

Consumer Buying Behavior of Smart Phones *

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Abstract - The cell phones have all qualities and features that qualify them to be called as a mini computer. 'Such handheld compact gadgets that offer both communication and computing are known as Smart phones'. A recent research presents that India has overtaken even the U.S. and has qualified to be the world's second-largest smartphone market by the users. The future projections say that a billion smartphone sales would be generated in the coming five years. India is a market wherein the leading smartphones brands in the world involve in cut throat competition and make every possible effort to win the Indian customer. This research paper is aimed at studying the consumer buying behaviour with respect to smart phones in India specifically at the Delhi/NCR region. The purpose of this study is to understand two major consumer decisions while buying a smartphone:

1. Which smartphone to buy (brand)?
2. From where to buy (online / brick & mortar store)?

The store chosen for this purpose is Croma Electronics, Connaught Place (Near Odeon theatre) where a live study of the consumer buying behaviour was conducted.

Keywords— Smartphones, Technology, Perception, Lifestyle

I. INTRODUCTION

"The relevance of consumer behaviour to the profession of marketing is a fundamental one. If marketing concerns itself with "consumer satisfaction at a profit" then obviously the underlying principles as well as the overt symptoms of the consumer choice process are of vital concern to the marketing man whether he is a professional or a professor". (Ramachander, S.,1988) There are discrete functions included in making the categorization of decisions before buying smart phones, which involve the rational behavior, which is based on factors like, learning as well as experience and are directed towards a definite objective.

Mobile phones can be considered as the first form of the electronic communication mobile technology in the year 1995, the sales of the mobile phone in India has been phenomenal. "Nowadays, mobile handsets have become an integral part of human daily life and personal communication across the globe. In the current highly competitive mobile phone market, manufacturers constantly fight to find additional competitive edge and differentiating elements to persuade consumers to select their brand instead of a competitor's". (Guleria, Deepa and Singh, Dr. Yashwant Parmar, 2012).

With a subscriber base of more than 851 million, the Mobile telecommunications system in India is the second largest in the world and it was thrown open to private players in the 1990s.

(http://en.wikipedia.org/wiki/Communications_in_India) According to a market survey company, mobile user base had increased to 407 million users by 2011. And interestingly it also claims that there has been higher increase in penetration and tele-density in the rural mobile connections compared to urban India. (<http://indiatechonline.com/juxtconsult-india-mobile-phones-study-2011-545.php>)

A smartphone is considered a hybrid device. It combines the best of mobile phones and PDA devices. It permits the user to access e-mails, set calendars, browse web and use many other applications. The display screens of the smart phones support viewing of documents, reading e-mails and browsing the Web. Their battery life is usually quite high but depends on the operating systems and also, the usage patterns of the smart phone. Most of them have high-resolution cameras and added features like, games and eBook readers are inbuilt along with the hardware inclusions such as GPS receivers that makes it an all-inclusive operational tool.

The smartphones, in the present times and scenario, have penetrated everywhere and raised the comfort level of the individuals in their every day lives. The smartphones are proliferating at a very fast pace in India mainly due to the younger demographic and rapidly expanding economy. The way an individual deals with things is eased through the smartphones. "India is challenging the worldwide pattern in Smartphone Market since it is still a developing business segment an expanding number of individuals are upgrading from feature phone to a smartphone. More than 70 percent of cell phone smartphone users were relied upon to move up to premium smartphone models". 'India secured the second spot in the list of the world's largest smartphone market, enlisting in at a healthy growth rate of 23% Year over year. As per report from Counterpoint(April 2016) , there is an opportunity for growth in Indian smartphone In India more than 1.2 billion individuals have smartphone in the hands of less than one-fourth of a billion of its people'.

Current Scenario of the Indian Smartphone Market

The Indian Smartphone market has leading brands like, Samsung, Xiamo, Lenovo (Motorola), Oppo and Vivo. 'India registered 109.1 million units of smartphone shipments with a marginal 5.2 per cent annual growth in 2016 Samsung continued to lead the smartphone market with 25.1 per cent share despite a 13.1 per cent sequential decline in the fourth quarter of 2016. But Samsung's annual shipments grew 3.2 per cent in 2016, driven majorly by the J-series. Motorola climbed up to second spot with 10.7 per cent share against 3.3 per cent share in the same period last year. Year-on-year shipments grew threefold while sequential growth was 15.3

per cent. Lenovo (including Motorola) slipped to third place as shipments declined 17.4 per cent sequentially in the fourth quarter of 2016 and 14.5 per cent over same quarter of previous year, the report noted, Oppo made it to the top five lists with 8.6 per cent share.’

Major smartphone dealers in the country at the moment are:

- 1) Online Stores
 - a. Amazon.com
 - b. Flipkart.com
 - c. Snapdeal.com
- 2) Offline Stores in New Delhi
 - a. Croma
 - b. Sargam Electronics
 - c. Vijay Sales

II. OBJECTIVES

The objectives of the paper is to:

- 1) Analyze the purchase behavior of an Indian consumer buying a smartphone
- 2) Consider various external and internal influences which determine the purchase process of the consumer
- 3) Study the perception of the consumer regarding various smartphone brands
- 4) Study the entire chain of the consumer decision making process
- 5) Study the current market strategies of smartphone makers and smartphone dealers
- 6) Propose a market strategy in sync with the consumer buying behavior to the smartphone makers and smartphone dealers

III. RESEARCH METHODOLOGY

The paper is based on primary as well as secondary data. The secondary data is taken from IDC Surveys, and other newspaper surveys. Primary research was conducted by studying the buying behaviour at the Croma Store, Connaught Place and collecting actual user data by devising structured questionnaires for them to understand their decision making process. There are certain identifiable characteristics of the consumer behavior comprising of ‘*what, how, where, when, etc.*’ were obtained by survey through questionnaires.

IV. OVERVIEW

Reasons for choosing Croma Electronics

Croma was chosen as the primary store because it is a trusted brand owned by Tata, and hence more people prefer to visit Croma, as they think it is more reliable. Also, Croma stores have a lot of offers on all its products, which attract more consumers and hence it would be easier to study consumer

behavior. Since, it has a lot of stores in various parts of the city, it can procure its products in bulk at reduced costs, and the same benefit is passed on to the consumer in the form of lower prices. Thus, lower prices attract a lot of consumers. Also, Croma is a multi dealer store, where the buyer can get all the brands under a single roof making the comparative survey and insight by the buyers easy and they need not visit different stores for different brands. Further, they also have dummy models available which makes the choice easier. Consumer can explore the features and make a better choice. Store personnel are also properly trained to guide the consumers. Consumers get a better knowledge about the features of the product and a clear comparison between the products in the same price range. Hence, at Croma, consumers get better variety, better guidance and lower prices thus attracting various consumers.

Reason for choosing Croma at Connaught Place (CP)

The store, which was selected, was the Croma Store at Connaught Place, because CP is a central location and attracts consumers from all segments. Thus, it is possible to study the behaviour of different people with different spending habits in the same store. This would not have been possible if a Croma store in some posh mall, which attracts crowd only from the upper segment.

Also, the Croma store in CP is located under Odeon Cinemas. This is a major reason for the increased footfall, as people waiting for their movie ShowTime or their friends usually spend their time over there. They tend to get attracted by the offers, which drive them to make a purchase sometimes, even if it mounts to wasteful expenditure from their side.

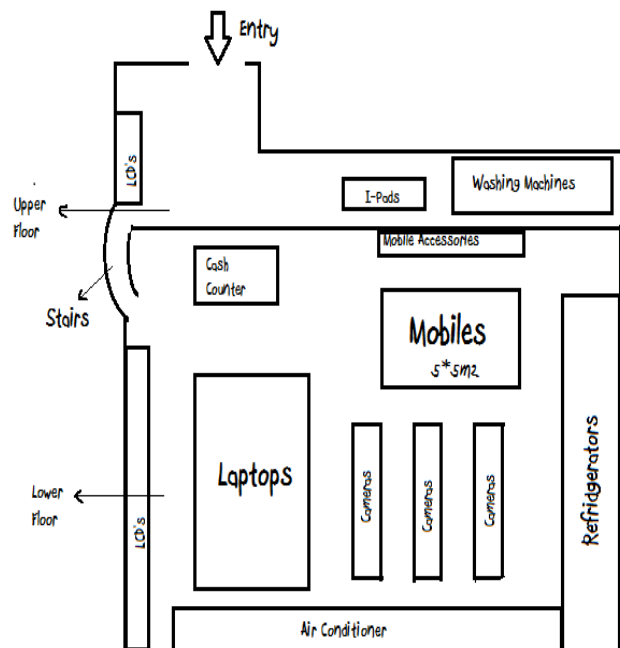


Fig. 1: Layout of the Croma Store

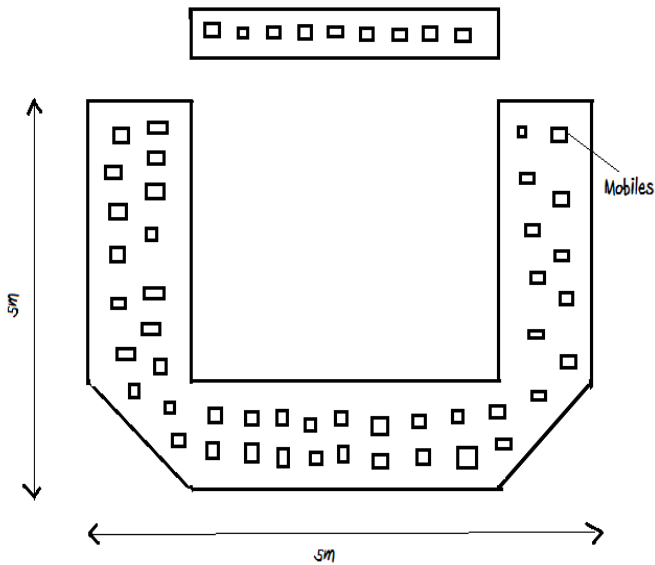
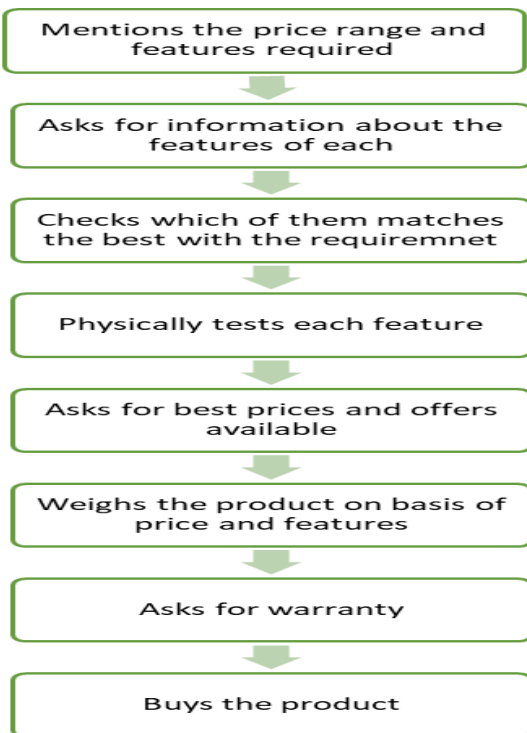


Fig. 2: Layout of the Mobile Section

The following brands in handsets were available at the store:

1. Samsung



2. Apple
3. Lenovo
4. Oppo
5. Vivo
6. Motorola

- Product accessories were displayed close to the products to attract customers to buy accessories along with the product purchase. E.g., mobile accessories and camera accessories were displayed near mobile and cameras.
- Mobile accessories were displayed on the wall just behind the cash counter where people came to make their payments.

Observed Purchase Process

After having visited the store for many times (during a weekday and at the weekend), it was observed that the maximum footfall was during the weekend evening. Around 10-15 customers were observed, out of which only 4 ended up in final purchase.

The maximum customers generally followed the following steps:

- i) The customer enters the mobile section and asks for a smart-phone in a particular price range and with some required features.
 - ii) If the purchaser has enough information about the features either by searching and comparing online or through his peers he asks less at the counter and his decision is mostly not influenced by sales personnel.
 - iii) Depending on what his requirements were and the features available he selects few.
 - iv) After selecting on the basis of features, the consumer finally physically tests the touch, the camera, the screen quality etc.
- In some cases this stage can arrive even after the second stage, i.e., the customer gives equal priority to both price and features.
- v) Finally the customer weighs the handset on both the price and features depending on what weight age he gives to price and features.

In some cases warranty can be asked along with features too.

In 4 out of 10 cases the customer buys the handset that best suits his requirement and price range.

Other factors that affected the purchase behaviour of respondents were:

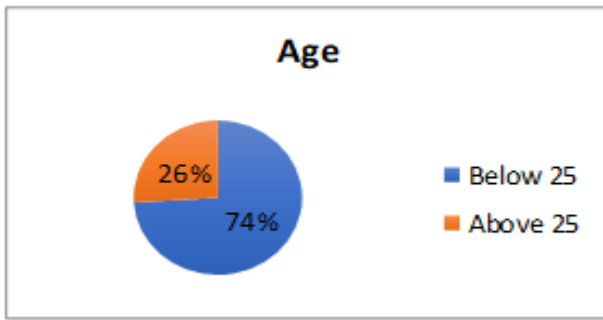


Fig. 3: The age of the buyers is a major deciding factor for generally 74% of the respondents were below 25 years

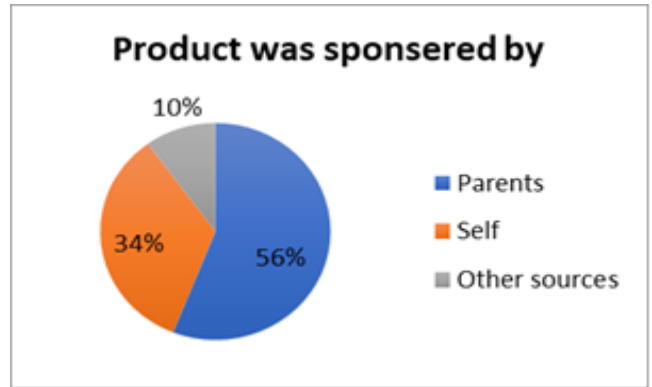


Fig.6: The product is sponsored 56% by Parents, 34% is self sponsored and remaining 10% by any other source

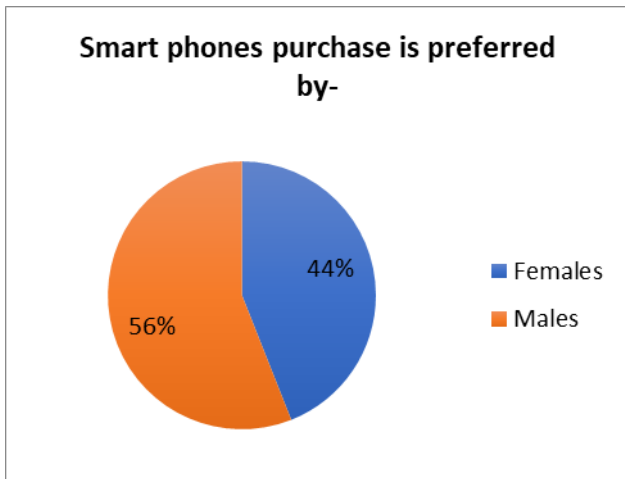


Fig. 4: 44% females and 56% males buy Smart phones

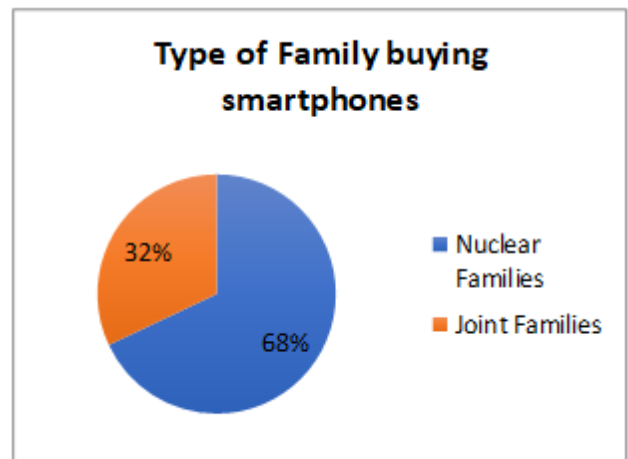


Fig.7: 68% of people living in nuclear families buy smart phones and 32% of people living in joint families buy smart phones

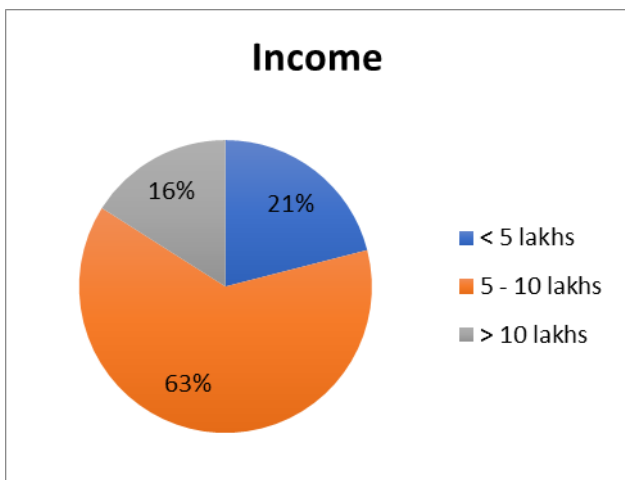


Fig. 5: The annual family income is a deciding factor with 21% people with income <5 lakh, 63 % people with income 5-10 lakh and the remaining 16 % >10 lakh

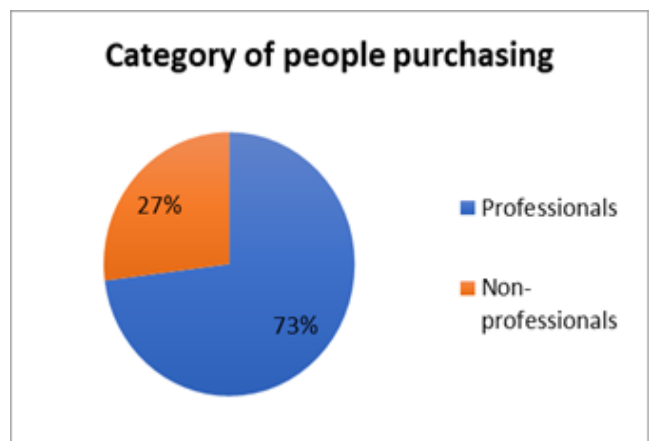


Fig.8: 73% professionals and 27% non-professionals buy smart phones category

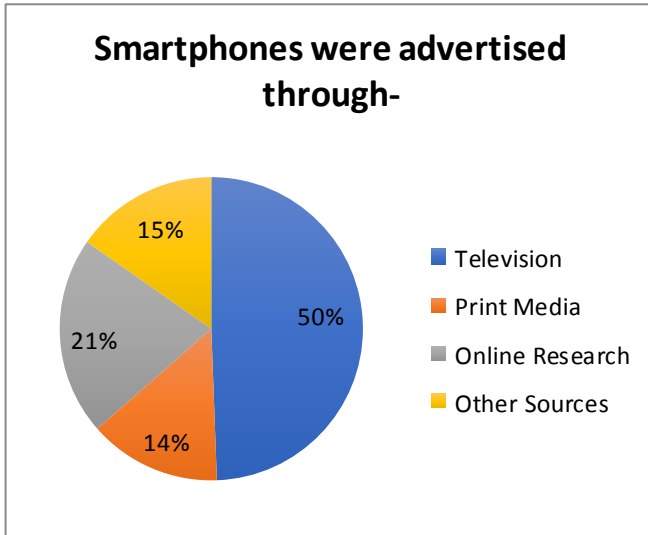


Fig.9: 42% came to know about the brand through television, 12% through Print media, 18% did online research and remaining 13% through friends and other sources

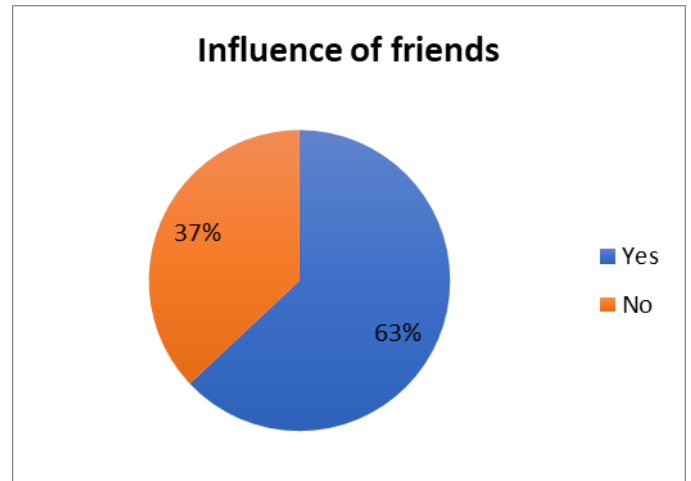


Fig.12: 63% of respondents had the influence of friends (or any reference group) on the purchase decision while rest 37% was not under such an influence

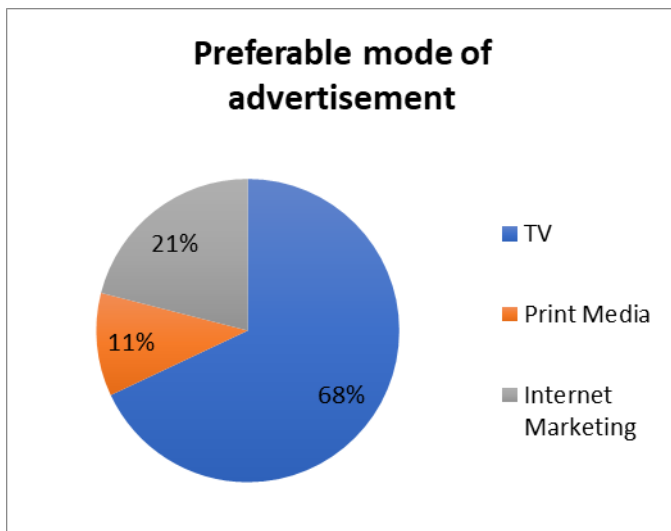


Fig.10: The preferable mode of advertisement of 68% was television; of 11% was print media and 21% internet marketing

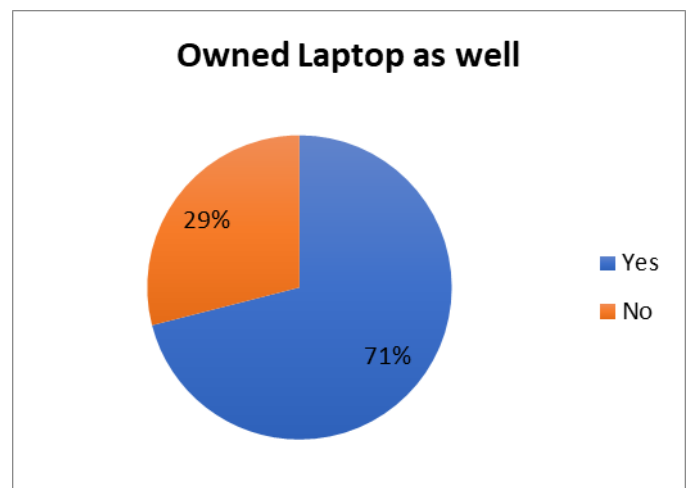


Fig.13: 71% of the smartphone buyers also owned laptop



Fig.11: 38% buyers made online comparisons among different brand while the rest 62% did not make online comparison

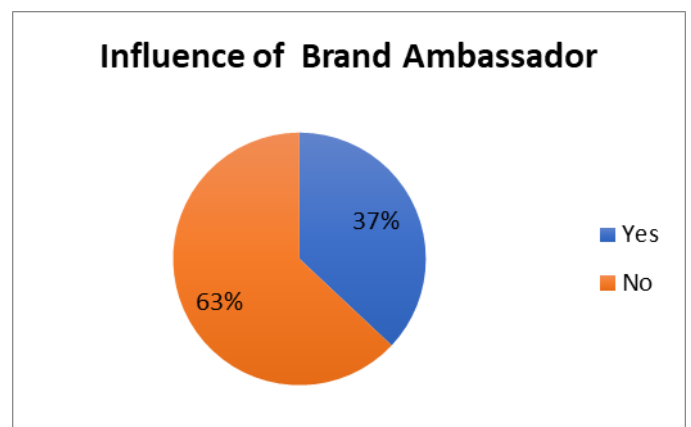


Fig.14: 37% of the respondents were influenced by the brand ambassador in their purchase decision while 63% were not influenced by the brand ambassador

V. RESPONDENT SUMMARY

Based on the questionnaire prepared, the summary of the conversations with a few respondents chosen for the analysis is given below:

Respondent 1

Age - 24
Gender – M
Educational qualification – B.E.
Income - Annual family income of 12 L
Joint or Nuclear family – Nuclear
Family Structure – 2 Adults + 2 Children

The respondent had recently bought Motorola Moto G. He is currently pursuing his MBA however, since he has a previous work experience of 2 years with CTS, he had his own savings. Hence, there was no need to depend on the family's income to buy the mobile phone. Also since the mobile price was not so high (it costs only 14000 INR), the respondent feels that there was an unconscious reason behind purchasing this particular model. Motorola offers all the features that an Apple iPhone or a Samsung Galaxy offers at 30k-40k. Hence value for money provided by Motorola is very high.

Advertisements were the main source of publicity for Motorola. As more people around the respondent started buying Motorola, the brand's popularity increased. Also they have been bombarding the smart phone market with a series of low priced smart phones. Their distribution network also compliments these efforts making their products available in almost all the mobile showrooms. He quoted, "When it is available on the shelf right before you, that too at such a low price, you tend to have a look at it, and most of the times it might end up as a purchase."

He prefers watching TV during free time rather than reading a Magazine or a Newspaper. He also listens to a lot of music; hence one of the main criteria while purchasing the mobile was that the features of the in-built music player had to be the best and also the battery life should be good.

Websites like phonearena, compareindia, flipkart, ebay, etc. provide the option of comparing various mobile phones, their features and price. This helps a lot in making an informed decision. Also instead of visiting any mobile showroom one can sit at his/her living room and browse through these sites to get a fair understanding about all the models available in the market. While visiting a showroom in person, the problems are, not all models might be available, and model he/she is looking for might not be available. Sales personnel might tend to be biased towards to a particular brand. Hence a neutral comparison of all brands cannot be made.

There was no such religion or region specific influence on the purchase of the mobile. These purchases were highly need driven. Hence, minor incentives like discounts during festival season might not influence one to purchase a new mobile phone.

A bad review by peers and friends might make one not to buy a particular brand. The respondent himself, during the purchase of the mobile phone, played all the roles in a family. Influence by immediate reference groups such, as the group of friends he hangs out with, is the highest. He feels good to buy a mobile which all of his friends and peers would prefer. Online groups have the next highest influence. They provide lot of guidance throughout the decision making process. Influence of the family was least. Opinion leaders have the highest influence within any group.

Respondent 2

Age - 26
Gender – M
Educational qualification – MBA
Income - Annual family income of 18 Lakh
Joint or Nuclear family – Nuclear
Family Structure – 2 Adults parents) + 2 Children (boys)

The respondent is planning to buy an I-phone 7. He is working with an IT company as a consultant. Since he has an experience of two years, he has his own savings. There will be no restrictions on which mobile to buy, but his father will give money. He wants to buy this phone because of the brand value of apple. Since Iphone is not launching its new mobile in near future (6 months) and there was urgency in buying the phone, therefore he was looking for Iphone7. Hence brand value of the product provided by apple is very high.

As the brand is popular in itself, there was no kind of influence from any advertisements. The after sales service provided by apple is the best according to the responded such as replacement of mobile if there is any kind of defect in mobile within one year. He believes that a person at his income level should carry an iPhone.

He searched on various e-commerce sites such as flipkart, ebay, jabong to check out the price offered by these sites. Also he visited the Apple outlets, Chroma, Sargam and mobile store to check the prices.

There was no such religion or region specific influence on the purchase of the mobile. Since there was a need to buy only an iPhone, so discounts can't play a role in deciding what to buy but it can play a role in deciding from where to buy.

Influence by immediate reference group such as working class and group of friends he hangs out with is the highest. There was no influence from the family. He feels good to buy that phone which goes with his image.

Respondent 3

Age: 21
Gender: Male
Marital Status: Single
Qualification: B.Com. (Hons.)
Religion: Hindu
Income: 2.7 lakh per annum

The respondent is working as an Audit Analyst in one of the Big 4 auditing firms for the past one year after he graduated from a college in Delhi University. Recently, he had purchased OnePlus 3 which was worth INR 26,000. This phone was bought using the savings from his monthly salary. The respondent felt that though his previous phone was good enough to fulfill his basic requirements but he still wanted to change to a better phone as now he was working himself and had the purchasing power now.

The respondent bought OnePlus 3 as he felt that he could get all the good features like camera quality, big screen, and interesting applications at a reasonable price and that too of a popular brand, which is preferred by customers, thus an overall value for money. The respondent was asked, if he would buy a more expensive phone if he had the purchasing power, even though it may not add much greater utility for him, and he said that 'Yes', he would buy a more expensive phone if he could. This shows that his purchase was not need or utility driven.

The respondent said that his purchase decision was influenced by his college hangout group, who he believed had the knowledge about the trendiest phones. He was also influenced by his brother, whom he thought was more tech savvy than he was, and who also did most of the information gathering for him. On asking about the influence from brand ambassadors he said that he does not have any influence from any brand ambassador for any product, as they are just paid to advertise the product, and this cannot make him use that product. He could recall the Internet advertisements of the brand, but did not remember the slogan.

He said that he got awareness about the product from the Internet pre-launch advertisements, as the phone had not launched in the Indian market before he decided to purchase it. Also, most of his information about the product was gathered from the Internet, as the product was not available in the stores. He went to the store only to make the final purchase after the product was launched. He used online sites like gsmarena.com, to gather information. But he said that if the product was already launched, then he would have preferred to go the market first and physically see the product rather than going online, as he wanted to have a look and feel of the product.

Sample Profile

Based on demographics of respondents chosen, we can profile them in the following manner:

Age – 26, 28, 23, 21

Educational qualification – MBA, B.tech., B.com.

Income level – 18l family, 10l, 8l

Family structure – 2+2 N, 2+1N

External factors influencing the purchase decision

Orientation of Indian households is still long term whereas the western culture is more oriented towards the short term. In line with this, even if the respondents were having their own cash savings or are currently earning, still they were not

given full freedom to make a purchase at their own discretion. They are expected to get the final decision approved by their parents and get the financial aid to make the final purchase.

Culture, Regional sub-culture and Religion sub-culture hardly had any impact on the purchase of mobile phones for any of the respondents. This was mainly due to the fact that a product like smart phone has become a necessity than a luxury.

Social class – Education and Occupation are considered the key drivers of social class. According to this, respondents aligned themselves with models such as iPhone, Blackberry etc.

Once the respondent decided on a brand he/she used the various online portals and also visited various stores to compare the prices at various points of purchases. Hence for someone purchasing a high-end smart phone, even marginal differences in price made a difference.

Highest influence – immediate friends, work

Influences of people at work place and close friends with whom they hang out with were even higher than TV ads. This was mainly because people who were busy with their work and who were studying hard time to sit and watch the TV Ads.

Family generally has least influence on choice of model of smart phone. However in certain cases, if the respondents were not that tech savvy, then they depended on either their family or friends to provide them with some suggestions or do some information search.

Respondents felt that high priced smart phones go in line with their image and hence they never actually thought these phones were high priced. Their social status demanded them to buy this particular model of phone.

Staying connected with family and friends is one common requirement for almost all the respondents. Hence if all their friends were using whatsapp, then it became a prerequisite that even their mobile should have this feature. Similarly for working class people, if all their colleagues were using a Blackberry and were connected through BBM, then they did not have a choice other than going for a Blackberry.

Brand ambassadors of smart phones generally did not have any influence on purchase of the product.

On the whole, respondents are generally collectivistic in nature. Most of the respondents wanted their friends to appreciate them for the model of smart phone purchased. This was one of the most common post-purchase behaviors that were observed amongst the respondents.

Implications for Marketers

- From the sample selected for the study, it becomes evident that the marketer needs to focus more on

advertising through television. Marketers should also improve the visibility of their brands online because according to the respondents of the study, they rely more on internet as a source of gaining insights into the product and for making comparisons among different brands. S. Ramachander explains that from a layman's point of view, the most visible part of marketing is advertising, especially through the exciting, modern medium of television. Television advertising is so all pervading and powerful that it inevitably arouses rather strong reactions either for or against.

- Almost all the respondents have highlighted the importance of friends in their purchase decision. So, the implication for the marketer is to focus on the importance friends, community and networking in the advertisements.
- Every respondent agreed to the fact that brand ambassadors endorsing the brand not at all influenced their purchase decision. Hence, the marketers can advertise without spending on celebrities.
- Previously people used to visit websites like phonearena.com and GSMARENA.com to make comparisons among different brands. But today on websites like flipkart, amazon etc. people can make comparisons and buy the product as well. Hence, the marketer should ensure that its brand gets listed with these websites.
- If the company is coming up with a new product, the brand can try to introduce the same features as available in the already existing models at a comparable or a lesser rate and the marketer can use this as a toll to endorse its product.

CDM Process of Respondents

Even though the respondent felt the need to purchase a new mobile when her old one was turning obsolete, she did not actually purchase it until she lost her old phone. The major reason for not purchasing a mobile earlier was that she did not want to ask her parents for financial help. She had a budget of around Rs.12000 to Rs.20000 and wanted features like, Internet facility, good resolution camera, better touch responsiveness and a faster processor as compared to her old mobile phone. The major sources of information search was her relative who was working in Motorola, and a few websites like Phonearena, Indiatimes, Amazon, etc. where she could compare between mobile phones. She also visited a few stores to find out the opinions of the salespersons, but these were more for reassurance rather than being a source of information. There was literally no social risk associated with buying a smart phone for the respondent and there were minimal risk associated with efforts also. Financial risk was the highest among the risks associated, and that risk was also moderate only given her budget.

The respondent was considering only Motorola and Samsung when she wanted to buy a new phone, as she felt that they gave better features at a lower price. She majorly focused on utility, as she was not that tech savvy and wanted more value for money. She did not consider the other brands like Apple, Blackberry, Motorola, Karbonn etc. because she felt that Apple was very expensive and that she might not be able to fully utilize all the features, Blackberry was outdated and that the other brands like Gionee, Karbonn, Lava etc. do not have a trustworthy reputation yet.

The respondent evaluated both Motorola and Samsung based on Price, looks and features, and finally decided that she will purchase Motorola. This decision was also influenced by the fact that her relative was working in Motorola. The brand selection came before the store selection. The store selection was not even done, as her relative had bought the mobile phone from his Motorola office and gave it to her in her house itself. Even though she was highly satisfied with her new mobile phone, she gives a favorable word of mouth only when asked for. She doesn't want to unnecessarily influence others decisions and that is why she refrains from giving suggestions unless asked for. Other than the word-of-mouth, she does not involve herself with other activities like blogging, posting on social media or reviewing mobile phone models on websites. As mentioned before, she is not tech savvy and hence does not keep herself abreast with the latest technological advancements.

Self-concept and Lifestyle

The respondent tries to maintain a perfect balance between personal achievements and social relationships. Her priorities might change according to the situations at hand, but never puts one over the other in general. She plays a lot of sports and loves watching movies in theatres, but not in laptops or TVs. She likes gossiping, shopping and hanging out with friends, and dislikes studying and eating.

She prefers Dell laptops and Van Huesen clothing line, but no specific brand when it comes to restaurants. When it comes to restaurants, she leaves the decision making to whosoever is accompanying her. She always wants to be happy in life, and at the same time to achieve something. However she feels that her lifestyle did not have any impact on her selection of Sony Xperia U.

Perception

The respondent feels that Television advertisements are best suited for smart phones, as they can make the phone very attractive and appealing. However, she feels that, once she has seen the ad on TV, then she will be more inclined to notice a print ad of the same brand. She feels that her purchase was more need based as she had lost her phone and was in dire need of a new one. The respondent is never emotionally affected by the content of the ads, and feels that if Sony was a person, he would be "Good looking, admired and stylish".

Learning, Memory and Product Positioning

The respondent previously owned a Samsung phone, but did not purchase that brand again because she was not satisfied with the touch responsiveness and the camera quality. When Motorola offered her these features at a comparable price, she happily bought it. She was offered 300W speakers and 2 screen guards as free accessories along with the purchase of Moto G.

Motivation, Personality and Emotion

The respondent feels that unless the new mobile launched in the market is from a well-known and established brand, she will not purchase it, as there will be no credibility for it. She is someone who likes her family and friends to approve of her selection, and hence might not want to take a risk with an unknown brand. She feels that celebrity endorsement had absolutely no influence on her smart phone purchasing decision. She is emotionally attached to the brand Sony and not to any particular products of Sony.

Attitudes and Influencing Attitudes

The respondent feels happy that she has made a good selection, as her family and friends complimented her for her choice. She likes the camera quality and the looks of her new mobile the most. She wasn't aware if Motorola was socially responsible or not, and she mentioned that it did not matter to her in anyway. She likes the brand, and that is why she is purchasing their product.

VI. CONCLUSION

Consumer Decision Making (CDM) process

Summary

- The problem recognition is generic in all the cases. This means there are multiple brands in the market that can fulfill the needs of a consumer.
- Whenever a consumer plans for a mobile change, his desired state predominantly consists of latest features in terms of both hardware and software.
- In most cases information search is external and mainly online. Especially in the case of search before the model is launched in the market, websites like gsmarena, phonearena etc. are the most used.
- Also personal contacts (Friends) and marketer information especially sales personnel are used as a key source.
- As part of internal source only personal experience with the same is commonly used.
- Both social and financial risk is high in the case of a smart phone purchase.
- Top of the mind awareness is highest for brands like Samsung and Apple.
- Even though consumers are aware of brands like Nokia/Microsoft/Microsoft and Motorola but they are part of the inept set.
- Evaluation criteria are generally a mix of attribute based and attitude based. Consumers who are brand loyal use attitude based evaluation criteria and are involved in limited decision-making process. Whereas consumers who are purchasing their first smart phone and are tech savvy use attribute based

evaluation criteria and are involved in extensive decision-making process.

- Consumers are basically looking for brand and value for money. Brand loyal consumers use lexicographic decision rule. Whereas others use disjunctive decision rule.
- Outlet selection – consumers generally visit stores like Croma, Jumbo Electronics to have a look and feel of the phone and comparing prices. However brand loyal consumers purchased from exclusive stores and consumers looking for value for money purchased from stores providing incentives such as extended warranty and freebies.
- Post purchase behaviour – consumers are generally satisfied with brands like Samsung and Apple. These consumers are engaged in positive WOM. Whereas consumers are dissatisfied with both the product and after sales service offered for Motorola products. These consumers are involved in negative WOM which is diluting the brand value.

Marketing Implications

- Generic problem means that there is high level of competition in the smart phone market. Hence, each brand has to try and somehow differentiate their product offering from their competitors.
- New products should be equipped with latest in terms of technology and they should also be compatible enough to support software upgrades (e.g., OS, Apps etc.). They should also be innovative in terms of product features focusing mainly on hardware and looks.
- Brands has to ensure they advertise in popular websites like gsmarena, phonearena etc.
- Since sales personnel act as a key influencer and the first point of contact during the purchase, brands should try to incentivize the stores so that the sales personnel will be willing to push their brand. This strategy will be beneficial for new entrants to create brand awareness.
- Financial risk can be reduced to some extent by introducing EMI options; discounts on exchange of old models etc.
- Recent entrants in the smart phone market like Karbonn, LAVA etc. are not even a part of the Awareness set of a consumer. Hence the primary motive of these companies should be to at least create brand awareness.
- Nokia / Microsoft is perceived to be an old fashion phone with very less technological upgrades and Xiaomi is being perceived as a phone that imitates top brands and is of low quality.
- Even though attributes or the product features are of minimum requirement, establishing brand loyalty is of high importance as well. Because brand loyal consumers help in spreading word of mouth and it in turn helps the brand to reduce the social risk associated.

- Hence retail outlets like Croma and Jumbo Electronics have to try and reduce their margins, provide incentives and better after sales services in order to compete against small outlets.
- Nokia / Microsoft should invest more in R&D and come up with better innovative products that are superior in terms of performance. Also they should focus more on providing better after sales service.

Perception

Summary

- People are generally not influenced by the external stimuli but they want the stimuli to be very alluring for the respondent to notice the product
- People find Television media to be the most apt source for advertising the smart phone
- Respondents whether highly involved or not, do rely a lot on online search and websites
- Respondents want their smart phones to be good aesthetically. When asked if you're smart phone were a person, what will be its key features, everyone respondent told that he will be good looking, smart and intelligent

Marketing Implications

- The features of stimuli like size, color, intensity etc. play a crucial role for attracting the attention of the consumer. The companies should make sure that they come up with something which the consumer is least expecting, make him curious so that he stays hooked up with the ad and with the product
- Focus on television media and not so much on print media. But the ads have to be engaging enough so that the consumer does not zap through them
- Companies should make sure that they give detailed information about their product, with comparison with other products in the category also. Also they should not focus so much on detailing about the features in TV ads. TV ads should only be used to create an aura for the product giving just basic information of the product and make sure that they give detailed information of their product online
- Companies should focus more on the looks, and should try to add new innovative applications in their phone and highlight the same in television ads also

Motivation, Personality and Emotion

Summary

- All the respondents had a different set of motives, which ranged from Cognitive Preservation to Affective Growth motives. Some wanted a phone only to improve their social status, while some wanted a phone for improved features but had a restriction in terms of budget. Whereas some respondents bought a phone to have access to latest technology and were also willing to spend for that, but they did not relate this motive to social recognition. All the respondents had manifest

motives and they were not shy in accepting any particular reason for which they bought the phone.

- All respondents except one said that they were low involvement customers and their involvement was situational. They sought information only when they had to make a purchase and were otherwise not updated about the latest development in the cell phone market.
- Also, an equal number of respondents had promotion focused and prevention focused motives. Respondents who had a necessity for a feature which was lacking in their previous phone had a prevention focused motive, whereas respondents who were just looking for an improved experience had a promotion focused motive.
- It was seen that respondents with preservation motives had a conscientiousness personality. They wanted to stick to a particular budget, wanted the best in that budget, and wanted to make a decision free of any financial risk. It was also seen that respondents with growth motives had an extrovert personality. Also respondents with a cognitive growth motive, were those who had a need for uniqueness. All the respondents were not influenced by the celebrity who endorsed their product.
- All the respondents had an emotional connection with their phones, and considered it a part of their life. This was maybe because all of them were satisfied with their current product. A respondent who had growth motives, generally were concerned more about the society, and their social class.

Marketing Implications

- For preservation motive customers, product should be such that which fits in a low budget and covers all essential modern day features. It should have a brand image based on trust and quality guarantee. Credible sources should be used to communicate to take the consumer into confidence because he should believe that the money he will spend will be a wise decision.
- For growth seeking customers, product should be placed on the higher end, in terms of improved features with more innovations. We should try to build a social image with focus on the product rather than taking help of a celebrity to do that. Product should be made unique in terms of innovation or design or maybe even a communication style which will make it look elite. For example, advertise it in high style magazines.
- Also, to target people with focus on growth (Promotion focused), advertisements should focus on 'achievements', and should some additional benefits that can be gained from the product. It should be advertised in magazines, websites, etc.
- To target people who want to prevent tension or avoid a problem (Prevention focused), we should advertise in an evening news show which focuses on negative events.

- To target conscientiousness personalities (careful, precise, and efficient), focus should be to convey that they are making a wise decision by not wasting extra money and still getting everything they require. Whereas, extroverts should be targeted by bolder communication way.

Learning Summary

- The consumers feel that TV advertisements as well as online websites and social media have a very important influence on the consumers. It helps them get a better knowledge of the product and it also continuously refreshes the memory by showing them again and again. This makes it easier to recall a particular brand from the memory. It enhances the semantic memory and has a long lasting impact on the consumers. Some consumers also feel that watching tech shows also enhances their ability to remember the product for long. Further, the print ad if it offers discounts and some important information, it enhances their semantic memory else they are ignored. Some consumers feel emotionally associated with the ads and the depiction in them. This ultimately helps them to relate to the product. Most of the consumers define their brand to be as an alter ego of their personality. If they are emotionally affected by them and have made up their mind about it, they make last minute evaluation just to avoid any regrets. Since there can be effort, time, social and financial risks associated with the product, they are highly involved in the search of information. Their ability to recall greatly depends on the how the customer has been conditioned to think about the brand. For all cell phone brands consumers respond in a similar way. Android has been associated with Samsung whereas Iphone is considered to be a phone that enhances ones' social status. Blackberry is considered to be a business phone and hence, all consumers are classically conditioned by the brand advertisements and image. At the same time they also work on the recommendation of friends who are happy with the same brand or reading information about them wherever available. Market sentiments and opinions of the people are very highly influence there learning. Hence, cognitive learning on their part is also strong. Also, the stores offer working models of the phone to encourage trial. They also give additional warranty and headsets to reinforce the consumer behavior. Hence, operant conditioning is adopted by brands and stores to reinforce the behavior. If the consumers are highly satisfied with the brand they have earlier purchased, they are not willing to change it and they may go to the extent of buying the newest model in the same series. Hence, there is high brand loyalty. Most of the consumers think of their brands as better than other brands having similar features and price

Marketing Implications

- Focus on TV advertisements and promoting their product on online websites
- The advertisements should be reinforced after regular intervals to create a brand recall
- The information should be minimal but adequate to attract the consumers
- Brand recall can be encouraged through online as well as brick and mortar store promotions
- They brands should create an image for themselves such that consumers feel classically condition to buy their product if they are looking to satisfy a particular need.

Attitude:

Summary

- Cognitive: Most of the respondents like the ease of accessing multiple applications at the same time. They value the feature of good connectivity and camera quality in their phone. However, some respondents were upset with the poor processing speed while using many applications.
- Affective: Smart phone is not merely a commodity to fulfill the communication requirements, but it is an indicator of status and prestige for most respondents. People also feel more socially connected and updated after buying a smart phone.
- A smart phone has more functional benefits. However, aesthetics of the phone were considered by most of the respondents before purchasing the phone.
- Behavioral: Satisfied people mostly recommend their phone only if asked about it.
- People who have no constraints on their budget are ready to give up on the cognitive part for buying a luxurious smart phone to gain a better social image among their family and friends. Attitude towards brand communication:
- Any celebrity endorsements, spokesperson association or the social image of the brand of their smart phone did not affect their attitude towards it.

Marketing Implications

- Utilitarian appeals are most effective for functional products so the benefits must be stated in all brand communication.
- Comparative ads can be used to generate attention, message and brand awareness.
- In order to help consumers with budget constraints to buy luxurious smart phones, stores can introduce schemes like EMI.

Lifestyle Summary

- Based on the responses, it could be found that half of the respondents had an independent self-concept and that half of them had an interdependent self-concept. A few of the respondents also tried to have

a balanced self-concept, between being independent and interdependent. It was found that around 65% of the respondents had Ideals motivation, 25% had Self-expression motivation and the remaining 15% had Achievement motivation for purchasing the smart phones that they purchased. Most of the respondents wanted happiness from life, either for themselves or for their family. All respondents are able to mention a few brands that they prefer in laptops and clothing, but most of them do not have any specific brand preferences when it comes to restaurants.

Marketing Implications

- Most of the people have Ideals motivation for purchasing smart phones. As Ideals motivated people seek a lot of information before making a decision, most information like features and specifications which will help the consumers make this purchase decision should be provided in the communication itself.

- In order to enhance the endowment effect, working models should be displayed in the retail outlets and customers should be allowed to get a feel of the mobile phones that they are interested in. This will help the customers to visualize product ownership, which may result in favorable product evaluations.

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