



## Consumer Buying Trends for New Generation Phones in Central Asia

### KEYWORDS

Phone, iPhone, Electronic Consumer Goods, Kazakhstan, Kyrgyzstan, Uzbekistan

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**ABSTRACT** *In this study, purchasing-points consumer trends research has been made in Central Asian Transition Economies such as Kazakhstan, Uzbekistan and Kyrgyzstan for the new generation phones (iPhone, Internet Protocol Phone). As a result of this research, it is determined that in buying new generation phones, consumers prefer buying them from the dealer stores as the first choice, and as a second choice from the largest electronics markets. As for the second hand phones, they prefer to buy them from the local phone outlets. It can be asserted that consumers are making use of new generation phones for different purposes, and especially for the users under for 20 years, they can be a sign of social - identity and status in the community.*

### 1. INTRODUCTION

Kazakhstan, Uzbekistan and Kyrgyzstan have made transition to a free market economy. Formerly, these countries had socialist type planned economies, but started the process of integration to the international free trade and economic system. In globalization process, political, cultural and economic developments as well as technological improvements in transportation, communication, internet and mobile communication have significant effects [1-3].

It has been observed that in buying decision for new generation phones, consumers emphasize the main quality indicators of the preferred product are those of its price, weight, ease of use, battery time, menu style, brand, design, durability, color and after-sales warranty and service features [4-6]. When buying different kind of phones, especially young people are giving more importance to brand identity [7-9].

In order to capture a competitive advantage in the target market, producers should compare their brand identity elements with those of other manufacturers'. With brand positioning strategies companies emphasizing the diversity of their brands from those of competitors as being the high quality new products at reasonable prices or standard quality products at advantageous prices to meet customer's needs and wants. Consumers' main brand preference factors are age, gender, education, occupation, income level, marital status, psychological and social factors, media effects and advertisement on the customer's decision-making process is effective [7-9].

Manufacturers are utilizing a wide variety of distribution channels to compete in the target market. These channel members are the producers' sales agents or dealers, chain stores organized at the country level and electronic stores. Some brands in the market, to penetrate deeply into the market and so to achieve competitive advantage are utilizing all the means including the local independent electronics stores. Central Asian countries domestic manufacturers do not operate in the market, that's why there has been harsh competition among foreign manufacturers with respect to the product quality, pricing, advertising and promotion efforts and the use of various distribution channels. Nowadays, in Central Asian Countries or anywhere in the modern world

mobile phones, iPhone and internet could not be accepted as a luxurious need, but have entered into our daily lives as a mandatory requirement [8-10].

### 2. METHOD AND FINDINGS

Our study is performed in Uzbekistan (Tashkent), Kyrgyzstan (Bishkek) and Kazakhstan (Almaty). In this research, necessary data with respect to the consumer trend for iPhone are acquired by utilizing market research techniques. For these countries, total sampling size is composed of 1500 samples that is equally distributed among the countries. Half of the samples is made up of consumers shopping at large electronics stores and iPhone dealers, while the other half bought their phones formerly, i.e., earlier customers. The necessary information obtained from these groups with face to face interviews. About 90% of the consumers shopping at the dealers, prefer this channel due to the after sales warranty and protection against buying imitation or counterfeit products. This kind of sales centers are perceived as safe for consumers. Remaining 10% are buying from independent electronics stores and local iPhone outlets to prefer from variety of brands and models. In general, this situation reflects the preferences of many consumers under the age of 20. This group is interested in alternative brand of products and the external appearance of them rather than then warranty for these products.. Consumers are claiming that they could not reach new generation phone centers outside the major urban centers or megacities. It is indicated that consumers that do not want to take the problematic products that create huge costs for their budgets prefer to buy from these safe dealers. When problems arise in the product, if they thought they would easily solve the problem that they emphasized to prefer buying from this type of selling points.

60% of the consumers who purchased the products from largest electronics markets in the absence of dealers, they claim that this kind of selling points are safer than local telephone sales outlets. Remaining 40% of the consumers have no confidence in this type of distribution channel members. These are dissatisfied customers that have experienced product and bureaucratic problems with these electronic markets in the past. Therefore, these customers have much confidence in local small sales centers that show more interest and relevance to the consumers.

Face to face interviews were conducted with consumers who bought the new generation phone. It was determined that they acquired their phones in different ways. Around 30% of them are ordering the people **traveling** to China to buy iPhone for them. It is stated that procuring iPhones from China is the cheapest way with respect to the other procurement resources. 57% of these people believe that those iPhone may be imitation or inferior-quality products. The reason for this is the presence of wide range of products in the Chinese market. However, for China, customers' confidence in the products purchased from a dealer store is around 80%. The reason for this opinion is derived from the general belief that China is producing the world's most shoddy goods. Another way of procurement is to buy from Kyrgyzstan that most of the Kazakh consumers generally believe that because of the very low customs duty or import taxes, foreign originated goods could be widespread and cheaper there. 45% of the iPhone customers purchase their products from the Kyrgyz market.

In Kyrgyzstan, approximately 65% of the consumers are purchasing their iPhone from dealer stores and the remaining 35% from other electronic stores. However, unavailability of the dealer stores of each of the new generation phone brands is forcing consumers to purchase from the electronic markets. Insomuch that all the product portfolios of some of the brands are traded in these stores. Availability for the international warranty given by these dealership outlets and consumer electronics market's give assurances to the customer. In case of the existence of the guarantee certificate, if a problem arises with their products, consumers can rely on manufacturing companies rather than the vendors. Therefore, after-sales services dealer stores of the manufacturing companies should take greater responsibility than that of the vendors.

Proportion of the big screen phone users is 8% of the total. This consumer segment has stated that, they can use their phones for different purposes rather than communication. In general, these iPhone are used by their owners for the purposes of doing business, making academic studies and accessing to the internet. The greater part of this segment of the customers consider that it is highly significant to respond rapidly to the incoming messages for them. 30% of consumers in this segment stated that they use the phone's camera frequently. This consumer segment are preferring these iPhone for travelling purposes. They asserted that always carry a photo camera are difficult for them, instead recording video with these iPhone is more effective than those with photo cameras. Some of them stated that the iPhone's camera is only suitable for inert objects rather than moving objects.

40% of the customers are purchasing iPhone to entertain themselves and to play games in their spare times. This segment is seen mostly between the ages of 14-18. The more they are aging the less they are playing games with these iPhones. As age of the users is increasing they prefer to use classic simple cell phones instead of a new generation phone. The reason for this is due to the vision and philosophy of users indicate that many functions are unnecessary. In our view, when age grows, people usually have stable jobs and easy reaching the internet, radio, TV, and mass media means. That's why some of the functions of iPhone become redundant for grown-up persons.

Within the 53% of Social strata in a society, especially the young population between the ages of 14-20, prefer to purchase branded new generation phones. Actually, Much of them hardly afford to buy them and cannot need to employ their full functions. The reason for this is that iPhone are perceived as a prestige and status symbol among friends and owners of them. iPhone are seen by them as a means of psychological pressure to indirectly influence their close environment. Also in this segment, in contrary to the fact, especially teenagers want to be perceived by their surroundings as rich, powerful and influential persons with their iPhone. It was determined that new generation phones as a means of social status in society triggers conflicts between friendship groups and between a child and the family members by creating brand pressure that brings a new factor in the formation of virtual social stratification, social dissolution and decomposition of the society. By utilizing branded iPhone, youths adopt new virtual identity instead of their real identity. The main reason for this phenomenon stems from the cultural gaps that youths go away from the dominant social cultural norms of the society. Thus, they adopt virtual identity in place of real identity.

According to our research, 60% the new generation phones sold in the region utilized by youths that are under the age of 25. It is determined that in Central Asian iPhone market, the brands and their share of markets are as follows: Nokia-10%, Samsung-30%, Apple- 12%, HTC-11%, LG- 5%, Sony-6% and others -26%. It can be evaluated that, particularly in the region Samsung is selling their products by way of their dealer stores, as a manufacturer of Korea, geographically close to the target market and consequently became the market leader with 30% share of market. Others are lacking for dealer stores in the region, therefore, their sales volume would be in lower levels. Most of the other brands (26%) not mentioned before sold in the electronics markets influenced buyers with advertising and promotional efforts provided by the electronic markets.

### 3. CONCLUSION AND EVALUATION

In iPhone purchasing process, consumers compare the price, quality, model, distribution channel, warranty and after sales services of the branded products. If the value of the iPhone increases, they should become more careful and attentive in selecting among different branded iPhones. When encountering problems with their iPhones, they need to be supported by reliable vendors and manufacturers. For that reason, we recommended that manufacturers, dealing organizations or companies that need to increase their number of outlets in the region. Additionally, a tight control should be applied to dealers and customer relations services and meeting line should be established and operated actively as soon as possible. Manufacturers should contemplate that marketers, sales agents, customer hotline services, customer satisfaction and after sales services as a whole package to satisfy customer expectations. New generation phones can be used for different purposes by the consumer segments. Therefore in designing the iPhone of the future, customers, manufactures, marketers, engineers and programmers should work closely and create high value iPhone to satisfy the needs of customers, producers and as whole should be appropriate for the society and mankind.

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