Analyzing Consumer behavior towards different mobile handset brands- with reference to Jamnagar city

Abstract:

It is evident that the market of mobile handset in India is highly competitive and monopolistic. A lot of companies have plunged into the business with high expectations, given the size of Indian market. The consumers today have a high amount of choice left to them when it comes to make a purchase decision regarding a mobile handset. The present paper focuses on the perceived quality ratings of different mobile handset brands on the basis of its Country of Origin. The paper is an attempt to look into the probable correlation that a consumer might carry between the COO of a mobile handset company and its perceived quality which might influence the purchase decision of the buyer.

Key Words:

- COO : Country of Origin
- Ethnocentrism: The typical consumer behavior that makes the consumers prefer only host country's products.
- Consumer buying behavior: The behavior of consumers regarding purchase decision under various factors
- Perceived Quality: The cognitive level of the consumers regarding quality under various factors.

Introduction:

Indian Markets have recently shown a great boom in the sale of electronics and particularly in the mobile handset business. The mobile handset business has shown tremendous growth in the last decade and purchasing of smart phone which was generally deemed as a luxury for the rich class of people have now changed to a need based purchase even for the middle class segment. Not only urban consumers but also rural consumers have shown a favorable buying attitude towards smart phones.

The present research focuses on the effect of profession of any individual over his choice for a particular make, model and brad of cars. Along with the same, it also tries to investigate into the choice of Indian consumers towards domestic vis a vis multinational brand of cars.

The author, for the convenience of the research has identified 12 highest selling mobile handset brands. Out of these 12 brands, 6 brands belong to the MNC (Multinational corporations) category and the other 6 belong to Domestic (Indian Manufacturers) category. The author has administered a structured questionnaire to 100 respondents in the area of Jamnagar.

Literature Reviews:

1) Sivakumar K & Venkatraju D. (2007), Consumers' attitude towards the products of Indian & Multinational companies- comparison of electronic products, International Journal of Engineering & Technology, 19-21

The study attempts to research about the consumer attitude towards Indian and MNCs products for electrical and electronic products in Chennai city and develops various aspects about the use of Indian and MNCs products for various reasons This study includes primary data collection with a convenient sample size of one hundred target respondents of the users of electrical and electronic products like Mobile phone, Refrigerator, Television and Computers in Chennai city. The total Sample size was taken as 100 respondents. Chi square test was used to analyze the data. The findings revealed that most of the consumers are not aware of the Indian and MNCs due to lack of knowledge but they buy MNCs product unknowingly since it is MNC"s products.

2) Singh Jag winder (2008), Comparative Analysis of Rural and Urban Indian Consumers towards foreign products, Journal of Business & Management, 96-106

The study was aimed to understand the comparative attitudes of rural and urban Indian consumers towards the foreign brands in consumer durables and electronic segment 150 households (equal percentage from rural and urban areas) were taken as sample through convenient sampling method A five-point scale was later used to evaluate statements using 5 for strongly agree and 1 for strongly disagree The study reveals that both rural and urban consumers had given huge importance to foreign products over domestic products in terms of style, appearance and prestige

3) Mathan Shyamala (2006), Consumer Perception of Global vs. Local Brands: The Indian Car Industry, Paripex Indian Journal of Management, 65-69

The study explores and understands consumer perceptions of global and local car brands in India Basically primary data were collected and structured interviews and questionnaires were used to obtain the data. Non probability sampling method was used and the sample size was 100 urban consumers between the age group of 30 to 60. It was found that most of the respondents had a fascination towards their brands as a 'foreign make'

Statement of Problem:

Smart Phones, now a days have translated from a luxury item to a need item. The recent data and statistics have shown that there is a tremendous increase the purchase of smart phone by Indian People.

An attempt, in this paper is made whether, the profession of a consumer affects his choice of buying a make and model and even the color of a smart phone or not."

Objectives of the Study:

1. To understand the difference between the perceived quality ratings of different mobile handset brands.

2. To analyze the effect of country of origin on buying behavior towards smart phones.

Significance of the Study:

The current study is of a significant importance. The current study will give the researcher an idea about the influencing factors that play a very important role on the buying decision pertaining to cars. The study also is helpful for the automobile manufacturers to understand the driving ethnocentrism or anti-ethnocentrism that prevails in the urban consumers and the relation of COO with the perceived quality.

Research Methodology:

Universe and Sample of the Study:

Universe for the concerned study is middle and upper middle class consumers, using smart phones in the area of Jamnagar city

Sampling Method:

Non Probability convenient sampling method is used.

Hypothesis of the Study:

1. There is no significant difference in the perceived quality ratings of different brands of smart phones.

2. There is no significant impact of the country of origin over the Perceived quality of the product.

Hypothesis Testing

Objective: To understand the differences between perceived quality ratings.

The first objective of the researcher was to understand the differences between the perceived qualities of different mobile phones that are available in the market. The following hypothesis was established for testing.

H=0 There is no significant difference between perceived quality of the mobile phones.

H=1 There is a significant difference between perceived quality of the mobile phones.

Methodology:

For testing the hypothesis the consumers were given 12 mobile phone brands which are currently available in the market. 6 of them were domestic brands and other 6 were MNC brands. The consumers were asked to rate the quality of the brands on basis of their perceptions. The consumers were asked to rate the quality on a scale of 1 to 5, whereby 1 being the best and 5 being the worst.

The frequencies so obtained were given weightage of 5 to 1 and the following table was derived.

Table 1: Perceived quality weighted ratings on selected brands					
Brand of phones	**Perceived quality ratings**				
	1	2	3	4	5
Apple	400	40	0	10	5
Samsung	300	40	15	20	15

Sony	275	100	15	20	5
Micromax	200	80	15	40	15
Lava	175	20	0	110	5
Xolo	55	36	15	120	15
Lenovo	175	140	3	48	5
Nokia	25	20	75	100	15
Vivo	165	132	9	10	26
Karbonn	45	36	18	88	32
LYF	115	92	9	50	26
Spice	80	144	27	70	4

On the above table, single factor anova test was used to determine, the perceived differences in the quality and following results were derived:

Table 2: Anova table on differences between perceived quality ratings – Selected Brands						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	11958.45	11	1087.132	2.14298	0.999324	1.99458
Within Groups	364962.8	48	7603.392			
Total	376921.3	59				

From the above calculation, it is evident that the null hypothesis stands rejected as the F cal is greater than the F tab. This leads to a conclusion that there is a significant difference in the perceived quality ratings of different mobile phone brands.

Objective 2: To understand the effect of COO over the buying preference towards the brands of mobile phones.

It was important for the researcher to understand that whether the COO affects favorably or unfavorably over the purchase decision of the consumers. The following hypothesis were established.

H=0 There is no effect of COO over the perceived quality

H=1 There is a significant effect of COO over the perceived quality

Methodology: The respondents were asked the country of origin of the 12 brands which are studied in the present study. The numbers of right identifications were recorded. At the same time, the averages of perceived quality rated for each brand (as mentioned in the earlier table), were also recorded. Correlation test was used to generalize the relations between knowledge on coo and perceived quality. The following table was established:

Table 3: Correlation table		
Brands	**Knowledge of COO**	**Average of perceived Quality**
Apple	63	91
Samsung	50	78
Sony	90	83
Micromax	100	70
Lava	95	62
Xolo	63	48.2
Lenovo	98	74.2
Nokia	20	47
Vivo	65	68.4
Karbonn	55	43.8
LYF	45	58.4
Spice	87	65

	Column 1	*Column 2*
Column 1	1	
Column 2	0.429672	1

It is evident from the above calculation that the correlation between knowledge of COO is insignificantly positive. This means that the hypothesis stands rejected

The next part of the paper concerns the discussion of the above said hypothesis.

Discussion:

Hypothesis 1:

By testing the first hypothesis it was concluded that, the average consumers of smart phones do not infer much differences in the perceived quality among different brands of smart phones. This could be because of the following reasons:

- Inadequate knowledge about the complete system and technological excellence
- Reliance on influences from social groups and family
- Price sensitivity of the consumers.

Hypothesis 2:

By testing the second hypothesis, it was concluded that, the average consumers do not correlate the perceived quality of a smart phones on the basis of its COO. This could be because of the following reasons:

- Most of the consumers are unaware of the right COO of different brands of the phones
- Smart phone is a kind of product which is judged on the basis of user specific requirements rather than common factors of quality
- In current era smart phones have also turned into a status symbol which does not relate to the COO philosophy

Findings

- The average consumer do not correlate the perceived quality of mobile phones with the COO philosophy of the organization
- The probable symbolism effect of using a MNC brand of phone is not present in the minds of consumers
- There are no perceived quality differences in the minds of consumers as far as different handset brands are concerned, whether of domestic make or multinational make.
- The consumers make their purchasing decision, regarding mobile handset, on the basis of reference groups

Suggestions:

- The manufacturers should focus on spreading a positive word of mouth because mostly the purchasing decisions of consumers are based on positive feedback of the reference groups.
- The manufacturers should not focus in advertising the COO manufacturing philosophy because that factor does not play an important role in the purchasing decision.
- The sales promotion effort should be on offering a bundle of features in an affordable price range because the consumers are extremely price sensitive when it comes to mobile handsets.

Conclusion:

The attempt of the small research was to understand that the old notion "Being multinational means better", holds good in the minds of consumers or not. It was generalized in the past that average Indian consumers judge the quality of a product on the basis of the COO of the product. It was quite evident that in past, it was seen that Indian consumers felt symbolism effect as well as perceived that multinational products are better in the quality.

With the conclusions of the research it was quite clear that the Indian consumers have got matured and the said old notion does not hold good. There might be some other factors which would be valued by the consumers to judge the perceived quality of the product as good or bad.

Further researches on the similar lines might throw an important light on issues like which are the driving factors which makes a favorable purchase decision on the part of Indian Consumers.

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