A study on consumer buying behavior of mobile phones

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Abstract
The behavior of consumers towards smartphones is increasingly a focus of marketing research. In particular, consumer behavior in the smartphone industry, from adoption motivation to post-usage behavior has become a major focus of research in the field of marketing. The results of the research confirm that the regulatory focus has an influence on consumer behavior towards smartphone purchase decision by affecting their perception, motivation, and lifestyle. India is one of the fastest growing economies in the world and the smartphone industry in India is also growing very fast. For consumers’ smartphones have become essential parts of personal and business life. There is a continuous increase in disposable income; there has been a major shift in the attitude and aspirations of the consumers. This research is to analyze the external and internal factors which influence a consumer’s decision in purchasing a smartphone. The research also focuses on consumer attitude for smartphones and the influence brand name has on consumer buying decisions. The recent growth of smartphone usage is an observable fact that crosses all age and gender boundaries. Hence, this research explores through quantitative analysis some of the key factors believed to affect consumer’s attitudes and behaviors towards smartphone purchase.

Introduction
The increasing interest in smartphones among the people is the main reason that has amplified the interest to research the topic. People’s obsession about smartphones has been increasing rapidly. The aim of this research is, therefore, to find out consumer behavior of smartphone buyers in Indian Market. The research aims to find out the reasons behind people purchasing smartphones, the factors influencing the purchase decision and the motivations behind the purchase decision.

Different consumers have different characteristics in their life that also influences their buying behavior. Social factors such as family, groups, roles and status) and personal factors (such as age, occupation, lifestyle, personality and self-concept) are those characteristics that could influence the buyer behavior in making the final decision.

Even when cheaper smartphones are available in the market, why do people buy expensive smartphones? Price, quality, brand, country of origin, marketing, sales, word of mouth, etc. could be several factors that a consumer may think before buying a smartphone. How much does the brand of a smartphone affect the buying decision of a customer? As there are various types of smartphones available in the market with a varying price; what is the difference between them? And how they impact the customer buying decision?

This research also aims at the marketing strategy of the smartphone companies to influence the
buying behavior of the customer. These strategies include Promotional campaigns, Tie-Ups with the network carrier, etc.

The research objectives of this study are as follows:

- To identify to what extent evaluation of outcomes and beliefs affect consumers’ attitudes and intention to purchase in the smartphone market in India.
- To develop a framework on the effects of external influence and internal influence which affect self-concept and lifestyle of the consumer which result in purchasing decision-making process.
- To analyze what are the factors which influence and eventually motivate the customer to buy a smartphone in the Indian market.
- To analyze the theoretical implication of brand of smartphone in the Indian market and what are the effect on the purchase decision-making process.

**Literature Review**

Here we provide a review and synthesis of the literature, it explains the consumer decision-making process with the model which is used as the research framework. This explains all the external and internal factors which influence the consumer in the decision-making process. This chapter also includes literature for smartphone and its characteristics. It explains the factors which are affecting the consumer in purchasing a smartphone. This chapter also explains the importance of brand influence on the consumer in the smartphone industry. This chapter uses a consumer decision-making model to explain the consumer buying behavior for smartphone industry in India. Literature review contents are linked to research questions and research objective of this research.

**Consumer Decision-Making**

One of the fundamental issues in consumer behavior is the way consumers develop, adapt and use decision-making strategies (Moon, 2004). Consumer decision making could be defined as the “behavior patterns of consumers, that precede, determine and follow the decision process for the acquisition of need-satisfying products, ideas or services” (Du Plessis et al., 1991).

Consumer decision making has long been of great interest to researchers. Early decision-making studies concentrated on the purchase action (Loudon and Bitta, 1993). It was only after the 1950’s that the modern concept of marketing was incorporated into studies of consumer decision making, including a wider range of activities (Engel, Blackwell, and Miniard, 1995). The contemporary research indicates that more activities are involved than the purchase itself. Many other factors influence the consumer decision making than the final outcome. Vast numbers of studies have investigated this issue and many models have been developed accordingly. Models aim to depict the purchase decision-making process and its influential factors.

Consumer behavior is a wide range of study about the decision-making processes that a consumer made at the time of making a purchase. According to Kotler (2009), “Consumer behavior is the study of how individuals or groups buy, use and dispose of goods, services, ideas or experience to satisfy their needs or wants”. In the early stages, consumer behavior was taken as buyer behavior that reflects the interaction between consumers and producers at the time of purchase but now marketers recognize that consumer behavior is an ongoing process, not just something that happens at the time when the consumer gives money and gains some
goods or services (Solomon, 2006).

In the eye of marketers, a consumer is known as “a man with a problem”. A consumer purchase is a response to that problem. The process that a consumer takes in his decision making is quite interesting to most of the large companies. They are trying extremely hard to research the consumer buying process in order to find out what consumers buy, where and how they buy, when and why they buy, etc. It is easier for researchers to find the answers to what, how, where, when and how much consumers buy but it is not that easy to find why they buy. The reason is “the answers are often locked within the consumer’s head” (Kotler and Keller, 2009).

Usually, a buyer passes through five stages to reach his buying decision. First, the buyer notices the difference between his current state and ideal state and recognizes his want and need for something. A need can also be aroused by external stimuli. He/she starts searching the information for his/her desired product through different channels like family, friends, advertisement or mass media. After sufficient information is gathered, the buyer processes the information to evaluate the alternative brands in the choice set. Finally, he purchases the product which he assumes to be the best for him. After purchasing the product, the buyer will take further action to the marketer based on his satisfaction or dissatisfaction (Kotler, 2009).

For purchasing a smartphone, a buyer goes through these five stages. These stages help the buyer to evaluate his/her needs, choose the best smartphone according to his/her need and budget and purchase it.

![Figure: Buyers Decision Process](image)

**Models of Consumer Behavior**

Companies use various marketing efforts to influence the decision of consumers, but it is difficult to know how consumers respond to them. Marketing stimuli comprise of product, price, place and promotion (commonly referred to as the four “Ps”). Smartphone companies use these marketing stimuli to influence the consumer to buy new smartphones or replace old one. Besides these, there are other stimuli that act as the major forces in the buyer’s environment. Some of these stimuli are as follows.

- Economic factors like a country’s market condition and its economic condition
- Technological factors like the R&D sector, which analyses the usages and needs and develops smartphone according to it
- Cultural factors like the cultural beliefs and practices of the country, etc.

All these stimuli enter into the buyer black box and depending upon the influence these stimuli exert, the buyer comes up with the observable buyer response: product choice, brand choice, dealer's choice, purchase timing, and purchase amount. (Kotler, 2009)

For this research The Hawkins, Best and Coney model are used to analyze and develop a framework on consumer behavior for a smartphone in Indian market. The Hawkins, Best and Coney model will help in understanding the external and internal influence which is faced by the consumer which motivate them in buying a smartphone. This model will help in analyzing the decision-making process in which a consumer goes while purchasing a smartphone and it
will explain how external and internal influence is related to the decision-making process.

**The Hawkins, Best and Coney Model**

The model proposed by Hawkins, Best, and Coney, is derived out of the Engel, Kollat, and Blackwell model and further broadens it to external and internal influences. Hawkins, Best and Coney (2004) regarded the consumer need is influenced by both external factors such as culture, subculture, demographics, social status, reference groups, family, and marketing activities and aspects such as perception, learning, memory, motives, personality, emotion, and attitudes that serve as internal factors.

![The Hawkins, Best, and Coney Model](image)

Together, they form a consumer self-concept and lifestyle, leading to needs and desires that drive the five-stage decision process, namely problem/needs recognition, search for alternatives, evaluation of alternatives, choice/purchase made, and post-purchase evaluation. Although the five-stage decision process, which is similar to the Engel, Kollat, and Blackwell model, views factors such as emotions as an influence, it still takes the assumption that consumer makes a purchasing decision in a rational manner, assessing alternatives before making a decision. Yet, previous experience as well as perception, learning, memory, motives, personality, emotion, and attitudes may affect the acquisition. Experience and acquisition may
influence the internal and external factors, which would reinforce or change consumer self-concept and lifestyle.

External Influence on Consumer Behavior

*Culture:* Culture is the accumulation of shared meaning, rituals, norms and traditions among the members of an organization or society. The consumer’s cultural beliefs and practices determine the overall priorities, he/she attaches to different activities and to the product. It also determines the success or failure of specific products and services in the market. A product that provides benefits consistent with those desired by members of a culture at any point in time has much better chance of attaining acceptance in the marketplace. Culture can be considered as a lifestyle which is then passed on from one generation to the other generation. Culture is not static. It is continually evolving, synthesizing old ideas with new ones. As of the historic factor that Iranian plateau, Central Asia, Arabia, Afghanistan and the West have invaded India thousands of years ago as a result Indian people and culture have been influenced extremely and produced a remarkable ethnic and cultural fusion. 4 main languages are spoken in the country. English is the most vital language for national, political, and commercial communication. Although 81% of the people are of Hindu religion, India is the home to one of the world’s largest Muslim populations. The population also includes Christians, Sikhs, Buddhists, Sikhs and Parsis (Cia.gov 2014).

*Demographics:* An age cohort consists of people of similar ages who have undergone a similar experience. They share many common memories about culture heroes, the importance of the historic event and so on. Marketers often target products or services to one or more specific age cohorts. They recognize that the same offering will probably not appeal to people of different ages, nor will the language and image they use to reach them. Important age cohort includes teenager, 18-29-year-olds, baby boomers and the elderly. Teenagers are making the transaction from childhood to adulthood, and their self-concept tends to be unstable. They are receptive that help them to be accepted and enable to assert their independence. Baby boomers are the most powerful age segment because of their size and economic clout. As this group has aged their interests have changed and marketing priorities have changed as well. According to a survey of Cia.gov (2014), the total population of India is 1.2 billion and people in the age group of 15 to 54 comprise 69% of the total population in which approximately 376 million are male and approximately 357 million are female. As for the smartphone market, it is a huge demographic.

*Social Status:* Different products and stores are perceived by consumers to be appropriate for certain social classes (Munson and Spivey, 1981). The working class consumer tends to evaluate products in more utilitarian terms such as sturdiness or comfort rather than style or fashion. They are less likely to experiment with new products or styles. Each individual’s social status or personality also influences the consumption behavior. Personality can be defined as a set of unique human psychological traits such as confidence, autonomy, adaptability and defensiveness that leads to regular and continuous responses to external stimuli. A brand also has a personality; a Brand personality can be considered as the individual set of traits that we can attribute to a certain brand. Buyers are more likely to choose brands that reflect their own. Usually, such possessions would be more obvious for public products than for private products available in the market (Solomon, 2006).

The occupation and the social class have a powerful impact on the buyer’s decision. The different categories of social class are as follows:
People who are from an upper-class family will undoubtedly consume more on products and services while people from a lower class will spend more cautiously and wisely on products and services in the market.

The increase in Indian economic activities naturally has led to the creation of employment and business opportunities, which in turn has resulted in a substantial rise in the disposable incomes of the people particularly, the middle class. An ever greater section of the Indian populous has made their entry into the middle class by virtue of their earning potential. With increasing disposable incomes, higher levels of aspiration and propensity for a better lifestyle - the middle class is the key beneficiary of the majority of the products and services marketed in India. Considering the size of the country and its population, the market size for goods and services in India is huge and it is still growing.

**Reference Groups:** A reference group is an actual or imaginary individual or group conceived of having significant relevance upon an individual evaluation, aspiration or behavior. Reference group influences consumers in three ways. These influences are informational, utility, and value-expressive.

Although two or more people are normally required to form a group, the term reference group is often used a bit more loosely to describe any external influence that provides social cues. Reference group that affects the consumption can include parents, a fellow enthusiast, team members, classmate etc.

A reference group can take the form of a large, formal organization that has a recognized structure, regular meeting times and officers, or it can be small and informal, such as a group of friends or student living in hostels. In the smartphone market, companies tend to have more control over their influencing of the formal group because they are more easily identifiable and accessible.

**Family:** Family is considered as the most important consumer consumption organization in society, and members of a family constitute the most influential primary reference group. Family members play certain roles in the decision-making process, namely

- “The Information Gatherer” who has the influence on how and where information is gathered,
- “The Influencer” who has the influence regarding the different brands that are evaluated,
- “The Decision Maker” who has the influence on which product will be bought,
- “The Purchasing Agent” who makes the purchase, and
- “The User” of the product.

There are two families in the buyer’s life. The family of orientation consists of parents and children (single-parent families and childless families are included). From parents, an individual acquires an orientation toward religion, economics, personal ambition, and self-
worth. Such influence on behavior can be significant and continuous even though the buyers do not interact often with their parents.

Another more direct influence on daily buying behavior is the family of procreation, namely one’s spouse and children. For example, in the India, the involvement of family members in goods purchasing decisions vary by the nature of the products to be bought. The wife is usually the main purchasing agent for the family. That is, nowadays, traditional purchasing roles are changing. Marketers shall see both men’s and women’s needs as possible targets. As for the smartphone, in an urban population of the country, every member of the family usually has one. Normal mobile is usually owned by everyone and they are slowly switching to smartphones.

**Marketing Activities:** We are surrounded by marketing stimuli in the form of advertisement, shops, and products competing for our attention and our cash. Popular culture, the music, films, sports, books and other forms of entertainment consumed by mass market is both a product of and an inspiration for marketers (Solomon, 2006). For marketing smartphones, the manufacturer uses social media tools and television advertisements to influence the consumer in purchase decision making. Manufacturers also try to engage consumers in activities like gaming and competitions for the promotion of their product. For example, to increase perceptibility as Micromax was new in the Indian market; Micromax bombarded the market with all different kinds of advertising through radio, outdoor, online, exchange schemes and promotions. They placed their products in popular stores like Croma, The mobile store, Reliance Digital etc. As there was high visibility with the competitive brands, Micromax Tie-ups with local distributors for easy availability which helped them to tap the customers who did not visit the popular stores. For the B2C model, higher margins up to 15 per cent were offered to the dealers, which was higher than the industry average of 6 per cent to 10 per cent. And distributors were offered with higher margins than any other manufacturer this helped the company penetrate the market deeper into the urban markets. For new customers, the company provided them with better after-sales service and an extended warranty of 2 years, thus gaining the trust of the customer. These marketing strategies help the company in increasing the market share by penetrating deeper into the urban markets. It became the second largest GSM mobile phone vendor in India after Samsung, with a market share of 21 percent. It sold about 1 million mobiles every month. (Micromaxinfo.com, 2014)

**Internal Influence on Consumer Behavior**

**Perception:** Perception refers to the many different ways that an individual can sense external information, select particular sources of information and how they interpret this information (Belch and Belch, 2009, p118). This means that the people who have the same motivation and are in the same situation may not act the same because they perceive the situation differently. Perception is the process by which people select, organize, and interpret information to form the image of certain things. People perceive the same situation differently because they interpret and organize information uniquely. In the smartphone market, perceptions are more important than the reality, as it affects consumer’s actual behavior. There are three processes that explain why people from different perceptions with the same object.

1. **Selective attention:** Selective attention is the process that people screen most stimuli out as the capacity to process stimuli is limited. For instance, average Indians may be exposed to over 1,500 ads, which indicate that marketers have to try their best to attract consumers’ attention. People are more likely to notice stimuli that relate to a current need, that they anticipate, and whose deviations are large in relationship to the normal size of
the stimuli.

2. **Selective distortion**: Selective distortion presents the tendency for people to interpret information that matches to the presumptions. Consumers often distort information to support their existing belief and expectations. Selective distortion can be helpful with strong brands when consumers interpret neutral or ambiguous information in a positive way.

3. **Selective retention**: Selective retention implies the tendency that people forget much of the information that they are exposed, but they still retain information that matches their attitudes and beliefs. It explains why repletion is necessary to avoid information to be neglected.

**Learning**: Learning induces changes in consumers’ behavior arising from experience. Actually, most human behavior is learned. Learning is formed through the interplay of drives, stimuli, cues, responses, and reinforcement. A drive is a strong internal stimulus that propels the actual action. Cues such as advertising are minor stimuli, which determine when, where, and how a person responds. The response is an effort that people make to satisfy the drive by obtaining a product. Reinforcement happens once a consumer has bought the product and is satisfied after using it.

**Memory**: All the information and experiences people confront, as they go through life, become part of the memory. Consumer brand knowledge can be considered as a spreading activation process in the memory network with a variety of linked associations that determines how people retrieve and what information people can recall in the given situation. These linked associations are important determinants for people to recall the brand, including brand-related thoughts, feelings, perceptions, images, experiences, beliefs, and attitudes, etc.

**Motivation (Maslow’s theory)**: Abraham Maslow tried to explain why people are driven by particular need at particular times. He placed human needs in a hierarchy, which is called Maslow’s hierarchy of needs. He identified five levels of needs from the most to the least pressing.

The first level of Maslow’s hierarchy of needs is physiological needs, which is the basic level of all needs including food, water, and shelter. People will always try to satisfy their most important needs first; the second level of Maslow’s hierarchy of needs is called safety needs. When basic needs are satisfied, people will strive for security, stability, and freedom from fear; the third level is social needs, where people consumers will try to satisfy their needs for friendship, belonging, and affiliation. Such emotional security is valued by other people in social circles; the fourth level of Maslow’s hierarchy of needs is esteem. The need for an individual to be superior in comparison to others in the same peer group. The fifth level is that of self-needs and has to do with self-development and realization. In Maslow’s hierarchy of needs, a person tries to satisfy a lower level need first, when that needs are satisfied, the person will then satisfy the next most important need.

**Personality**: Personality describes a person’s disposition, helps show why people are different, and encompasses a person’s unique trait. The “Big Five” personality traits that psychologists discuss frequently include

- “Openness” or how open you are to new experiences,
- “Conscientiousness” or how diligent you are,
- “Extraversion” or how outgoing or shy you are,
- “Agreeableness” or how easy you are to get along with, and
• “Neuroticism” or how prone you are to negative mental states.

Marketers have had better luck linking people’s self-concepts to their buying behavior. Marketing researchers believe people buy products to enhance how they feel about themselves to get themselves closer to their ideal selves.

**Attitude:** “Attitudes are learned predispositions to respond to an object or class object, in a consistently favorable or unfavorable way” (Allport, 1935, p810). Attitudes are “mental positions” or emotional feelings, favorable or unfavorable evaluations, and action tendencies people have about products, services, companies, ideas, issues, or institutions. Attitudes tend to be enduring, and because they are based on people’s values and beliefs, they are hard to change. Smartphone companies want people to have positive feelings about their offerings.

**Concept and Lifestyle**
According to the model, all the external influence and internal influence on consumer result in their social concept and lifestyle choice. The lifestyle of a consumer refers to a pattern of consumption reflecting their choices as how they spend their time and money; it also refers to the attitudes and values attached to these behavioral patterns (Solomon, 2006). According to Kotler et al, “Lifestyle is a person’s pattern of living as expressed in his or her activities, interests, and opinions”. Lifestyle is capturing a person’s whole pattern of acting or networking in the world more than profiling a person’s social class or personality. (Kotler et al, 2009). Lifestyle and social concept of consumer-influenced by their external and internal influence result in the decision-making process for the product based on need and desire.

**Decision Process**

**Problem Recognition:** Belch and Belch (2009) also discuss how a need isn’t necessarily something that a person wants, but can be something that a person must have in order to facilitate their way of life. This stage of the model is centered on the factors that drive consumers to shop for products (Workman and Studak, 2006). Problem recognition occurs whenever the consumer sees a significant difference between his or her current state of affair and some desired or ideal state. The consumer perceives there is a problem to be solved, which may be large or small, simple or complex. A person may be tempted to acquire that product by advertisement or by other social or physical medium, which triggers the thought about purchasing. Need recognition can occur in several ways. The quality of person’s actual state can be diminished simply by a product running out of stock, by buying a product that fails to satisfy needs adequately, or by creating new needs. In the case of a smartphone, consumers may want to upgrade their smartphone to enjoy new features or to buy a smartphone for their daily work need or to connect to the social network or for his/her social status.

**Information Research:** Mihart (2012) discuss how information search usually starts with an “internal search” and a customer will identify products that they are already aware of known as the evoked set. The “external search” aspect of information search relates to information obtained from external sources, which can include packaging and marketing communications. Once the problem has been recognized, the consumer will need adequate information to resolve it. Information search is the process by which the consumer surveys his or her environment for the appropriate data to make a reasonable decision. A consumer may recognize a need and then search the marketplace for specific information related to the product. Information sources can
be roughly broken down into two kinds: internal and external. “Internal search” is the use of one’s own memory band to assemble the information about the different product alternatives, whereas “External search” is the information obtained from advertisements, friends, etc. There are many Information sources by which a person can get the information like friends, family, neighbors, websites, seller, and display in shops, promotions, and mass media. In the case of smartphone Information about the product is collected via many sources like Friend and family, an online review of the product etc.

**Evaluation of alternatives:** According to Belch and Belch (2009) this part of the decision-making process refers to when a customer refers back to the evoked set “to evaluate whether or not another product can help solve their problem”. In the evaluation stage, the product the product alternatives that are considered to comprise the individual’s evoked set. Consumers will improve their own evaluation standard based on the information they acquired in from information search. Members of the evoked set usually share some characteristics; they are categorized similarly. The way products are mentally grouped influences which alternatives will be considered, and some brand is more strongly associated with these categories than are others.

In the case of smartphones; Individual analyzes many alternatives before buying a smartphone. There are the various brands of the smartphone as well as various price categories which have different features and specifications; the basis of categorization for an individual is by price range or by features and brand.

**Purchase decision:** Belch and Belch (2009) describe this point in the process as when a customer makes up his/her mind on what product his/her wishes to purchase, ultimately this is the “end goal”. In the stage of the purchase decision, after evaluating the alternatives and selecting product according to the desire the consumer solves his/her problems and satisfy his/her needs and buy the product. This purchase decision is influenced by many factors like reference groups, acquaintance, friends, and family. It’s also possible that if the consumer has a positive toward any certain brand, then the consumer might intend to buy the product of that brand only.

In the case of smartphones; consumer makes their purchase decision by analyzing the newly introduced smartphone in the market. Consumer rarely buys old models in the market. The consumer prefers new models because of new technology and new features. For the consumer who is loyal to the brand always goes back to the brand as it satisfies his/her demand. For example, Apple, Sony, and Samsung.

**Post-purchase Behavior:** Belch and belch (2009) describe purchase evaluation as the point in the process where the customer looks to evaluate if the purchase met expectations, exceeded expectations or left them disappointed. After the purchase of the product, the consumer evaluates and analyses the product from the using experience and its performance. If performance does not meet the expectations of the consumer then the consumer gets disappointed and try to search for ways to minimize the dissatisfaction or replace the product; if the product meets expectations, then the consumer is satisfied and continue using the product happily; if the product goes beyond the expectations of the consumer than the consumer is delighted and the chance of repurchase of that product or the product of that brand will be higher. The consumer will also talk and share about the product to others positively.

In the case of the smartphone; the consumer after buying the smartphone use it and analyze its
functions and with a proper use they analyze if the product is satisfying their demand or not. Consumers also rate the smartphone on the websites and also post a comment about their experience in using the product. If they like it the result is positive and if not, they provide negative reviews and this helps the other customers in buying the products.

**Smartphone Characteristics**

Within the mobile phone category, there is a sub-class of phones known as smartphones. A smartphone is a mobile phone that integrates a feature phone and a mobile computing platform, and the models today, even combine functions such as digital cameras, media players, high-speed data access via Wi-Fi, GPS navigation, and other applications with the option to download the application through application market. Typically, smartphones also comprise web browsers and high-resolution touch screens, which provide people better viewing and browsing experience.

In its simplest form, a smartphone is a mobile phone with built-in, add-on applications, and The Internet (3G network) access. However, because of its capability to handle a lot of applications and functions at the same time - the concept of a smartphone slowly transitioned into definitions of a handheld computer. The great differences between the available brands and models on the market today are the operating systems platform. The smartphone becomes more than a device for sending and receiving text messages and calls as it consists of various ways to interact with other users in a more personalized manner, compared to the traditional mobile phones.

While an old-style feature phone includes some basic software such as an address book and games, a smartphone has the ability of further performance. One of the significant differences between a feature phone and a smartphone is that a smartphone can install third-party applications from applications store. Users are able to download and install the application on their operating systems, such as time schedule, navigators, personal finance managers, and games. Generally, a smartphone is based on a certain operating system that allows phone users to install applications on it. Systems include Apple’s iOS, Google’s Android, Microsoft’s Windows Phone, etc. The core applications on smartphones consist of cellular voice, data, and PIM (personal information management) applications such as calendars, contact managers, tasks, notes, emails. These applications must work together seamlessly and with the features of the phone. For example, pictures taken with the camera can be linked to the address book so that users can see who is calling. Navigation software uses addresses stored in the address book in combination with GPS data to facilitate data entry. E-mail clients are integrated with the address book.

**Research Methodology**

**Data Collection & Sampling Methods**

With the purpose of answering the research questions in this dissertation, the Primary data collection is used. Using primary data collection had allowed addressing specific issues to consumers about their use of their Smartphone and factors that influenced them in the purchase decision-making process for a smartphone. The data collection was a critical part of the research as this was the core of the findings. Additionally, using primary data allowed greater control of the collection of information.
Research Objective

- To identify to what extent evaluation of outcomes and beliefs affect consumers’ attitudes and intention to purchase in the smartphone market in India.
- To develop a framework on the effects of external influence and internal influence which affect self-concept and lifestyle of the consumer which result in purchasing decision-making process.
- To analyze what are the factors which influence and eventually motivate the customer to buy a smartphone in Indian market.
- To analyze the theoretical implication of brand of smartphone in the Indian market and what are the effect on the purchase decision-making process.

Data Collection Methods

This research is based on multi-methods, using both quantitative and qualitative techniques, in data collection with more emphasis on quantitative methods. It must be noted that the questionnaire survey was used as a main data collection instrument for this study because the questionnaire survey enables researchers to examine and explain relationships between constructs, in particular, cause-and-effect relationships.

Primary Data Collection: Primary data are the data that are collected for the specific research problem in hand, using procedures that fit the research objective best. For this research, to analyze the consumer behavior toward smartphone in Indian market primary data are collected through surveys. As this research uses the quantitative method for data primary data collection, the research questionnaires were distributed.

The survey was done with 60 people living in Joypur, Guwahati. The data collected in a spreadsheet were exported to a statistical tool for data analysis. Then descriptive statistics like a graph, pie chart and cross tabulation tables were prepared according to the data collected.

Data Analysis

This chapter is data analysis, in this chapter, the data collected through questionnaires was analyzed. As the primary research method was to conduct a survey, Questionnaires were distributed among people personally. Statistical methods were used to process the data using different types of graphs, charts and statistics to illustrate the findings. This section will first show the sample and analyze the targeted sample. Then, according to research objectives the findings are discussed and analyzed.

Sample Demographics

Gender: The total targeted sample consisted of 60 people in which 58 of them used smartphones. The result shows that out of the 60 people 37 were male, which is 62% of the total targeted population and 23 were female which is 38% of the total targeted population sample.

Age: The total number of respondents was 60 and in that, the highest majority of respondents were of age 26 to 30. This is 36% of the total sample. The second highest and third highest respondents belonged to the age group of 22 to 25 and 31 to 40. This can imply that other age
groups were underrepresented in the sample.

**Occupation:** The maximum number of respondents were students. They represented 43% of the total sample. This was followed by employees working in the private sector (27%), 11% in management, 10% in education, 7% were self-employed and 2% served as government employees.

**Research Objective 1 (ROI):** To what extent evaluation of outcomes and beliefs affect consumer’s attitudes and intentions to purchase in the smartphone market in India.

A set of questions was asked to the respondents to understand the consumer’s attitude toward the smartphone in the market. These questions were designed to help in understanding consumer attitude toward smartphone, consumer perception toward their current smartphone, consumer budget for purchasing a new smartphone, consumer’s frequency of switching a smartphone and consumer preference of manufacturer as local or international. These questions aimed at identifying consumer attitudes, thereby aiding the research objective.

**ROI-Q1: Consumer’s attitude toward owning and level of satisfaction from smartphone**

**Q1 (a) Do you own a smartphone?**

![Owning a smartphone](image1)

This question was to identify what percentage of people used smartphones in Joypur. According to the figure above, 97% use smartphones and only 3% did not use smartphones. So it clarifies that the number of smartphone users is large.

**Q1 (b) If yes, are you satisfied with your smartphone?**

![Satisfied with smartphones](image2)
This question was to identify the satisfaction of respondents with their smartphone. According to figure, 80% said that they are satisfied with their smartphone and 20% said that they are not satisfied with their smartphones. This data helps in analyzing the satisfaction level of consumers from a smartphone, as maximum respondents using a smartphone are satisfied with their product.

RO1-Q2: Consumer attitude toward switching smartphone

Q2 (a) Would you like to switch to another brand with additional features?

This question was to if smartphone users wanted to switch their smartphone brand with another having additional or new features. According to the figure below 72% of the respondents say that they will switch to another brand with additional features whereas 28% say that they won’t switch to another brand. This result clarifies that most people will switch their smartphone brand in order to get new features.

Q2 (b) Frequency / Level of switching smartphones

This question was to identify how often people switched or changed their smartphones. According to the figure above, 43% say that they switch smartphone in moderate or in a reasonable way, whereas 12% say they changed their smartphone frequently. For 22% of the respondents, the level of switching smartphones is low and for 23% it is high. This result helps to understand that a majority of people change their smartphone at the moderate level. A moderate change is a change after using the device for 2 to 3 years.
Q2 (c) How much are you willing to pay for a smartphone?

This question was asked to find out how much an average person is willing to pay to purchase a smartphone. This question also helps in understanding which range of smartphone has high sales based on prices. According to the figure, 38% will pay a price in the Rs. 10001 – Rs. 15000 range and 28% will pay a price in the Rs. 15001- Rs. 20000 range. These ranges focus on the mid-range smartphone market in India. 22% are willing to pay Rs. 5000 to Rs. 10000 and 7% are willing to pay Rs. 20000 to Rs. 25000 for a smartphone. There are only 2% who want to pay Rs. 25000 to Rs. 30000 for a smartphone. The result clarifies that a maximum number of people purchase mid-range smartphones which cost between Rs. 10000 to Rs. 20000 and the sales of mid-range smartphones are the highest in the Indian market.

Q2 (d) Does the country of manufacture or size of manufacturer matter?

This question was asked to identify if there was a customer preference for manufacturing companies as many local companies have started manufacturing and selling the smartphones in the market. According to the figure, 67% have a preference for multinational companies, whereas only 32% consider Indian manufacturers for their smartphones. For 1% of the respondents, it was not a factor as it does not matter to them as long as the smartphone is worth buying and has good specifications. This result clarifies that a maximum number of the population prefers multinational companies for smartphone purchases and for a very few it is not a factor as long as the product is good and worth buying.

From the aforesaid discussion and observations, the following conclusions can be drawn for
research objective RO1 (To what extent evaluation of outcomes and beliefs affect consumer’s attitudes and intentions to purchase in the smartphone market in India.)

- Smartphone users are much more than non-smartphone users. Those not using smartphones now are open to owning one in the future.
- Consumers switching smartphone is moderate. Switching is likely if the other brand provides additional features not available in their existing smartphones.
- People are more likely to buy a mid-range smartphone costing something between 10 to 20 thousand Indian rupees.
- People also prefer multinational companies over Indian and other smaller manufacturers.

**Research Objective 2 (RO2): To develop a framework on the effects of external influence and internal influence which affect self-concept and lifestyle of the consumer which result in purchasing decision-making process.**

This research objective was formed to develop the framework of external and internal influence which affects the consumer in the market, the data will imply that external and internal influences are important factors in the consumer decision-making process and these factors work as an influential factor to the consumer in the process.

**Research Objective 3 (RO3): To analyze what are the factors which influence and eventually motivate the customer to buy smartphones in the Indian market.**

This research objective was framed to analyze the factors that influence a consumer for purchasing a smartphone and the factors that motivate them in purchasing a smartphone. This research objective helps in analyzing how much a consumer is influenced by their lifestyle and what is their behavior after purchasing a smartphone.

In order to collect data for these research objectives, a matrix style question was asked to the respondents. The questions were designed to understand the effect of external and internal factors and how much these influenced their motivation to make a decision for purchasing a smartphone. These questions had five options which were strongly non-influential, non-influential, neutral influential, influential and strongly influential. This helped in understanding and analyzing influential factors and consumer motivation for the process.

The questions corresponding to the research objectives 2 and 3 will be presented together as a clear demarcation of the questions is not possible. Even then, we have tried to demarcate the questions based on our own perceptions. The accuracy of the demarcations does not play any significant role as there is overlap among the two research objectives.

**RO2-Q1 Family and Friend Suggestion/ Word of Mouth**
This question was asked to identify the level of influence of family and friends, word of mouth etc. on consumer decision-making process. According to the figure, 41% said family and friend suggestions were influential whereas 25% were neutral. 17% responded that family and friend suggestions were non-influential. 12% were influenced strongly by family and friend suggestions. 5% of respondents thought that family and friend suggestions were strongly non-influential. This result validates that a maximum number of people consult their family and friends before making a purchase decision. They rarely experiment on their own in the purchase decision for a smartphone. This data helps validate literature findings that family and friends/word of mouth act as an external influence to the consumer in the purchase decision-making process.

**RO2-Q2 Position within society**

![Position within the society chart]

This question was asked to identify how much is a consumer status in society a factor in making a purchase decision for a smartphone. According to figure, 50% are neutral and 32% are influenced by it. For 17%, position in society is non-influential. The result clarifies that the position of a consumer in society has an influence on his/her purchase decisions and this is a factor for a consumer in deciding as to which smartphone to purchase to maintain their status in society.

**RO2-Q3 Festival season/Promotion**

![Festival season chart]

This question was asked to identify the influence of festival offers and promotional offers on consumer decision-making process. According to the figure above 61.5% have the neutral influence of festival season and promotions on them. 15.8% are influenced by the festival season and promotions whereas 10% are strongly influenced by it. 0.8% are not influenced and 0.4% are strongly not- influenced by the festival season and promotion. 11.5% respondents who do not use smartphone did not reply. The result clarifies that festival season and
promotional offers have a neutral influence on maximum consumers as this state that promotional offers are accepted by consumers, but it does not play a major factor in the decision-making process for many.

**RO2-Q4 Advertisements**

This question was asked to identify the influence of advertisement for consumers. According to the chart below 46% were influenced, whereas 37% were neutral to the impact of advertisements. 12% were not influenced by advertisement. Only 2% were strongly influenced by it. The result clarifies that advertisement has an influence on consumer decision-making process. As maximum consumers are influenced by advertisements, not necessarily very strongly.

![Ads Chart](chart1.png)

**RO2-Q5 After sales services**

This question was asked to identify the influence of after sales services provided by manufacturers to consumers in the decision-making process. According to the figure above 47% are influenced by after sales services provided by manufacturers, whereas 32% are strongly influenced by it. 8% are neutral to after sales services. 8% are not influenced by after sales services and 5% says that they are strongly not influenced by after sales services provided by the manufacturer. The result shows that after sales services provided by manufacturers is an important factor in the decision-making process for smartphone purchases. This factor also helps a brand to build their brand image in consumers’ mind by providing good services after the purchase.

![After Sales Services Chart](chart2.png)
RO3-Q1 Financing

This question was asked to identify the influence of finance on consumers before buying a smartphone. According to the figure above, finance is influential to 57% of the respondents and it is strongly influential to 32% for buying a smartphone. For 8% its non-influential and 3% of the respondents expressed a neutral opinion. This result clarifies that a large number of consumers are influenced by their finances and it is one of the major factors which helps the consumer in deciding as to how much to spend on a smartphone. For a very few, finance is not an influential factor.

RO3-Q2 The impact of brand name of the product

This question identifies if consumers get influenced by brand name. According to the chart above, 54% responded that brand name is influential and 25% of the respondents were strongly influenced by it. 13% responded neutral influential and 5% responded strongly non-influential to this question. The result clarifies that brand name is influential to a maximum number of consumers.

RO3-Q3 Quality
This question was to identify if the quality of the smartphone influence consumers in making the purchase decision. According to the figure, 48% are strongly influenced by the quality. 43% agreed that the quality was influential. The result clarifies that the quality of the product has an influence on purchase decisions. It helps the consumer in deciding which smartphone to buy from the alternatives. The quality of smartphone is usually gauged by its durability and reliability to work properly. Consumers want a good product.

**RO3-Q4 Satisfaction from a previous product of a certain brand**

![Satisfaction from a previous product](image)

This question was to identify the influence of previous experiences from using the product of a certain brand. According to the representation above, 45% of the respondents felt that past experiences/satisfaction levels did matter. 33% were neutral to this question. 12% were strongly influenced by past satisfaction levels. The result clearly shows that satisfaction from previous products of certain brand plays an important role in the buyer deciding whether the product they are purchasing is reliable or not. This also develops the brand image in the consumer’s mind. This data helps in understanding that consumers are influenced by brand and if they have used that brand earlier then they will tend to choose that brand again.

**RO3-Q5 Technical aspect of the product**

![Technical aspect](image)

This question was asked to identify the influence technical specifications of a smartphone had on consumers before he/she purchases the product. According to the figure, 65% of respondents are influenced by the technical aspects of the product and 25% were strongly influenced by it. The result shows that the technical specifications of a smartphone do influence a lot of consumers. The technical aspects of a smartphone help consumers decide what additional functions in a smartphone they require. This influences their decision-making process.
The aforesaid discussion validates the importance of the various external and internal factors as identified in the Hawkins, Best and Coney model presented under the literature review section. However, some factors have a greater influence than others. For example, 90% of the respondents felt that technical aspects of a smartphone mattered (RO3-Q5), whereas around 60% agreed to brand name (RO3-Q2) being a factor.

**Research Objective 4 (RO4): To analyze the theoretical implication of the brand name of a smartphone in the Indian market and what is its effect on the purchase decision-making process.**

This research objective was framed to analyze the importance brand name plays in the buy decision and effect of the brand in consumer behavior towards smartphones in the market. A set of questions was asked to understand this effect. These questions helped in understanding and analyzing the brand effect on the purchase decision-making process thus achieving research objective.

**RO4 Consumer Brand Preference**

**Q1 Which brand of the smartphone did you purchase last?**

![SMART PHONE BRAND](image)

This question should indicate which company is dominating the Indian smartphone market and what brand of smartphone consumers prefer. According to the figure above, out of 60 smartphone users 15 purchased a Samsung smartphone, 12 purchased Micromax smartphones, 8 purchased Asus, 5 purchased HTC and 5 purchased a Sony smartphones and rest 15 purchased other brands. Our finding is consistent with national surveys which show that Samsung has the highest number of consumers in Indian market followed by Micromax. Given our small sample size, the similarity of this finding may be a mere coincidence.
Q2 Satisfaction with the brand of smartphone?

This question was asked to identify the level of satisfaction among consumers with their brand of smartphone. According to the chart above, 50% of respondents said that they are satisfied with their brand of smartphone. 22% of respondents are very satisfied.

In addition to the aforesaid two questions, we have also repeated the questions RO1-Q2 and RO3-Q2 and obtained very similar responses. Figure RO4-Additional Questions below depict these results.

Limitations and Conclusions

When drawing the conclusion of this research some limitations were encountered. The research was conducted on a limited number of respondents for practical reasons. The sample used cannot be representative of the entire population of the country. Thus, it was difficult to draw a conclusion on this small sample. The sample mostly focused on people in the age category of 18-35 years, so this sample does not represent all age categories evenly. The sample also represents the population of only a few states in the country. India is a very vast country, it was difficult to select samples from every state in the country.

The major purpose of this study is to analyze consumer behavior towards smartphones in the Indian market by finding the factors which influence consumers in their smartphone purchases. The result in this study shows that branding, product design, product performance, and price
have the influence on people’s buying decision process. Whether the product can satisfy people’s needs can affect consumer behavior. In the case of smartphones, technical aspects like the product performance, including integration of hardware and software, file transfer, and display, camera performance etc. also play an important role in purchase decisions. The brand name has the effect on certain levels to the cognition of product quality just as it had been echoed in the literature reviewed.

The first research objective was to find out the effect of attitude and subjective norms of consumers on buying behavior. The finding shows that consumers in India have a very positive attitude towards smartphones as maximum respondents used smartphones in their daily lives. They were mostly satisfied with their smartphones as it satisfied their needs. Upon asking respondents who do not use a smartphone to find out if they are planning to purchase one in the future, a majority answered yes. This means people in India are slowly switching their normal mobile phone to smartphones.

The second and third research objective was to validate the Hawkins, Best and Coney model regarding the impact of external and internal factors on buying behavior and buying decision process. Our study shows that consumers are susceptible to external factors like culture, social status, family and friend, word of mouth and marketing activities and the internal factors like perception, motivation, memory, learning, and attitude. Consumers are influenced by a combination of these factors according to their need and desire.

Our final research objective was to analyze the impact of the brand on buying behavior. Brand helps consumers in identifying the quality of the smartphone. The literature reviewed pointed out that smartphone manufacturing companies build their brand image by producing good quality products, providing good after sales service and offering competitive pricing. Our results supported these claims.

References

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