



FACTORS INFLUENCING THE PURCHASE DECISIONS AMONG YOUTH SEGMENT TOWARDS SMARTPHONES IN NAMAKKAL DISTRICT

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ABSTRACT The behaviour of youths toward smartphone is increasingly as a focus of marketing research. In particular, youth's behaviour in smartphone industry, from adoption motivation to post-usage behavior it has become a major focus of research in the field of marketing, especially within their behavior. As, India is one of the fastest growing economies in the world, the smartphone industry in India is growing very fast and for consumer's in market smartphone has become essential parts of personal and business life. For this, 125 youths have been selected in Namakkal district by using convenience sampling method. The collected data were analyzed and interpreted using percentage analysis, mean score analysis and Correlation analysis. This research found that the factors price, period of using the smartphone and time spent on using smartphone having a dominant influence on the purchase decision of youths in Namakkal district.

KEYWORDS : Smartphone, Youth, Purchase Intention

1. Introduction

The increasing trend in Smartphone among the people is the main reason that has amplified the interest to research on the topic. People's obsession about the Smartphone has been increasing rapidly. The aim of this research is therefore to find out factors influencing purchase decisions among youths in Namakkal district. The research is trying to find out that why do people desire to purchase a smartphone, what influence people in purchasing a smartphone and what motivate them in making the purchase decision. Different consumers have different characteristics in their life that also influences their buying behaviour. 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 behaviour in making final decision.

2. Impact of Smartphones on Indian market

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 provider and other sectors of life to utilize the Smartphone to gain competitive advantages. 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 Smartphone's and growth of Smartphone and mobile applications. In a very small duration a huge number of Smartphone 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, therefore 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 which are Males 53%. They are more likely to have a smartphone than females which is only 47% (Entner, 2010). The smartphone user tends to be 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.

3. Research Questions

- To study the socio-economic profile of the selected youths in Namakkal district.
- To examine the factors influencing the purchase decisions among

youths in Namakkal district.

- To offer suitable suggestions to eventually motivate the youths to buy a smartphone in an efficient way.

4. Research Methodology

Descriptive research design has been used in this research. Around 125 youth respondents were selected by using convenience sampling method in Namakkal district. The study is based on primary data as well as secondary data. Simple percentage analysis, mean score analysis and correlation analysis has been used in this research study.

5. Results and Discussion

5.1 The socio-economic factors of the selected youths are given below table.

Table 1 : Socio-Economic factor of the selected consumers

No.	Factors	Number of Respondents	%
1	Age		
	a) 17 – 20 Yrs.	28	22.4
	b) 20 – 23 Yrs.	65	52.0
	c) Above 23 Yrs.	32	25.6
	Total	125	100.0
2	Gender		
	a) Male	38	30.4
	b) Female	87	69.6
	Total	125	100.0
3	Educational Status		
	a) UG	39	31.2
	b) PG	74	59.2
	c) Professional	12	9.6
	Total	125	100.0
4	Occupation		
	a) Govt. Employee	33	26.4
	b) Pvt. Employee	56	44.8
	c) Business	24	19.2
	d) Others (Students, Agriculturist, etc.)	12	9.6
	Total	125	100.0
5	Marital Status		
	a) Married	108	86.0
	b) Unmarried	17	14.0
	Total	125	100.0
6	Annual Income level		
	a) Upto Rs.2 lakh	24	19.3
	b) Rs.2 – Rs.4 lakh	41	32.7
	c) Above Rs.4 lakh	60	48.0
	Total	125	100.0

It could be found from the analysis that 22.4 percent of the respondents belong to 17-20 years age category, 52.0 percent of the respondents belong to 20-23 years age category and remaining 25.6 percent of the

respondents belong to above 23 years. Around 30.4 percent are male and 69.6 percent are female. The respondents have UG level as 31.2 percent, PG level as 59.2 percent and 9.6 percent for professional. Around 26.4 percent are working as government employee, 44.8 percent are working as private employee, 19.2 percent are business people and remaining 9.6 percent are having some other status like agriculturist, students, etc. Noticed that 86.0 percent are got married and 14.0 percent are not married. Among the 100 percent, 19.3 percent are earning below Rs.15000, 32.7 percent are earning Rs.15000 to 25000 and remaining 48.0 percent are earning above Rs.25000.

5.2 Utilization and Buying behaviour

The following table shows the utilization and buying behavior of the selected consumers is discussed.

Table 2 : Utilization and Buying Intention of the Selected Consumers

No.	Factors	Number of Respondents	%
1	Period of Using Smartphone		
	a) Below 1 Year	15	12.3
	b) 1 to 2 Years	19	14.9
	c) 2 to 4 Years	50	39.7
	d) Above 4 Years	41	33.1
	Total	125	100.0
2	Time spent on using Smartphone daily		
	a) Below 2 hours	43	34.2
	b) 2 hrs to 4 hrs.	55	43.8
	c) 4 hrs to 6 hrs	20	16.2
	d) Above 6 hrs	7	5.8
	Total	125	100.0
3	Brand of Smartphone Using		
	a) Sony	14	11.3
	b) Samsung	37	29.3
	c) HTC	4	3.4
	d) Apple	22	17.6
	e) Micromax	6	4.9
	f) Karbonn	7	5.7
	g) Nokia	17	13.2
	h) LG	14	11.5
	i) Others	4	3.1
	Total	125	100.0
4	Buying Location of the Smartphone		
	a) Retailer	34	27.2
	b) Exclusive Showroom	26	20.8
	c) Online	53	42.4
	d) Others	12	9.6
	Total	125	100.0
5	Type of cover using		
	a) Back Cover	78	62.3
	b) Flip Cover	33	26.1
	c) Pouch	3	2.6
	d) No Cover	11	9.0
	Total	125	100.0
6	Method of hearing Calls / Music		
	a) Direct Phone	43	34.7
	b) Ear Phone	62	49.3
	c) Bluetooth	20	16.0
	Total	125	100.0

It could be found from the analysis that 12.3 percent of the respondents are using smartphone below 1 year, 14.9 percent of the respondents are using 1 to 2 years, 39.7 percent of the respondents are using 2 to 4 years and 33.1 percent of the respondents are using above 4 years. While considering time spent on using smartphone daily, 34.2 percent of the respondents are using below 2 hours, 43.8 percent of the respondents are using 2 to 4 hours, 16.2 percent of the respondents are using 4 to 6 hours and 5.8 percent of the respondents are using smartphone above 6 hours daily. In the case of usage of different brand of smartphone, 11.3 percent of the respondents are using Sony, 29.3 percent using Samsung, 3.4 percent using HTC, 17.6 percent using Apple, 4.9 percent using Micromax, 5.7 percent using Karbonn, 13.2 percent using Nokia, 11.5 percent using LG and 3.1 percent using some other smartphones. The analysis of buying location of the smartphone

noticed that 27.2 percent purchased smartphone from retailer, 20.8 percent purchase exclusive showroom, 42.4 percent purchased online and 9.6 percent purchased some other sources. Around 62.3 percent are using back cover to their smartphone, 26.1 percent are using flip cover, 2.6 percent are using pouch and 9.0 percent are not using any cover to their smartphone. It is observed that 34.7 percent are hearing calls/music through direct phone, 49.3 percent are using ear phone and 16.0 percent are using Bluetooth headset for hearing calls / music.

5.3 Factors Influenced to buy the smartphone of the sample respondents

The following analysis noticed that selected sample respondents are purchased the smartphone by the influence of various factors. For identifying buying behavior, 17 factors with five point scaling technique have prepared and collect the respondents' opinion towards their purchase intention for purchasing smartphone. From the opinion of the respondents about the buying intention, total score and mean score calculated and considered as dependent variable. In order ascertain the influenced factor of the respondents for purchase of smartphone, the researcher has used mean score analysis and correlation analysis. The results are discussed in the following table.

Table 3 : Identifying Factors through Mean Score Analysis and Correlation Analysis

No.	Factors	Mean Score	'r' value	'p' value
1	Age			
	a) 17 – 20 Yrs.	3.4	0.704	0.000*
	b) 20 – 23 Yrs.	4.1		
	c) Above 23 Yrs.	3.8		
2	Educational Status			
	a) UG	3.8	0.673	0.001*
	b) PG	4.5		
	c) Professional	4.1		
3	Annual Income level			
	a) Upto Rs.2 lakh	4.4	0.664	0.001*
	b) Rs.2 – Rs.4 lakh	4.6		
	c) Above Rs.4 lakh	3.7		
4	Period of Using Smartphone			
	a) Below 1 Year	4.1	0.729	0.000*
	b) 1 to 2 Years	4.3		
	c) 2 to 4 Years	4.0		
	d) Above 4 Years	3.8		
5	Time spent on using Smartphone daily			
	a) Below 2 hours	3.8	0.486	0.033**
	b) 2 hrs to 4 hrs.	4.3		
	c) 4 hrs to 6 hrs	3.9		
	d) Above 6 hrs	4.1		
6	Amount Spent for purchase Smartphone			
	a) Below Rs. 5,000	3.3	0.886	0.000*
	b) Rs.5000 to Rs.15000	4.2		
	c) Rs.15000 to Rs.20000	4.0		
	d) Above Rs.20000	4.1		

Note : * - Sig. at 1% level, ** - Sig. at 5% level

It could be noticed from the analysis that majority of respondents are influenced to purchase the smartphone who belongs to 20-23 years aged, PG qualified, Rs.2 to Rs.4 lakh earned as yearly income, using smartphone for 1 to 2 years, 2 to 4 hours spent on using smartphone and purchase smartphone in the range of Rs.5000 to Rs.15000. From the correlation analysis, it is found that all the variables are having positive association with buying intention of the sample respondents.

6. Findings

1. It is found from the analysis that majority of the respondents are using smartphone who belongs to 20-23 yours, female, PG qualified, working as private employee, married and earn annually above Rs.4 lakh.
2. It is noted from the analysis that maximum of the respondents are having buying intention of the smartphone who are using the smartphone for 2 to 4 years, spent smartphone daily 2 to 4 hours, using Smartphone brand, bought through online, using back

cover and using ear phone for hearing calls or music.

3. From the mean score analysis, it is found that majority of the respondents are influenced to buy the smartphone who belongs to 20-23 years, PG qualified, Rs.2-4 lakh of income annually, 1 to 2 years using smartphone, 2 to 4 hours spent smartpohone.
4. On the other hand, the correlation analysis noticed that the variables age, educational status, annual income level, period of using smartphone and time spent on using smartphoone daily are having positive significant association with influencing factors to buy the smartphone in the study area.

7. Recommendations and Conclusion

- Mobile advertising attitude was the strongest predictor of intention to receive mobile advertising among smartphone users. So, it is recommended to the manufacturers and retailers that they can capture more market share through better advertisement strategy.
- 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.
- The study using the mean score analysis and correlation analysis concluded that youths in Namakkal district are buying Smartphones irrespective of its prices. Other features like brand, social image, technology and durability are playing major role in buying decisions of consumers in Namakkal district. It is important to highlight that the results of this research can provide new marketing dynamics to the leading mobile companies for a market, that is very soon be contributing a major share in the revenue of these companies.

8. References

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