



## A Study on Factors That Influence Customers Purchasing Decisions on Mobile Phone in Chennai City

### KEYWORDS

Mobile Phone, Purchasing Decisions, Customer Choice

**Dr. P. SANKAR**

ASSISTANT PROFESSOR DEP OF COMMERCE SRM UNIVERSITY

**ABSTRACT** The one bright spot in ICT in India is the explosive growth in use of the mobile cell phone. Currently, mobile phone use amounts to 791 million, approximately 67% of the population (based on a population size of 1.2 billion), with the rural base growing at the fastest rate. Mobile phones have an inherent advantage over traditional ICT. They do not require the same infrastructure needs, such as a wire line connection, consistent source of electricity, or relatively frequent servicing. They are also more affordable in comparison to PCs. People take into account various factors while they decide purchasing a mobile phone. This study has put efforts to uncover the underlying factors those affect customers in choosing mobile phone. Data were collected from those people live in Chennai city maintaining equal ratios of various groups like male, female, businessmen, employees, students and others (mostly housewives). To select desired respondents, convenient sampling method was used. A structured questionnaire designed based on previous study with five point Likert scale was used to interview respondents. Factor analysis was applied to extract the underlying factors affect mobile phone purchasing decision. The results show that the most important factor is physical attributes. Some other factors are pricing, charging and operating facilities, size and weight, friends' and colleagues' recommendations, neighbors' recommendations and advertising.

### INTRODUCTION

In this modern era, a wide variety of other services such as email, text messaging, MMS, internet access, audio and video, short range wireless communications (Inferred, Bluetooth), Whatsapp, gaming etc. are also supported by the mobile phones. In addition to these, it also offers more general computing capabilities that are referred to smart phone. In Chennai city many mobile phone brands are available e.g. Microsoft, Samsung, Sony, Apple, Lenovo, HTC, Panasonic, Motorola, LG, Symphony, Micromax, Walton etc. and consumer choose their preferred mobile phone from this pool. Technology is progressing at a phenomenal pace. The power of computers, mobile phones, and the internet has brought to our fingertips a vast amount of data and services from which we can continually learn, engage, and improve. However, this knowledge remains out of reach for the world's population with little or no access to information and communications technology (ICT). Information poverty largely belongs to the underserved and marginalized individuals, for whom ICT could be a connection to a better life.

This study has been designed with intention to identify the factors affect Customers to choose their mobile phone. It focuses on probable reason that the customers consider to make their purchase decision regarding mobile phone

### METHODOLOGY

This study was conducted to know the factors affect people decisions of mobile phone purchasing. Primary and secondary data were collected from appropriate sources for collecting data. A structured questionnaire with five point likert scale was used to collect the opinions of respondents.

To select the respondents, convenience sampling method was used. A total of 200 respondents were interviewed from them 160 were found flawless thus used for data analysis.

### ANALYSIS AND FINDINGS

The data presented in the above table indicate that the sample is equal with both male and female respondents as they are indicated by 50 percent for both. Age analysis of respondents indicates that most of the respondents fall in the age group of 19-25 years as it was indicated by 21.2 percent respondents in the sample. Occupation shows that in case of service and students the respondents are 45 that indicate 28.1 percent for both and Business and Housewives include 35 respondents each that indicate 21.9 percent. In case of income level the most respondents fall under the income level of above 20000 that shows 30.6 percent.

### Demographic characteristic of respondents

	Categories	Count	Percentage
Gender	Male	80	50
	Female	80	50
Age group	Below 18	14	8.8
	19-25	34	21.2
	26-30	31	19.4
	31-35	29	18.1
	36-40	22	13.8
Occupation	Above 40	30	18.8
	Service	45	28.1
	Students	45	28.1
	Business	35	21.9
	Housewives/ Others	35	21.9

	Below 5000	40	25.0
	6000 to 10000	26	26.2
Income Level	11000 to 15000	23	14.4
	16000 to 20000	22	13.8
	Above 20000	49	30.6

### FACTOR ANALYSIS

	KMO and Bartlett's Test	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.877
Bartlett's Test of Sphericity	Approx. Chi-Square	2.875
	df	496
	Sig.	.000

The result obtained from 160 respondents had been thoroughly analyzed and the outputs of the results had been clearly explained in this section. To analyze the strength of association among variables the Kaiser-Mayer-Olkin (KMO) measure of sampling adequacy was applied. The KMO measure of sampling adequacy was computed to determine the suitability of using factor analysis. It certifies whether data are suitable to perform factor analysis. The value of KMO varies from 0 to 1 and high values (close to 1.0) generally indicate that a factor analysis may be useful with the data. KMO score should be 0.60 to be adequate for testing. KMO score .877 indicates adequacy for testing.

Table 3 -Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.917	30.992	30.992	9.917	30.992	30.992	7.515	23.483	23.483
2	3.356	10.487	41.479	3.356	10.487	41.479	4.650	14.530	38.013
3	2.120	6.624	48.103	2.120	6.624	48.103	2.133	6.665	44.679
4	1.890	5.906	54.009	1.890	5.906	54.009	2.124	6.636	51.315
5	1.409	4.403	58.412	1.409	4.403	58.412	1.654	5.167	56.482
6	1.284	4.014	62.426	1.284	4.014	62.426	1.624	5.076	61.558
7	1.103	3.448	65.874	1.103	3.448	65.874	1.381	4.315	65.874

Extraction method: Principal component analysis

Applying SPSS, the principal component analysis (PCA) was carried out to explore the underlying factors associated with 32 items. The above table shows that 65.87% of variation in mobile purchasing by the customers is explained by seven factors.

	Component						
	1	2	3	4	5	6	7
Camera and video	.827						
Bluetooth	.802						
Multimedia option	.800						
Touch Screen	.775						
Memory capacity	.772						
Color display	.763						
Attractive color	.753						
Model/style	.684						
New features	.684						
Design of the phone	.669						
Appearance	.608						
Web browser	.597						
Brand value/quality	.504						
Model at reduced price		.815					
Product price		.771					
Special offers		.723					
Reliability		.715					
Dual SIM option		.702					
Family members' opinion		.597					
Domestic product		.588					
Charging hour			.751				
Complexity of operating			.602				
Battery			.459				
Key pad (Hindi or English)			.455				
Small size				.872			
Weight				.851			
Friends' recommendation					.799		
Colleagues' recommendation					.536		
Neighbor recommendation						.729	
Relatives' recommendation						.496	
FM facilities						.497	
Advertising							.763

The above table indicates the number of factors those affect customers to choose mobile phone brands. From the rotation method the following seven factors obtained.

**Naming of Factors**

Factor no.	Name of dimension	Item no	variables	Factor loading
F1	Physical attributes	1	Camera and video	.827
		2	Bluetooth	.802
		3	Multimedia option	.800
		4	Touch screen	.775
		5	Memory capacity	.772
		6	Color display	.763
		7	Attractive color	.753
		8	Model/style	.684
		9	New features	.684
		10	Design of the phone	.669
		11	Appearance	.608
		12	Web browser	.597
		13	Brand value/quality	.504
		14	Model at reduced price	.815
		15	Product price	.771
		16	Special offers	.723
F2	Pricing	17	Reliability	.715
		18	Dual SIM option	.702
		19	Family members' opinion	.597
		20	Domestic product	.588
F3	Charging and Operating facilities	21	Charging hour	.751
		22	Complexity of operating	.602
		23	Battery	.459
		24	Key pad	.455
F4	Size and weight	25	Small size	.872

➤ **LIST OF FACTORS:** Identified factors are listed below.

➤ **Physical attributes:** It is the most important factor. It can explain 30.99 percent of total variance in customer decisions of mobile purchasing. Physical attributes include all the physical characteristics of mobile phone like camera, Bluetooth, color, weight and others.

➤ **Pricing:** It is the second factor which is capable to explain 10.49 percent of total variance. This second factor of pricing includes all the price related factors that the customers consider before buying mobile phones. It states that the Chennai city customers' psychology that influences buyer's decisions of purchasing mobile phone.

➤ **Charging and operating facilities:** This is the third most important factor. It can explain percent of total variance. Charging and operating facilities are taken into account while customers purchase mobile phones.

➤ **Size and weight:** It is the fourth factor that explains 5.91 percent of total variance. There are many respondents who generally take the size and weight as important issues in buying mobile phone.

➤ **Friends' and colleagues' recommendations:** This is the fifth factor which explains 4.40 percent of total variance.

Some respondents take the suggestions from their friends and colleagues before purchasing mobile phones.

➤ **Neighbors' recommendations:** It is the sixth factor which capable to explain 4.01 percent of total variance in customer decisions of mobile purchasing.

➤ **Advertising:** The seventh factor explains 3.475 percent of total variance. It shows that customers also make their purchasing decision based on advertisement aired in various media.

### CONCLUSION

The research has identified that many factors are deemed as selection criteria of mobile phone. Not necessarily all the variables influence a person in the same way and same extent. In case of choosing mobile phone brands, mostly considered factors by customers include physical attributes, pricing, charging and operating facilities, size and weight, friends and colleagues recommendations, neighbors recommendations and advertising.

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