SMARTPHONE MARKET: FACTORS INFLUENCING THE PURCHASE INTENTIONS IN THE YOUTH SEGMENT

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ABSTRACT As India is one of the fastest growing economies in the world, the smart phone industry in India is growing very fast and for consumers in market smart phone has become essential parts of personal and business life. In this context, this study has been carried out with the aim of analyzing the factors influencing the purchase intentions with regard to smart phones in the youth market segment. For this, 800 youths have been selected in Erode by using convenience sampling method. The collected data were analyzed and interpreted using percentage analysis, chi-square analysis and Correlation analysis. This research found that the factors price, period of using the smart phone and time spent on using smart phone having a dominant influence on the purchase decision of youths in Erode.

KEYWORDS : Smartphone, Youth segment, Purchase Intentions, Durability, Price

1. INTRODUCTION

Smartphone has created new dimensions for business in Indian market. It is not only the Smartphone sellers enjoying the business but it also created a new area for mobile application developing companies in India, Internet services providers and other sectors to utilize the Smartphone to gain competitive advantage. There has been an extreme growth in broadband and Internet service providers business in past few years and one of the main reasons for this drastic increase in their business is the ever increasing use of Smartphones and growth of Smartphone and mobile applications. In a very small duration a huge number of Smartphones have been sold that provided an opportunity to businesses to invest in mobile application development and allowed to introduce new business dimensions in market space. As it is easy to change settings and make customizations on Smartphone, there are several programs for Smartphone's from different sellers including Blackberry, Android, iPhone and Microsoft etc. Mobile Application Market is another business sector introduced by Smartphone's. Different mobile operating system vendors have their own mobile application technology hence having a different market for Mobile Applications. Smartphone's also impacted advertising business sector as well. Advertising is an old concept but the features of Smartphone have made it more effective and no doubt it is an additional positive impact of mobile application for business. Mobile application publisher, distributor and service provider are getting large revenue by providing ads as a part of mobile application.

Studies have investigated the demographic characteristics of smartphone users of 53% which are Male. The smartphone users are usually younger than the general cell phone audience. Smartphone features like, text to speech, GPS and social Websites are helping people to easily remain integrated with society. Using these services and many more features, People can easily communicate to their needs, seek assistance from others and remain connected to society.

2. NEED FOR THE STUDY

A new electronic gadget by the name of smartphone is rapidly becoming an essential part of the life of new generation users of mobile. The versatility of this instrument is resulting in the exponential rise of its market share. Notwithstanding the potential benefits of using a smartphone as an advertising medium, there is limited empirical research investigating the important factors affecting youths' adoption of mobile advertising. This study aims to bridge the gap in research by conducting an empirical study exploring factors influencing youth segments' intention to purchase the smartphone.

3. OBJECTIVE OF THE STUDY

To examine the factors influencing the purchase decisions regarding smartphone among youth in Erode.

4. RESEARCH METHODOLOGY

Descriptive research design has been used in this research. 800 students were selected by using convenience sampling method in Erode. The study is based on primary data as well as secondary data. Simple percentage analysis, Chi square analysis and correlation analysis has been used in this research study.

5. RESULTS AND DISCUSSION

This part of article discusses various factors influencing the purchase decisions regarding smartphone in youth market segment

5.1 Percentage Analysis

Table 1: Functionality Of The Smart Phone

Functionality	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	461	57.6	57.6	57.6
Important	292	36.5	36.5	94.1
Neutral	35	4.4	4.4	98.5
Partially important	8	1.0	1.0	99.5
Least important	4	0.5	0.5	100.0
Total	800	100.0	100.0	

It is stated from the above table that majority (57.6%) of the respondents opined that functionality of the smart phone is most important for purchase.

Table 2: Brand Name of The Smart Phone

Name of Brand	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	351	43.9	43.9	43.9
Important	340	42.5	42.5	86.4
Neutral	72	9.0	9.0	95.4
Partially important	25	3.1	3.1	98.5
Least important	12	1.5	1.5	100.0
Total	800	100.0	100.0	

It is inferred from the above table that majority of the respondents opined that brand name of the smart phone is most important for purchase (43.9%).

Table 3: Connectivity in the Smart Phone

	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	394	49.3	49.3	49.3
Important	292	36.5	36.5	85.8
Neutral	86	10.8	10.8	96.5

	Frequency	Percent	Valid Percent	Cumulative Percent
Partially important	21	2.6	2.6	99.1
Least important	7	0.9	0.9	100.0
Total	800	100.0	100.0	

It is divulged from the above table that majority (49.3%) of the respondents opined that connectivity in the smart phone is most important for purchase.

Table 4: Price of the Smart Phone

	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	365	45.6	45.6	45.6
Important	255	31.9	31.9	77.5
Neutral	98	12.3	12.3	89.8
Partially important	63	7.9	7.9	97.6
Least important	19	2.4	2.4	100.0
Total	800	100.0	100.0	

It is found from the above table that majority (45.6%) of the respondents opined that price of the smart phone is most important for purchase.

Table 5: Interoperability of The Smart Phone

Opinion	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	234	29.3	29.3	29.3
Important	321	40.1	40.1	69.4
Neutral	145	18.1	18.1	87.5
Partially important	54	6.8	6.8	94.3
Least important	46	5.8	5.8	100.0
Total	800	100.0	100.0	

It is explored from the above table that majority (40.1%) of the respondents opined that interoperability of the smart phone is important for purchase.

Table 6: Operating System of The Smart Phone

	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	432	54.0	54.0	54.0
Important	268	33.5	33.5	87.5
Neutral	47	5.9	5.9	93.4
Partially important	32	4.0	4.0	97.4
Least important	21	2.6	2.6	100.0
Total	800	100.0	100.0	

It is surmised from the above table that majority (54.0%) of the respondents opined that operating system of the smart phone is most important for purchase.

Table 6: Storage of The Smart Phone

	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	447	55.9	55.9	55.9
Important	246	30.8	30.8	86.6
Neutral	59	7.4	7.4	94.0
Partially important	32	4.0	4.0	98.0
Least important	16	2.0	2.0	100.0
Total	800	100.0	100.0	

It is examined from the above table that majority (55.9%) of the respondents opined that storage of the smart phone is most important for purchase.

Table 7: Battery Life of The Smart Phone

	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	525	65.6	65.6	65.6
Important	189	23.6	23.6	89.3
Neutral	39	4.9	4.9	94.1
Partially important	31	3.9	3.9	98.0
Least important	16	2.0	2.0	100.0
Total	800	100.0	100.0	

It is found from the above table that majority (65.6%) of the respondents opined that battery life of the smart phone is most important for purchase.

Table 8: Data Transfer of The Smart Phone

	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	358	44.8	44.8	44.8
Important	296	37.0	37.0	81.8
Neutral	89	11.1	11.1	92.9
Partially important	39	4.9	4.9	97.8
Least important	18	2.3	2.3	100.0
Total	800	100.0	100.0	

It brings from the analysis that majority (44.8%) of the respondents opined that data transfer of the smart phone is most important for purchase.

Table 9: Applications of The Smart Phone

	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	398	49.8	49.8	49.8
Important	264	33.0	33.0	82.8
Neutral	64	8.0	8.0	90.8
Partially important	47	5.9	5.9	96.6
Least important	27	3.4	3.4	100.0
Total	800	100.0	100.0	

It is surmised from the above table that majority (49.8%) of the respondents opined that applications of the smart phone is most important for purchase.

Table 10: Size of The Smart Phone

	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	288	36.0	36.0	36.0
Important	302	37.8	37.8	73.8
Neutral	128	16.0	16.0	89.8
Partially important	61	7.6	7.6	97.4
Least important	21	2.6	2.6	100.0
Total	800	100.0	100.0	

It is noted from the above table that majority (37.8%) of the respondents opined that size of the smart phone is important for purchase.

Table 11: Design and Colour of The Smart Phone

	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	324	40.5	40.5	40.5
Important	281	35.1	35.1	75.6
Neutral	99	12.4	12.4	88.0
Partially important	62	7.8	7.8	95.8
Least important	34	4.3	4.3	100.0
Total	800	100.0	100.0	

It is observed from the above table that majority (40.5%) of the respondents opined that design and colour of the smart phone is most important for purchase.

Table 12: Ease of Use of The Smart Phone

	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	392	49.0	49.0	49.0
Important	236	29.5	29.5	78.5
Neutral	84	10.5	10.5	89.0
Partially important	57	7.1	7.1	96.1
Least important	31	3.9	3.9	100.0
Total	800	100.0	100.0	

It is highlighted from the above table that majority (49.0%) of the respondents opined that ease of use of the smart phone is most important for purchase.

Table 13: GPS Of The Smart Phone

	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	328	41.0	41.0	41.0
Important	295	36.9	36.9	77.9
Neutral	95	11.9	11.9	89.8
Partially important	57	7.1	7.1	96.9
Least important	25	3.1	3.1	100.0
Total	800	100.0	100.0	

It is found from the above table that majority (41.0%) of the respondents opined that GPS system of the smart phone is most important for purchase.

Table 14: Camera Resolution of The Smart Phone

	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	432	54.0	54.0	54.0
Important	244	30.5	30.5	84.5
Neutral	70	8.8	8.8	93.3
Partially important	38	4.8	4.8	98.0
Least important	16	2.0	2.0	100.0
Total	800	100.0	100.0	

It could be noted from the above table that majority (54.0%) of the respondents opined that camera resolution of the smart phone is most important for purchase.

Table 15: Features of The Smart Phone

	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	416	52.0	52.0	52.0
Important	273	34.1	34.1	86.1
Neutral	55	6.9	6.9	93.0
Partially important	44	5.5	5.5	98.5
Least important	12	1.5	1.5	100.0
Total	800	100.0	100.0	

It is found from the above table that majority (52.0%) of the respondents opined that features of the smart phone is most important for purchase.

Table 16: Durability of The Smart Phone

	Frequency	Percent	Valid Percent	Cumulative Percent
Most Important	377	47.1	47.1	47.1
Important	249	31.1	31.1	78.3
Neutral	84	10.5	10.5	88.8
Partially important	53	6.6	6.6	95.4
Least important	37	4.6	4.6	100.0
Total	800	100.0	100.0	

It is observed from the above table that majority (47.1%) of the respondents opined that durability of the smart phone is most important for purchase.

5.2 Correlation Analysis
Table 17: Degree of Relationship Between Variables (Correlation Analysis)

No.	Variables	Sig. Level
1	Style Vs Speed	0.401**
2	Style Vs Fashion	0.553**
3	Durability Vs Features	0.403**
4	College related task Vs Waiting in line	0.538**

- The variable "style" is positively correlating with the "speed" (0.401**) and with "fashion" (0.553**).
- The satisfaction in 'durability' of the smartphone is highly associated with its 'features'. The branded smartphone companies have keenly concentrated their product durability along with its features.
- Sometimes, the consumers of smartphone use instant messages while they will be in the position of not able to use freely their phones during the circumstances like "college related task", "waiting in line", "meeting" or "travelling".

5.3 Chi-Square Analysis
Null Hypothesis : There is no significant relationship between annual income level and brand of smartphone using.

Table 18: Relationship between Annual income level and Brand of Smart Phone Using

Annual Income	Brand of Smart phone									Total
	Sony	Samsung	HTC	Apple	Micromax	Karbonn	Nokia	LG	Others	
Upto Rs.2 lakh	20	55	17	8	41	17	26	2	12	198
Rs. 2 lakh - Rs.4 lakh	62	168	33	21	86	26	61	9	16	482
Rs. 4 lkah - Rs.7 lakh	14	23	10	7	9	2	4	1	5	75
Rs.7 lakh - Rs.10 lakh	7	5	3	3	2	1	1	0	0	22
Rs.10 lakh - Rs.15 lakh	1	3	3	2	2	2	0	0	0	13
Rs.15 lakh - Rs.20 lakh	1	0	0	5	0	0	0	0	0	6
Above Rs.20 lakh	0	0	0	3	0	0	0	1	0	4
Total	105	254	66	49	140	48	92	13	33	800

Table 19: Annual income level and Brand of Smart phone using (Chi-Square Test)

	Value	DF	Asymp. Sig. (2-sided)
Pearson Chi-Square	162.436	48	0.000**
Likelihood Ratio	98.027	48	0.000
N of Valid Cases	800		

Note : ** - Significant at 1% level

From the above analysis, it is noted that the null hypothesis is rejected due to the significant relationship between annual income level and brand of smart phone using. So, it is found that there is close significant relationship between annual income level and brand of smart phone using.

6. FINDINGS

- It is found from the analysis that majority of the respondents opined that functionality, brand name, connectivity, price, operating system, storage, battery life, data transfer, applications, design & colour, ease of use, GPS system, camera resolution, features and durability of the smart phone is most important factors for purchase.
- From the analysis it brings that majority of the youth respondents opined that interoperability and size of the smart phone is important for purchase.
- It is found from the correlation analysis, the variable style is closely associated with speed and fashion, the variable durability is closely associated with features of the smart phone and the variable college related task is closely related with waiting in line of the sample respondents.
- It could be noted from the chi-square analysis that there is a close significant relationship between annual income level and brand of the smart phone using.

7. CONCLUSION

The study mainly focused on examining the factors that influence the youth segment in Erode. The innovative technological era of the world, every day new technologically advanced smart phones has introduced. It has more confused the youths for purchase the smart phone and increases the purchase intention among them. In particularly, the research found that most of the youths are influenced the factors like price, period of using the smart phone and time spent on using smart phone, durability, style, features and brand name.

8. REFERENCES

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