FACTORS INFLUENCING CUSTOMER'S BUYING DECISIONS ON MOBILE PHONE BUYERS: A STUDY ON BIJAPUR CITY, INDIA

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A B S T R A C T

The mobile phone has turned out to be a basic necessity in today world with multi-tasking ability based on user's convenience and need. With staggering increase in mobile phone usage in India in recent years, people consider various factors before the purchase decision. This study is an effort to uncover the underlying factors that might affect customers in purchasing a mobile phone. Data were collected from those people those who live in Bijapur city maintaining equal ratios of various groups like male, female, businessmen, employees, students and others (housewives). To choose desired respondents, convenient sampling method was used. A structured questionnaire was designed based on the previous study with five points Likert scale was used to get responses. Factor analysis was used to elicit the underlying Factors that affect a mobile phone purchasing decision. The results show that the most important factor are physical attributes, pricing, battery life and service facilities, size and weight, friends and social group recommendations and advertising

1. INTRODUCTION

Mobile phone or Cellphone - marked a powerful thrust of modern technology into people's life and workplaces. It is a link in the chain of fast and ubiquitously accessible tool of the new era. It came with a bang in India, had a halting start, thanks to the ill-defined regulatory mechanism, but is now well entrenched for a steady, speedy growth.

India has already emerged as the second largest market for mobile phone handsets in the world after China. The presence of a large number of international handset manufacturers in India, including Apple, Samsung, LG, Sony Ericsson, Motorola, and numerous new players such as Xiaomi, LYF, Videocon, Lenovo, Micromax, Asus, Oppo and Karbon shows that the competition will grow even more intense in coming years.

Globally, as in India, Samsung is the most popular cellphone with more than one-third of the market share followed by Apple, Xiaomi etc which is a distant second. The large share of China and India in the global market are considered indicative of many things: the march towards modernisation, accelerated growth, technology absorption & adoption, the impact of the numbers, critical significance of telecommunication development, advances achieved by nations with the largest number of poor and uneducated people. In this new era with affordable 3G, 4G and other variety of services that can be performed by laptops & PCs are incorporated into smartphones these days. It's been challenging for the manufacturer to positions their handsets to the customers who are value driven.

This study has been designed with an intention to identify the factors that might affect the customer's choice in buying a mobile phone. It focuses on the possible reason that the customers consider while making a purchase decision of phone.

2. LITERATURE REVIEW

In the study done on the effect of promotional activities on the brand decision in mobile phone industry by Liu (2002) The factors affecting buying decision of customer on the mobile phone in Asia were analysed. The study found that the choice of mobile phone brand was based on two different attitudes. These two different attitudes were the attitude toward the mobile phone and attitude towards the network. The most influencing factors while purchasing the mobile phone were new features in the mobile phone other than the bigger screen, size and enhanced capacity.

Wilska (2003) in this study on consumer decision on buying mobile phone depended on rational and emotional factors. Most of the customers were influenced by both emotional and rational factors. Emotional factor were (applications, camera, game, and music) besides rational factors (communication and time management) the study found that young customers preferred more emotion factors as compared to other factors.

Heikki ,Jari, Manne, Timmo and Marrijuka (2005) in this study the factor affecting consumer choice of mobile phone. This study was carried out in Finland in their study they concluded that mobile phone market is the most turbulent market in the present scenario. They focused on customer buying decisions process and they shed light on the factors that were affecting consumer choices. They found in their study that when the consumer bought a mobile phone the technical problems were the main factor to change their mobile phone. There were factors as well which were affecting the actual choice of mobile phone i.e., brand, price, interface and properties.

(Chirag V. Erda, 2008) Concluded that there is no significant difference in price and style consciousness between rural and urban consumers but there was a significant difference of functions, quality and brand consciousness between rural and urban customers for buying a mobile phone

Mohankumar and Dinesh Kumar (2008) a study on customer purchase behaviour toward mobile phone with reference to erode city in India. This study was conducted on purchase behaviour towards mobile phone. The customers are the buyer who wants happiness from the product utility. The customer would like to touch and feel the product when they buy. From this study, it's clear that factors influenced their buying behaviour while choosing a mobile phone. This study also helps to know the satisfaction level of customer toward different mobile phones.

While price and features were the most influential factors affecting the purchase of a new mobile phone, its network accessibility, clarity was also regarded as the most important factors in the choice of the mobile phones (Sheetal Singla, 2010).

Factor influence of product attribute on the mobile phone in university among undergraduate student in Kenya was conducted by Malasi (2012). The researcher found that there were various attribute which influenced the undergraduate students on the various brand. Like as colour, name visibility, and mobile phone of the different model, safety, physical appearance, design and price of the mobile phone.

Mesay sata (2013) conducted a study to understand the factor affecting consumer buying behaviour on mobile phone devices hawassa town. There were so many factors which influenced the buying behaviour. But researcher found six important factors such as price, brand name, product feature, social group, after sale services and durability. From that, it's clear the above factor work as a motivational force that influences for a mobile phone purchase decision.

3. METHODOLOGY

The data was gathered with the help of questionnaires within Bijapur City, Karnataka State, India in Jan 2015. Questionnaire was used as the main data collection instrument. The structured questionnaire was designed so as to make it easy for the respondents to answer and to cover most of the common research questions. The method of sampling was convenient sampling; the sample was based on non-probability data. The questionnaire was based on Likert 5 point scale. The sample of the study consisted of 240. Unfortunately, 40 questionnaires were not responded appropriately, so the analysis is based on 200 respondents from Bijapur City.

4. ANALYSIS AND FINDING

The data from the below table indicate that the sample is equal in terms of both male and female respondents as they are indicated by 50 percent for both. Analysis of age of the respondents signifies that majority of the respondents fall in the age group of 19-25 years as it was indicated by 18 percent respondents from the sample. Occupation indicates that respondents in service and students category are 60 that indicate 30 percent for both and Business and Housewives include 40 respondents each that indicate 20 percent. In the case of income level, the most respondents fall under the income level of above 20000 that shows 30.5 percent.

Table 1: Demographic characteristics of respondents

	Categories	Count	Percentage
Gender	Male	100	50
	Female	100	50
Age group	Below 18	10	5
	19-25	60	30
	26-30	36	18
	31-35	42	21
	36-40	26	13
	Above 40	26	13
Occupation	Service	60	30
	Students	60	30
	Business	40	20
	Housewives/Others	40	20
Income Level	Below 5000	46	23
	6000 to 10000	32	16.5
	11000 to 15000	30	15
	16000 to 20000	31	15.5
	Above 20000	61	30.5

5. FACTOR ANALYSIS

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.897
Bartlett's Test of Sphericity	Approx. Chi-Square	2.895
	df	516
	Sig.	.000

The result obtained from 200 respondents had been analysed thoroughly and the outputs of the results had been clearly explained in this part. To analyse the strength of association among different variables the Kaiser-Mayer-Olkin (KMO) measure of sampling adequacy has been applied. The KMO measure of sampling adequacy was computed to ascertain the suitability of factor analysis being used. It certifies whether the data are suitable to perform factor analysis. The value of KMO varies from 0-1 and high values (closer to 1.0) generally indicates that a factor analysis can be useful with the data. KMO score should be 0.6 to be adequate for testing. KMO score .897 indicates adequacy for testing.

Table 3: Total Variance Explained

Comp-onent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.917	30.993	30.993	9.917	30.993	30.993	7.516	23.484	23.484
2	3.357	10.488	41.480	3.357	10.488	41.480	4.651	14.531	38.014
3	2.121	6.625	48.104	2.121	6.625	48.104	2.134	6.666	44.680

4	1.891	5.907	54.009	1.891	5.907	54.009	2.125	6.637	51.316
5	1.410	4.404	58.413	1.410	4.404	58.413	1.655	5.168	56.483
6	1.285	4.015	62.427	1.285	4.015	62.427	1.625	5.077	61.559
7	1.104	3.449	65.875	1.104	3.449	65.875	1.382	4.316	65.875

Extraction method: Principal component analysis

Applying SPSS, the principal component analysis (PCA) was carried out to explore the underlying factors associated with 31 items. The above table shows that 65.88% of variation in mobile purchasing by the customers is explained by seven factors.

	Component						
	1	2	3	4	5	6	7
Camera (Mega Pixels)	.828						
4G Enabled	.803						
Memory	.801						
Touch Experience	.776						
Multi Media	.773						
Display Clarity	.764						
Attractive Color	.754						
Model	.685						
New Features	.685						
Design of the phone	.670						
Appearance	.609						
Web Browsers	.598						
Brand Value/Quality	.505						
Model at reduced price		.816					
Product Price		.772					
Special Offers		.724					
Reliability		.716					
Dual SIM		.703					
Opinion of family		.598					
Domestic Product		.589					
Charging hours			.752				
Battery			.603				
Complexity of operating			.460				
Key pad			.456				
Small size				.873			
Weight				.862			
Friends recommendation					.799		
Colleagues recommendation					.537		
Neighbor recommendation						.730	
Salesperson's recommendation						.497	
Advertising							.764

The above table indicates the number of factors that affect customers while choosing a mobile

phone brand. From rotation method the following seven factors (table 5) may be obtained.

Table 5: Naming of Factors

Factor no.	Name of factor	Item no	Variables	Factor loading
F1	**Physical attributes**	1	Camera (Mega Pixels)	0.828
		2	4G Enabled	0.803
		3	Memory	0.801
		4	Touch Experience	0.776
		5	Multi Media	0.773
		6	Display Clarity	0.764
		7	Attractive color	0.754
		8	Model/style	0.685
		9	New features	0.685
		10	Design of the phone	0.670
		11	Appearance	0.609
		12	Web browser	0.598
		13	Brand value/quality	0.505
F2	**Pricing**	14	Model at reduced price	0.816
		15	Product price	0.772
		16	Special offers	0.724
		17	Reliability	0.716
		18	Dual SIM option	0.703

		19	Opinion of family	0.598
		20	Domestic product	0.589
F3	Charging and Operating facilities	21	Charging hour	0.752
		22	Battery	0.603
		23	Complexity of operating	0.460
		24	Key pad	0.456
F4	Size and weight	25	Small size	0.873
		26	Weight	0.862
F5	Friends' and colleagues' recommendations	27	Friends' recommendation	0.800
		28	Colleagues' recommendation	0.537
F6	Neighbors' recommendations	29	Neighbor recommendation	0.730
		30	Salesperson's recommendation	0.497
F7	Advertising	31	Advertising	0.764

6. LIST OF FACTORS: Factors identified are listed below:

6.1   Physical attributes: It is the most important factor. It can explain 30.9 % of total variance in customer decisions of purchasing a mobile phone. Physical attributes consist of all the physical characteristics of mobile phone like camera, 4G, Memory, attractiveness etc.

6.2   Pricing: It is the second factor which is able to explain 10.4 % of total variance. This second factor of pricing includes all the price related factors that the customers consider before buying mobile phones. It states that the customers' psychology of Bijapur city that influences buyer's decisions of purchasing a mobile phone.

6.3   Charging and User friendliness: This is the third most important factor. It can explain 6.6 % of total variance. Charging and User friendliness are taken into consideration while customers purchase mobile phones.

6.4   Size and weight: It is the fourth factor that explains 5.9 % of total variance. There are several numbers of respondents who generally take the size and weight as an important factor in buying a mobile phone.

6.5   Friends and social group recommendations: This is the fifth factor which explains 4.4 % of total variance. Some respondents tend to take suggestions from their friends and social group before purchasing mobile phones.

6.6   Neighbours recommendations: It is the sixth factor which is able to explain 4.0 % of total variance in customer's decision of purchasing a mobile phone.

6.7   Advertising: The last factor explains 3.4 % of total variance. It illustrates that customers make the purchase decision based on advertisement aired in various media.

7. CONCLUSION

The research objective was to identify the underlying factors which have a role in deciding the brands while customers purchase a mobile phone. It has been found from the Previous argument that there are plenty of variables customers would consider before choosing, a particular brand of mobile phone. Some of the factors influence heavily on customers' decisions while others have a comparatively lesser impact on the purchase decision. At the time of the survey, it was observed that various types of services are expected by the customers. But this research work does not deal with the customer expectation. To a certain extent, it has tried to spotlight on the issues that the customers judge in the present market scenario. The research has identified that many factors were considered as selection criteria of a mobile phone. Not essentially all the variables influence a person a particular way and to the same extent. In the case of choosing a branded mobile phone, factors taken in to consideration by customers are price, physical attributes, charging and user friendliness, size, weight, friends and social group recommendations, neighbors recommendations and advertising.

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