

Taste of Consumers in Consumer Electronics (Mobile phones)

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I. Abstract:

This study tells us the various factors as to what causes a customer to select a product. Why consumers choose a particular brand and a product. What exactly they need from a smartphone, what are their preferences. What are the factors that compel them to shift to another brand.

Keywords – Consumer, Taste, consumer electronics, mobile phones, factors.

II. Introduction:

Taste of consumer means the choice or the selection of a customer. For a customer to make a selection there are many factors that are involved. Here we taken the consumer electronic industry and specifically mobile phones.

For understanding the consumer's perspective regarding nowadays smartphones, we have developed a questionnaire consisting of 12 questions that answers various questions of needs and wants of the consumer.

The answers of the questionnaire reveals various factors that are involved in the buying decision of the consumer. The priority of a feature/need of a feature.

III. Literature review:

Gianluca Zaffiro, 2015 [1]. According to the author, the Moore's law is responsible for miniaturization of computational devices. The author says because of 3D printing we can embed electronic material into any bearing structure transforming any useless objects into a digital one with the help of structural electronics. In the consumer electronics, smart wearable devices foster the need for developing super batteries, energy harvesting as well as wireless transfer. The author says that emerging technologies are encouraging the creation of Internet of Things and wearables. These miniaturized devices are made smart by embedding electronic sensor, displays, etc. Such use of technologies results in the increase of sales of smart wearables, which are in fact consumer electronics.

Sandeep Ponde and Anand Muley, 2015 [2]. Studied the Consumer electronics, which refers to any electronic devices designed to be purchased and used by end users or consumers for daily and non-commercial/professional purposes. India is among the fastest growing and highly competitive markets in the world. Many international brands came India but they failed to understand the Indian consumer needs. However, few brands have been successful in figuring out the Indian consumer needs and have positioned themselves in the Indian market by targeting a specific group of audience. The market of Consumer Durables of India has a long 20 years of history including the entry of many multinational players from north Asia. The author has also studied the marketing strategies of LG Electronics. LG initially entered the Indian market in 1990 but due to failure of joint venture and de-licensing of consumer electronics industry lead to the discontinuing of its operations. It again entered the Indian market in 1997 after Indian government is light for establishing state of the art white goods factory. During that time, the Japanese players were dominating the Indian consumer electronics market. LG's strategy of introducing innovative technologies in consumer electronics helped them in overcome all challenges. To develop stronger ties with the audience LG initiated a close tie-up with cricket, which included partnership with leading Indian cricketers. LG became the first major MNC to have tie-up with cricket by sponsoring world cups in 1999 and 2003.

Ebru Tümer Kabadayı, Alev Koçak Alan 2012 [3]. The authors in this have investigated factors effective on revisit intention of consumer electronics retailers. According to their studies, technology orientation and customers emotion states have direct effect on revisit intention. Along with this, moderation effect of individual trait, Word of Mouth of consumer's positive emotions are also somewhat responsible. Authors have stated that retailers struggle to survive and grow in a very saturated market and they need to compete with their competitors. By using correlation and regression analysis, authors have found out that the items used to measure intention of revisit were positively related to the items having positive emotion and negatively related to the items associated with negative emotion. Opposite to what the authors were, expecting Word of Mouth had no correlation with negative emotions. Another finding had found out that technology oriented consumers revisit the same consumer electronics store more as compared with many others.

S.VijayaLaxmi, Dr.T.Srinivasa Rao, 2015 [4]. The authors studied the consumer group, which is divided into three categories upper class, middle class and below middle class as per their financial status. They have also studied consumer attitude based on information search, need, purchase decision, purchase behaviour. The consumer electronics industry has seen a unique growth over a certain period. Consumer electronics growth can be the cause of increasing effect of state of the electronics. In the consumer, electronic market there is rapid rates of market penetration, significant cost pressures, highly competitive industry, and rapid transition from one technology to another. Telecommunication has led to convergence of mobile technology into consumer electronics. For a company who view customer purchase decision, their marketing strategy many vary to another company. A company may face two different situations at the same time, for some the product is new, while other customers see this as

routine. Keeping consumer attitude in mind, marketers have to develop marketing tactics and strategies. If they are developed effectively, they can go long way in developing customer attitudes in favour of the products.

ART WEINBERG, 1984 [5] According to Webster's New Collegiate Dictionary, marketing is "an aggregate of functions involved in moving goods from producer to consumer". The price of the product, its quality, its value and how often new models are introduced. In this studied the birth of consumer electronics industry, the distribution and marketing of consumer electronics product, which is become more and more scattered into every conceivable retail outlet. At the retail level, since world war II, a retail revolution has caused new dealers enter into the marketing scene. This revolution caused the consumers to buy the product wholesale. New forms of retailing are created, since number of consumer electronics have increased. The market for consumer electronics have become broad and more complex, movement of goods from producer to consumer has become more exciting and challenging.

Niraj Dawar & Philip Parker, 1994 [6] According to the authors, within a particular segment and in context to a particular product marketing universals are defined as consumer behaviour and are invariant across various cultures. The authors evaluate using several definitions of culture and three different criteria for universality, whether the use of brand, price, retailer reputation and physical product appearance as parameters or signals of quality are marketing universals for consumer electronics. In this study, the authors considered marketing universals for consumer electronics products, which are the relevant high priority segment in different countries. The young, mobile, affluent, and educated are the relevant consumers for this category. Companies have identified this product- segment combination, which has motivated aspects of this study. According to various statistical data it has been found out that sample young population (mean=28 years) with many of them owning one apartment, a car are the representative for the primary target market for consumer electronics. They have also mentioned that brand and the physical appearance are having same importance across cultures. These two are the most standardized factors across countries in the category of consumer electronics, whereas price and retail reputation have limited standardization across countries.

Tracey Crosbie, 2008[7]. The author says that there has been a very steep increase in the number of consumer electronics in households. By use of in-depth interview data, the author has analysed and explained few energy intensive behaviour by the use of televisions. By doing this, it shows how the design and marketing of consumer electronics encourage behaviours and how people are reconfiguring their homes and lifestyle to adapt to these behaviours. Because the use of consumer electronics is on the rise, the prediction is that consumer electronics is the single biggest sector of domestic electricity consumption in the UK. The author states that it is surprising that polices to reduce the energy used by consumer electronics are not being developed, even though UK government's commitment to bring down the carbon dioxide levels by 60% by 2050. Households with midrange incomes with none of them falling under lowest or highest category of incomes, and are in common with 70% of the UK population. Such households were selected because the author felt they would accurately represent the average

behaviour in terms of ownership and use of the consumer electronics. The design and marketing of consumer electronics is also to blame for the increase in energy use. For Example, the flat Plasma screens are more good looking and functional than regular cathode ray tube television. The advertisements of such stylish flat screens is a cause why the energy use is on the rise.

Justin Beneke, Simona de Sousa, Marcelle Mbuyu & Bradley Wickham, 2015[8]. Authors says that marketers spent huge amounts of money on advertisements, when in fact the true persuasive force behind a consumer's behaviour is free word of mouth by a trusted source. Internet has turned out to be a prominent marketing tool for expressing opinions about brands and products. Marketers have now realized the value and importance of Word of Mouth, as online communities are increasing and growing in size. Word of mouth keeping in mind the internet, it is known as Electronic Word of mouth eWOM. As per the authors, an industry study revealed that the majority of South African consumer base their brand choices, solely, or partly, on suggestions and recommendation from family and friends. This is an indication that South African people rely on word of mouth for their buying decisions. Consumer electronics are being emerged as one of the most reviewed product categories on online customer review websites. Consumers are more likely to rely on comments and reviews of previous customer users before making any purchase. So hence, eWOM plays a very significant role for the African population in terms of consumer electronics.

Nicolas Mokhoff, 1980[9]. The author says that increasing design-effort continues to be invested in conversion of the television receiver to a home information centre. Hand-held devices were enhanced on three fronts: games became more challenging, calculators moved up to the sophistication of personal computers, and language translators were introduced. A number of hand held translators were introduced out of them one unique translator was the Texas instrument talking translator. Using the speech synthesis chip the company made the speak and spell word game a popular consumer electronic items. Therefore, by using Innovative technologies companies market the technological features of their products and such lure the consumers into purchasing one.

Patrik Appelqvist, Ebbe Gubi, 2004[10]. The consumer electronics industry is characterized by high product variety, short product lifecycles and decreasing prices (Fisher, 1997), characterizes the consumer electronic industry. For consumer electronics, product availability is extremely critical, as consumers tend to choose for substitutes if they do not get the product they want. In case of Bang and Olufsen, a Danish high-end consumer electronics company. The author has used simulation modelling to analyze how manufacturing postponement can be a reason for reduction in inventory in retail outlets of a consumer electronics company.

Paul N. Bloom James E.Pailin, 1995[11]. The author has stated that, there is a heavy emphasis on provision of information has also become an integral part of the marketing program of retailers of consumer electronics, who are advertising product features in newspapers and direct-mail advertisements and who use their salespeople to provide additional prepurchase information. The retailers realize that most consumers today are searching for situation with

respect to consumer electronics, especially when customers can test a product at the retail shop.

Jens Frøslev Christensen, Michael Holm Olesen, Jonas Sorth Kjær, 2005[12]. The main proposition of this paper is the specific modes, which the companies use to manage Open innovation in regards to an emerging technology, reflect their differential position within the innovation system. Through an in-depth study of the current transformation and application from linear solid-state technology to switched or digital technology within the consumer electronics system of innovation.

IV. Objective:

- To study the consumer's needs and requirements.
- To study the consumers preferences.
- To study factors that compel a consumer to change to another brand.
- To study the current mobile market of India.

V. Research methodology:

Research methodology is a combination of both Primary Data and Secondary data that we will be using to understand and get the answers of consumer's requirement, preferences, factors that causes them to change their brand.

VI. Primary Data:

We have acquired our primary data by conducting a digital survey of the people of Pune city. We formed a series of well thought questionnaire; the answers of those questions would help us in get answers of our objective.

VII. Secondary data:

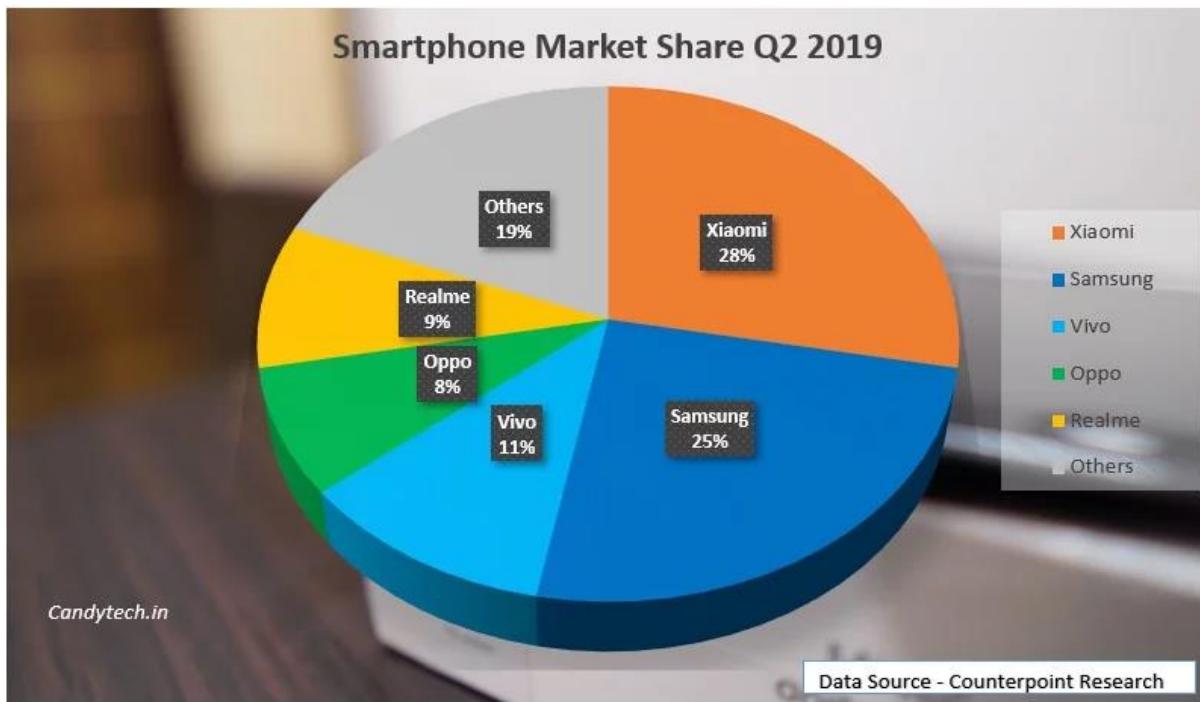
The collection of our secondary data was done through various sources. Most of them were newspapers, websites, and magazines.

VIII. Sample Design:

Sixty consumers were randomly selected from the city of Pune.

IX. Indian Smartphone Market share

To understand the choices of consumers, first we need to look at the market share of the smartphone brands and their strategies.



-Image form Candytech.in

The above graphical representation clearly shows us the market share of various smartphone brands. The above data is a general representation of the all segments combined. We can concur that Xiaomi is very popular amongst Indian consumers with 28% of the market share followed by the Korean brand Samsung with 25%. As of November 2019 Samsung is the No.1 smartphone brand globally. Xiaomi totally changed Indian smartphone market as it offered superior specs and good quality products at almost half the price, which its rivals Samsung, Apple were providing. The Chinese smartphone company was successful in tapping into the Indian smartphone market and gained the trust of Indian consumers. Most of Xiaomi smartphones are priced below 20K price tag, which is where a large number of Indian consumers are willing to invest on a smartphone.

X. Questionnaire:

For Understanding and acquiring the answers of our objectives, we had decided 12 Questions, which provided us different kind's information. Therefore, the questions we decided were as follows:

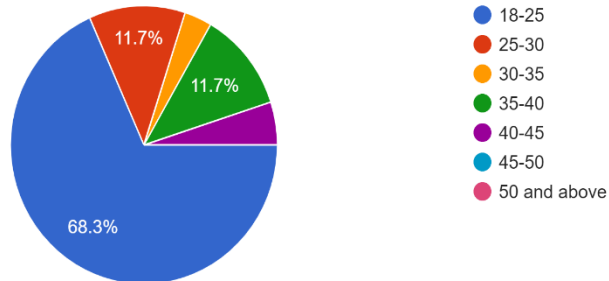
1. Age
2. Employment status
3. Occupation
4. Income range
5. Amount range willing to invest on a mobile phone
6. Type of OS Preferred
7. Brands preferred
8. Purpose of usage
9. Importance of factors for buying mobile phone
10. Preference of features
11. Are you willing to purchase a smartphone, which meets more than your expectations but is a little higher than your budget?
12. Reasons you shift to another brand

XI. Data analysis and interpretation:

1. Age

Age

60 responses

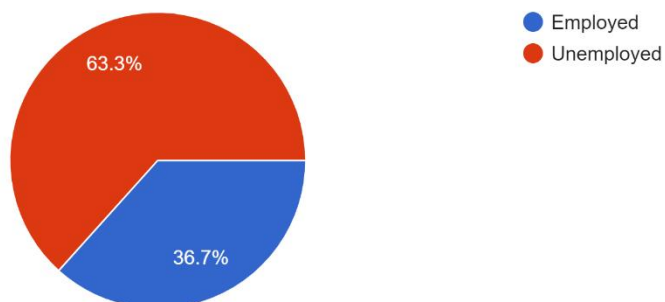


Age category was further bifurcated into seven different categories. We received 60 responses to our questionnaire. Out of that, 68.3 % (41) of the people were having 18-25 years of age. Seven (11.7%) exact people were of the age group 25-30 and 35-40 each. Only three (5%) people were from the age group of 40-45. Lastly, only two (3.3%) people were of the age group 30-35.

2. Employment Status

Employment status

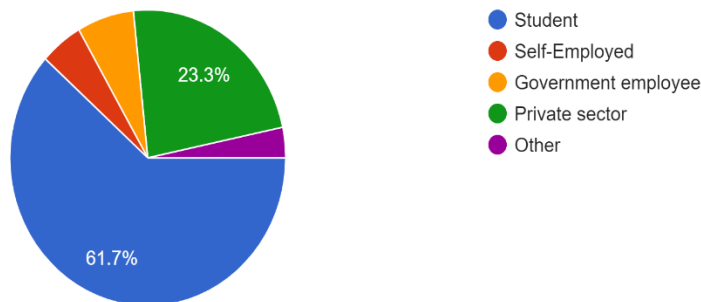
60 responses



Out of 60 people 38 (63.3%) of people are unemployed, the remaining 22 (36.7%) of people are employed.

3. Occupation

Occupation
60 responses

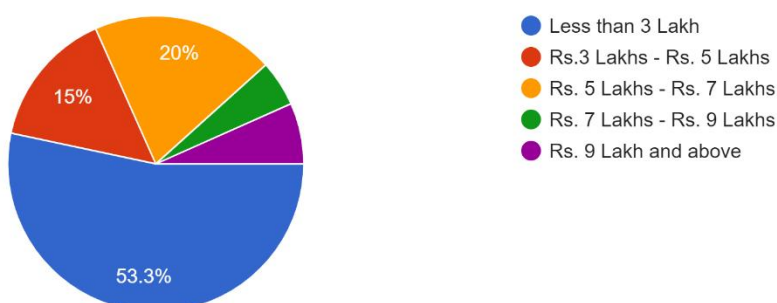


Occupation again was bifurcated into five categories namely: Student, Self-Employed, Government Employee, Private Sector and others. Others category may have businesses, freelancing and other types of occupation.

Out of the 60-sample size, majority of the occupation segment were students with 61.7% (37). Private sector ranks second with 23.3% (14). 6.7% (4) of the people are government employees. 5% (3) of them are self-occupied. 3.3% (2) of them have occupation as others. Therefore, with this we can say that 38.3% and a few percentage of students could be people who are earning money.

4. Income range

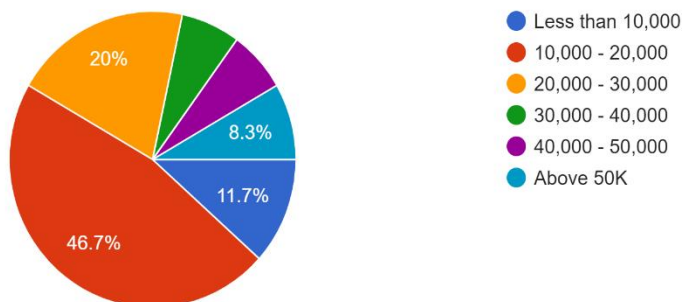
Income range
60 responses



Income is one of the important aspects while studying consumer behaviour for any product. Therefore, here we have again divided the income into 5 sub-categories. Since in the occupation segment most of the respondents were students, here 53.3% (32) of them earn less than Rs. 3 lakhs. 20% (12) earn between Rs. 5 lakhs and seven lakhs. 15% (9) people earn within the price range of Rs. 3 lakhs and five lakhs. In Rs. 9 Lakhs and above we have 6.7% (4) of the sample space. Lastly, we have 5% (3) people earning between Rs. 7 lakhs - 9 lakhs.

5. Amount range willing to invest on a mobile phone

Amount range willing to invest on a mobile phone
60 responses

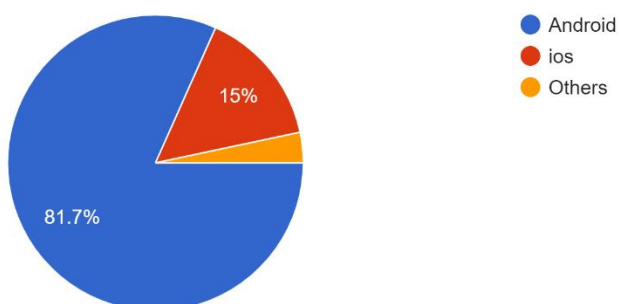


Amount willing to invest in a

smartphone by a consumer this had to be further divided so that it could represent the various smartphone segments like entry-level budget smartphone, mid-range segment, premium segment, high-level segment. From the data, we can see that the budget-level segment/mid-range segment, which is the Rs. 10,000 – 20,000-price bracket, has the maximum preference, which is 46.7% (28). The premium segment Rs. 20,000-30,000 takes the second place with 20% (12) votes. The entry-level segment. I.e. less than Rs. 10,000 got the third rank with 11.7% (7) votes. 8.3% (5) of the respondents choose the Rs. 50,000 above price range, which puts it in a high-level smartphone segment. Exactly 6.7% (4) of the people selected the Rs. 30,000-40,000 and Rs. 40,000-50,000 price segment.

6. Type of OS Preferred

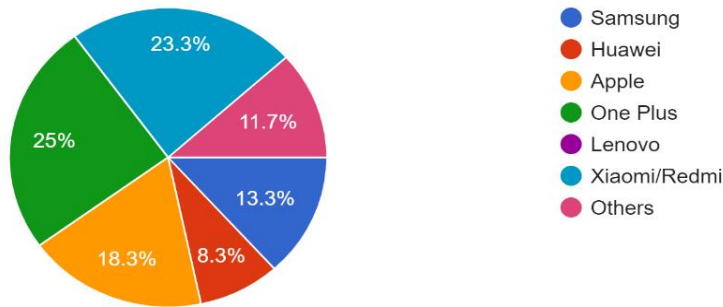
Type of OS Preferred
60 responses



By the previous data figures, anybody would be able to tell that most of the consumers would prefer android operating system. As only, a few respondents voted for more than 50,000 price range, a range where the latest apple smartphones are priced.

7. Brands Preferred

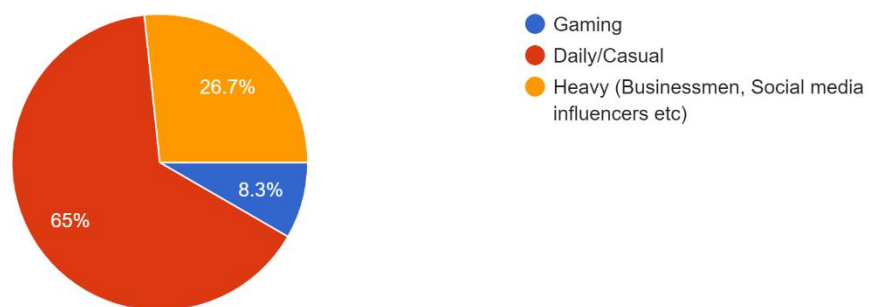
Brands preferred
60 responses



The Indian Smartphone market has many players. Some of these are well known known top global players, while some are Chinese companies who are not that renowned brands. From the above pie chart, we can see that the majority of the people have chosen One Plus as their most preferred brand with 25%(15) votes . Since 2014, One Plus being a premium smartphone brand has grown rapidly. At second place overtaking apple and Samsung, we have another Chinese brand Xiaomi/Redmi with 23.3 % (14) votes. At the third spot, we have apple with 18.3% (11) votes.

8. Purpose of Usage

Purpose of usage
60 responses

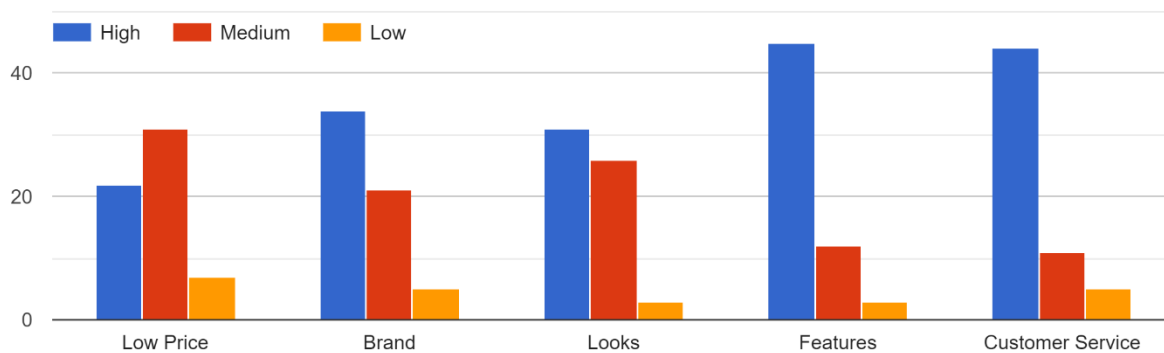


Purpose of usage is one of the important factors while purchasing a mobile phone. Depending on the purpose, the customer has to allocate a particular amount of budget to it. Daily, gaming and heavy these three categories of phones cost differently. Gaming and heavy usage phones could be priced highest to moderate price range while daily category phones are priced moderate to lower. Most of Indian consumers have no such gaming or heavy usage kind of purpose from their smartphones, which is why 65% (39) people prefer daily/casual usage phones. Few users such as social media influencers, business people, you tubers, such users have to constantly be on their phones so that is the reason they take up the second place with

26.7% (16) votes. Gaming purpose users will be very few and most of such users would be mostly college going students. That is the reason it takes the third spot with just a mere 8.3% (5) of votes.

9. Importance of factors for buying mobile phone

Importance of factors for buying mobile phone



Factors responsible for the purchase of a mobile device are Low Price, Brand value, Looks, Features, Customer Service. Although there are, many more factors involved but these are some major factors.

Low Price: From the graphs, we can see that the preference for low pricing factor is medium. What this means is that people are no longer that price conscious and they are willing to pay a high price for their mobile devices.

Brand: Here it means, how much brand value is of an importance to the people. The charts says that the brand value is of utmost importance to the consumers as it has scored highest

Looks: Appearance of a smartphone does matter a lot. The age group of 18-35 often considers this aspect as an important factor. From the chart, looks aspect has been given a high priority.

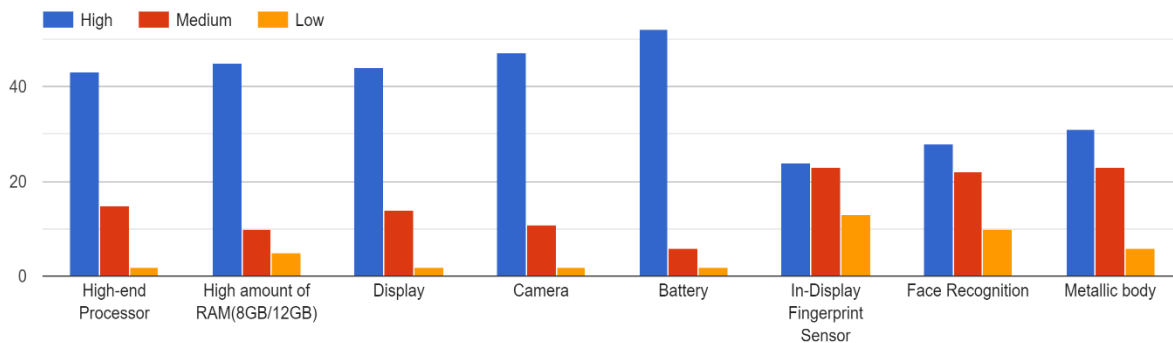
Features: The purpose behind buying a smartphone is the ability to take advantage of its features. The number of features should be high in a smartphone and that should be provided in an affordable cost. The results of this aspect were as expected given a high priority.

Customer Service: This is where the after sales services of the company into picture. Better, the customer service of a particular brand better the brand image. Customers

prefer hassle free and less service centre visits. This aspect received a very high percentage of votes for high priority.

10. Preference of features

Preference of features

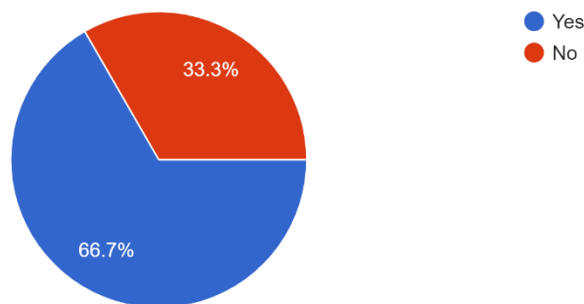


Consumers have a very high preference for a high-end processor on their mobile devices. Nowadays Mid-range processors and high-end processors are available at very affordable price. Along with a high-end processor, the customers also require a mobile phone, which is having a high amount of ram for the ease of multitasking. Display again has received many votes from the respondents. A good Camera feature scores high on the charts, which says a good quality is an essential and potential selling feature of a smartphone. Battery aspects takes the first spot with the highest number of votes for high priority among high, medium and low. Battery could be the first thing that the consumers consider when purchasing. In-Display Fingerprint scanner a new type of technology we are seeing in nowadays smartphones. This feature may not as much of a potential selling aspect there is a close tie off among high and medium priority. Face recognition again does not have a huge importance but looking at the charts it could be a potential selling feature. For a metallic body as per the charts, people do prefer this aspect as an potential buying feature, but they may even trade off this feature with an another one.

11. Are you willing to purchase a smartphone, which meets more than your expectations but is a little higher than your budget?

Are you willing to purchase a smartphone which meets more than your expectations but is a little higher than your budget.

60 responses

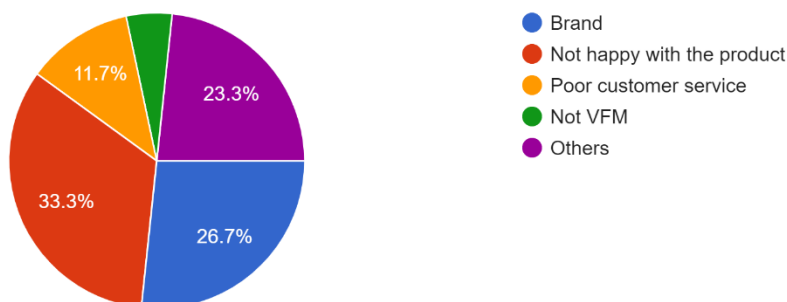


An open-ended question and quite a simple one but implies a lot. 66.7% (40) people said yes that they are willing to shell out more money than their budget, if a smartphone meets more than their expectations. What this states is that, a consumer prefers to have a better satisfaction level by spending more money than not spending more and have a lower level of satisfaction.

12. Reasons you shift to another brand

Reasons you shift to another brand

60 responses



Few reasons that customers start purchasing mobile phones of other brands are been categorised as brand, not happy with the product, Poor customer Service, Not VFM and Others.

Out of all such factors, the customer being not happy with product reason has gained maximum number of votes with 33.3% (20). The primary reason for this could be the quality of product not being up to the mark or up to customer expectations. Brand image is the second reason as to why customer switch to other brands. It is important for the companies to maintain their brand image. When the brand value falls, the potential

customers start shifting to other brands, which could be having a better brand value. Surprisingly, on the third place we have other reasons with 23.3% (14). Poor customer service and Value for money reasons take up second last and last position.

XII. Conclusion

With the help of all the above findings, we can say that:

Age: The age factor specifies which price segment mobile device they will purchase and every other age group might go for a different category of mobile phone.

Employment Status – The employment status of an individual will affect the price at which an individual purchases a mobile device if unemployed the person may opt for low to moderate price and if employed the person may opt for moderate to high priced mobile device.

Occupation – Private employees have to constantly be on their phones replying to emails and messages, hence they may have a higher requirement of feature, which translates, to higher priced mobile phones. Government employees might not need to be on their phones hence spending more money is senseless.

Income Range - Here the income range may target price of the mobile, the category of mobile and the feature requirement aspect. Employers earning high can purchase a mobile phone of a higher value and a high quality as well. People earning not much don't have a high income as such hence they do not prefer to invest a lot on mobile phone, which again translates to that it will be of a moderate or low quality and may not be feature rich.

Amount willing to invest – Here the higher income group spends more while lower earning income group invest less on a mobile phone.

Type of OS preferred – This is a personal choice of every individual consumer. Generally, the high-income groups prefer to go for IOS OS as it is found only on Apple devices, which are expensive.

Brands Preferred – Depending on the brand value, the income range and the purpose of the mobile device, the consumer may select a particular brand. OnePlus is currently the most preferred brand as per our research. The reason for that is, OnePlus have been

providing us with superior quality and high performance internal components like processor, RAM, Storage, etc. at an affordable price than the competitors.

Willing to purchase a smartphone, which meets more than your expectations but is a little higher than your budget?

The results of our research tell us that 66% of the people voted for Yes. This implies that people are willing to spend more money to earn that delighted level from the product they are using.

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