

HS-213: Consumer Behaviour

Project Report

A Study on Consumer Behaviour of Mobile phones

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Abstract:

India is one of the fastest growing economies in the world, and its smartphone industry has become the world's fastest growing market. For consumer's smartphone has become a part and parcel of their lives and has encroached into people's personal as well as business lives. There has been a continuous shift in the mind-set and aspirations of the consumers. This research is to analyse the external and internal variables which influence a consumer's decision while purchasing a mobile phone. The research also focuses on trends of factors affecting purchase based on gender, educational background and mode of purchase (online or offline). The recent growth of smartphone usage is an observable fact across all age and gender boundaries. Hence, the research explores through the quantitative analysis some of the key factors believed to affect the consumer attitudes and behaviour towards the smartphone purchase.

Introduction—

India has become the second-biggest smartphone market in terms of active unique smartphone users, crossing 220 million users[*], surpassing the US market, according to a report by Counterpoint Research. “This speaks volumes for the scale the Indian market provides for any player in the mobile-connected ecosystem”.

The increasing interest and importance of smartphones is the main reason that has Catalysed interest to research on the topic. India's population is mostly young around the age of 16-30 years. The aim of the research is to study the young and literate Indian customer's purchase behaviour in Indian smartphone market.

The research aims to find out customer satisfaction and brand loyalty towards their smartphones, the factors influencing the purchase decisions based on their educational background and comparison between male and female consumers with regards to specific attributes like selfie camera.

We have done research by conducting both online and offline survey and finding out relation between them.

Literature Review-

Brand image vs. Brand loyalty vs. Customer satisfaction

The relationship between brand image and customer satisfaction has been studied extensively. However, a majority of these researches were conducted in service industry, such as hotel, supermarket and bank, etc. Whether the results generated from the service industry can be applicable to other contexts (e.g., manufacturing industry, finance industry, real estate industry, etc.) remains to be examined. Moreover, although the positive impact of brand image on customer satisfaction and customer loyalty has been testified, there still exist minor disagreements between different researches. Specifically, some studies prove that brand image not only influences customer loyalty directly, but also impacts on it through other mediating factors. However, some research results demonstrate that brand image exerts no direct influence on customer loyalty, but it can impact on customer loyalty via customer satisfaction. Future studies should further discuss the interrelationships among brand image, customer satisfaction and customer loyalty, and identify a more comprehensive indicator for consumer behaviour.

“Women significantly more likely to take selfies than men”

-The Telegraph..

This newspaper article claims that women are significantly more in number when it comes to using selfie camera compared to male counterparts

The research also analyses whether this fact significantly affects the Indian women's smart phone purchase .

Online vs. Offline

Although e-commerce has emerged as an important a relatively easy way of shopping and purchase still few Indian customers prefer offline over online.

There have been enough case studies that explains the above offline over online preference of Indian customers .The sources have been cited in the bibliography at the end.

Research Methodology-

Primary Data -

The Primary data was collected through *surveys and questionnaire*; data was collected online as well directly (during Alcheringa). A sample set of 501 has been used for analysis of data and for analyzing trends and drawing parallels.

Secondary Data –

The secondary data was collected through *Interviews*, these interviews were taken just after a consumer had finished his/her purchase outside the mobile outlets (Mostly Local retail shops, Guwahati) also interviews of shopkeepers were also conducted to get their perspective.

Research objective 1:

Abstract:

Most of marketing literature recognizes customer satisfaction as a significant antecedent to Brand loyalty. Consumer's satisfaction is one of the main marketing goal. Satisfaction plays an important role in marketing because it is predictor of purchase behaviour. We assumed that above Satisfaction vs brand loyalty is prevalent in mobile market too...

Hypothesis:

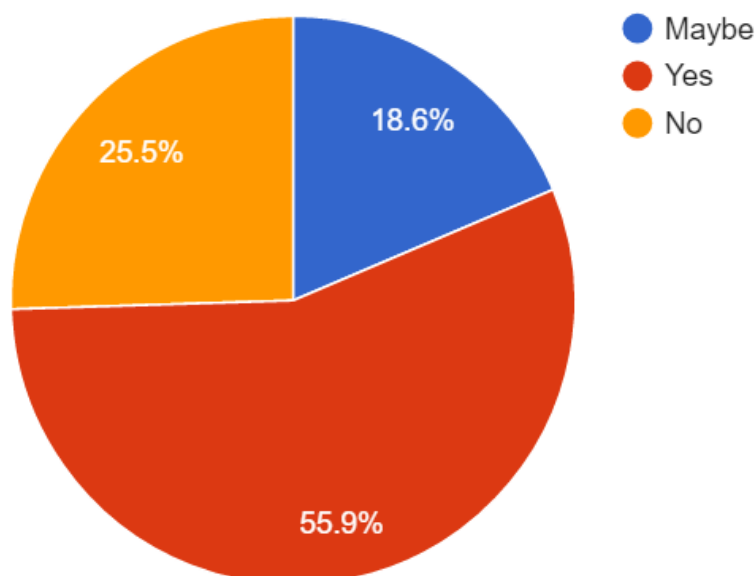
Consumer satisfaction leads to brand loyalty even in mobile market.

Data Set:

An online survey has been conducted over 501 data samples of around age of 16-30 years from various Indian cities.

Observation:

The below pie-chart depict the proportion of people are not brand loyal but are satisfied with their product –



not brand loyal vs satisfaction(recommendation)

“Would you prefer to stick to your brand or not?”

The above data is restricted only to those individuals who answered NO to the above question that implies no brand loyalty and examined the below question for this data.

“Would you recommend your mobile phone to others?”

The pie chart depicts the percentage of people who answered

Yes –55.9%

No- 25.5%

Maybe-18.6%

Since people recommend only if satisfied. “Yes” answer to the question means satisfied

Conclusion:

From the above observation we can tell that although people are satisfied with the mobile a good percentage are not brand loyal.

Research objective 2:

Abstract:

In general it is thought that high budget customers are more brand loyal and trust brand image over other factors like reviews word of mouth, celebrity endorsement.

Hypothesis 1:

Budget range is proportional to brand loyalty among mobile consumers

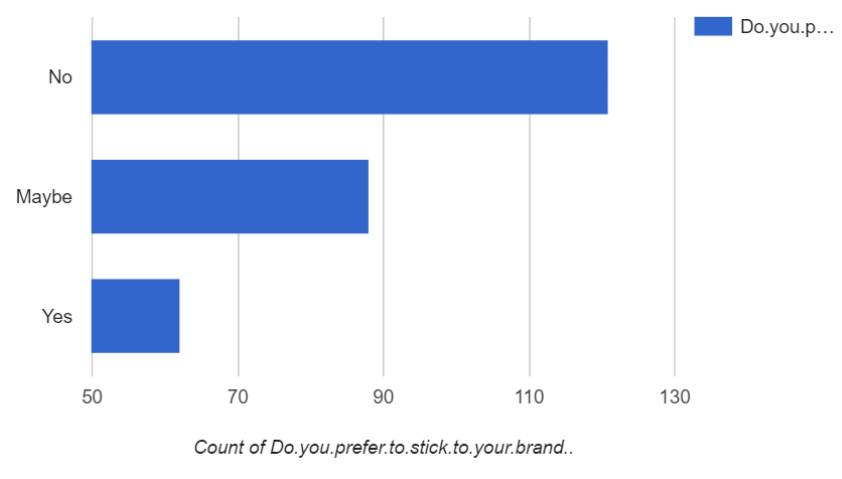
Data set:

An online survey has been conducted over 501 data samples of around age of 16-30 years from various Indian cities.

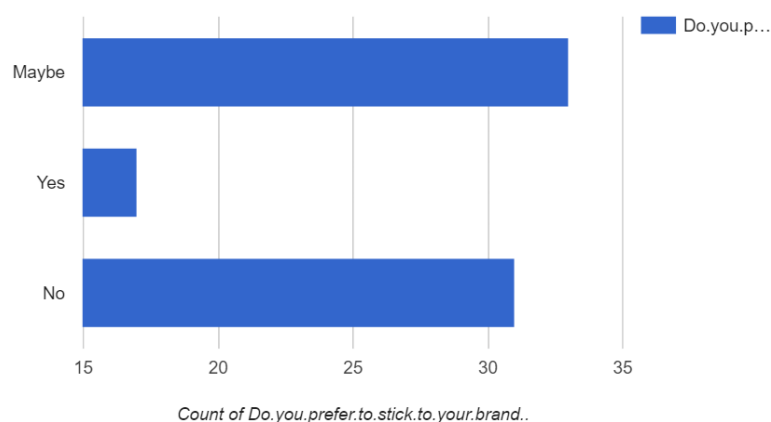
Observation:

The below pie charts are for the question –
“Would you prefer to stick to your brand or not?”
When the data is concentrated over a fixed budget range

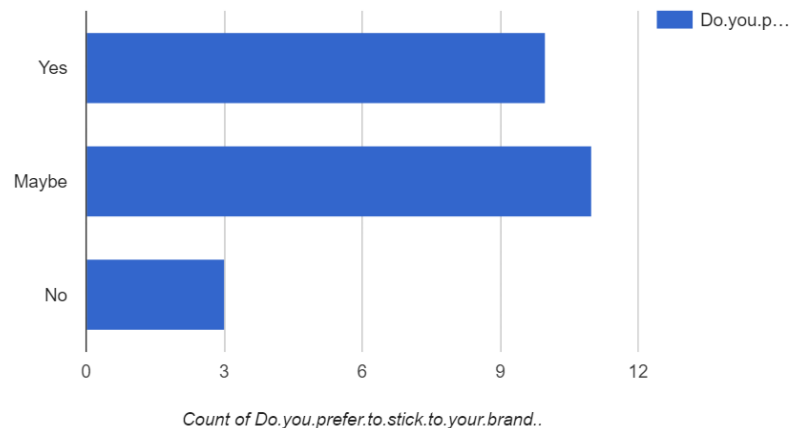
1>budget range – 10-18K INR



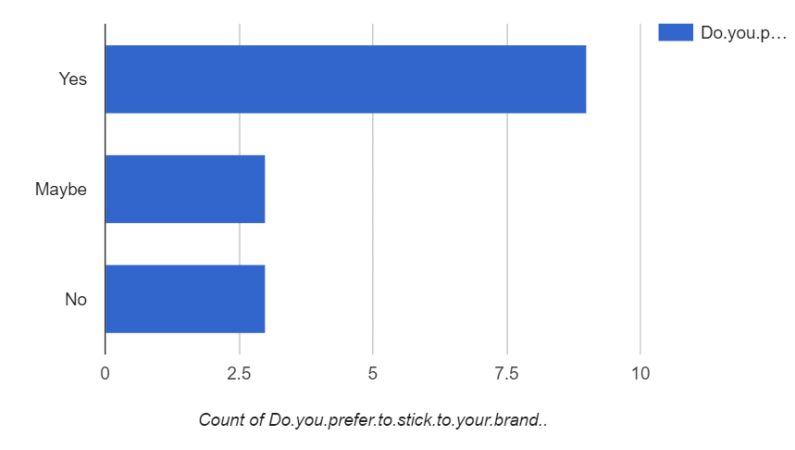
2>Budget range – 18-30K INR



3> budget range- 30-50K INR



4> Budget range- >50K INR



The observations are clear depiction of the trend of increasing ratio of from no to maybe to yes as the price range increase.

Conclusion:

The above observation leads to the conclusion proves our hypothesis.
Brand loyalty increase with budget range.

Hypothesis 2:

Budget range is proportional to trust in brand image among mobile consumers

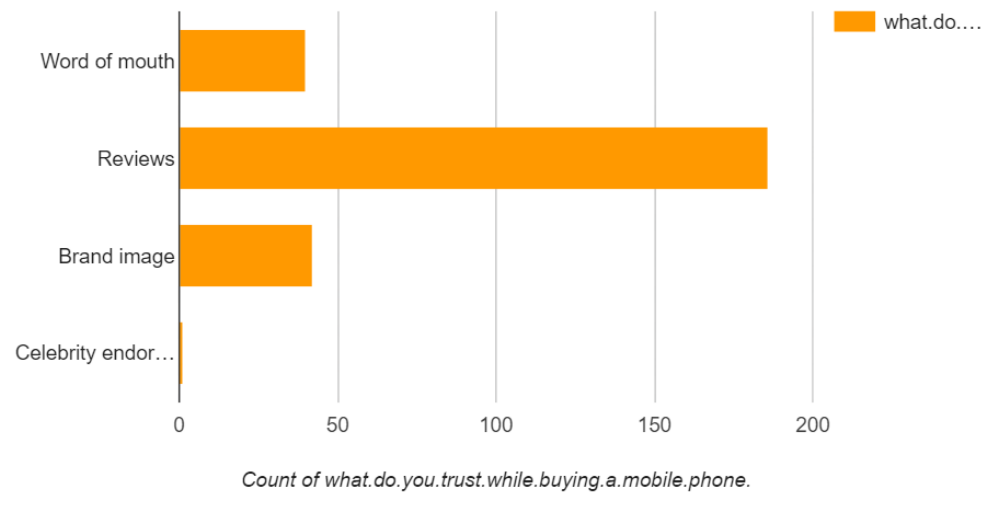
Data set:

An online survey has been conducted over 501 data samples of around age of 16-30 years from various Indian cities.

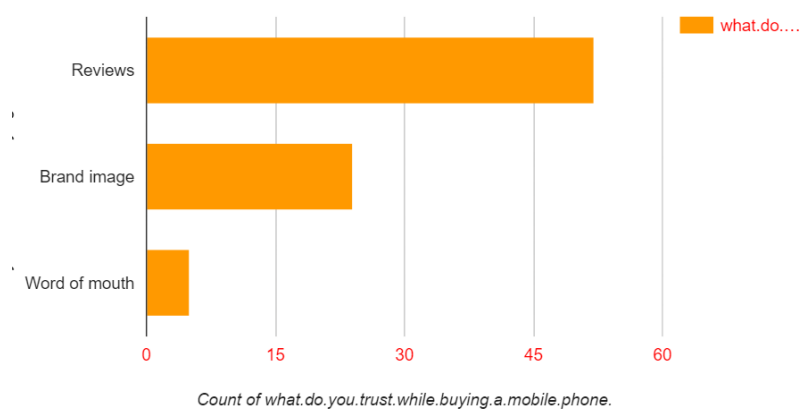
Observation:

The below pie charts are for the question –
“What would you trust while buying a mobile phone?”
When the data is concentrated over a fixed budget range

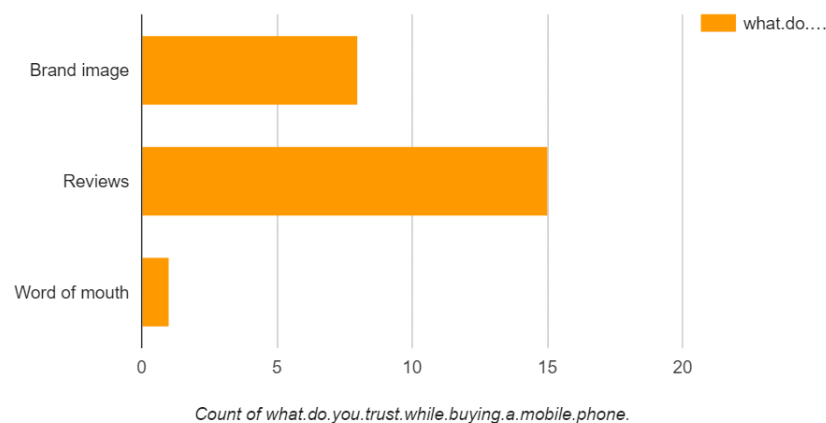
1>budget range – 10-18K INR



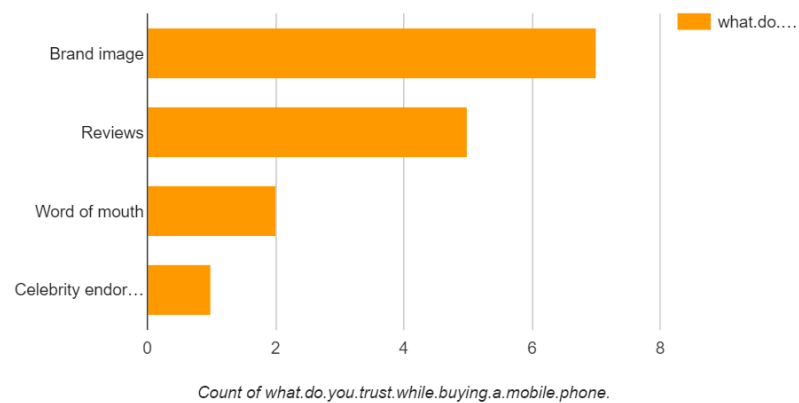
2>Budget range – 18-30K INR



3> budget range- 30-50K INR



4> Budget range- >50K INR



The observations are clear depiction of the trend of increasing ratio of from Reviews → brand image as the budget range increases from 10-18k → >50k.

Conclusion:

The above observation leads to the conclusion proves our hypothesis 2:
Trust of consumers on brand image increase with budget range of the consumer

Research objective 3:

Abstract:

With the world becoming more technically knowledgeable, it is interesting to see what segment of the consumers actually look into the technicalities of a mobile. Does their education background influence the features the consumers look for...?

Hypothesis:

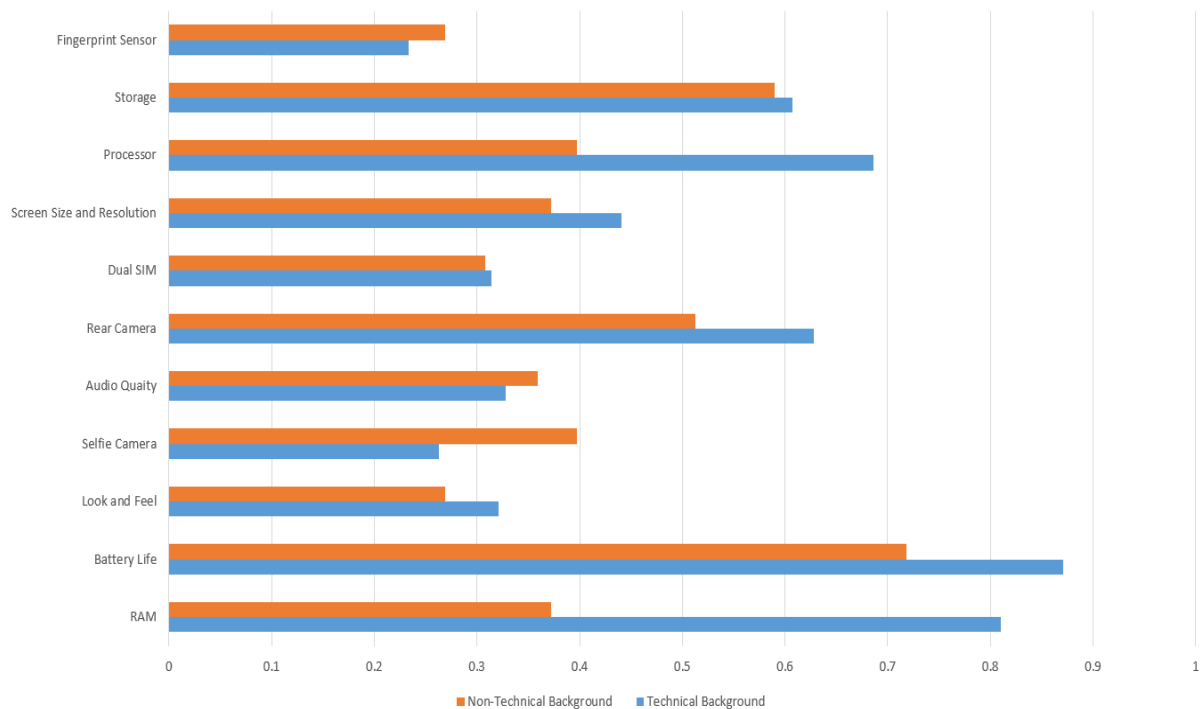
Consumers with Technical educational background are more likely to be inclined towards Technical features (RAM, Processor).

Data Set:

An online survey has been conducted over 501 data samples of around age of 16-30 years from various Indian cities.

Observation:

The below graph shows the trends of the importance of features to contrasting consumer segments-



As we can clearly observe the trends clearly show that the technical background results in more emphasis on features like RAM, Processor.

Conclusion:

From the above observation we can conclude that significant technical backgrounds are more likely to be inclined towards technical features of Smartphone.

Research objective 4:

Abstract:

With advent of Selfie camera, the whole style of photography has been modified. Indian society it is stereotyped that girls gives more significance to Selfie camera compared to boys while purchasing mobile phone.

Hypothesis:

Female customers give more emphasis to Selfie camera among other features compared to boys.

Data set:

An online survey has been conducted over 501 data samples of around age of 16-30 years from various Indian cities.

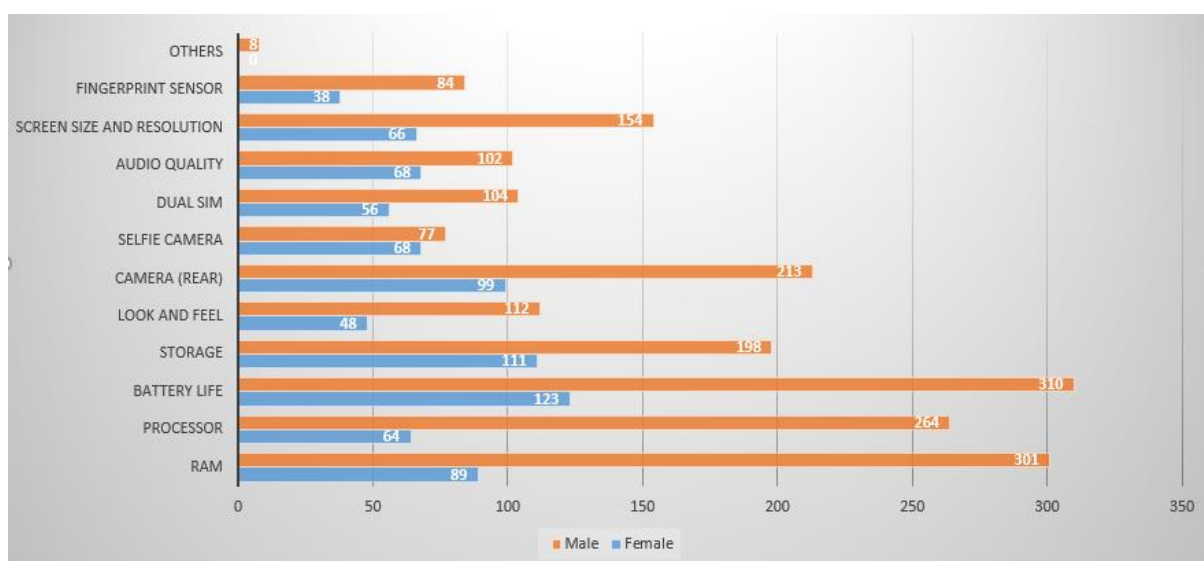
Observation:

“Top 5 features of a mobile phone you consider”

A set of option were given in random order and the following is the frequency of the selections were plotted as pie charts for:

Female (total number) -146

Male (total number) -355



Number of people who opted the option of Selfie camera as top 5 features among

Female – 68

Male – 77

Ratio of opting Selfie feature to total number for:

Female – $(68/146) \times 100\% = 40.6\%$

Male – $(77/355) \times 100\% = 21.6\%$

Comparing the two percentages it can be seen that Female's ratio is almost twice that of males.

Conclusion:

This proves our hypothesis that girls lay more emphasis on Selfie camera than male counterparts.

Drawing parallels between field interviews and online survey

Online survey-

An online survey was conducted with a sample set of 501 out of which 45 consumers preferred to purchase mobiles at local outlets.

Field Interviews-

Our team conducted field interviews of consumers outside mobile retail outlets in Guwahati city, a total of 35 interviews were taken, of which 13 were consumers and the rest were the retail sales executives. (The recordings are submitted along with the report in the CD, Drive link- http://bit.do/consumer_behaviour).

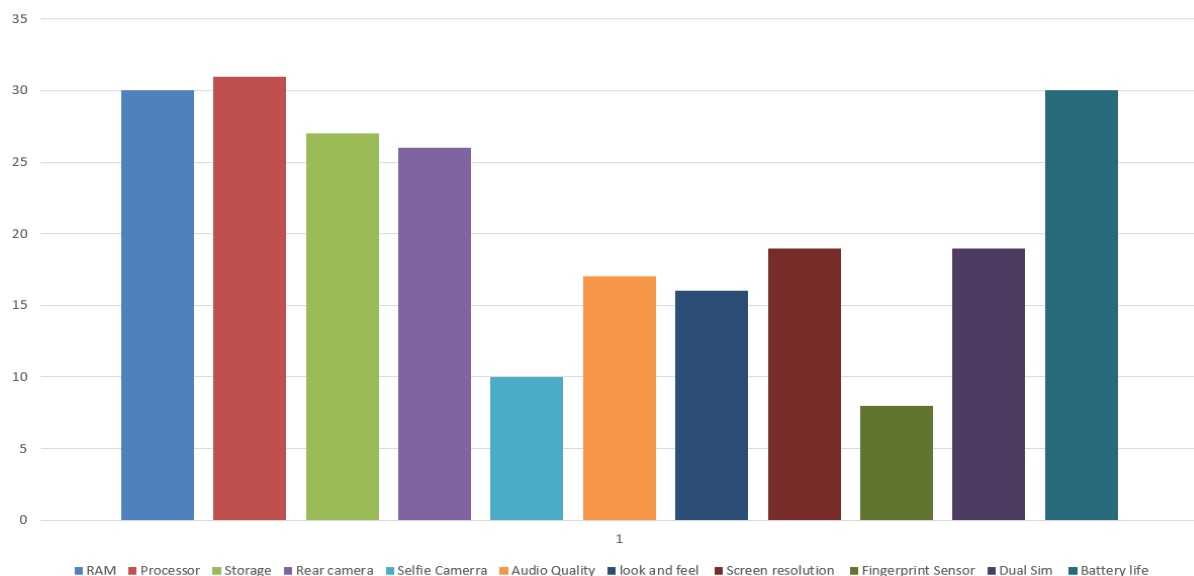
Parallels-

From the interviews we noted that the important features that consumers consider while buying are

1. RAM
2. Battery life
3. Internal storage
4. Processor
5. Camera

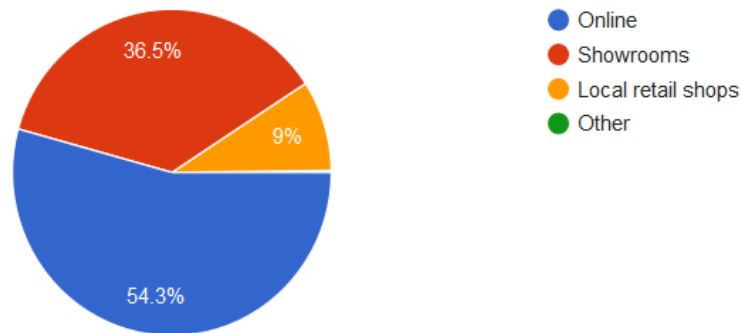
We also found the similar results in the online survey when the data set is restricted to local retail stores.

Also we found that the preference of the consumers was similar.



Online Vs Offline shopping:

Preferred mode of buying a PHONE (501 responses)



The above pie chart depicts the proportion of consumers preferred mode of buying mobile phone

Online – 54.3%

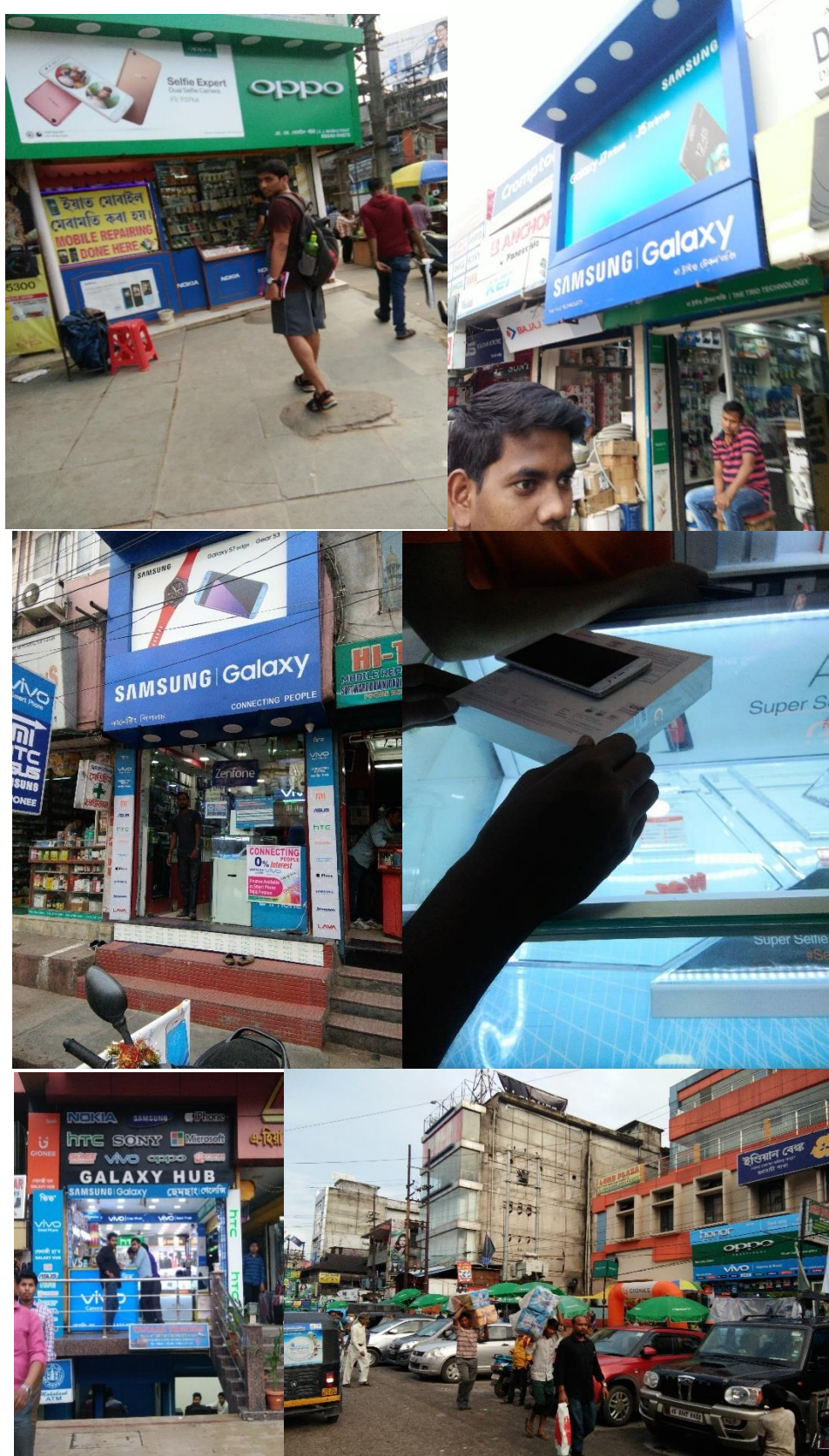
Offline -46.7%

This shows online and offline purchases are comparable.

From the interviews and online survey data we can reason why offline is still preferred comparable to online in the internet era

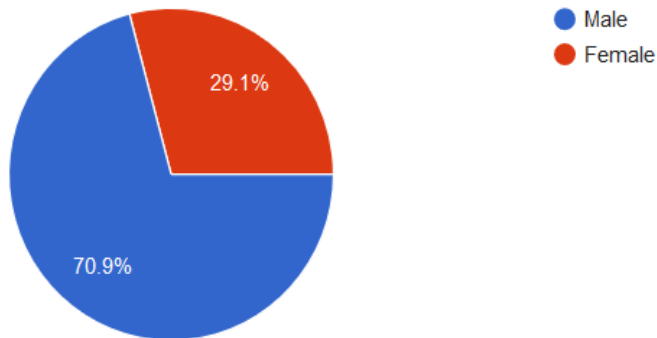
1. “Trust “- has been one main reason that offline is still preferred. If any previous bad experience of the customer with online shopping makes people trust offline over online
2. “live display”- There is no live display of the mobile phones
3. “time dimension”- delivery time associated with the product when booked online is one serious backdrop of online

Trips to the city (Guwahati) – Interviews



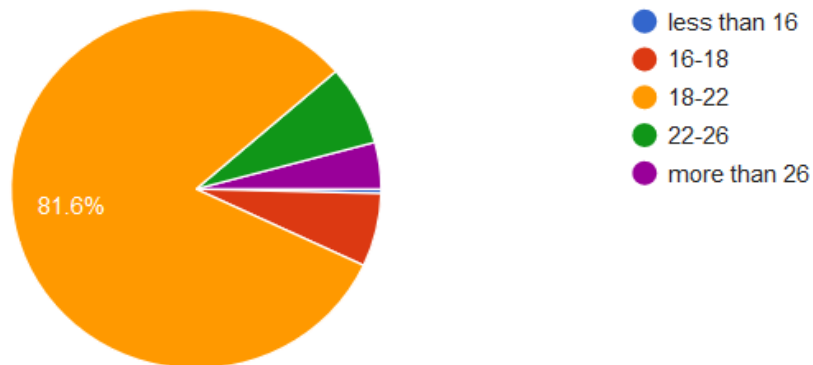
Overall Data Summary of Online Survey

Gender (501 responses)



A total of 501 people responded out of which 355 (70.9%) were male and 146 (29.1%) were female.

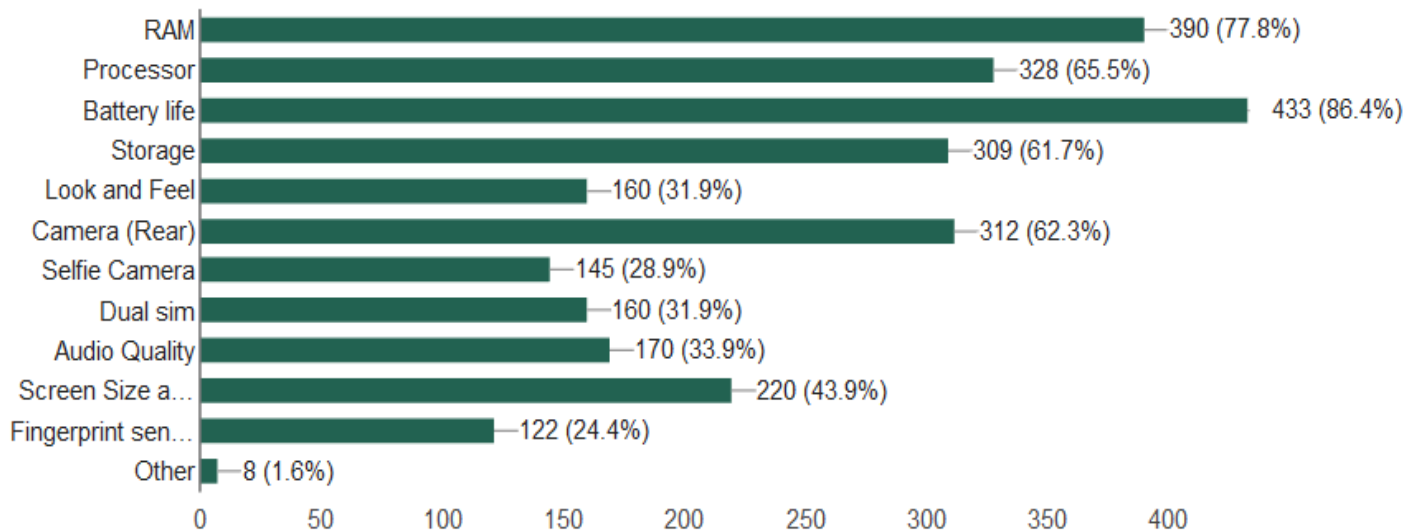
Age group (501 responses)



Age demographics are as follows –

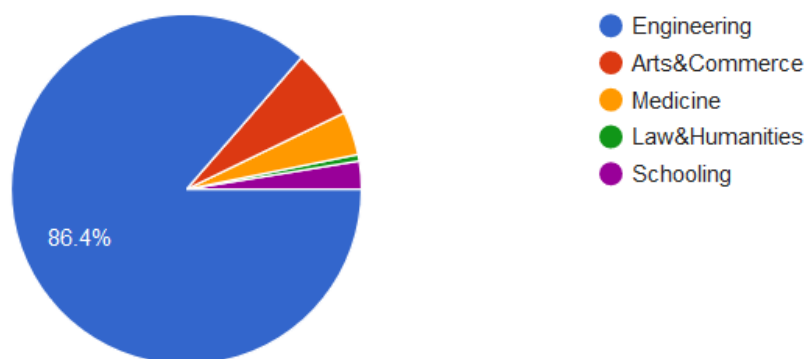
- Less than 16 years - 2 (0.4%)
- 16-18 years - 33 (6.6%)
- 18-22 years - 409 (81.6%)
- 22-26 years - 36 (7.2%)
- More than 26 years - 21 (4.2%)

Top 5 features of a mobile phone (501 responses)



The above bar graph shows the most desirable features that a consumer wants in a mobile phone as we can see most of them opted for battery life followed by RAM, Processor, Rear Camera and Look and feel.

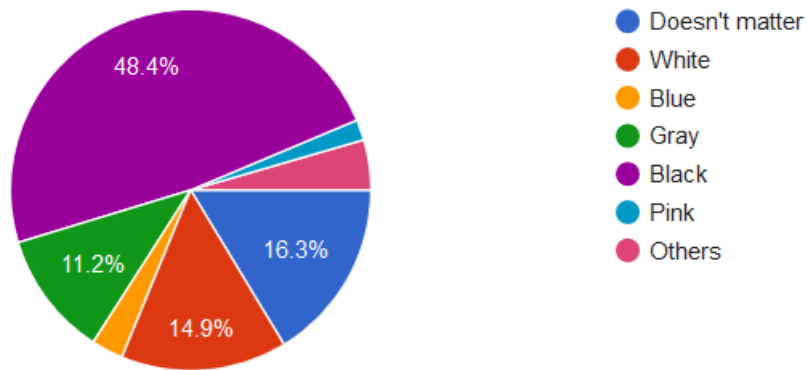
Educational Background (501 responses)



Most of the responses have come from engineering students, the demographics are as follows-

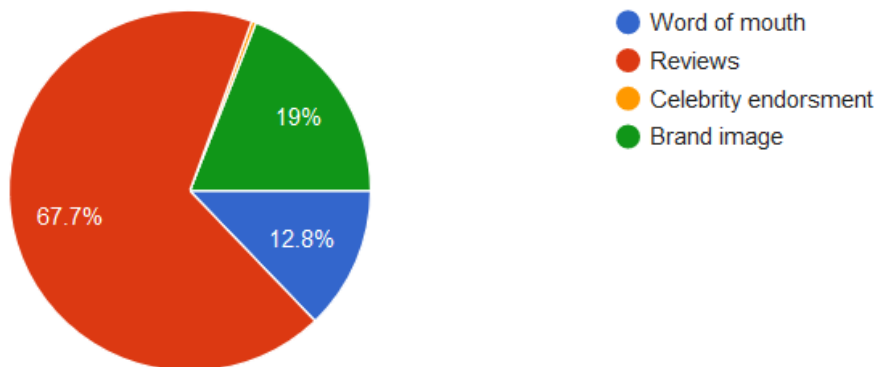
Engineering	-433(86.4%)	Law & Humanities	-3(0.6%)
Arts and commerce	-32 (6.4%)	Schooling	-13(2.6%)
Medicine	- 20 (4%)		

Preferred mobile colour (490 responses)



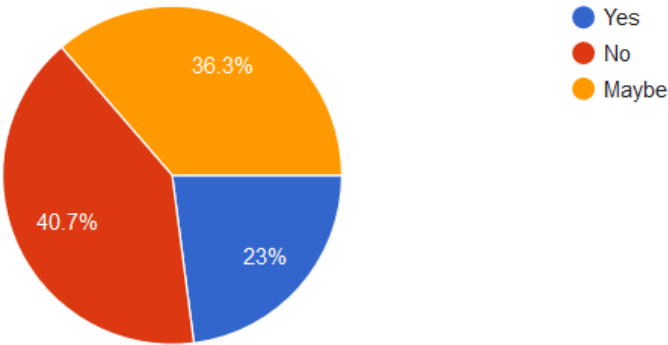
The above bar graph shows that most of the people prefer black colour (48.4%), followed by other colours like pink, white and grey.

what do you trust while buying a mobile phone? (499 responses)



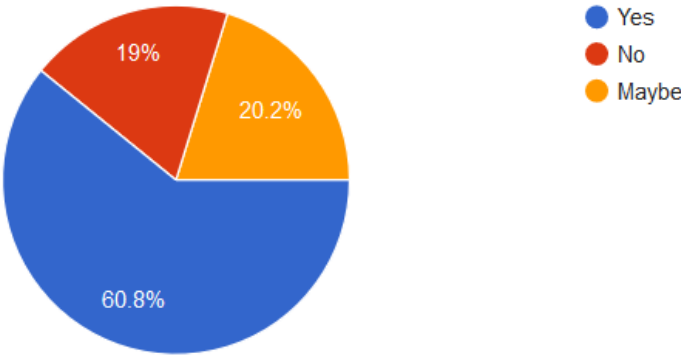
Most of the people buy mobile phones based on reviews rather than mobile phone's brand image and word of mouth. Celebrity Endorsement is the least trusted while buying a mobile phone.

Do you prefer to stick to your brand ? (501 responses)



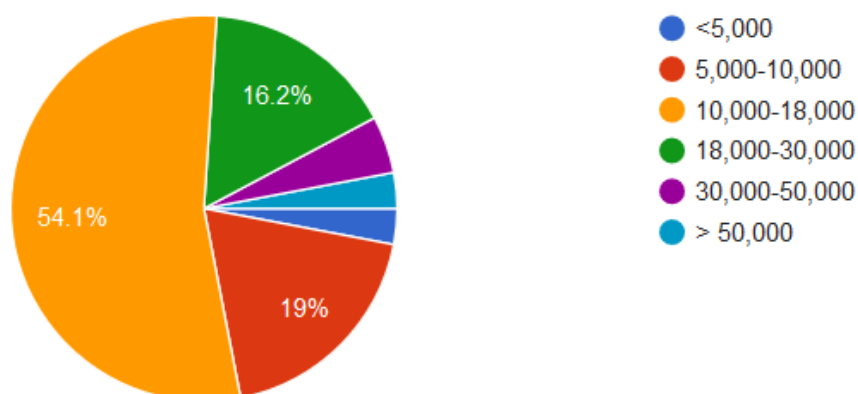
As can be seen from the above graph most of the people do not prefer to stick to their mobile brand and want to change the brand of their mobile.

Would you recommend your mobile to others? (500 responses)



The above graph clearly shows most of the people recommend their mobile to others.

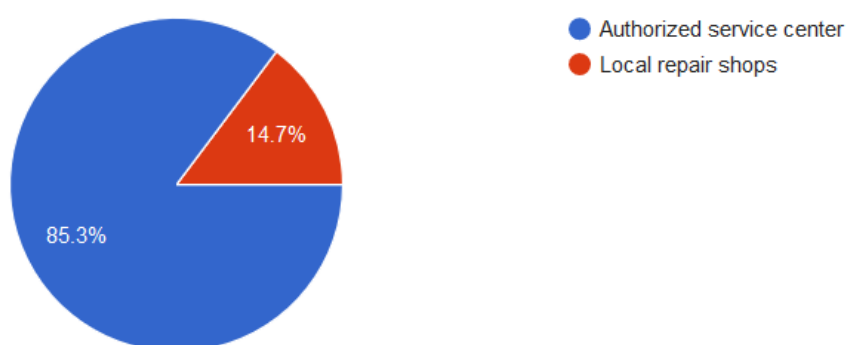
Price range(Mobile phone) (501 responses)



Most of the people buy mobile phones in the range of 10,000-18,000. The demographics are as follows-

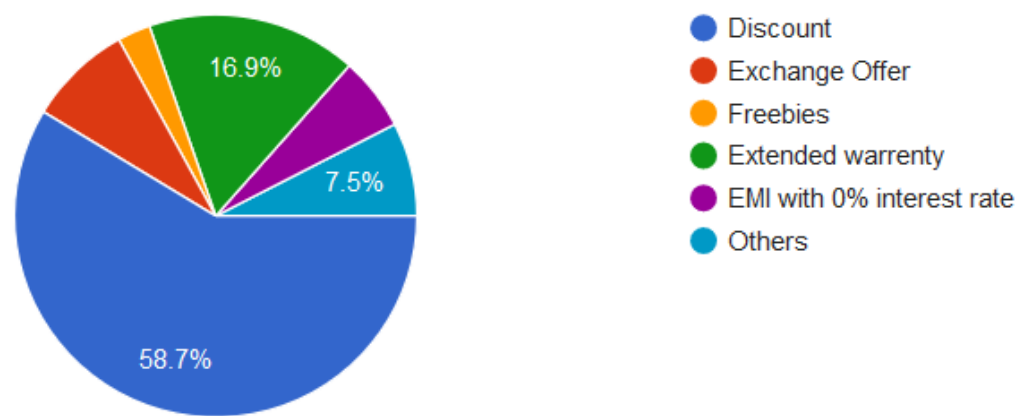
- 5,000-10,000 - 95(19%)
- 10,000-18,000 - 271(54.1%)
- 18,000-30,000 - 81(16.2%)
- 30,000-50,000 - 24(4.8%)
- >50,000 - 15(3%)

Where do you repair your mobile ? (496 responses)



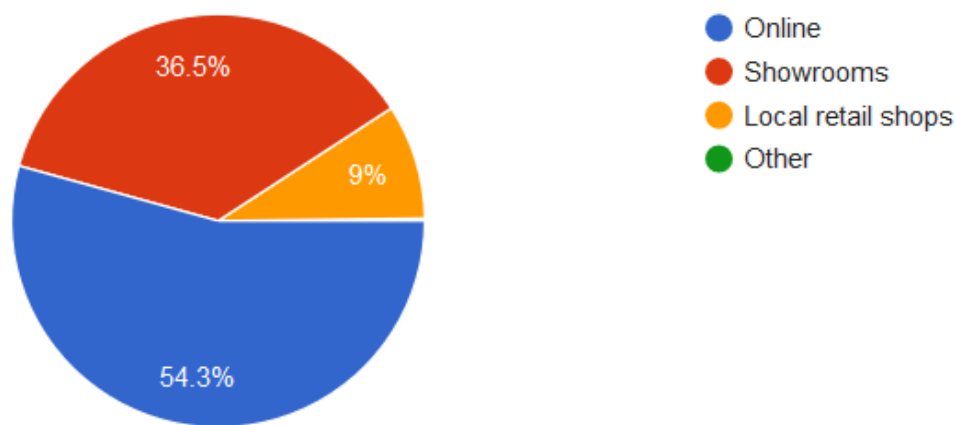
As seen from the bar graph most of the people prefer to repair their mobile in authorized service centre.

Offer preferred while buying mobile phone? (491 responses)



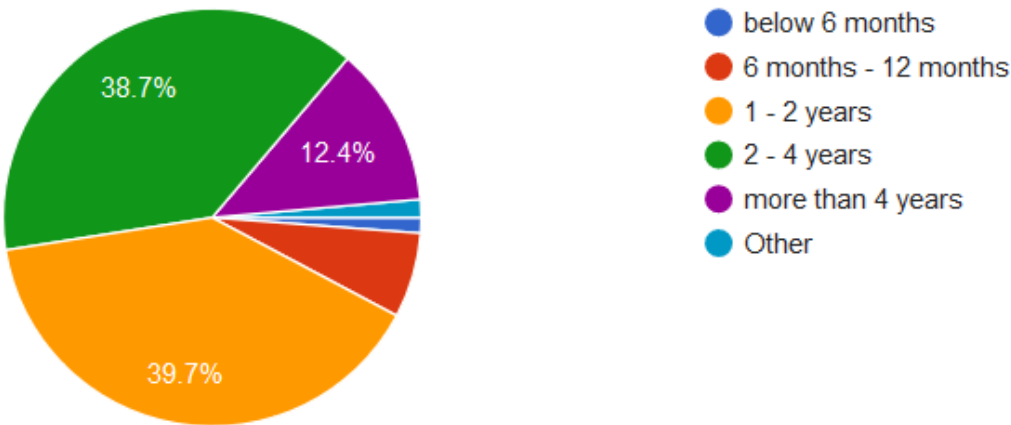
Most of the consumers prefer discount while buying a mobile, extended warranty is also preferred by many consumers.

Preferred mode of buying a PHONE (501 responses)



The demographics of the mode of purchase is mostly inclined towards online, as the trends in the present day scenario suggest.

How often do you change your mobile phone (501 responses)



Most of the people change their phones in 1-2 years or 2-4 years.

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“The Impact of Brand Image on Consumer Bheviour: A Literature Review” Open Journal of Business and Management, 2015, 3, 58-62 Published Online January 2015 in SciRes.

<http://www.scirp.org/journal/ojbm>, <http://dx.doi.org/10.4236/ojbm.2015.31006> .

“Women significantly more likely to take selfies than men” The Telegraph article dated

16 April 2017. Link : <http://www.telegraph.co.uk/technology/news/10788116/Women-significantly-more-likely-to-take-selfies-than-men.html>

“Comparative study of online and offline shopping: A case study of Rourkela in Orissa :” . link : [http://ethesis.nitrkl.ac.in/6738/1/Comparative Gupta 2015.pdf](http://ethesis.nitrkl.ac.in/6738/1/Comparative_Gupta_2015.pdf)

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