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**Dr. DV Ingle**

Associate Professor,  
Department of Commerce,  
Smt. L.R.T. College of  
Commerce, Akola,  
Maharashtra, India

## A study of factors affecting buying of smart phone in Akola district

**Dr. DV Ingle**

### Abstract

The smart phone market is emerging as vibrant markets which are growing radically. The growth of mobile phone sector in India has become so remarkable that it has surpassed most of the other industries. The reason behind its rapid growth is the change in life style of consumers and in technology and innovation. Today every human being wants to remain in touch with others all the time and at any cost. Frequent changes and challenges in the mobile phone industry have been made regarding various handset brands on regular basis. The results of the study specify that brand choice plays an important role in the choice of mobile phone. According to the study, majority of the consumers own Samsung mobile phones. Moreover, most of Nokia mobile phone users have a plan to shift to other brand such as Samsung. According to the Pearson correlation results, price is the dominant factor affecting the decision to buy mobile phone. Secondly, the features incorporated in a mobile hand set are the most important factor which is considered by the consumers while purchasing the mobile phone. The other factors equally correlated and have moderate relationships with the decision to buy are brand name and durability of mobile phones. Both the factors are highly associated with the quality of mobile phone devices. The least correlated factors are after sales service and social influences. The analysis has shown that the customers were influenced by advertisements made primarily in print media, television, as well as by peer groups and to some extent by the salespersons at the point of purchase.

**Keywords:** Consumer behavior, smart phones, purchase, durability and brand name

### 1. Introduction

India is currently the world's second-largest telecommunications market and has registered excellent growth. The reasons for growth of the telecom sector in India are reform measures by the Government of India, active participation of the private sector and wireless technology. With the extreme competition operators need to work closely with smart phone makers and software developers to match their handset portfolios according to consumer's desires and needs. The increasing availability and rapid take up of sophisticated connected devices is changing the way of our lives and communication. The smart phone sector in India has become very popular nowadays. In technology driven businesses, understanding the voice of consumers and their buying patterns has emerged a tough challenge for the smart phone companies. The reason for the growth of this sector is consumer involvement as human being spends most of his time in interacting with others. In the era of diversified competition where customer is the king, success depends not only on the efficiency of the managers but on the value and quality of the services offered. India a developing market and being a nation of diverse cultures and traditions it becomes mandatory for smart phone companies to have a deep understanding of buying behavior of consumer and buying patterns of smart phone phones by Indian consumers.

### 2. Review of Literature

Riquelme (2001) emphasized on six attributes viz., phone features, connection fee, access cost, mobile to mobile phone call charge rates, other call rates, and free calls. The study showed that with prior experience of a product their choices can be relatively predicted but overestimates the features of the phone, call rates and free rates and underestimates the importance of monthly fee, mobile to mobile call rate and connection fees.

Perner (2001) study reveals that consumer behavior is perceived as the study of the individuals or the groups of the individuals when they think about the selection of the

**Correspondence**

**Dr. DV Ingle**

Associate Professor,  
Department of Commerce,  
Smt. L.R.T. College of  
Commerce, Akola, Maharashtra,  
India

product or service. Then it is the purchase and finally consumes in order to satisfy the needs and wishes.

Loudon and Bitta (2002) studied the consumer behavior deals with the decision making process and physical activity an individual's engages in when evaluating, acquiring, using or disposing of goods and services

Ling, Hwang and Salvendy (2007) surveyed college students to identify their preference of their current mobile phone. The results of their survey indicated that the physical appearance, size and menu organization of the mobile phones are the most determinant factors affecting the choice of mobile phones.

Eric and Bright (2008) conducted a study on factors that determine the choice of brands of mobile phone in Ghana specifically Kumasi Metropolis. Accordingly, the results of the study showed that the first most important factor is reliable quality of the mobile phone brand and the other factor is user-friendliness of the brand of the mobile phone.

Saif (2012) analyzed the factors affecting consumers' choice of mobile phone selection in Pakistan. The results indicated that consumer's value new technology features as the most important variable amongst all and it also acts as a motivational force that influences them to go for a new handset purchase decision.

Subramanyam and Venkateswarlu (2012) conducted a study on factors influencing buyer behavior of mobile phone buyers in Kadapa district in India. The researchers studied the various types of marketing strategies adopted by market to acquire the attention and cognition of both existing and potential customers, and to study what role these marketing strategies play in consumer buying process. According to the results, income, advertising and level of education in a family are the determining factors of owning a mobile phone set.

Malasi (2012) examined the influence of product attributes on mobile phone preference among undergraduate university students in Kenya. The study indicated that varying the product attributes' has an influence on the undergraduate students' preferences on mobile phones. Various aspects of product and brand attributes were considered such as color themes, visible name labels, and mobile phone with variety of models, packaging for safety, degree of awareness on safety issues, look and design of the phone.

Based on previous research studies and literatures reviewed the following conceptual framework is developed for this research project.

### 3. Objectives of the Study

1. To study the relationship between social influences and purchase intention.
2. To study how the brand image affects online purchase intention.

### 4. Limitations of the Study

The researcher has some limitations while conducting the

study. This study was carried out only among the consumers in Akola district. The sample size was restricted to 150 due to time constraints. The sample was taken on the basis of convenience. Therefore the shortcomings of the convenience sampling may be present in this study.

## 5. Methodology

### 5.1 Sampling Method

Convenience sampling was adopted in the research work under non-probability sample method and about 150 samples have been collected for the study.

### 5.2 Materials and Methods

This research was conducted in Akola city. Akola city is located in Maharashtra state of India. The study is aimed at identifying factors behind consumers' decision of purchasing smart-phones in Akola district. In order to select the sample respondents, simple random sampling method was employed.

### 5.3 Data

The primary data is collected through administering questionnaire. The secondary data was obtained from reports, manuals, and different journals, publications for assessing existing findings, internet, books and documents. The main instrument of data collection was questionnaire. The structured questionnaire was designed so as to make it easy to answer and to cover most of the related research questions. The questionnaire is translated in to local language for easy understanding and simplicity.

In the study, the questionnaire was pre-tested on respondents who were included in the study in order to ensure that the instructions and the meanings of the questions were simple, clear, unambiguous and beneficial to the subjects. Ten respondents were participated in the test study. Changes were made accordingly and the input of these individuals was taken into consideration. Descriptive statistics like frequency distributions, graphs, and inferential statistics like correlation is used to extract meaningful information. The data entry and analysis was performed by using Microsoft Excel and Statistical Package for Social Science (SPSS) version 20.

## 6. Results and Discussion

During the survey, 200 questionnaires were distributed to purposively selected smart-phones shops (centers) in Akola district. 49 questionnaires were not responded appropriately. So the analysis was made based on 151 responded questionnaires. The table below deals with the basic demographic characteristics of the respondents including age, gender, income, marital status, educational qualification and occupation of the respondents included in this research project.

### 6.1 Demographic Characteristics of Respondents'

**Table 1: Demographic Characteristics of Respondents'**

Items	Attributes	Numbers	Percentage
Age	Below 15	10	6.62
	15-25	63	41.72
	26-35	57	37.74
	Above 35	21	13.90
Gender	Male	90	59.60
	Female	61	40.39
	Hsc	08	5.29
	Diploma	40	23.49
	Degree	70	46.35
	Above Degree	33	21.85
Occupation	Student	40	26.49
	Self Employed	31	20.52
	Employed	76	50.33
	Unemployed	04	02.64
Marital Status	Unmarried	105	69.53
	Married	46	30.46
Income Per Month	Below 10000	23	15.23
	10000 To 20000	20	13.24
	20000to30000	30	19.86
	30000 To 40000	60	39.73
	40000 To 50000	10	06.62
	Above 50000	08	05.29

Source: Primary Data

Table-1 indicates that 6.62 percent of the respondents are below 15 years old, 41 percent of the respondents fall within the ages of 15-25 years, while 37.74 percent of the respondents' falls within 26-35 years and 13.90 percent of the respondents' falls above 35 years. Therefore, it indicates greater number of respondent falls within 15 to 25 years which represents 60 percent of the respondents are male and 40 percents are female.

It shows that the majority of the respondents are holders of first degree 46.35% followed by diploma 23.49%, secondary 5.29% and above first degree 21.85% respectively.

Accordingly, majority of the respondent are employees in public, private, government or nongovernmental organization representing 50.33% of the respondents followed by students 40% and self-employed 20.52%. Moreover, there are few respondents considered as unemployed 2.64%.

Regarding marital status of the respondents, 69.53 percent of the respondents are single, 30.46 percent of them are married.

Moreover, table-1 shows that 23 of the respondents earns income below Rs. 10000 which represents 15.23%, it shows that 20 of the respondents earns income between 10000 to

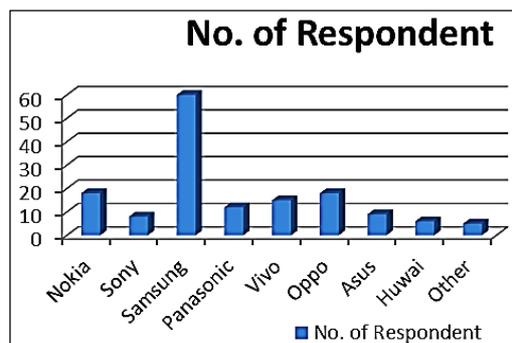
20000 which represents 13.24%, 30 of the respondents earns income between Rs. 20000 to 30000 19.86%, 60 of the respondents earns income between Rs 30000 to 40000 which represents 39.73%, while 10 of the respondents earns income above Rs 40000 to 50000 which represents 6.62%, mere 5.29% respondent earn above Rs. 50000

**6.2 Smart Phone Brands Owned By Respondent**

**Table 2: Smart Phone Brands Owned By Respondent**

Sr. No.	Smart Phone Brand	No. of Respondent	Percentage
1	Nokia	18	12
2	Sony	08	05
3	Samsung	60	40
4	Panasonic	12	08
5	Vivo	15	10
6	Oppo	18	12
7	Asus	09	06
8	Huawei	06	04
9	Other	05	03
Total		151	100

Source: Primary Data



**Smart Phone Brands Owned By Respondent**

The least owned mobile brands are Huawei, Sony, Asus and panasonic accounting together for 23% of the respondents'

mobile phone ownership in Akola. Nokia, Samsung and oppo offer with affordable prices that make them to be

preferred by the buyers. Generally, the result of the study indicates Samsung is the dominant and widely owned mobile phone device in Akola.

Moreover, the above graph shows the preferred mobile phone for the future period. Most respondents want to shift to Samsung in the future irrespective of what they are using right now. Samsung will be the dominant brand with 40% of the respondents continue to use but half of users planning to shift to other brands such as Samsung. An appealing observation here is, among the current users of Samsung, there are around 40% want to stay with the same brand while the remaining want to shift to other brands. Surprisingly, there is also a group of Samsung users (around 16%) which wants to shift to Samsung as their next handset and around 35% of the respondents want to shift either to OPPO or Samsung in demand pattern in the future.

### 6.3 Descriptive Statistics Results of Independent Variables

Table-2 Portrays the descriptive statistics results (i.e. mean and standard deviation) results of the six independent variables. As shown in the table, the prime factor with the highest mean value is after sales service (mean =3.55 and SD =0.86) followed by brand name (mean = .44 SD =0.83, product features (mean = 3.41 SD = 0.79) and durability (mean = 3.34 SD = 0.91) respectively. The two independent variables with the least mean score are price (mean = 3.38 SD = 0.85) and social factors (mean = 3.01 SD= 874) performance of the variable in terms of the expectation of the consumer. Overall, the mean results are close to each other.

**Table 3:** Mean and standard deviation results of independent variables

Variables	Frequency	Mean	Std. Deviation
Price	151	3.35	.851
Social Influence	151	3.01	.874
Durability	151	3.345	.910
Brand Name	151	3.44	.835
Product Features	151	3.41	.794
After Sales Service	151	3.55	.860

Source: Primary Data

### 6.4 Pearson Correlation Result of the Variables

Table-3 shows the correlation between six factors i.e. price, social influence, durability, brand, product features and after sales service with the decision to buy a mobile phone device. Accordingly, all factors have a positive and significant relationship with the decision to buy a mobile phone. However, the degree of correlation among the factors is different with the highest correlation value of price (0.900) followed by product feature (0.876) durability (0.557) and brand image (0.555) of the sales service (0.454) followed by the social influences (0.461). According to table 4.5, the highly correlated factor that influences the decision to acquire a mobile phone is the selling price of the cellular device. Accordingly, the price of a product is an important factor that cannot be overlooked in a study of consumer behavior. Majority of the respondents indicated price as main consideration when they decide to buy their mobile phone. The variation in mobile price will influence the behavior of individuals to purchase the device. The results of this research study coincide with the result of other

studies conducted in the consumer buying decision of mobile phones.

**Table 4:** Pearson correlation result of the variable

Variables	Test	Decision to buy
price	pearson correlation	.900
	sig. (2-tailed)	.000
	N	151
social influence	pearson correlation	.460
	sig. (2-tailed)	.000
	N	151
durability	pearson correlation	.540
	sig. (2-tailed)	.000
	N	151
brand name	pearson correlation	.231
	sig. (2-tailed)	.000
	N	151
product features	pearson correlation	.876
	sig. (2-tailed)	.000
	N	151
after sales service	pearson correlation	.454
	sig. (2-tailed)	.000
	N	151

Source: Primary Data

The mobile phone feature is the second important factor correlated with the consumer decision to buy the device. Mobile phone features include internet connection, Bluetooth, video, color, FM, media player, design, touch screen, store, size, available accessories, speaker and weight. All these factors considered to have relationship with the decision to buy the mobile devices. The other two factors equally correlated and have moderate relationships with the decision to buy are brand name and durability of mobile phones with Pearson correlation coefficient of 0.557 and 0.555 respectively. Both factors are highly associated with the quality of a given product. Durability is associated with the use of a mobile device for a long period without any defects. High quality mobile phone works well and nothing goes wrong for a long period of time According the table 3, the least correlated and moderately related determinants of consumer buying decisions are social influences and after sales services with Pearson correlation coefficient of 0.461 and 0.454 respectively. These two factors moderately influence the decision to buy a mobile phone device. However, their degree of correlation is the least as compared to other factors included in this study.

### 7. Recommendations

Samsung is first in the mobile phone market but needs to keep side by side of technological changes as Samsung are taking market share away from Nokia. This loss of market share is partly due to Nokia's refusal to incorporate new technologies, and also to the improvement in quality in the manufacture of Samsung mobile phones. Each mobile phone manufacturer should carefully re-think its strategy when producing, marketing and distributing these devices and focus on brand personality, brand positioning, product design and differentiation. People attracted towards newer technology and will be able to shift from one mobile phone to another if it uses better technology. Mobile phone companies should carry out periodic survey to help in identifying these new technology features and decide which ones to add to its product. Moreover, by determining which combination of these features match the current trends and

consumer needs would be cost effective to the mobile phone companies. In turn, product design is also very important in the success of the brand. Manufacturers of different mobile brands are improving on the durability and quality of the brand, they should also consider the price of selling it so as to make it affordable to all persons. It is recommended that companies concentrate more on developing quality and affordable mobile phones and spend more time on enhancing their products to offer it at lower prices which can be done by employing cost reduction measures.

## 8. Conclusions

According to the study, majority of the consumers own Samsung mobile phones. Moreover, most of Nokia mobile phone users have a plan to shift to other brand such as Samsung. According the Pearson correlation results, price is the dominant factor affecting the decision to buy mobile phone. Secondly, the features incorporated in a mobile hand set are the most important factor which is considered by the consumers while purchasing the mobile phone. The other factors equally correlated and have moderate relationships with the decision to buy are brand name and durability of smart phones. Both the factors are highly associated with the quality of mobile phone devices. The least correlated factors are after sales service and social influences. This study used multiple regressions analysis to test the effects of six independent variables (price, social influence, durability, brand name, product feature and after sales service) on the decision to buy a mobile phone device. All the six independent variables combined significantly influence the consumers buying decision of mobile phone devices. The leading factor is price followed by product features and durability.

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