A STUDY ON THE MOBILE PHONE PURCHASE BEHAVIOR AND BUYING PATTERN IN KARNATAKA STATE

Akash C. Mathapati[1], Dr. K. Vidyavathi[2]

1(Assistant Professor, Department of Management Studies Dr.P G Halakatti College of Engineering, Vijayapura, INDIA)

[2](Professor, MBA Department, Sahyadri College of Engineering & Management, Mangaluru, INDIA)

ABSTRACT :

This study was carried out to examine buying behaviour of young buyers and their attitudes towards mobile phones in Bangalore & Hubli. This research focuses on the different marketing variables that affects the mobile phone buying as well as their decision making process for purchasing the mobile phones. This study also explains to some extent the influence of customer decision making process in purchasing the mobile phones in Karnataka state, Bangalore & Hubll are chosen respectively to represent north & south karnatak respectively. The sample size was between the age group of 15 years to 35 years young buyers and those who are living in Bangalore & Hubli. This age group falls under the category of young generation and they can be categories in the Millennials (those who are born after 1980). This study may also help various mobile phones to formulate their strategies for marketing the mobile phones in the cut throat competitive markets. Primary data was obtained through questionnaire. The results were analyzed through SPSS version 16.

KEY WORDS **- Mobile Phones, Mobile Handset market, Young Buyer's behaviour, Consumption pattern, Technology**

INTRODUCTION

A smartphone is a mobile phone that offers an advanced operating system and compares favourably with a laptop computer. Modern have various functions; e.g., media player, digital camera, global positioning system (GPS) navigation unit, near field communication (NFC), and touch screen. The most important feature to be noted is a smartphone's ability to can display standard web pages as well as mobile-optimized sites. People can easily obtain information they are looking for via the Internet using a smartphone anywhere they go (Zou and Huang, 2012). Therefore, users' behaviour, especially in transactions, has changed drastically with the use of these devices (Osman et, al, 2012).

The development of the smartphone industry in India since the days of Nokia's simple to use basic mobile phone to the high efficiency of today, where the market has become saturated with well-known brands, each offering nearly indistinguishable products to a population of consumers that are now more educated, have easier access to more information to compare and contrast competitive products and ultimately make a much more fact-based, informed decision. While consumers enjoy the benefit of being more educated with public access to free information regarding two wheelers, manufacturers continue to conduct studies on consumer behaviours behind closed doors.

Prospects: The Indian Smart phones Market: Falling unit prices for larger screen mobiles are expected to drive demand for smart phones in India over the forecast period. With more larger screen mobile phones available at cheaper prices and better specification, consumers will slowly start replacing their tablets with smart phones, driving demand for smart phones in the country. Volume sales of smart phones in India are expected to post a CAGR of 18% over the forecast period to reach 231.5 million units by 2021. On the other hand, demand for feature phones is expected to decline, with a negative CAGR of 14% over the forecast period, taking sales to 45.9 million units by 2021. With smart phone prices falling, consumers are replacing their feature phones with smart phones. Having said that, there are many uneducated people in India who do not know how to use smart phones and will continue to use feature phones and this will drive demand for feature phones over the forecast period. The penetration rate for feature phones is expected to decrease from 117% in 2016 to 90% in 2017. The limited demand for feature phones is expected to be driven by people in rural India and also people who are economically disadvantaged. In contrast to feature phones, the penetration rate for smart phones is expected to increase from 85% in 2016 to 107% in 2017, which will be driven by decreasing unit prices for smart phones. The replacement cycle for smart phones is expected to remain at 22 months during the forecast period. People spend a large sum of money on a smart phone and expect to use the product until damaged or new technology is available at an affordable price. Rural India's share of retail volume sales of mobile phones is expected to increase from 40% in 2016 to 46% in 2021. Increasing availability of mobile phones in rural India is likely to drive demand for mobile phones in these areas. Smart phones are having a negative impact on sales of tablets. With more larger screen mobile phones introduced onto the market and at cheaper prices, demand for tablets is expected to decline over the forecast period.

LITERATURE REVIEW

Little to no market segmentation exist publicly that states who the smartphone buyer really is. No public studies had been located at this point of this research development, as market research studies are traditionally private. What has been studied is the decision making process itself, grounded in theory and tested in practice, specifically when consumers seek ought the information that is available to them. Within the normative model of decision making, the consumer collected information about alternatives, evaluated them based on their relevance and made a decision that will maximize the value of that decision (Lau, 1995; Abelson & Levi, 1985). How the consumer collected his information affected the choice strategy he selected. The more complex the decision task, the more likely strategies will be employed to simplify that task (Johnson & Payne, 1985; Thorngate, 1980).

As industry standard components within a smartphone becoming more prevalent, the ability to differentiate becomes more difficult. The commoditization of this market is creating a challenge for manufacturers to identify the internal motivation among the consumer base that influences their purchase of one brand over another. This commoditization is proving it difficult for any one manufacturer to considerably differentiate them in the consumer market. Smartphone manufacturers needs to know if relationship existed between the profile of the consumers, the most important buying criteria they use when considering the purchase and the final brand that is selected at point of purchase. Many studies and models of consumer behaviour for technology products have been performed however, the area of consumer behaviour has not gained much attention. Therefore, we propose to examine the features/services of purchasing and owning a smartphone within the consumer behaviour model.

It is observed that the ability to distinguish between the different products becomes more difficult as the industry standard adopted within a mobile phone becomes more common. While identifying the innermost stimulus among the consumer-base that prejudice their purchase of one particular brand over another creates an enormous challenge for companies, in order to commoditise their products in such markets. This process of commoditisation makes it difficult for the manufacturers to significantly distinguish their consumers in the market segments. The mobile phone manufacturers are required needed to understand the type of the relationship that exists between the demographic and psychographic profile of their customers, and the most significant buying criteria the customers use while making the purchase and the brand they finally select for purchase

RESEARCH HYPOTHESIS

A).   H Null: There is no relationship between age group and Mobile phone brand.
         H Alternate: There is a relationship between age group and Mobile phone brand.

B).   H Null: There is no relationship between Mobile phone brand and Influencing Factor.
         H Alternate: There is no relationship between Mobile phone brand and Influencing
         Factor.

C).   H Null: There is no relationship between Age Group and Time Period of using Mobile phone
         brand.
          H Alternate: There is a relationship between Age Group and Time Period of using Mobile
         phone brand.

D).   H Null: There is no relationship between Annual Income and Mobile Phone Brand Purchased.
          H Alternate: There is a relationship between Annual Income and Mobile Phone Brand
Purchased.

METHODOLOGY

Objectives

A). to find out the top brand of Mobile phones.
B). to find out the importance of physical appearance in the minds of Mobile phone buyers.
C). to determine the major purpose of buying Mobile phones.
D). to determine the relation between the monthly income and the choice of mobile phone brand.

Sample size and Population: The sample taken was between the age group of 15 years to 35 and above years who are living in Bangalore and Hubli. Bangalore & Hubli are chosen respectively to represent north & south karnatak respectively A total sample of 100 was collected. The analysis was done through SPSS software and by using various tests.

Instrument: The questionnaire is used as an instrument for collecting the data containing 15 close ended questions.

RESULTS

Table 1: Most Preferred Mobile Phone Brands

S/N	Brand	Percentage
1.	Xiaomi	32
2.	Samsung	21
3.	Oppo	14
4.	Vivo	12
5.	Lenovo	11
6.	Apple	10
Total		100

While doing all the analysis and summarising the results in table 1 It's found that the most preferred brand of mobile phone is Xiaomi. In our study we mentioned that people are now becoming aware and want to use more of advanced phones with more features and through our study we get indication by number in favour of this. Here from table 1 we can say that the second most preferred bran by mobile phone buyers is Samsung. which was previously the market leader in mobile phone handset Industry, which has slipped to second position according to recent Industry data.

Table 2: Importance of Physical Appearance

S/N	Preference	Percentage
1.	Very Important	48
2.	Important	40
3.	Less Important	9
4.	Not Important	3
Total		100

To find out the importance of physical appearance among Mobile phone buyers we did the analysis and came to a conclusion that physical appearance is also important. From table 2 we can say that for 88 percent of mobile phone buyers mentioned that physical appearance plays a vital role in their life-style.

Table 3: Most Preferred Purpose of using a Mobile Phone

S/N	Purpose of Use	Percentage
1.	Calls	24
2.	Taking Pictures	15
3.	Instant Messaging	13
4.	Social Media	13
5.	Work-related Activities	12
6.	Watching Videos	10
7.	Gaming	8
8.	Music Player	5
Total		100

From table 3 we found that 24 percent of the buyers are using the mobile phones for calls. But apart from calls, today's world is obsessed with lot many other uses to mobile phones e.g: Instagram, twitter, facebook, selfies, gaming etc which contribute to the percentage of other uses.

Table 5: Relationship between types of Mobile Phones and Age Group

S/N	Type of Mobile Phone	Pearson Correlation with Age Group
1.	Cell Phones	.000 (i.e. < 0.05)
2	Feature Phones	.000 (i.e. < 0.05)
3.	Smart Phones	.000 (i.e. < 0.05)
4.	Phablets	.000 (i.e. < 0.05)

In case of our first hypothesis that is to determine the relationship between the age group and the type of the mobile phone we do a correlation analysis between these two. The table 5 show the results of the correlation between age group and the type of mobile phone. Here we found that age group is significant with all the mobile phone type since in all the case the significance level is less than 0.05 at 95% confidence level. So from our results we can say that there is a relationship between the age group and the type of mobile phone. Hence we will reject the null hypothesis and accept the alternate hypothesis.

Table 6: Relationship between type of Mobile Phones and Influencing Factor

S/N	Type of Mobile Phones	Pearson Correlation with Influencing Factor
1.	Cell Phones	.365 (i.e. > 0.05)
2	Feature Phones	.183 (i.e. > 0.05)
3.	Smart Phones	.763 (i.e. > 0.05)
4.	Phablets	.221 (i.e. > 0.05)

For our second hypothesis that is o find out the relationship between types of mobile phones and the influencing factor, we did the correlation analysis between these two. The results of the correlation analysis are shown in table 6. From these results, we can say that only in case of two mobile phones types that there is no relationship, since the significance level is more than 0.05 at 95 percent confidence level. Finally, we can say that there is no relationship between the influencing factor and the type of mobile phones. Hence we will accept the null hypothesis and reject the alternate hypothesis.

Table 7: Relationship between Age Group and Time Period of using Mobile Phones

		Age Group	Time Period Of Mobile Phones
Age Group	Pearson Correlation	1	.661**
	Sig. (2-tailed)		.000
Time Period Of Using	Pearson Correlation		
		.661**	1
Mobile Phones			
	Sig. (2-tailed)	.000	

For the third hypothesis that to find out the relationship between the age group and the time period of using the mobile phone we again did the correlation analysis between these two. By correlation analysis, it's found that there is a relationship between the age group and the time period of using the

mobile phone. The above table 7 shows that the significance level at 95 percent confidence level is less than 0.05 so there is a relationship between these two. Hence we will reject the null hypothesis and accept the alternate hypothesis.

Table 8: Relationship between Annual Income and Mobile Phone Brand Purchased

Test	Value	df	Asymp.Sig.(2-sided)
Pearson Chi-Square	22.085^a	15	.106
Likelihood Ratio	21.080	15	.134
No of Valid Cases	100		

Since the p-value is 0.106, which is greater than 0.05, it is interpreted that the annual income does not have any influence on the brand selected. Hence the relationship is found to be statistically insignificant at $\alpha = 0.05$.

Therefore, it can be concluded from the study that insufficient evidence existed to conclude that the brand of mobile phone purchased by a consumer is related to the annual income.

Hence we will reject the null hypothesis and accept the alternate hypothesis

Table 9: Cross tabulation between Age Group and Year of Using Mobile Phones

S/N	Period of using Mobile Phones	Age Group				
		15 years to 20 years	20 years to 25 years	25 years to 30 years	30 years to 35 years	Above 35 years
1.	1 year to 2 years	3	1	0	0	0
2.	2 years to 3 years	10	7	3	0	0
3.	3 years to 4 years	6	9	11	7	6
4.	4 years to 5 years	1	3	6	10	8
5.	Above 4 years	0	0	0	3	6

Table 9 shows the cross tabulation between the age group and the years of using mobile phones. From the table we can say that as the age of the mobile phone buyers is increasing the usage years of mobile phones is also increasing.

Table 10: Cross tabulation between Place of Purchase and the Annual Income

S/N	Place of Purchase	Annual Income					
		Below 1Lakh	1Lakh to 2 Lakh	2 Lakhs to 3 Lakhs	3 Lakhs to 4 Lakhs	4 Lakhs to 5 Lakhs	Above 5 Lakhs
1.	Online	16	2	6	7	5	5
2.	Exclusive Stores	6	0	5	4	3	0
3.	Retailer	15	2	7	10	5	2

The above table 9 shows the cross tabulation between the place of purchase of mobile phones and the Annual income of the person. From this table we can only say that it is a mixed result that is any income group buyers can buy mobile phones from and source but the most preferred source of purchasing the mobile phones is through online. This might be due to the special offers that the buyers may get from e-tailers. From this we can also say that retailers are not a big purchasing place of mobile phones.

CONCLUSION

The study is carried out with the aim to find out the various factors that are associated with the buying patterns and mobile phone buying consumer behaviour with respect to mobile phone. Bangalore and Hubli were chosen as the area for data collection because Bangalore is the state capital and Hubli is an emerging city in the state of karnataka. The results provide us an insight of the mobile phone market and helps in finding out how mobile phone buyer, buy the mobile phones. It's found that as the income level of the buyer is increasing their expenditure for latest mobile phone/smart phone is also increasing. It's also found that there is an increased level of awareness about technology with respect to mobile phones.

REFERENCES

1. Abelson, R. P., & Levi, A. (1985). Decision making and decision theory (3rd Ed.). In G.Lindsey &E.Aronson (Eds.). The handbook of psychology (pp. 230–310). New York: Random House

2. Au, K. W. Y., Zhou, Y. F., Huang, Z., & Lie, D. (2012, October). Pscout: analyzing the android permission specification. In Proceedings of the 2012 ACM conference on Computer and communications security (pp. 217-228). ACM.

3. Euromonitor International, (2016). Mobile Phones in India

4. Johnson, E. J., & Payne, J. W. (1985). Effort and accuracy in choice Management Science, 31(2), 395–414

5. Lau, R. R. (1995). Information search during an election campaign: introducing a process tracing methodology to political science. In M. Lodge & K. McGraw 216 (Eds.), Political judgment: Structure and process. Ann Arbor: University of Michigan Press

6. Osman, M. A., Talib, A. Z., Sanusi, Z. A., Shiang-Yen, T., & Alwi, A. S. (2012). A Study of the Trend of Smartphone and its Usage Behavior in Malaysia. International Journal of New Computer Architectures and their Applications (IJNCAA), 2(1), 274-285.

7. Thorngate, W. (1980). Efficient decision heuristics. Behavioral Science, 25(2), 219–225.