

STUDY OF THE FACTORS INFLUENCING THE CUSTOMER'S PURCHASE DECISION OF MOBILE PHONES IN HYDERABAD REGION

AUTHOR- KALWAKURTHY SHARATH CHANDRA, (Roll No – 17301E0010) MBA 2017-2019 Batch. Student at Jawaharlal Nehru Technological University, Kukatpally, Hyderabad, India

CO-AUTHOR- Mr. A. PRABHU KUMAR, Professor, Director, SMS, JNTUH.

Abstract

The main objective of this research is to know about the customers' buying behaviour with regard to mobile phones. It helps to know the basis on which customers chooses a particular brand when he/she purchases a new handset. The project also helps to learn about the promotional factors and the features of the mobile phones that influence the purchase decision of the customer.

The data was collected in Hyderabad from 252 respondents through a questionnaire with a 5point Likert Scale. For the better understanding, the collected data was analysed using the SPSS software (Statistical Package for Social Sciences). The factors influencing the buying behaviour are found out accordingly. The respondents level of agreement towards their mobile brand are analysed in order to find which mobile brand performs better among the brands considered. This also helps in understanding how the organization's efforts are being translated into results can be analysed based on the data of the customer satisfaction. Analysing and interpretation was carried out by various statistical analysis techniques like descriptive analysis, Factor analysis, testing the hypothesis through Chi Square.

It can be inferred that every company has to analyse their customers' behaviour before launching a product or a service and design a right marketing mix so that the products and services offered by the companies should be made according to the requirements of the customers. Through this the company can maintain long-term relationships with the customers and sustain for a longer period of time in the market.

INTRODUCTION

A Cell phone, Mobile phone, a Hand phone, sometimes simply called cell, mobile or just phone, is a movable device that can make and receive calls. This was perception about the mobile phones earlier, But currently mobile phones can do lot more things now a days. Today's

Mobile phones has got an innovative technology that which is unbelievable. Every company adopts various marketing strategies to attract the customers and presents its products with a Unique Selling Proposition (USP) of their own to place the product accordingly in the customers mind. In order to position the Product into Consumers mind the companies has to study the Consumer buying behaviour and the consumer perception towards the mobile phones. This study helps the companies to know about their target market and design and adopt the appropriate marketing strategies that are helpful in creating the good market and increasing the brand value of the company.

This project aims at studying the various factors that are influencing the purchase behaviour of the customers.

LITERATURE REVIEW

Nushrat Shabrin et al. (2017), has made a research on the **Factors Affecting Smartphone Purchase Decisions of Generation-Y** in Kuching, Malaysia with 152 respondents. The study aimed at the analysis of factors influencing the purchase decision. They have considered seven factors for their evaluation namely, Brand, Convenience, Dependency, Price, Social Influence, Product features and Social needs and found out that Brand Image, Product features and Social Influence have a significant impact on the purchase decisions of Generation Y on the Smartphones. The study has considered only 152 respondents with seven factors influencing the purchase decision of mobile phones this can be made more accurate by considering more sample size and further more factors.

Iman Ashofteh and Hamed Dehghanan (2017), has made a research named, **Investigating the Effect of Demographic Factors in Consumer Buying Decision**, in Tehran Iran. Their methodology of research depends on the Kotler Consumer Behaviour Model which explains that the Buyers decision is dependent on the four major factors namely the Product factors, Price Factors, Promotional Factors, and Place Factors which impact the Purchase decision of a person. Their research has found that Product factors has more impact on the purchase decision in specific Product Performance has more impact on the purchase decision of buyer. Then followed by Price which has Price reduction and Gift bundle as effective methods, then followed by the Place which specifies the closeness of store to the target population living place and finally Promotion which has Television as a main source of advertising the products for all the segments of the society then followed by Billboards and Online ads, and Men give more priority to Radio, Newspapers and Magazines ads.. Their research also found out that Demographic factors, Gender, Age, and Income affects the consumers buying decision whereas the Education doesn't affect the Consumers buying behaviour.

Dr. Zafar et al. (2014), in their case study namely, **Strategies Adopted by Mobile phone Manufacturers to Attract More Customers in Smart Phone Industry** has explained about the growth of the mobile industries in the current market and explained that customer satisfaction of mobile phones is based on four major aspects such as Commitment, Brand Loyalty, Trust, and Service Quality. They have also explained that Image, Customer Expectation, Perceived quality, Perceived value are considered to be as the inputs for analysing the Outputs such as Customer satisfaction and customer loyalty of Mobile phone Brand. They have also explained about the Customer satisfaction and their buying behaviour. They have also explained the steps to determine the appropriate mobile phone Strategy. According to the authors the appropriate mobile strategy to attract more customers is Service quality and Customer oriented services which are more important than the Pricing strategies.

RESEARCH METHODOLOGY

1.1. Need For the Study

Studying and analysing the Customer perception and the Customer buying behaviour is very important for every company in order make sure which products are to be designed and produced for their customers. This helps the companies to make their customers satisfied with the products that are offered by the company. If the appropriate factors that are influencing the customer's perception and buying behaviour are determined then the company can implement the appropriate marketing strategies in order to acquire the potential customers and build good brand image.

1.2. Objectives

- i. To analyse the customer awareness towards the mobile phones.
- ii. To evaluate the factors influencing the purchase decision of mobile phones.

1.3. Method of Data Collection

a) Primary Data: Primary data was collected through well-structured questionnaire. The questionnaire was circulated through google forms and the responses were collected accordingly.

b) Secondary Data: the secondary data is being collected for the reference from various Journals, Articles, Books, and Online websites (blogs).

1.4. Sampling Frame Work: Sample data of 252 respondents is being considered for making this research. The data was collected from the mobile phone users in the Hyderabad region. Convenience sampling technique has been used in collecting the data.

1.5. Tools used and Tests performed

The following tests are performed using the SPSS software for the analysis of the data

1. Cronbach's Alpha test (Test for Reliability)
2. KMO and Bartlett's test
3. Factor Analysis
4. Chi Square test

2. DATA ANALYSIS

2.1. Reliability Test - The **Cronbach alpha value** obtained from the Reliability test is 0.805, which is greater than 0.50 which specifies that the data considered for the research is reliable and has internal consistency for the further analysis.

2.2. Customer's awareness towards the mobile phones was also analysed and it has been found that 27.4% of the respondents has very good level of awareness towards the mobile phones, 46.8% has Good level, 21.8% has Average level of awareness, 2.8% has bad level and 1.2% of respondents has a Very bad level of awareness towards the mobile phones.

2.3. KMO and Bartlett's Test - The value obtained from the KMO test (Kaiser-Meyer-Olkin) for the measure of sampling adequacy is 0.796, which is greater than 0.50.

2.4. Factor Analysis - The tests performed through the SPSS has found that there are 10 factors which are influencing the purchase decision of a person.

The most influencing factors in making a purchase decision of a mobile phone are as follows:

S.No	Factor Name	Factor Loading Value
1	Battery Life	0.760
2	Timely offers/discounts accordingly	0.760
3	Availability in all retail outlets	0.777
4	Products has good camera specifications and quality	0.698
5	Brand of mobile	0.653
6	TV Advertisements	0.816
7	Promotions in digital and print media	0.646
8	Build quality	0.653
9	Online Reviews	0.834
10	Price of the phone	0.794

Through the factor analysis it has been found that Online Reviews play a major role in influencing the customers purchase decision of a mobile phone then followed by T.V Advertisements, Price of the Mobile, Place of availability of the mobile phone, Discounts offered by the mobile company, Battery Life, Camera Specifications of the mobile, Brand of the mobile, Build Quality of the mobile phone and finally the Promotions made in the Digital and print Media also plays a major role in the decision making process while purchasing a mobile phone.

CHI SQUARE

1. **H0: There is no significant association between the Monthly Income of the person and the Mobile feature influencing the purchase decision.**

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	33.933 ^a	12	.001
Likelihood Ratio	37.678	12	.000
Linear-by-Linear Association	14.078	1	.000
N of Valid Cases	252		
a. 5 cells (25.0%) have expected count less than 5. The minimum expected count is 1.08.			

The above chi square test P-value obtained is 0.001 which is less than 0.05 level of significance. The null hypothesis is rejected. It means there is a significant association between the monthly income and the mobile features.

2. **H0: There is no significant association between the Educational Qualification of the person and the Mobile feature influencing the purchase decision**

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	12.050 ^a	9	.211
Likelihood Ratio	15.808	9	.071
Linear-by-Linear Association	2.181	1	.140
N of Valid Cases	252		
a. 6 cells (37.5%) have expected count less than 5. The minimum expected count is .15.			

From the above cross tabulation and chi square test it has been inferred that the P value obtained is **0.211** which is greater than 0.05. Therefore there doesn't exist any significant relationship between the Educational Qualification and the Mobile features influencing the purchase decision. Hence Null Hypothesis is **accepted**.

3. H0: There is no significant association between the Educational Qualification of the person and the Mobile offers issued by the mobile brand.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	28.593 ^a	12	.005
Likelihood Ratio	18.888	12	.091
Linear-by-Linear Association	5.273	1	.022
N of Valid Cases	252		
a. 9 cells (45.0%) have expected count less than 5. The minimum expected count is .14.			

The above chi square test it has been found that the P value obtained is **0.005** which is equal than 0.05. Hence Null Hypothesis is **rejected**. Therefore there exist a significant relationship between the Educational Qualification and the Mobile offers issued by the mobile brand.

FINDINGS

1. Percentage Analysis

- According to the survey it has been found out that around 75% of the people have good level of awareness towards the mobile phones.
- Around 60% of the respondents are from the age group of 18-35 years.
- Almost gender considered for the survey is distributed almost equally.
- Income of the people considered for the study is under 15000 with around 40% and 30000-50000 with around 20%.
- 50% of the respondents considered in the survey are Graduation as their educational qualification.
- 47% of the respondents considered in the survey has Working as their employment status.
- 60% of the respondents considered for the survey are unmarried.
- 50% of the respondents are using a mobile phone with a price of Less than 20000.
- 50% of the respondents has Online as their preferred mode of purchasing the mobile phone.

2. Factor Analysis

Based on the Principle component analysis it has been found that 10 factors out of 34 factors show a significant impact on the consumer's behaviour towards the mobile phones.

CONCLUSION

1. It has been found that, among the respondents 74.2% are having good, 21.8% has average, and 4% has the bad level of awareness towards the mobile phones. It can be inferred people with good knowledge about the mobile phone are considered for the survey.
2. Battery life, RAM, Ease of usage, Operating system are considered to be as most influencing mobile phone factors in making the purchase decision.
3. TV advertisements and Newspapers are considered to be as the most influential factors for promoting the mobile phones.

SUGGESTIONS

- Companies need to concentrate more on their promotional standards in TV Advertisements and Online Reviews as they are one of the key factors influencing the purchase decision of a mobile.
- People expect mobile with good quality and specifications at a reasonable price. So, the companies need to analyze about this.
- Mobile companies need to make sure the products are available at feasible locations near to the customers.
- The companies need to maintain good promotional activities in order to maintain the customer satisfaction and loyalty.

ACKNOWLEDGEMENT

This project has been successfully accomplished by me after my strong effort but it was the constant support by many people, organizations who stood by me in this work. I would like to express my gratefulness to them.

The most important person I would like to thank and express my gratitude would be my guide, **Dr. A. PRABHU KUMAR, Professor, Director, SMS, JNTUH**, who mentored me with the best of advice. His timely counseling and guidance was very crucial for completion of the project.

I would like to express my sincere thanks to **G. RAMESH, Academic Assistant, SMS, JNTUH**

I would also like to thank my parents and friends who encouraged me at all times.

I would also like to thank the teaching staff and non-teaching staff of School of Management Studies, JNTUH for their support.

Finally I would like to thank all my classmates for supporting me in the completion of my project.

BIBLIOGRAPHY**JOURNALS AND ARTICLES**

1. Nushrat Shabrin et al. (2017), Factors Affecting Smartphone Purchase Decisions of Generation-Y, the Journal of Contemporary Issues in Business and Government
2. Iman Ashofteh and Hamed Dehghanan (2017), Investigating the Effect of Demographic Factors in Consumer Buying Decision, International Journal of Economic Perspectives
3. Dr. Zafar et al. (2014), Strategies Adopted by Mobile phone Manufacturers to Attract More Customers in Smart Phone Industry, International Journal of Advancements in Research & Technology

WEBSITES

- <https://www.researchgate.net/>
- <https://www.academia.edu/>
- <https://www.statisticssolutions.com/factor-analysis-sem-factor-analysis/>
- <https://www.statisticssolutions.com/factor-analysis-sem-exploratory-factor-analysis/>
- <https://www.wikipedia.org/>

BOOKS

1. Porters. M “competitive advantage: creating and sustaining super performance new work the free press 1985.
2. Kothari C.R. Researcher methodology.

