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# An Examination of Factors Affecting Consumer's Buying Behaviour with Special Reference to Mobile Phones

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## Introduction

Early cell phones were just for talking. Gradually, features like voicemail were added, but the main purpose was talk. Eventually, cell phone manufacturers began to realize that they could integrate other technologies into their phone and expand its features. The earliest smart phones let users access email, and use the phone as a fax machine, pager, and address book.

In recent years, the purpose of the cell phone has shifted from a verbal communication tool to a multimedia tool, often adopting the name "mobile device" rather than being called a phone at all. We now use our cell phones more for surfing the web, checking email, snapping photos, and updating our social media status than actually placing calls.

"Rapidly expanding software titles, better screen resolution, and constantly improved interface make cell phones easier to navigate, and more fun to use. Add to that an expanding capacity that can hold as much memory as a computer would just a few years ago, and you can see why it's an exploding market," Grullon says.

The cell phones of today are also replacing our other gadgets, such as cameras and video cameras. When cameras were first introduced on phones, the images were low quality and the feature was considered to just be an extra. "Now, we're seeing a very fast shift to where consumers don't even bother carrying their point-and-shoot cameras anymore, and just use their cell phones," says Jamie Lendino, a tech journalist and senior mobile analyst for PCMag.com. Modern day smart phones — the Apple iPhone in particular — changed everything that consumers expect from their phones. The app market has transformed the phone into a virtual toolbox with a solution for almost every need.

It's not just the technology of the cell phone that has changed over time, the physical design has also gone through a roller coaster of changes. Original car phones and bag phones were as large as modern day computers and just as heavy. "Like computers, the cell phone over time has become drastically smaller," Jones says. He recalls reviewing focus group results while working with Ericsson GE Mobile in the mid-90s. "Customer research showed that the phone was so small that the user interface was unacceptable. Though the phone may have functioned perfectly well, their opinion was partially driven by the perception that the phone was too small. Eventually, customers' perceptions shifted and they demanded a smaller, sleeker cell phone. Just in recent years, cell phone designs have actually started to become larger and simpler, making room for a larger screen and less buttons. Because phones have become mobile media devices, the most desirable aspect is a large, clear, high-definition screen for optimal web viewing. Even the keyboard is being taken away, replaced by a touch screen keyboard that only comes out when you need it. The most obvious example of this is the Apple iPhone and subsequent competitors like the Droid models.

## Objectives of the Study:

- The objective of the study is the process by which individuals search for select, purchase, use and dispose of goods and services, in satisfaction of their need and wants. The main aim of customer buying behavior is to meet and satisfy the need and the wants of the target customers.

- The main aim and use of studying customer buying behavior for value+store is to increase the sales and profit of the store, to satisfy the customers need and want and to maintain the goodwill of the store by satisfying the need and want of customers.
- The study gives a brief about the perception and buying behavior of customers towards various mobile brands, customer reference level associated with different mobile phones, major features which a customer look for in a mobile before making a purchase and factors that influence decision-making in purchasing a mobile phone.

## Review of Literature

The development of mobile phones and technologies has been an extended history of innovation and advancements cropped up due to dynamic changes in consumer needs and preferences. Among these developments, mobile phones devices have had one of the fastest household adoption rates of any technology in the world's modern history. Nowadays, mobile headsets have become an integral part of human daily life and personal communication across the globe. In currently highly competitive mobile phone market, manufacturers constantly fight to find additional competitive edge and differentiating elements to persuade consumers to select their brand instead of a competitor's. There are various studies conducted to identify factors that make companies better than their competitors in influencing the consumers purchase decision. Ethiopia is a developing country and has witnessed fast economic growth and developments in mobiles telecommunication penetration in recent years. Due to these reasons, there is a dynamic increase in the number of mobile phone device users. This attracted large number of international firms to enter into mobile industry and offer various brands of mobile phones. However, the choice of consumer is diverse due to various factors associated with consumer behavior. In this context, it is important to study the various factors which shape the consumers mind during the purchase of mobile phones devices. Based on previous research studies and literatures reviewed the following conceptual framework and research hypothesis word developed for this research project. Accordingly six independent variables (i.e. price, social factors, durability, brand name, product features and after sales services) thought to influence the dependent variables (i.e. decision to by) are identified.

Conceptual framework of the study:


## Research Methodology

The research design is descriptive type of study. Primary and secondary data is used in the study. It is original in nature in the shape of raw material. For the purpose of collection of primary data, a well-structured questionnaire was framed which was filled by the respondents. The questionnaire was

comprising of close ended as well as open ended questions. In close ended questions dichotomous, checklist questions, and multiple-choice questions are used. Sampling refers to selecting some of the elements which the researcher is targeting in his/her study. Since the study is restricted to rational consumers only the universe for the study consists of all the mobile phones owners. The selection of the respondents was done on the basis of convenience technique based on the non-probability method of sampling. Sample size is the size of sample drawn from the population which is the true representative of the research. The number of respondents included in the study was 25 for convenience in evaluating and analyzing the data and because of time constraint.

### Limitations of the study

Sincere efforts have been made to collect authentic and reliable information from responses from the respondents, however the report is subject to the following limitations:

- Some respondents were reluctant to give the information, so their responses may be biased.
- Time could be a major limitation it may have affected the inferences drawn in the study. Only 25 respondents have been selected due to time constraints.
- Sample may not be the true representative of the universe.
- Study was conducted from those who are in my contact, so the results of the study may not be applicable in other areas.

### Data Analysis and Interpretation

This chapter analyze the behavior and preference of the consumer for various brands of mobile handset based on various factors which influence their buying decision. This chapter therefore deals with the analysis and discussion of the project.

**Table 1: Showing number of respondents owing a mobile phone**

| Yes/No | No. of Respondents | % |
|---|---|---|
| Yes | 25 | 100 |
| No | 0 | 0 |
| Total | 50 | 100 |

**Table 2: Showing different brands of mobiles used by the respondents**

| Brands | No. of Respondents | % |
|---|---|---|
| Samsung | 6 | 26.9% |
| Apple | 4 | 15.4% |
| Xiaomi MI | 13 | 50% |
| OPPO | 1 | 3.80% |
| Others | 1 | 3.90% |

### Interpretation:

From the above table, we can conclude that out of 25 respondents 26.9% have Samsung, 15.4% have Apple, 50% have Xiaomi MI, 3.80% have OPPO. Apart from these brands 3.90% of respondents have other brands like One Plus, Realme, Asus, etc. It's evident from the tables that Xiaomi MI is the most preferred brand of the customers

**Table 3: Showing how long respondents using mobile phones**

| Time Duration | No. of Responses | % |
|---|---|---|
| Less than 2 years | 16 | 65.2% |
| 2 to 4 years | 8 | 30.8% |
| 4 to 6 years | 1 | 3.1% |
| 6 years and above | - | Nil |

**Interpretation:**

From the above table, we can conclude that out of 25 respondents 65.2% using Xiaomi MI less than 2 years, 30.8% using Samsung from 2 to 4 years, 3.1% using Apple from 4 to 6 years and no one using any mobile from 6 years and above.

**Table 4: Showing what amount the respondents are willing to spent**

| Amount | No. of Respondents | % |
|---|---|---|
| Less than 20000 | 10 | 40% |
| 20000 to 30000 | 10 | 40% |
| 30000 to 40000 | 4 | 12% |
| 40000 and above | 1 | 8% |

**Interpretation:**

From the above table, out of 25 respondents 40% willing to spent Rs. 20000 to Rs. 30000, 12% willing to spent Rs. 30000 to Rs. 40000 and 8% willing to spent Rs. 40000 and above.

**Table 5: Showing from the respondents often see the mobile advertisement**

| Advertisements | No. of Respondents | % |
|---|---|---|
| Television | 8 | 30.8% |
| Newspaper | 0 | Nil |
| Magazine | 2 | 7.7% |
| Internet | 14 | 57.7% |
| Other | 1 | 3.8% |

**Interpretation:**

From the above table, out of 25 respondents often see the mobile advertisement 30.8% through television, no one see through newspaper, 7.7% through magazine, 57.7% through internet and 3.8% through other sources.

**Table 6: Showing the basis of respondents to choose a particular mobile**

| Basis to choose mobile | No. of Respondents | % |
|---|---|---|
| On the basis of price | 5 | 23.1% |
| Camera quality | 4 | 15.4% |
| Battery life | 2 | 7.7% |
| Processor | 10 | 38.5% |
| Recommended by friends | 4 | 15.4% |

**Interpretation:**

From the above table, out of 25 respondents 23.1% choose mobile on the basis of price, 15.4% choose mobile on the basis of camera quality. 7.7% choose on the basis of battery life, 38.5% choose on the basis of processor and 15.4% choose mobile which are recommended by friends.

**Table 7: Showing respondents to choose mobile on the basis of its features**

| Basis Options | No. of Respondents | % |
|---|---|---|
| Yes | 25 | 100% |
| No | 0 | Nil |
| Sometimes | 0 | Nil |

**Interpretation:**

From the above table, out of 25 respondents 100% chooses "Yes" option which means they choose mobile according to the features and there is no any responses to the other options.

**Table 8: Showing the respondents choose mobiles as a factor of durability**

| Basis Options | No. of respondents | % |
|---|---|---|
| Yes | 23 | 92.3% |
| No | 2 | 7.7% |
| May be | 0 | Nil |

**Interpretation:**

From the above table, out of 25 respondents 92.3% chooses option "Yes" which means they choose mobile as durability factor, 7.7% responses on the option "No" which means they do not choose mobile as a durability factor and there is no response on the option "May be".

**Table 9: Showing the respondents who choose influence most in the purchase decision**

| Influencing decision | No. of Respondents | % |
|---|---|---|
| Friends | 9 | 38.5% |
| Family | 5 | 19.2% |
| Pear group | 6 | 23.1% |
| Other | 5 | 19.2% |

**Interpretation:**

From the above table, out of 25 respondents 38.5% takes mobile decision from their friends, 19.2% from family, 23.1% from pear group and 19.2% from other.

**Table 10: Showing the respondents basic need for using mobile phone**

| Basic Needs | No. of Respondents | % |
|---|---|---|
| For calling | 16 | 64.4% |
| Listening music | 3 | 11.5% |
| Gaming | 3 | 11.5% |
| Status symbol | 3 | 11.5% |

**Interpretation:**

From the above table, out of 25 respondents 64.4% uses mobile phones "for calling", 11.5% uses mobile phones for "listening music", 11.5% uses mobile phone for "gaming" and 11.5% uses mobile phones for "status symbol".

**Table 11: Showing which advertisement of mobile phone impresses the respondents**

| Advertisement | No. of Respondents | % |
|---|---|---|
| Slogan and Music | 7 | 26.9% |
| Picture and Colour | 9 | 38.5% |
| Story | 4 | 15.4% |
| Spokes | 5 | 19.2% |

**Interpretation:**

From the above table, out of 25 respondents 26.9% mobile phones impresses by "slogan and music", 38.5% impresses by "picture and colour", 15.4% impresses by "story", 19.2% impresses by "spokes".

**Table 12: Showing the respondents liking the T.V. advertisements of mobile phones**

| T.V Advertisements | No. of respondents | % |
|---|---|---|
| Samsung | 4 | 15.4% |
| Apple | 19 | 76.9% |
| Xiaomi MI | 1 | 3.4% |
| OPPO | 1 | 3.3% |
| Other | 0 | Nil |

**Interpretation:**

From the above table, out of 25 respondents 15.4% likes the advertisements of "Samsung", 76.9% likes the advertisements of "Apple", 3.4% likes the "Xiaomi MI" and 3.3% likes the advertisements of "OPPO" and there is no response on the "other" option.

**Table 13: Showing according to the respondents which mobile brand provides them best After Sale Service**

| T.V Advertisements | No. of respondents | % |
|---|---|---|
| Samsung | 10 | 38.5% |
| Apple | 11 | 43.3% |
| Xiaomi MI | 3 | 15.4% |
| OPPO | 1 | 2.8% |
| Other | 0 | Nil |

**Interpretation:**

From the above table, out of 25 respondents 38.5% chooses "Samsung" for best After Sale Services, 43.3% chooses the option "Apple", 15.4% chooses the option "Xiaomi MI" and 2.8% chooses the option "OPPO" for best After Sale Services.

**Table 14: Showing the respondents choose the mobile phones on the basis of After Sale Services**

| Yes/No/Rarely | No. of respondents | % |
|---|---|---|
| Yes | 21 | 84.6% |
| No | 2 | 7.7% |
| Rarely | 2 | 7.7% |

**Interpretation:**

From the above table, out of 25 respondents 84.6% selected option "Yes" which means they choose mobile on the basis of After Sale Service and 7.7% chooses option "No" as well as option "Rarely" which means they do not purchase mobile phone on the basis of After Sale Services.

### Correlation and T- test analysis of the study

This study shows all the independent responses from the respondents and this analysis also shows the respondent's purchase-decisions regarding mobile phones. It also signifies the mean of the data, standard deviation and standard error mean.

**Table 15: Showing Correlation data for the study Correlations**

| | | Responsiveness | Preferences | Who influence most in the purchase decision? | What is your basic need for using mobile phone? |
|---|---|---|---|---|---|
| Responsiveness | Pearson Correlation | 1 | .884** | .170 | .422* |
| | Sig. (2-tailed) | | .000 | .417 | .036 |
| | N | 25 | 25 | 25 | 25 |
| Preferences | Pearson Correlation | .884** | 1 | .480* | .490* |
| | Sig. (2-tailed) | .000 | | .015 | .013 |
| | N | 25 | 25 | 25 | 25 |
| Who influence most in the purchase decision? | Pearson Correlation | .170 | .480* | 1 | .225 |
| | Sig. (2-tailed) | .417 | .015 | | .280 |
| | N | 25 | 25 | 25 | 25 |
| What is your basic need for using mobile phone? | Pearson Correlation | .422* | .490* | .225 | 1 |
| | Sig. (2-tailed) | .036 | .013 | .280 | |
| | N | 25 | 25 | 25 | 25 |

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

### Interpretation

The correlation analysis from the above table signifies that there is less variance for the factors which influence most in the purchase decision to the respondents and the respondent's responsiveness and preferences for the mobile phone are there is a less difference at an extent.

Table 16: Showing Mean, Standard deviation and Standard error mean (Group Statistics)

**Group Statistics**

| | Who influence most in the purchase decision? | | Statistic | Bootstrap[a] | | | |
|---|---|---|---|---|---|---|---|
| | | | | Bias | Std. Error | 78% Confidence Interval | |
| | | | | | | Lower | Upper |
| On what basis do you choose a particular mobile phone? | Family | N | 5 | | | | |
| | | Mean | 3.20 | -.07 | .70 | 2.25 | 4.00 |
| | | Std. Deviation | 1.304 | -.334 | .622 | .000 | 1.619 |
| | | Std. Error Mean | .583 | | | | |
| | Friends | N | 9 | | | | |
| | | Mean | 2.78 | -.08 | .59 | 1.83 | 3.38 |
| | | Std. Deviation | 1.563 | -.249 | .287 | .995 | 1.596 |
| | | Std. Error Mean | .521 | | | | |

**Interpretation:**

The study interprets out of 25 respondents, 5 respondents chooses option Family and other 9 respondents chooses option Friends. The mean, standard deviation and standard mean error is 3.2, 1.304 and 0.583 from first response who choose option as Family and from other the mean is 2.78, standard deviation is 1.563 and standard error mean is 0.521.

**Table 17: Showing Independent sample T-test**

**Independent Samples Test**

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | F | Sig. | t | Df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| On what basis do you choose a particular mobile phone? | Equal variances assumed | 1.187 | .297 | .511 | 12 | .619 | .422 | .827 | -1.379 | 2.223 |
| | Equal variances not assumed | | | .540 | 9.812 | .601 | .422 | .782 | -1.325 | 2.169 |

**Interpretation:**

The above table shows the independent sample for t-test analysis and it signifies the respondent's difference in the selection of the mobile phone and this analysis is also mention the degree of freedom of the data.

**Table 18: Showing mean difference, biasness and confidence level from the sample**

**Bootstrap for Independent Samples Test**

| | | Mean Difference | Bootstrap[a] | | | |
|---|---|---|---|---|---|---|
| | | | Bias | Std. Error | 78% Confidence Interval | |
| | | | | | Lower | Upper |
| On what basis do you choose a particular mobile phone? | Equal variances assumed | .422 | .013 | .925 | -.585 | 1.683 |
| | Equal variances not assumed | .422 | .013 | .925 | -.585 | 1.683 |

**Interpretation:**

The above is a parametric type of test and if information about population is completely known by means of its parameters and it is small sample type test. It shows the variances of the data from the respondents. The data signifies the mean difference, biasness and standard error for equal and unequal variances.

**Conclusion and Recommendation**

The mobile phone represents the convergence instrument of the future. It becomes a necessity for many people throughout the world. The ability to keep in touch with family, business associates, and

storing data are only a few of the reasons for the increasing importance of mobile phones. Cell phone manufacturers have produced a wide range of cell phones, which sell for prices that range from very inexpensive to thousands of rupees.

The above findings and results reflected the preferences, expectations and satisfaction level of mobile phone users. The study would help the companies in understanding the factors that influence the purchase decision of the consumers and their expectations from the mobile handset. The result of the study indicates that the mobile phones are no longer the status symbol for the consumers. Brand and features in a handset are preferred over their prices. People here are new and require new innovative features in mobile phone every new day.

Since the study was restricted to the selected customers who are known to me only so there is need to study more in other places of the city to get the clear view of the findings.

All the above data is analyzed and interpreted through the use of SPSS software. Most of the respondent's response positively to fill the questionnaire answers and gave suggestions with points which are the facts and their interest as well as preferences related to the use of mobile phones and also the respondents gave some suggestions.

The study is related to the t-test analysis of data which shows the different responses from the respondents to choose a particular mobile phone on their basis needs and preferences. The study signifies the mean difference, standard deviation, standard error and confidence level of the respondents and it also shows the biasness of their particular want for choosing the particular mobile phone.

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