A Study on Factors Influencing the Purchase Decision of Customers with Reference to Smart Phone

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Abstract

Understanding the factors which influence the buying decision of customers is very crucial for any marketer to formulate the appropriate strategies to compete in the market. The present study is aimed at ascertaining the level of influence of various factors on the purchase decision of customers in case of a smart phone. The study covered different marketing aspects like brand popularity, price, offers/discounts, after sale service, advertisement, and some selected features of a smart phone namely camera resolution, RAM size, battery capacity, O.S, memory size (Internal and External) networks (2G/3G/4G), selfie Cam flash.

The sample size for the study is 125. A structured questionnaire was administered on sample respondents to collect the primary data for the study. Appropriate statistical tools namely weighted average method and Standard Deviation were used to analyze the data. It is found from the study that the brand popularity and battery capacity of a smart phone are the most influencing factors in purchase decision of customers.

Key words: Purchase Decision, Smart Phone

Introduction

The huge size of the smart phone market in India is attracting the corporate sector to invest in this segment. The smart phone is getting improved continuously due to the rapid development of technology and innovation in the information technology and electronics industry. These conditions in environmental factors are making the market attractive and competitive. In order to gain the competitive advantage, understanding the consumer’s behavior helps the marketer in predicting the consumer’s product and brand choice. For this purpose, various marketing factors namely brand popularity, price, offers/discounts, after sale service and some important features of a smart phone like camera resolution, RAM size, battery capacity, O.S, memory size etc., were considered for the study to know their level of influence on consumer’s purchase decision of a smart phone.

I. Review of Literature

Nasr Azad and Maryam Safaei (2012) presented an empirical study to determine important factors influencing customers’ purchasing intend for cellular phones in capital city of Iran. The results of the study indicated that there are some positive relationships between exclusive name and quality perception, between exclusive name and word of mouth advertisement, between quality perception and fidelity, between word of mouth advertisement and brand name and between brand name image and brand name.

Karen Lim Lay-Yee, Han Kok-Siew, Benjamin Chan Yin-Fah (2013) in their study showed that majority of the Smartphone users will consider product feature at first and the author suggested to improve the product features and providing what is demanded to improve sales and profits.
Nasibu R. Mramba (2015) conducted a study to investigate the influence of brand name on the consumers buying decision the case of mobile phone. The findings show that the mobile phone users are not loyal to a specific brand name. This has been evidenced by the fact that, they’re not repeating purchases, don’t recommend to the others and they are not proud to posses it. Additionally the findings show that during pre-purchase and purchase process consumers recall the brand names. Besides that, during the purchase they judge a mobile phone by three factors; needs, country of origin, and the durability of the mobile phone. This means that the mobile phone buyers go beyond the name simply because, a name can be counterfeited. Generally the study shows that, although the brand name matters in purchase decision, it is not the ultimate deciders of purchase of mobile phone.

Kaushal S.K, Rakesh Kumar (2016) explored in their study that there are eight major factors namely price, product features, relative advantage, convenience, compatibility, social influence, dependency and brand name which influence consumer intension to purchase Smartphone. However, only social influence, compatibility and dependency were found to be significantly influencing purchase intension of the Smart Phone consumers. Though rest of the factors are also important but these three factors are major reason why a consumer wants to purchase Smart Phone.

Deepika ganlari, Pradeep Kr.Deka and Chandan Dutta (2016) conducted a study to analyze consumer behavior towards Smartphone in the Indian market by finding the factors which influence consumers in their Smartphone purchase. The result in this study shows that Branding, Product design, Product performance and price have the influence on people’s buying behavior process.

Ramesh Kumar.N, Srinivas.S (2017) conducted an empirical study to find out the impact of selected physical features in purchase decision of consumers regarding smart phones. The study considered physical features of a smart phone namely look/style, screen size, quality of screen glass, number of sim slots and type of battery. It is found from the study that the look/style is the highly influencing physical feature to consumers while purchasing a Smart phone.

II. Research Design & Method

The present study is mainly based on primary data. The primary data was collected by using a structured questionnaire. The study is about the factors influencing the consumers while purchasing a smart phone. For this purpose, 125 respondents were selected from Hyderabad and Warangal Urban district by adopting convenience sampling method. The sample consists of people such as students, employees, businessmen and self-employed.

**Period of study:** The study was conducted from March 2017 to May 2017.

**Area of study:** The area of study was Warangal Urban and Hyderabad district of Telangana, India.

**Statistical tools applied:** The statistical tools such as Weighted average method and Descriptive statistics were used to analyze the data.

**Objectives of the study**

- To assess the impact of different marketing activities on the purchase decision of customers in case of a Smartphone.
- To measure the influence of select features of a smart phone on the purchase decision of customers.

**Scope of the study**

The present study covers selected aspects of marketing namely brand popularity, price,
offers/discounts, after sale service, advertisement. Further the study also considered selected features of a smart phone like camera resolution, RAM size, battery capacity, O.S, memory size, type of network and Cam flash. There may be many other factors which are not covered in the present study.

Limitations of the study
1. The study is constrained by time and financial resources.
2. The sample taken may not represent the entire customer group.
3. The consumer behavior may vary from time to time.

III. Results and Discussion

Table No 1: Weighted Scores of Opinion of Sample Respondents on the Influence of Marketing Effort of a Company in Purchase Decision of a Smart Phone

<table>
<thead>
<tr>
<th>S.No</th>
<th>Items</th>
<th>SA</th>
<th>A</th>
<th>NAND</th>
<th>D</th>
<th>SD</th>
<th>WTD.AVG</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Brand popularity</td>
<td>245</td>
<td>216</td>
<td>42</td>
<td>12</td>
<td>2</td>
<td>4.13</td>
</tr>
<tr>
<td>2</td>
<td>Price</td>
<td>65</td>
<td>336</td>
<td>36</td>
<td>22</td>
<td>5</td>
<td>3.71</td>
</tr>
<tr>
<td>3</td>
<td>Offers/Discounts</td>
<td>75</td>
<td>264</td>
<td>51</td>
<td>30</td>
<td>12</td>
<td>3.45</td>
</tr>
<tr>
<td>4</td>
<td>After sale service</td>
<td>85</td>
<td>232</td>
<td>54</td>
<td>54</td>
<td>5</td>
<td>3.44</td>
</tr>
<tr>
<td>5</td>
<td>Advertisement</td>
<td>65</td>
<td>196</td>
<td>96</td>
<td>44</td>
<td>9</td>
<td>3.28</td>
</tr>
</tbody>
</table>

Source: Field Survey
Note: S.A-Strongly Agree, A-Agree, N.A.N.D-Neither Agree Nor Disagree, D- Disagree, S.D-Strongly Disagree

WTD.AVG-Weighted Average

It can be noted from the above table that majority of the sample respondents have agreed (4.13) that their purchase decision of a smart phone is influenced by the popularity of the brand, followed by price (3.71).

Table No 2: Mean Score and Standard Deviation of Opinions of Sample Respondents on Select Features Influencing Purchase Decision of a Smart Phone

<table>
<thead>
<tr>
<th>S.No</th>
<th>Items</th>
<th>Mean</th>
<th>S.D</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Camera resolution</td>
<td>4.22</td>
<td>.768</td>
<td>.590</td>
</tr>
<tr>
<td>2</td>
<td>RAM Size</td>
<td>4.16</td>
<td>.745</td>
<td>.555</td>
</tr>
<tr>
<td>3</td>
<td>Battery Capacity</td>
<td>4.26</td>
<td>.802</td>
<td>.644</td>
</tr>
<tr>
<td>4</td>
<td>OS</td>
<td>3.98</td>
<td>.783</td>
<td>.613</td>
</tr>
<tr>
<td>5</td>
<td>Memory Size(internal &amp; External)</td>
<td>4.10</td>
<td>.801</td>
<td>.642</td>
</tr>
<tr>
<td>6</td>
<td>Networks(2G/3G/4G)</td>
<td>4.12</td>
<td>.725</td>
<td>.526</td>
</tr>
<tr>
<td>7</td>
<td>Selfy Cam-flash</td>
<td>3.42</td>
<td>1.14</td>
<td>1.309</td>
</tr>
</tbody>
</table>

Source: Field Survey

S.D: Standard Deviation
As per the Table no: 2, it can be observed that majority of sample respondents (the Mean score 4.26 with a Standard Deviation of 0.802) are influenced by battery capacity while purchasing a Smartphone, followed by camera resolution Mean score (4.22) with the standard deviation of (0.768)

Key Findings
- The brand popularity of the Smart phone is found to be most influencing factor among all select marketing effort carried out by the companies.
- It is found from the study that the capacity of the battery is the most influencing feature for sample respondents followed by camera resolution while purchasing a Smartphone by the sample respondents.
It is revealed from the study that comparatively lower level of influence of other features of a Smartphone namely Size of the RAM, Memory Size (Internal & External) and Type of Network (2G/3G/4G) is existing in the purchase decision of sample respondents.

IV. Conclusion
The results show that the customers are mostly influenced by the popularity of the brand of a smart phone. Relatively lower level of influence of other marketing aspects like price of product, offers/discounts, after sale service and advertisement is observed. Further the battery capacity is given highest priority by the sample respondents among all select features while purchasing a smart phone.

References

Abbreviations:
R.A.M- Random Access Memory.
O.S- Operating System.
2.G- 2nd Generation.
Cam.- Camera.