RESEARCH REPORT

CONSUMER BEHAVIOUR TOWARDS PURCHASE OF SMART PHONES

Pranavi Shekhar

EXECUTIVE SUMMARY

- The research findings suggest that the **most frequently used** applications are for communication – messaging, emails and calling – followed by gathering information and social media

- The **most important** hardware specifications were camera, battery life, durability and cross device synchronization

- Price and word of mouth – expert and buyer reviews, friends and colleagues – **notably influence** purchase decisions

- An easy to use operating system is of key significance

BACKGROUND

- The market research conducted for XXYYZZ Corp. was aimed at understanding customer preferences regarding smart phone usage and the applications most important to them

- The study was imperative in gaining insights about the features and specifications most important to a smart phone user. Features tested for include camera, OS, durability and design

- The objective was also to understand the factors that significantly influenced purchase decisions of customers such as price, reviews, brand and so on.

METHODOLOGY

- The research conducted involved qualitative and quantitative methods.

- A focus group study was conducted on May 16, 2017 at the International Center on the UC Davis campus in Davis, California for 1 hr. and 30 minutes.

- All participants were between 18-25 years of age and possessed expensive phones. This was the qualitative part of the research

- An online survey was conducted as part of the quantitative research. The survey had 23 questions and nearly 600 responses were recorded.
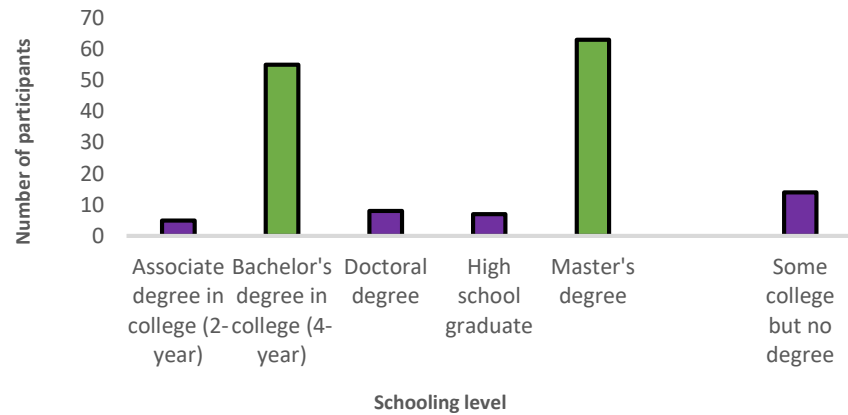
RESULTS AND ANALYSIS

- Survey results were encoded and analysed using Excel

- Quantitative analysis - central tendencies, dispersion, association testing using chi square test and causal analysis via regression

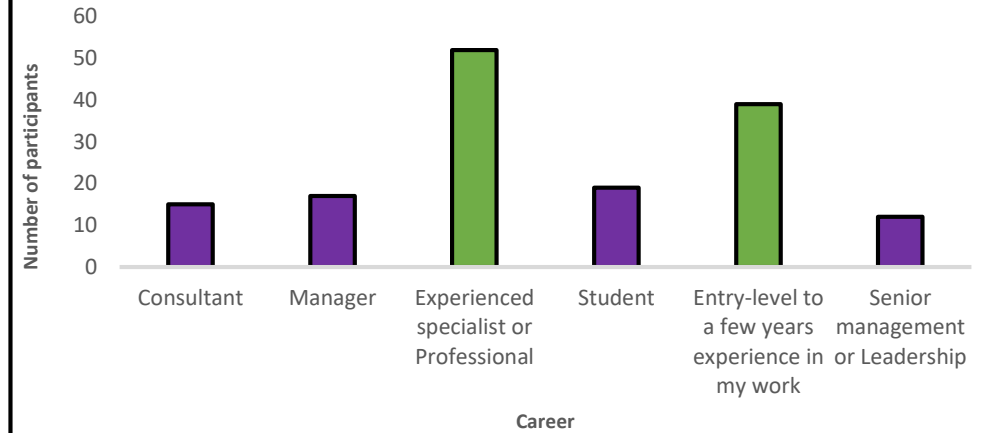- The customer demographic identified (data shown in next slide) :

  - **Majority of participants between 25-44 years of age**
  - **Minimum of a bachelor's degree with many having a master's**
  - **Working professionals**
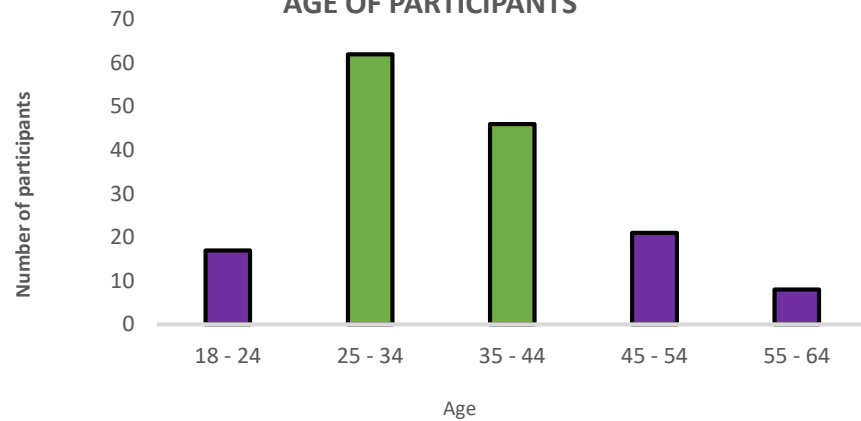 - **Equal number of Android and iPhone users**

Customer demographic

HIGHEST LEVEL OF SCHOOLING IN PARTICIPANTS

Number of participants (y-axis): 0, 10, 20, 30, 40, 50, 60, 70

Schooling level (x-axis): Associate degree in college (2-year), Bachelor's degree in college (4-year), Doctoral degree, High school graduate, Master's degree, Some college but no degree

CAREER OF PARTICIPANTS

Number of participants (y-axis): 0, 10, 20, 30, 40, 50, 60

Career (x-axis): Consultant, Manager, Experienced specialist or Professional, Student, Entry-level to a few years experience in my work, Senior management or Leadership

AGE OF PARTICIPANTS

Number of participants (y-axis): 0, 10, 20, 30, 40, 50, 60, 70

Age (x-axis): 18 - 24, 25 - 34, 35 - 44, 45 - 54, 55 - 64

PARTICIPANT PHONES SURVEYED

1%
48%
51%

- Android
- iOS (Apple)
- Windows
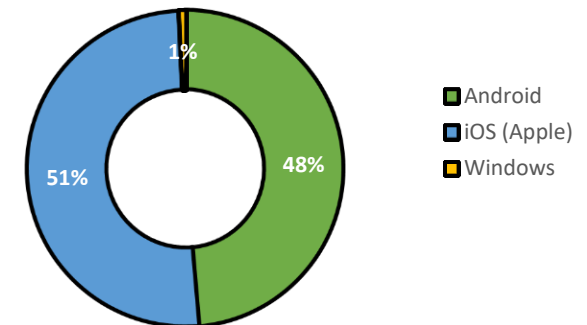
KEY FINDINGS AND RECOMMENDATIONS

1. Provide a straightforward and convenient operating system

**ATTRIBUTES CONSIDERED WHILE PURCHASING A PHONE**
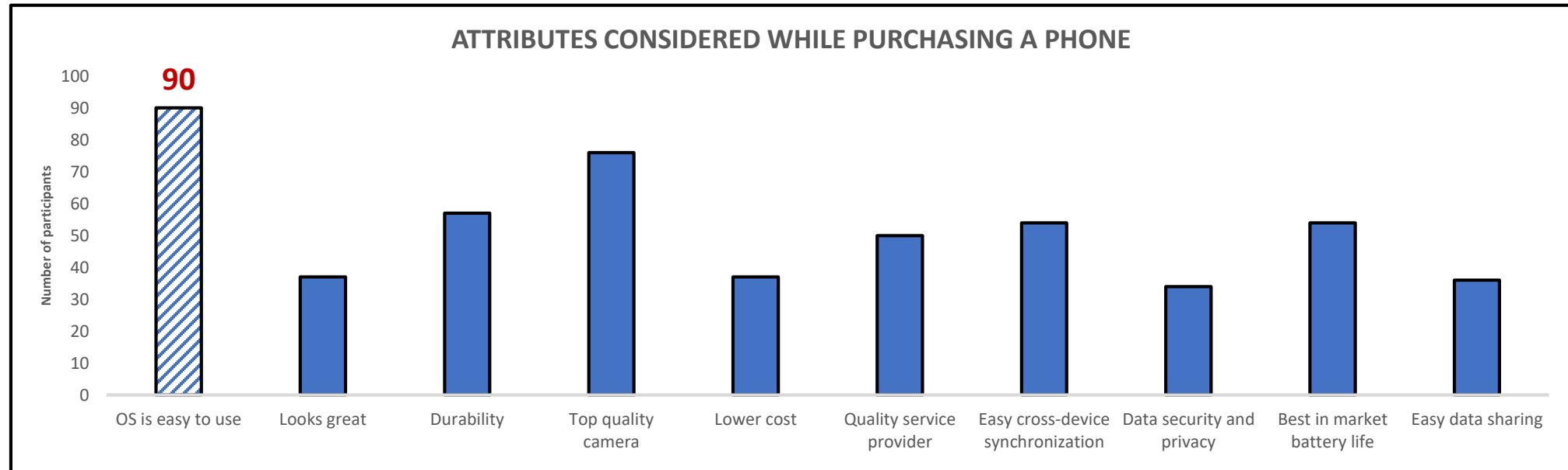
- User friendly, **easy to use** and easily navigable **OS** – most important pre purchase preference

- Focus - uncluttered and bloatware free OS with high customizability

2. Integrate a high quality camera

ATTRIBUTES CONSIDERED WHILE PURCHASING A PHONE

- Easy data sharing
- Best in market battery life
- Data security and privacy
- Easy cross-device synchronization
- Quality service provider
- Lower cost
- Top quality camera — **76**
- Durability
- Looks great
- OS is easy to use

No. of participants

AVERAGE RATINGS FOR SMART PHONE ACTIVITIES

Mean Rating

Phone/video calls, Texting, Email and Calendar, Gathering information, Social media use, Games, Taking pictures/videos (**3.65**), Navigation with GPS, Consuming media, Tracking health and fitness, Other apps
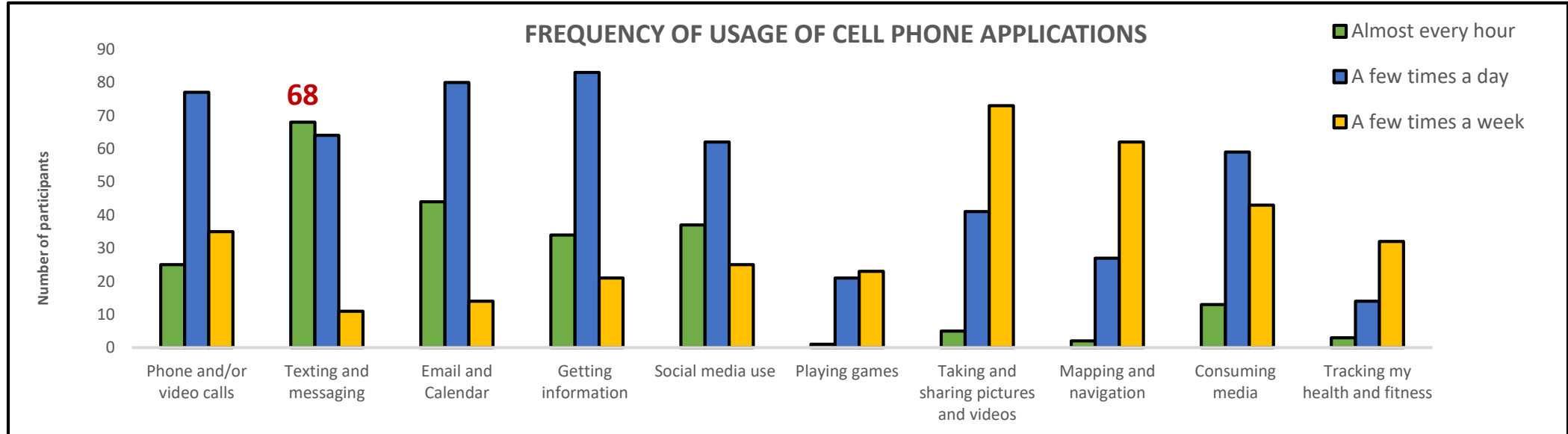
- Take **quality pictures** and videos from a hand held device – saves cost of specific camera equipment

- Significant in a social media driven context

3. Facilitate easy information flow

**AVERAGE RATINGS FOR SMART PHONE ACTIVITIES**
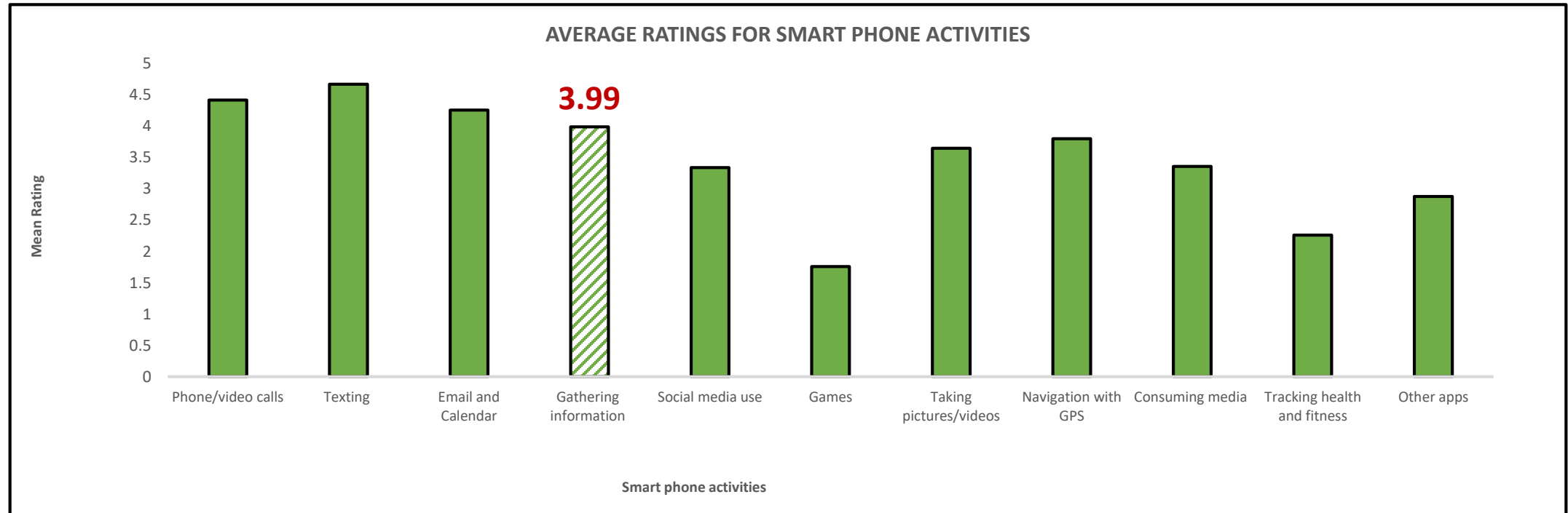
- Phones are **hand held information sources** – their most overlooked but essential purpose

- Make searching customized, efficient and fun

4. Develop easy, fast and user friendly texting applications

FREQUENCY OF USAGE OF CELL PHONE APPLICATIONS

Legend:
- Almost every hour (green)
- A few times a day (blue)
- A few times a week (yellow)

Y-axis: Number of participants (0–90)

X-axis categories: Phone and/or video calls, Texting and messaging, Email and Calendar, Getting information, Social media use, Playing games, Taking and sharing pictures and videos, Mapping and navigation, Consuming media, Tracking my health and fitness

(Value labeled "68" above the green bar for Texting and messaging)
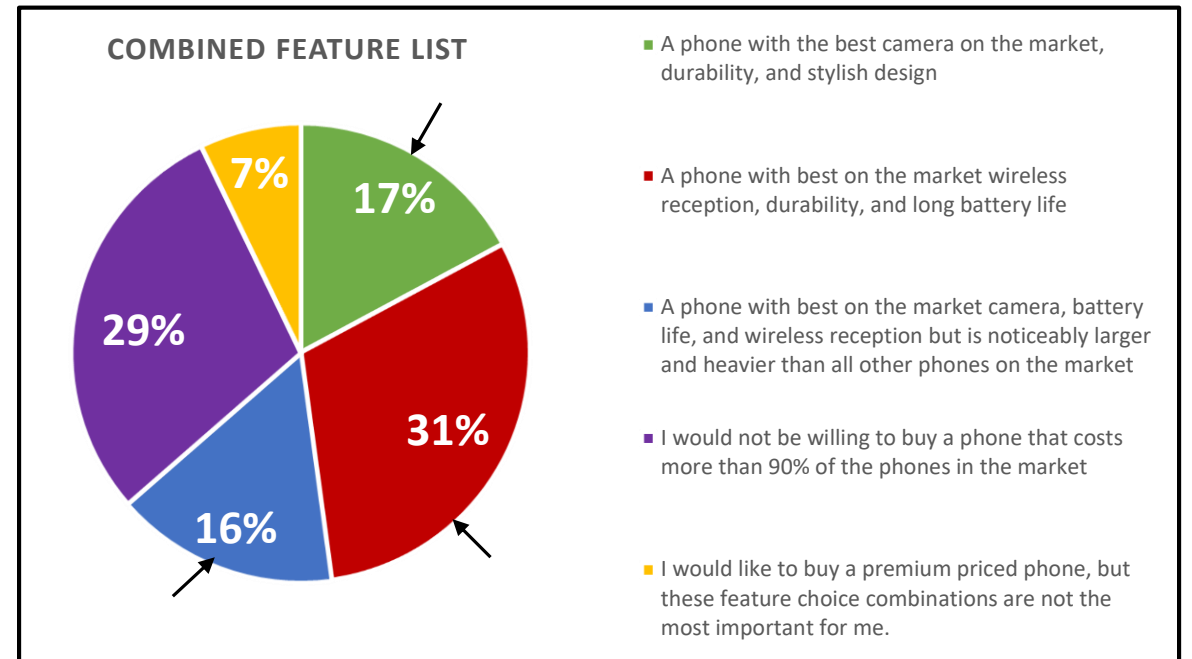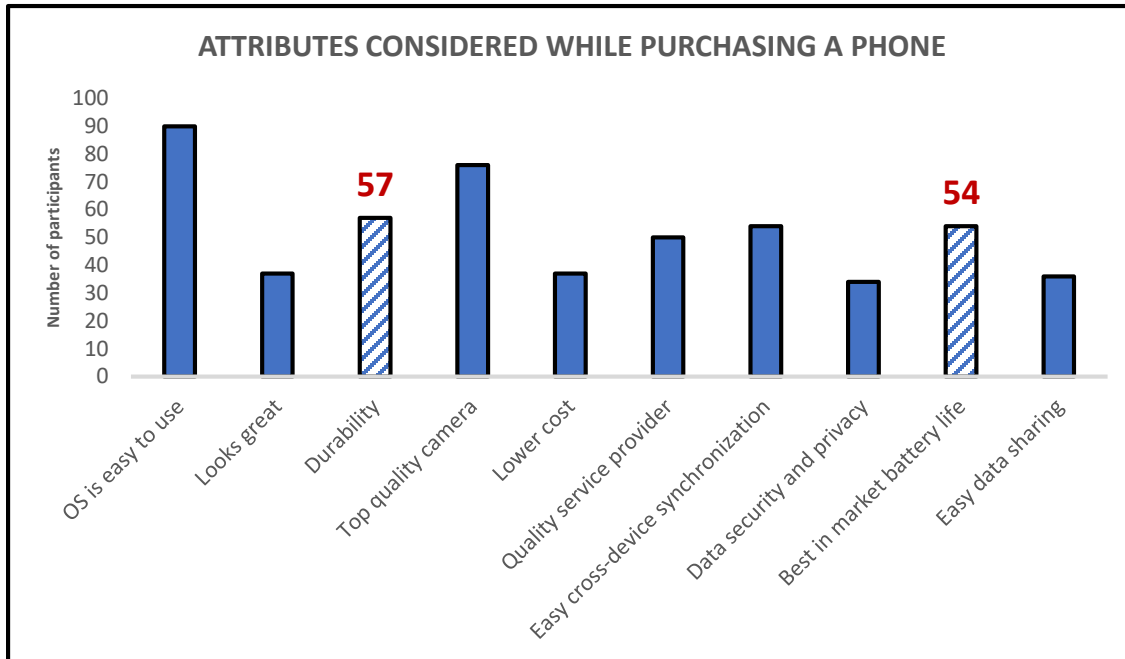
- Most **frequently** used application is **messaging** – almost every hour

- Provide innovative reply features – interact with and respond to messages without actually typing anything

5. **Integrate seamless cross device connectivity**

ATTRIBUTES CONSIDERED WHILE PURCHASING A PHONE
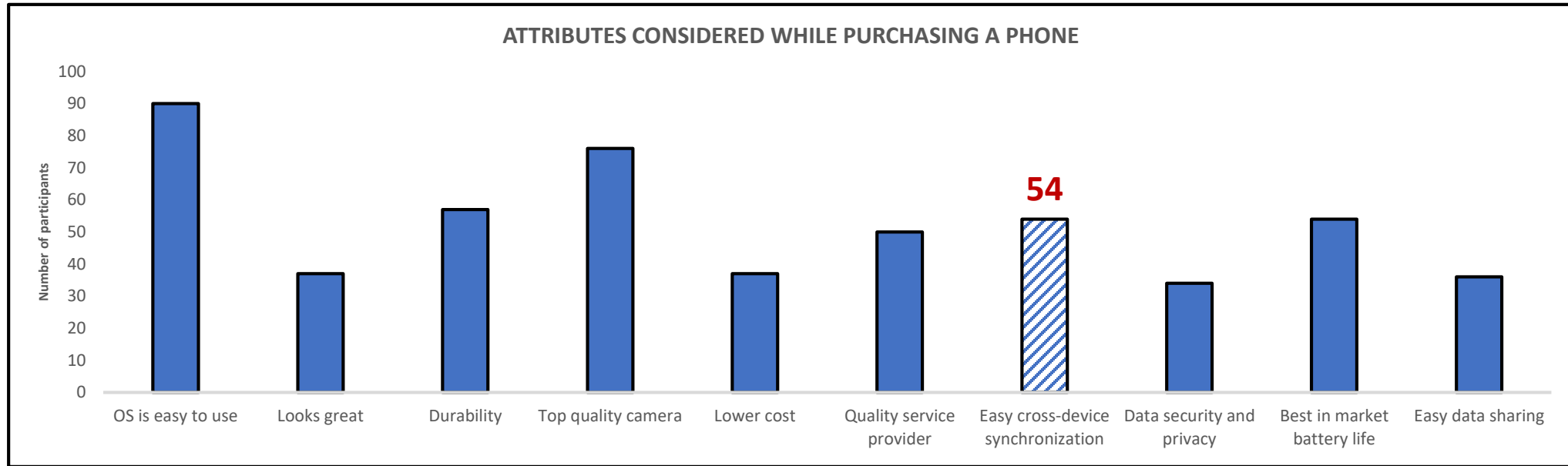
- Access all data across **different devices**

- Provide strong cloud sharing and support

6. Develop durable devices with enduring battery life

ATTRIBUTES CONSIDERED WHILE PURCHASING A PHONE

Bar chart — Number of participants by attribute:
- OS is easy to use: 90
- Looks great: 37
- Durability: **57**
- Top quality camera: 76
- Lower cost: 37
- Quality service provider: 50
- Easy cross-device synchronization: 54
- Data security and privacy: 34
- Best in market battery life: **54**
- Easy data sharing: 36

COMBINED FEATURE LIST

Pie chart:
- 17% — A phone with the best camera on the market, durability, and stylish design
- 31% — A phone with best on the market wireless reception, durability, and long battery life
- 16% — A phone with best on the market camera, battery life, and wireless reception but is noticeably larger and heavier than all other phones on the market
- 29% — I would not be willing to buy a phone that costs more than 90% of the phones in the market
- 7% — I would like to buy a premium priced phone, but these feature choice combinations are not the most important for me.

- Phones that resist damage, last long and have **robust** underlying software

- **Good battery life** can significantly impact usage – must be seriously considered

7. Prices matter and so do reviews

INFLUENCE OF DIFFERENT FACTORS ON CHOOSING A PHONE
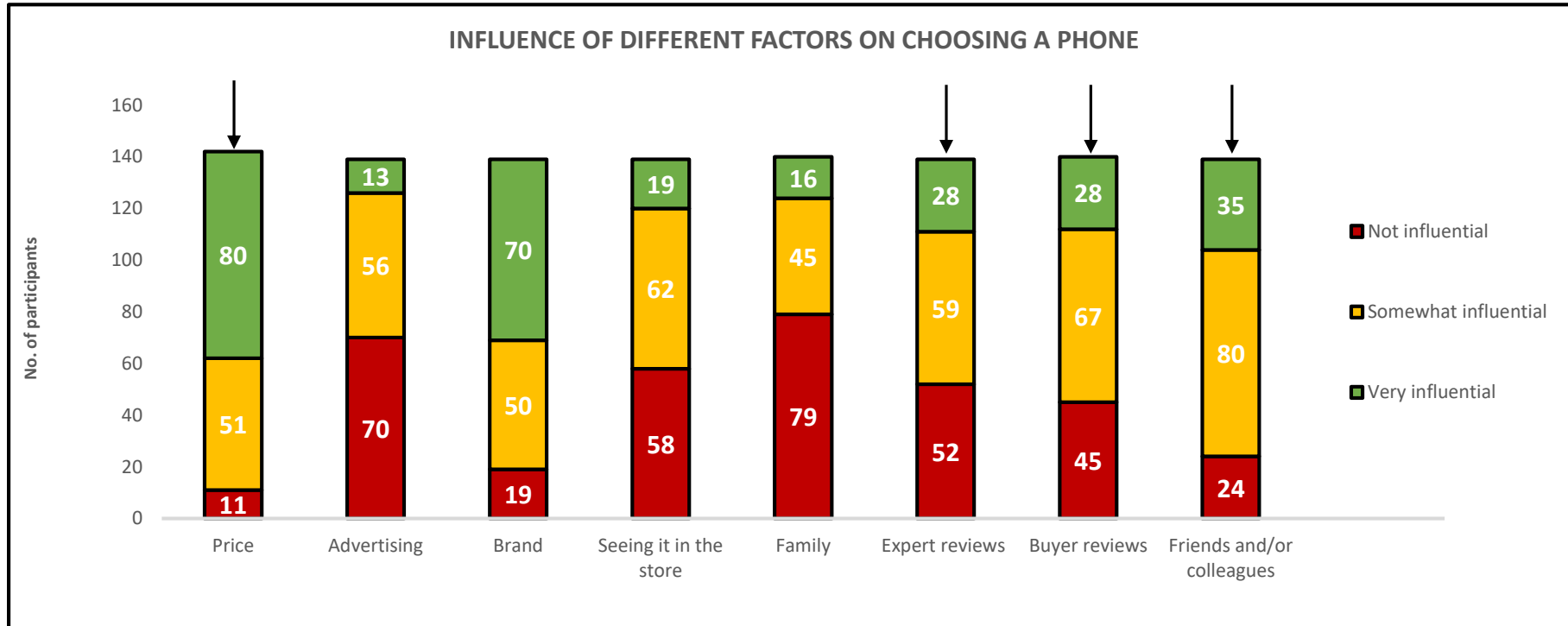
- Reviews of fellow buyers and friends impacts purchase decisions

- Negative **word of mouth** can have disastrous consequences

APPENDIX

- The reports for the focus group study and the online survey are attached below. They go into detail regarding the findings specified in the Recommendations section

  Focus group Report

  Quantitative Analysis Report

- A pdf link to the presentation with the **speaker notes** added :

  Report with speaker notes