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Consumer preference towards mobile phones: An empirical analysis

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Abstract

Today, mobile phones are used for diverse purposes as compared to the purposes for which they were used during its initial days of introduction. With a plethora of brands available in market, at comparable prices, and the perception that mobile phones are a necessity rather than a luxury, consumers consider many factors while making a purchase decision. This study is an attempt to uncover the underlying factors that influences consumers while choosing a mobile phone. In order to accomplish the objectives of the study, both primary and secondary data were explored. Major factors influencing consumer choice were identified from literature and the opinions on them were captured from the respondents using the validated questionnaire. The questionnaire was posted on various web channels. 130 respondents who completed the survey constituted the sample for the study. The result showed that quality of the product is the most important factor influencing the choice, followed by mobile phone features. Actual need triggers the need to purchase mobile phones. Touch screen and design and style are the most preferred aspects of the 'look and feel' of the mobile phones. The results of the study provide insights to the players in the market in fine-tuning their product, pricing and promotional strategies accordingly.

Keywords: Consumer preference, Purchase, Mobile phones

1. Introduction

Mobile phones have become an inevitable part of personal communication today. Majority of the people, irrespective of their age, income and geographic location, have accepted it as a necessary aspect of their day to day lives. Mobile phone industry all over the globe is currently passing through a turbulent business environment due to heightening competition as well as the continuous changes in the tastes, preferences and requirements of the customers. Due to this, the players in the industry constantly engage in innovation and differentiation to meet and satisfy consumer preferences. However, the consumer behaviour literature has very few studies that uncover the underlying motives and choices of consumers during mobile phone purchase process.

During the introduction stage, mobile phones were used solely for communication. With technological innovations, advancements and convergence of features of other industries, the functionality of the product has gone beyond imagination. The industry is very dynamic and new models are introduced to the market almost on a weekly basis. Availability of 3G and 4G networks and evolution of smart phones have made mobile phones more of a personal digital assistant. Beyond voice, the major trends shaping the mobile culture have been identified to be (a) communication services such as voice, text and pictures; (b) wireless internet services such as browsing and e mail; and (c) different media services such as motion pictures, games and music (Hansen, 2003) [4]. With internet access enablement in mobile phones, they have become one step closer to personal computers.

This paper explores the factors influencing consumer preference towards mobile phones and investigates the reasons that trigger the purchase of new ones. The brand loyalty of consumers is explored and the influence of gender on purchase choice is examined. The preferences of consumers can, to a larger extent, impact the technology push driven mobile phone industry in creating new models and adding innovative features to satisfy them.

2. Review of literature

From consumer behaviour perspective, a consumer passes through five steps during the purchase of products such as need recognition, information search, evaluation of alternatives, purchase and post purchase evaluation (Schiffman *et al*, 2015) ^[10]. The information search can be done through different sources such as advertisements, word-of-mouth, reference groups, recommendations, social media, etc. The consumers' formulate their purchase decisions by the limited information search of what they got rather than evaluating all possible alternatives (Moorthy *et al.*, 1997) ^[9].

In case of mobile phone purchases, a consumer may go through all the five stages of rational decision making or he may make quick purchase on account of hedonic considerations. The general belief is that in case of utilitarian products, rational decision making is involved, whereas in case of hedonic products, emotional decision making is involved. For mobile phone purchase, both rational and hedonic considerations may drive consumers (Batra & Ahtola, 1991) ^[11]. The purchase decisions for mobile phones mostly follow rational buying process, but in certain cases the decision may also be influenced by symbolic preference associated with some brands. (Dorsch *et al*, 2000) It has been observed that younger consumers value more hedonic features in mobile phones (Wilska, 2003) ^[12].

While making the purchase decision, a consumer is influenced by several social, cultural and economic factors surrounding him. The factors that determine mobile phone handset purchase vary from one age to another, between male and female, one ethnic group to another and from various psychographic and behavioural patterns. It is also noted that the all factors- whether technological, design, brands, purposes and social reference groups played a role in influencing consumer behaviour in selection of mobile phone handsets. (Ehtesham Mohammad, 2012) ^[3].

The different product attributes that the consumers gives importance in selecting a handset have been observed to be design, price, internet connection, battery life, camera, video quality, apps downloading, operating system and social networking. The product attributes help to select the product when customer confused between different products. (Sandeep Kumar, 2015) ^[6]. It is not necessary that all the factors must influence a person in the same way and to the same extent. (Md Reaz Uddin *et al*, 2014) ^[11].

The six independent variables such as price, social influence, durability, brand name, product feature and after sales service combined significantly influence the consumers buying decision of mobile phone devices. The leading factor is price followed by product features and durability (Mesay Sata, 2013) ^[8]. The size, physical

appearance and main menu of mobile phone are found to be the most important factors influencing the choices of mobile phones (Ling Hwang and Salvendy, 2007). Consumers' self-knowledge was measured by comparing the product attribute importance with the predicted judgements and the actual purchase. The consumers were having a relatively good predictive power of a product they have chosen, but not a perfect one (Hernan Riquelme, 2001) ^[5].

3. Objectives and scope of the study

The primary objective of the study is to investigate the factors influencing consumer preference towards mobile phones and explore the reasons that trigger the purchase of new mobile phones as a replacement for existing ones. The most preferred brand of mobile phones among the sample respondents is explored along with their brand loyalty. The influence of gender on purchase choice is examined and the frequency of purchase is investigated.

Mobile phone choices are found to be related to previous consumption patterns. It was observed gender has influence on mobile phone choices as addictive use of mobile phones among female was on account of trendy and impulsive consumption whereas those in male were related to technology enthusiasm and trend consciousness (Wilska, 2003) ^[12]. On this premise, the following hypothesis is framed for the study:

H₁: Gender of the respondents will have a significant impact on the frequency of purchase of mobile phones.

4. Research Methodology

The study is descriptive in nature. Primary data constitutes the major source of information for the study. The data were collected using a structured questionnaire. The questionnaire was posted online in various web channels using Google Forms. 130 people who responded to the survey constituted the final sample. The results of the study are arrived by doing descriptive as well as inferential data analysis.

5. Data analysis and interpretation

The demographic profile of the respondents has been initially analysed. It can be observed that majority of the respondents are female (54.6 %). With respect to age, 73.8% of the respondents are 21-30 years old and 20 % of the respondents are below 20 years of age. Hence, almost 94% of the respondents represent the youth category. 67.7% of the respondents are students and 20.8% are employed either in the private or public sector. Annual family income of the majority of the respondents (43.8%) is below Rs. 2 lakhs. 32.3% of the respondents have an annual family income of Rs. 2 lakhs- 4 lakhs. While 40.8% of the respondents live in urban areas, 30.8% live in semi- urban areas and 28.4% live in rural area.

Table 1: Demographic profile of the respondents

Demographics	Variable	Frequency (N=130)	Percent
Gender	Male	59	45.4
	Female	71	54.6
Age	Below 20 years	26	20
	21-30 years	96	73.8
	31-40 years	7	5.4
	41-50 years	1	0.8
	Above 50 years	0	0
Occupation	Students	88	67.7
	Employed	27	20.8

	Business	3	2.3
	Not employed	11	8.5
	Others	1	0.8
Annual family income	Below Rs. 2 lakhs	57	43.8
	Rs. 2 lakhs- 4 lakhs	42	32.3
	Rs 4 lakhs -Rs 6 lakhs	12	9.3
	Above Rs 6 lakhs	19	14.6
Place of residence	Urban	53	40.8
	Semi-urban	40	30.8
	Rural	37	28.4

Source: Primary data

Table 2: Brands of the mobile phones being used by the respondents currently

Brands	Frequency	Percent
Samsung	37	28.5
Nokia	10	7.7
Sony	10	7.7
HTC	3	2.3
Blackberry	3	2.3
iPhone	17	13.1
Other	50	38.5
Total	130	100.0

Source: Primary data

Respondents were asked to mention the brands of mobile they were currently using. While the major brands were listed, majority of the respondents (38.5%) mentioned that they were using other than prominent brands. 28.5% are using Samsung mobile phones and 13.1% are using iPhones. The results clearly depict the competitive landscape prevailing in the industry and the availability of plenty of brands in the market.

Table 3: Brand loyalty among the respondents

Loyalty towards the brand	Frequency	Percent
Yes	90	69.2
No	20	15.4
Can't say	20	15.4
Total	130	100.0

Source: Primary data

Respondents were asked about their loyalty towards the brands being currently used by them. Majority of the respondents (69.2%) mentioned that they feel loyalty towards the brands they are using, while 15.4% said that they will switch brands as per their choice and are not brand loyal. An equal 15.4% said that they are not clear about their brand loyalty.

Table 4: Intention to repurchase the same brand

Loyalty towards the brand	Frequency	Percent
Yes	34	26.2
No	54	41.5
Can't say	42	32.3
Total	130	100.0

Source: Primary data

Respondents were further inquired about their willingness to purchase the same brand, while replacing the existing handset. The results were contrary to the loyalty statistics. Only 26.2% of the respondents said that they will go with the same brand. 32.3% said they can't say and 41.5% said that they will not go for the same brand.

Table 5: Preference towards the size of the handset

Size preferences	Frequency	Percent
Small	15	11.5
Medium	82	63.1
Large	22	16.9
Sleek	19	14
Others	2	1.5
Total responses	140	100.0

Source: Primary data

Respondents were asked about the handset size preference. Maximum preference (63.1%) is for medium sized handsets, followed by large ones (16.9%).

Table 6: Frequency of changing mobile phones

Frequency of changing handsets	Frequency	Percent
Less than 6 months	7	5.4
6-12 months	9	6.9
1-2 yrs	40	30.8
2-3 yrs	42	32.3
More than 3 yrs	32	24.6
Total	130	100.0

Source: Primary data

With respect to the frequency of changing handsets, majority of the respondents opined (32.3%) that they replace their handsets only after 2-3 years of usage. 30.8 % said that they change handsets after 1-2 years of usage and 24.6% said that they change handsets after using them for more than 3 years.

Table 7: Money spent on purchasing mobile phones

Money spent	Frequency	Percent
Less than Rs. 5000	2	1.5
Rs.5000- Rs.10000	35	26.7
Rs.10000- Rs.15000	44	33.6
Rs.15000 - 25000	24	18.3
Rs.25000- Rs.35000	13	9.9
More than Rs.35000	13	9.9
Total	130	100.0

Source: Primary data

Respondents were asked about the money they usually spend on purchasing mobile phones. It could be observed that 33.6% are willing to spend Rs.10000-Rs.15000, 26.7% are willing to spend Rs.5000- Rs.10000 on purchases.

Table 8: Place of purchasing mobile phones

Place of purchase	Frequency	Percent
Online stores	41	27.3
Exclusive showrooms	35	23.3
Mobile showrooms	68	45.3
Others	6	4.1
Total responses	150	100.0

Source: Primary data

Majority of the respondents (45.3%) said that they usually purchase mobile phones from mobile showrooms, while 27.3% of the respondents usually purchase in online mode.

Table 9: Preference towards various aspects of the ‘look and feel’ of mobile phones

Aspects	Weighted average score	Rank
Screen size	4.36	4
Touch screen	4.63	1
Colour	4.06	7
Weight	4.07	6
Shape	4.20	5
Compatibility	4.38	3
Buttons	3.80	8
Design & style	4.55	2

Source: Primary data

Respondents were asked to give their preference towards various aspects associated with the look and feel of the mobile phones such as screen size, touch screen, colour, weight, shape, compatibility, buttons and design and style. The responses were captured on a 5 point Likert’s scale of importance. The weighted average scores were calculated and the preferences were ranked. Accordingly, the ‘touch screen’ feature is the most preferred aspect of ‘look and feel’ of mobile phones, followed by ‘design and style’, ‘compatibility’, ‘screen size’ and ‘shape of the phone’ in the order. The least preferred aspects are ‘buttons’, ‘colour’ and ‘weight’.

Table 10: Factors triggering the purchase of mobile phones

Factors	Weighted average score	Rank
Advertisement	3.55	5
Offers	3.71	4
Existing mobile breakage	3.98	3
Change in trend	3.99	2
Actual need	4.25	1
No reasons	2.81	6

Source: Primary data

The factors that trigger the purchase decision for buying mobile phones were inquired on a 5 point Likert’s scale of importance. The weighted average scores were calculated and the reasons were ranked. Accordingly, the most important reason for purchasing a new mobile phone is ‘actual need’, followed by ‘change in trend’ and ‘existing mobile breakage’.

Table 11: Factors influencing the choice of mobile phones

Factors	Mean Rank	Rank
Brand name	4.74	3
Appearance	5.17	5
Price	4.87	4
Quality	3.84	1
Features	4.37	2
After sales service	6.05	7
Model	5.49	6
Social status	6.95	9
Reviews and recommendation	6.23	8
Brand advertisement and Promotion	7.30	10

Source: Primary data

The various factors influencing the preference towards specific brands of mobile phones were inquired using a 5

point Likert’s scale of importance. The mean ranks of responses were calculated using Freidman rank test. Accordingly, the most important factor influencing the choice of mobile phones is ‘quality’ followed by ‘features’, ‘brand name’ and ‘price’ in the order. The least important factors are ‘brand advertisements and promotion’, ‘social status’ and ‘reviews and recommendations’.

To test hypothesis on the influence of gender on frequency of changing mobile phones, data on both variables were cross tabulated and chi-square test was conducted. The results indicated that there is a no significant association between gender and the frequency of changing mobile phones. The chi-square sig. value ($p = 0.292$) is more than 0.05, it is proven that there is no association between the variables.

Table 12: Cross tabulation between gender of respondents and frequency of changing mobile phones

Gender	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 yrs	Total
Male	5	6	18	17	13	59
Female	2	3	22	25	19	71
Total	7	9	40	42	32	130

Source: Primary data

Table 13: Chi-square test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.958 ^a	4	.292
Likelihood Ratio	5.081	4	.279
Linear-by-Linear Association	3.641	1	.056

Source: Primary data

6. Conclusion

The results of the study show that consumers consider various factors before choosing a particular brand of mobile phone. Some of the factors influence consumers’ decision greatly while others have comparatively low impact on their purchase decisions. It has been found through the study that actual need is the most important factor triggering the purchase decision. The ‘touch screen’ feature is the most preferred aspect of ‘look and feel’ of mobile phones, followed by ‘design and style’ and ‘compatibility’. The most important factors influencing the choice of mobile phones is ‘quality’ followed by ‘features’, ‘brand name’ and ‘price’ in the order. There is a no significant association between gender and the frequency of changing mobile phones. Mobile showrooms are the most preferred destinations for making the purchase. Most of the respondents use mobile phones for 2-3 years before changing them.

Brand loyalty towards the currently used brand is found to be feeble among the respondents. With a plethora of brands available in the market, only 28.5% of the respondents were using Samsung brand of mobile phones. It is recommended that mobile phone manufacturers carry out periodic surveys in the market to understand their competitive positioning. Consumer surveys need to be conducted on a regular basis to understand the changing trends, preferences and satisfaction towards their brands. Based upon the results of such surveys, innovations need to be brought in so as to sustain and increase the market share and consumer loyalty.

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