



A Study of Consumer Behavior Exhibited by the College-going Students, in purchasing Mobile handset; with special reference to Pune region

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ABSTRACT

Telecom industry in India has witnessed double digit growth in past ten years. The mobile market in rural India has significant potential with number of subscribers anticipated to grow at a CAGR of around 35% during FY 2012 - FY 2014. To make most of the huge market potential of India, marketers need to be aware of the target market which will surely be the young population of India. Hence this study is conducted with an objective of understanding the consumer behavior shown by the young customers for mobile handsets. The study is conducted in Pune region of India.

KEYWORDS

Consumer buying behavior; College-going students; Mobile handset.

INTRODUCTION

This study was undertaken in order to get a clear idea of the consumer behavior, exhibited by the students, in purchasing the Mobile handset. The invention of telecommunication has been a milestone in the attempt of bringing the world within reach. The telephone, with the time has evolved into the 'Mobile'. It was invented in an attempt to make communication wireless. The present generation of the mobile phones is called as 'Smart Phones'.

The main objective behind this study is to understand the importance of Consumer behavior in the context of mobile phone manufacturer. The research aims to study the consumer behavior exhibited by college going students while making a purchase decision for mobile handset. The research will examine the impact of various factors like price, quality etc. on the consumer behavior. Along with the objective mentioned earlier, we will study, the brand awareness among the consumers; the purchasing criteria, used by college going students in purchasing mobile handsets; the mobile brand preferences as indicated by the students; the impact of price on the consumer behavior in purchasing mobile; the impact of quality, on the consumer behavior in purchasing mobile; different aspects of quality by virtue of consumer's perception; the brand loyalty among the consumer; and specifically verify the findings of Liu (2002) and also to verify the findings of Karjaluo *et al* (2005) in the context of Indian consumers.

From the objectives enlisted above, we make following hypotheses:

- H1: the consumer buying behavior is independent of price of the mobile.
- H2: consumer behavior is independent of the quality of the mobile.
- H3: Every consumer has used at least one mobile brand.
- H4: The consumers are perfectly loyal to their mobile brand.

The study has been carried out in the various campuses of Sinhgad institutes Vadgaon. The respondents are selected on the basis of 'non-probability convenience' sampling technique. The family income classes used are as per NCEAR classification chart.

The present study is carried out with following as Limiting factors:

The present study is limited to only college going students. Also the study is limited to Pune region students only. This study was made with only 200 as a sample size; the results of this work are always open to expansion. This study aims at college going students as the target audience.

BACKGROUND

The Indian telecom industry has witnessed a radical change in the recent past and became one the important market in the world. Some of the reasons for its rampant growth are availability of low-priced mobile handsets, vast network coverage, and cheap tariff. According to research report published by RNCOS³ "India 3G Market Forecast to 2014", the number of 3G mobile subscribers was expected to grow at a CAGR of around 88% during 2011 -2014 due to the rising need for high speed data services with mobility. The country saw addition of around 192 Million subscribers in its mobile subscriber base during 2009-10. Mobile Services growth in urban areas is near saturation, in fact, it has crossed 100% in cities like New Delhi. With over 850 million active Indian mobile subscribers (business standard.com), mobile operators in the country are now vying rural India which is triple the size of Urban Market.

Currently Domestic Mobile phone manufacturers get a tax holiday for 15 years, by Department of Telecomm and lower uniform VAT rate among other relaxations. Domestic market demand for mobile phones is expected to hit 1 lakh crore for the first time in 2015.

➤ As per the report of Indian Cellular Association, mobile phone exports are expected to fall to zero in 2015, from Rs. 2450 crore, since suspension of handset production at Nokia's Chennai plant.

➤ The government has joined hands with the industry to rejuvenate nation's mobile phone manufacturing ecosystem with a view to achieve a production of 500 million units of mobile handsets by 2019.

With all above recent developments, it is golden opportunity for Indian mobile manufacturers to grow with full potential. But in order to achieve the stipulated growth, it is extremely necessary to be aware of the consumer mindsets, behavior while purchasing mobile handsets.

LITERATURE REVIEW

Consumer Behavior:

According to some authors, 'Consumer behavior' refers to the behavior that the consumers display in their search for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs.

The AMA (American Marketing Association) defines 'Consumer behavior' as, "the dynamic interaction between the cognition, behavior, and environmental events by which human beings conduct the exchange part of their lives."

Consumer decision making process:

As the author Philip Kotler puts it; the consumer buying decision process is a four-stage process that starts with the 'recognition of problem' or 'need'. After the consumer has realized the problem/need, now the consumer will move to the next step to collect the information available to fulfill the need. Various alternatives which are available are searched. In the quest to fulfill the needs, the consumer will evaluate the bunch of alternatives available to him/her. And after evaluating the various alternatives, best alternative among all is selected to make a purchase decision. After purchase is made, the consumer will compare the expected value of product with the perceived value of product. This is the way consumer decision is made.

Chirag V. Erda (2008) did comparative study rural and urban buyers in Jamnagar district of Gujrat in buying mobile phones, India with motivating factors taken as price, quality, style, functions, and brand.

The research undertaken by Anand and Hundal (2007) about comparative buying behaviour of rural and urban consumers was with respect to buying of refrigerators with motivating factors taken as item of necessity, symbol of social status, advertising influence, brand reputation and time saving device.

Gupta (1987) examined the factors motivating consumers to buy durables, the factors considered by them in making the brand choice are source of information considered, role of family members in influencing brand choice and to examine consumer satisfaction.

While, Shanti R (2005) examined the perceptual dimensions of brand association with reference to mobile user, where as Shashi Kumar L and Chaube D.S. (2007) studied the awareness level of buyers and their attitude towards different mobile providers operating in Lucknow.

A study by Liu (2002) in the Philippines showed that choices between mobile phone brands were affected by new technology features such as SMS-options and memory capacity, more than size. The researcher suggests that the trend will actually be not towards smaller size of phones but towards phones with better capability and larger screen.

Karjaluoto *et al.* (2005), students of Malaysia, studied factors that influence intention to acquire new mobile phones and factors that influence on mobile phone change among Finnish consumers. The study showed that although the choice of a mobile phone is a subjective choice situation, there are some general factors that seem to guide the choice. While technical problems are the basic reason to change mobile phone; price, brand, interface, and properties are the most influential factors affecting the actual choice between brands.

RESEARCH METHODOLOGY

Research Design:

This study involves the data found out by the questionnaire and previous reports. The present study describes the consumer behavior in context of a mobile purchase. Hence the research is of 'Descriptive' type. The authors have made use of structured questionnaire as well as, previous research papers as the research instrument for base of data collection. We have used pie-charts; tabular comparisons; Likert scale (five-point) scores; as well as percentage comparison, and the hypothesis testing (z-test) to analyze the data collected.

Sampling design:

To conduct this study, we will be using 'Non-probability, convenience sampling' technique, to select the respondents of questionnaire. We have used the non-probability sampling with population as total population of India which is 1.28 billion. With the sampling frame as the population of Pune region which is 3.76 million, we have identified the sampling unit to be the college-going students of Pune region. Finally authors have taken a sample size of 200 for surveying pur-

pose.

SURVEY FINDINGS

From the data gathered, analyzed, it was found that the set of parameters which works for consumers, as 'criteria' while purchasing the mobile. These parameters are as follows,

Robust built
Large display
Long battery life
Attractive colored
Aptly sized
Latest O.S
Great sound
Great camera (more than 5 MP)

While the mobile brand preference according to survey response places Samsung as preferred choice, it is closely followed by Apple and then Nokia at third place; as far as the mobile usage is considered, from the responses collected it is seen that usage percentage among the sample collected is 97.5% (approx. 98) and around 2 % of the sample have not used a single mobile. Moreover, authors found that, the 2% which haven't used mobile phones yet, are all female respondents.

The price's impact on the consumer behavior is observed to be of such a nature that, higher the price the quality of mobile is that much high. As far as the brand loyalty is considered, from a sample of 200, we found that 45% of the respondents are loyal to their brand; whereas 55% of respondents are found to be not loyal to their current brand. The reason behind such lacking loyalty towards the current mobile brands, is mainly technical deficiency in the current mobile, and it was found that Apple was most desired brand to switch over to.

The hypothesis testing was performed on the H1 hypothesis with the help of Z-test, keeping the sample mean as 49.5 and the value of μH as the mean score from the Likert scale i.e. 3.45, the p-value of the test was found out to be 0.2171 and this value lies within the significance value of 5 %; which proves that null hypothesis "the consumer buying behavior is independent of the price" is accepted.

CONCLUSIONS

The purchasing criteria for the sample collected is a mixture of various features ranked according to the consumer preferences as under,

Great camera
Latest O.S
Great sound
Robust built
Large display
Long battery life
Attractive colored
Aptly sized

According to the preferences given by the sample, order of first three preferred mobile brands are as follows:

Samsung
Apple
Nokia

The consumer behavior is independent upon the price of the mobile handset. This is the null hypothesis H1; hence the null hypothesis is proved.

The consumer behavior is dependent on the quality of the mobile handset. Hence the null hypothesis H2 is contradicted; and alternate hypothesis is proved.

The hypothesis H3 gets contracted due to the results got from the sample; which suggests that not 100% of sample have used mobiles previously. Hence the alternate hypothesis

