₁ = Demographic factors (Age, Gender, Occupation) do not have a significant relationship on the assessment of different features related to mobile phone choice.

H₀₂ = Psychographic factors (Personality, Lifestyle) do not have a significant relationship on the assessment of different features related to mobile phone choice.

Statistics

The data collected was subjected to the descriptive data analysis through the SPSS software version 22. The statistics divulged from the data is as follows, 57% of the respondents are in the age bracket of 20-30 the sample consist of 61 male and 48% female. Occupation wise division of the population is as 38% falls under the category of service, 24% business class and the remaining constitute the students and home makers. The composition of the sample according to the education is 66% graduates, 33% post graduates. Whereas if we look into the economic profiling then 57% falls under the age bracket of 0-25, 000 rupees and 38% in the age bracket of 35,000 to 75, 000 rupees.

Most of the respondent purchased the mobile phone due to their professional commitments and due to security reasons where as only 23% respondents purchased it because of the fashion statement.

66% of the respondents were influenced by the family members in their decision making while 81% search the information relevant to make the purchase decision through internet. 52% of the sample invests most of the time in the work activities they do professionally. Majority i.e. 61% of the respondents have socializable personality with 23% as extroverts and only 4% of them are introvert. The lifestyle statistics reveals that 42% of the respondents have the self actualizers lifestyle and 28% and 23% are innovators and esteem seekers respectively.

Data analysis

The questionnaire which was administered to the respondents was tested for the reliability via cronbach's alpha which came out to be **0.607**

Table 1: Reliability Statistics

<i>Cronbach's Alpha</i>	<i>Cronbach's Alpha based on standardized items</i>	<i>No. Of Items</i>
0.607	0.643	16

The tests employed on the data for the determination of the association between the variables and the attributes, was chi-square test at the significance level of 5% .The result is tabulated below in the table 1. The analysis suggest *the rejection of the null hypothesis proposed* and concludes that **demographic**

Table 1: Depicting the results of the chi square analysis:

<i>Features of the mobile phone</i>	<i>Age</i>	<i>Gender</i>	<i>Occupation</i>	<i>Education</i>	<i>Income</i>	<i>Personality</i>	<i>Lifestyle</i>
p- Values							
Dual Sim	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Upgraded Technology(2G/3G)	0.000	0.008	0.000	0.019	0.000	0.050	0.000
Processor	0.000	0.000	0.000	0.212	0.000	0.000	0.000
Internal Memory	0.000	0.000	0.000	0.000	0.038	0.005	0.000
Operating System	0.000	0.000	0.000	0.078	0.012	0.000	0.000
Size of The Display Screen	0.000	0.040	0.000	0.049	0.000	0.000	0.000
Internet Facility	0.000	0.142	0.004	0.336	0.427	0.000	0.000
Camera	0.000	0.000	0.000	0.000	0.000	0.035	0.000
Price	0.000	0.001	0.000	0.002	0.000	0.000	0.000
After Sales Service	0.000	0.150	0.000	0.000	0.000	0.000	0.000
Touch Screen	0.000	0.000	0.000	0.004	0.000	0.000	0.000
Durability	0.000	0.000	0.000	0.008	0.000	0.035	0.016
Brand Name	0.000	0.002	0.000	0.011	0.000	0.000	0.000
Size of The Mobile Phone	0.000	0.001	0.000	0.000	0.000	0.000	0.000
Key Pad	0.000	0.000	0.000	0.512	0.000	0.000	0.000
Battery Life	0.000	0.006	0.023	0.002	0.047	0.000	0.108

and psychographic factors considered in the study have a significant relationship on the assessment of the different features related to mobile phone choice.

Since the p values for most of the features when cross tabulated with the demographic and psychographic profile of the respondents, it came out to be less than 0.05 ($p < 0.05$) which indicate, the rejection of the null hypothesis proposed in the study.

From the above table it can be seen that all the consumer behaviour factors demographic as well as psychographic majorly have relation with the factors considered important while assessment of the mobile phone device except processor, keypad and internet facility in case of education and internet facility in case of income and gender.

FINDINGS

Psychographic variable result analyses with the attributes of the mobile phone considered significant while its purchase:

Lifestyle variable constructs are: Self Actualizers, Esteem Seekers, Innovators, Strivers.

From the cross tabulation of the data it was revealed that:

- 55%, 66% and 100 % of the respondents with the self actualization, innovation and self esteem lifestyle respectively says that upgraded technology is extremely important.
- 22% of self actualizers think that keypad

is extremely important as compared to the 44%, who are with the perception that it is moderately important where as 50% of the innovators also think it to be moderately important.

- For the internet facility, 55% of the self actualizers think that it is extremely important and 44% are with the notion that it is moderately important, whereas 100% of innovators and esteem seekers think that it is extremely important.
- 66% of the self actualizers feel that size of the mobile phone is moderately important and 50% of the innovators have a neutral opinion about the same.
- 66% of the self actualizers feel that durability and touch screen are extremely important and 55% feels that after sales service is extremely important.
- 100% of the esteem seekers think that after sales service is extremely important and 60% feels that price is moderately important.

Personality construct comprises of introverts, extroverts, sociable, powerful, highly determined and authoritarian characteristics.

- 80% of the extrovert respondents believe that upgraded technology and battery life is extremely important.
- 69% of the sociable respondents are with the opinion that operating system, internet facility and upgraded technology is extremely important.

- 60 % of the extroverts believe that after sales service is extremely important and 61% of socializable personality respondents think that durability and after sales service is extremely important.
- 53% of the socializable respondents think that size of the mobile phone is moderately important whereas the same respondents feels that internal memory is extremely important.
- 38% of the socializable people think camera and brand name are extremely important.
- 69% of males think that internal memory is extremely important where as 46% are of this notion that price is moderately important.
- 61% of the males think that upgraded technology is extremely important in contrast to 87% of females.
- Half the number of the females believe that touch screen is extremely important.
- 71% of the graduates think that upgraded technology, after sales service and durability is extremely important.

Demographic variable result analysis with the attributes of the mobile phone considered significant while its purchase

Demographic variables considered during the analysis were age, gender, education.

- 91% of the respondents in the age group of 20-30 thinks and 100% in the age group 60-70 believes that internet facility is extremely important.
- 83% of the people falling in the age group of 20-30 think that after sales services is extremely important whereas 41% are of this perception that brand name is extremely important.
- 75% respondents falling in the age group of 20-30 perceive that internal memory, operating system, camera, durability and battery life are extremely important and 58% also have the same belief for the processor.

CONCLUSION

From the literature it can be seen that there are various factors which are considered important while purchasing a mobile phone, and some of the factors are considered in this investigative study through administering a structures questionnaire and the results from the analysis show that, the demographic and the psychographic factors of the consumer behaviour have a significant relationship with the attributes of the mobile phone considered during the purchase. Moreover, most of the respondents believe that upgraded technology, internet facility, size of the mobile phone, after sales service, battery life, brand name and durability are important attributes considered during the purchase of the mobile phone while the price has taken a back seat where respondents perceive it to be moderately influence the purchase.

From the results it can be concluded that with the economic development of the nation the

disposable income of people has also increased giving rise to a high standard of living with better choices and branded products.

IMPLICATION FOR THE MARKETERS

From the findings of the study it can be recommended that the manufacturers and marketers of mobile phones should produce and sell phones with modern upgraded technology and features that are more durable, highly quality and installed with internet facility. They should also produce and market, cell phones targeting the educated youth. Marketers should also focus on the brand names and the value which they deliver to the customer, apart from this after sales service should also be considered important as it enhances the brand name and also plays an important role in building the trust and loyalty amongst the customers in the market.

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