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IMPACT OF BRAND NAME ON BUYERS' DECISION TOWARDS CELL PHONE WITH SPECIAL REFERENCE TO BHARUCH DISTRICT

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ABSTRACT

The research found brand loyalty and brand awareness were the influential factors for purchase intention of smart phones. Both Females and males participate in purchase intention. Qualification had no significant differences on purchase intention of smart phones. The findings of this study add values to the literature and its applicability of brand equity, brand awareness and purchase intensions which helps to formulate polices and strategies.

INTRODUCTION:

The fact that consumers chooses a certain mobile phone and ignore others has an important implication to the marketing team and the product producers; failure to understand it will result to market failure and consequences to the growth of the enterprise. Marketers usually tries to manipulate various principles of marketing, so do consumers they seek to reach choosing which products or services to buy and which not to buy.

LITERATURE REVIEW:

1. As this research paper aimed at investigating the impact of brand equity on consumer purchase decision of cell phones, responses were collected from both males and females of different areas of Karachi and Lahore, totaling to 400 respondents in number. For this research paper, respondents who were surveyed belonged to different age groups, income classes and occupations.

2. Majority Of the respondents were males, aged between 18- 27years old student and having an education background of bachelor's degree. A close ended questionnaire was designed and distributed to measure different factors affecting purchase decision, name brand association, brand awareness, brand quality and brand loyalty. The study scope was mainly on investigating the 5 major players of the market, namely; iPhone, Samsung, HTC, Q-Mobile and Nokia and for this reason almost equal number of each brand was studied. The results revealed that the majority of the respondents believed that brand association, brand awareness, brand quality and brand loyalty guided and influenced their purchase decision whenever buying mobile phones.

3. The results from correlation and multiple regression analysis showed that the biggest contributor was from brand loyalty predictor variables in explaining purchase decisions, meaning the majority of the respondents felt that their loyalty towards the current brand they used, guided their purchase decision.

4. Second most strong correlation and contribution was from brand association, respondents claimed that the mobile brands helped them set a definition of themselves; it helped mould the judgments others made about them and influenced them to purchase accordingly. The Pearson correlation test and multiple regression analysis also revealed that brand quality and brand awareness are not the most important determining factors while purchasing a cell phone relative to other variables.

5. The study also helped to expose that even a functional product like a cell phone is purchased on the basis of brand loyalty and brand association, backed by brand quality and brand awareness.

Consumer Decision-Making:

According to Kotler (2009), "Consumer behavior is the study of how individuals or groups buy, use and dispose of goods, services, ideas or experience to satisfy their needs or wants". In the early stages, consumer behavior was taken as buyer behavior that reflects the interaction between consumers and producers at the time of purchase but now marketers recognize that consumer behavior is an ongoing process, not just something that happens at the time when the consumer gives money and gains some goods or services (Solomon, 2006).

In the eye of marketers, a consumer is known as "a man with a problem". A consumer purchase is a response to that problem. The process that a consumer takes in his decision making is quite interesting to most of the large companies. They are trying extremely hard to research the consumer buying process in order to find out what consumers buy, where and how they buy, when and why they buy, etc. It is easier for researchers to find the answers to what, how, where, when and how much consumers buy but it is not that easy to find why they buy. The reason is "the answers are often locked within the consumer's head" (Kotler and Keller, 2009).

Models of Consumer Behavior:

Companies use various marketing efforts to influence the decision of consumers, but it is difficult to know how consumers respond to them. Marketing stimuli comprise of product, price, place and promotion (commonly referred to as the four "Ps"). Smartphone companies use these marketing stimuli to influence the consumer to buy new smart phones or replace old one.

Internal Influence on Consumer Behavior:

Perception:

Perception refers to the many different ways that an individual can sense external information, select particular sources of information and how they interpret this information (Belch and Belch, 2009, p118). This means that the people who have the same motivation and are in the same situation may not act the same because they perceive the situation differently.

Selective attention:

Selective attention is the process that people screen most stimuli out as the capacity to process stimuli is limited. For instance, average Indians may be exposed to over 1,500 ads, which indicate that marketers have to try their best to attract consumers' attention. People are more likely to notice stimuli that relate to a current need, that they anticipate, and whose deviations are large in relationship to the normal size of the stimuli.

Learning:

Learning induces changes in consumers' behavior arising from experience. Actually, most human behavior is learned. Learning is formed through the interplay of drives, stimuli, cues, responses, and reinforcement. A drive is a strong internal stimulus that propels the actual action. Cues such as advertising are minor stimuli, which determine when, where, and how a person responds. The response is an effort that people make to satisfy the drive by obtaining a product. Reinforcement happens once a consumer has bought the product and is satisfied after using it.

Memory:

All the information and experiences people confront, as they go through life, become part of the memory. Consumer brand knowledge can be considered as a spreading activation process in the memory network with a variety of linked associations that determines how people retrieve and what information people can recall in the given situation. These linked associations are important determinants for people to recall the brand, including brand-related thoughts, feelings, perceptions, images, experiences, beliefs, and attitudes, etc.

Motivation (Maslow's theory):

Abraham Maslow tried to explain why people are driven by particular need at particular times. He placed human needs in a hierarchy, which is called Maslow's hierarchy of needs. He identified five levels of needs from the most to the least pressing.

The first level of Maslow's hierarchy of needs is physiological needs, which is the basic level of all needs including food, water, and shelter. People will always try to satisfy their most important needs first; the second level of Maslow's hierarchy of needs is called safety needs. When basic needs are satisfied, people will strive for security, stability, and freedom from fear; the third level is social needs, where people consumers will try to satisfy their needs for friendship, belonging, and affiliation. Such emotional security is valued by other people in social circles; the fourth level of Maslow's hierarchy of needs is esteem. The need for an individual to be superior in comparison to others in the same peer group.

The fifth level is that of self-needs and has to do with self- development and realization. In Maslow's hierarchy of needs, a person tries to satisfy a lower level need first, when that needs are satisfied, the person will then satisfy the next most important need.

Personality:

Personality describes a person's disposition, helps show why people are different, and encompasses a person's unique trait.

The "Big Five" personality traits that psychologists discuss frequently include:

- "Openness" or how open you are to new experiences,
- "Conscientiousness" or how diligent you are,
- "Extraversion" or how outgoing or shy you are,
- "Agreeableness" or how easy you are to get along with, and
- "Neuroticism" or how prone you are to negative mental states.

Marketers have had better luck linking people's self-concepts to their buying behavior. Marketing researchers believe people buy products to enhance how they feel about themselves to get themselves closer to their ideal selves.

Attitude:

Attitudes are learned predispositions to respond to an object or class object, in a consistently favorable or unfavorable way" (Allport, 1935, p810). Attitudes are "mental positions" or emotional feelings, favorable or unfavorable evaluations, and action tendencies people have about products, services, companies, ideas, issues, or institutions. Attitudes tend to be enduring, and because they are based on people's values and beliefs, they are hard to change. Smartphone companies want people to have positive feelings about their offerings.

Concept and Lifestyle:

According to the model, all the external influence and internal influence on consumer result in their social concept and lifestyle choice. The lifestyle of a consumer refers to a pattern of consumption reflecting their choices as how they spend their time and money; it also refers to the attitudes and values attached to these behavioral patterns (Solomon, 2006).

Internal Influence on Consumer Behavior:

Perception:

Perception refers to the many different ways that an individual can sense external information, select particular sources of information and how they interpret this information (Belch and Belch, 2009, p118). This means that the people who have the same motivation and are in the same situation may not act the same because they perceive the situation differently.

Decision Process:

Purchase decision:

In the case of smartphones; consumer makes their purchase decision by analyzing the newly introduced smartphone in the market. Consumer rarely buys old models in the market.

The consumer prefers new models because of new technology and new features. For the consumer who is loyal to the brand always goes back to the brand as it satisfies his/her demand. For example, Apple, Sony, and Samsung.

Post-purchase Behavior:

Belch and belch (2009) describe purchase evaluation as the point in the process where the customer looks to evaluate if the purchase met expectations, exceeded expectations or left them disappointed. After the purchase of the product, the consumer evaluates and analyses the product from the using experience and its performance. If performance does not meet the expectations of the consumer then the consumer gets disappointed and try to search for ways to minimize the dissatisfaction or replace the product; if the product meets expectations, then the consumer is satisfied and continue using the product happily; if the product goes beyond the expectations of the consumer than the consumer is delighted and the chance of repurchase of that product or the product of that brand will be higher. The consumer will also talk and share about the product to others positively.

RESEARCH OBJECTIVE:

- To analyze what are the factors which influence and eventually motivate the customer to buy a smartphone in Indian market.
- To analyze the theoretical implication of brand of smartphone in the Indian market and what are the effect on the purchase decision-making process.

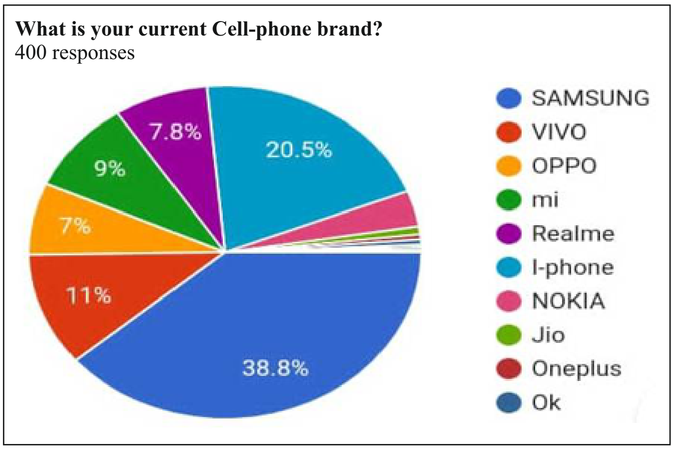
Data Collection Methods:

This research is based on multi-methods, using both quantitative and qualitative techniques, in data collection with more emphasis on quantitative methods. It must be noted that the questionnaire survey was used as a main data collection instrument for this study because the questionnaire survey enables researchers to examine and explain relationships between constructs, in particular, cause-and-effect relationships.

Good Quality:

This is a very wide term. It can be referred as many things like durability, Features, Brand name,etc. It take holistic view of a particular product. Definition of quality may be different from person to person. E.g. good camera may be a quality for one buyer while long lasting battery may be quality for second buyer. A good number of responses (155) are received for this aspect

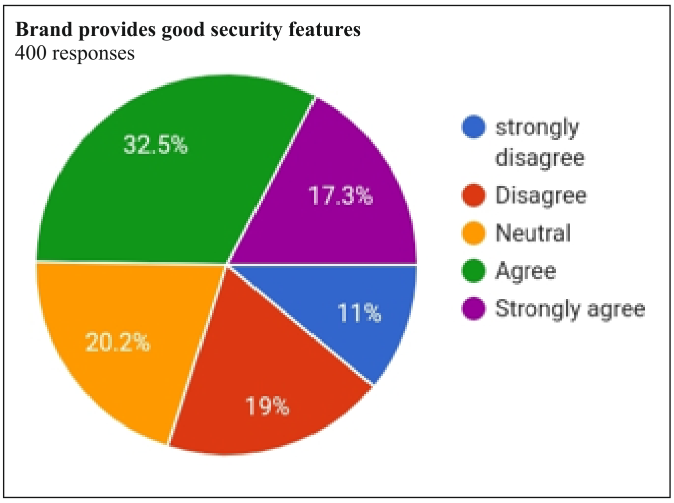
What is your current Cell-phone brand?



This question try to identify which phone is trending now in the market. As per data collected and shown in the image around 38.8 percent people are using Samsung phone and I phone is close competitor that covers 20.5 percent of market share. Other phones like OPPO and Vivo is used by small portion of buyers.

From this information we can observe that although brand name and its reputation is important for a product e.g. IPHONE but it must be within limits of budget. That's why buyers prefer SAMSUNG phones due to its reasonable price with good quality and brand name. IPHONE has only perceived value which cannot afford by all buyers.

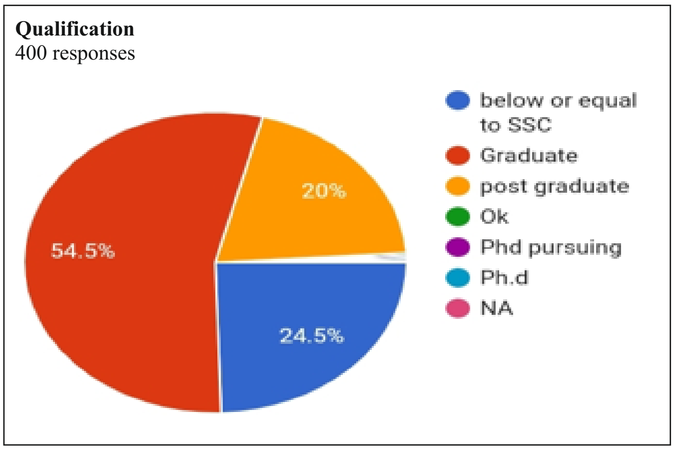
Security Features:



Large no. of buyers (32.5%) agree that their brand provides good security features. Due to increasing number of mobile frauds happening in recent time, it becomes very much important to provide security features. Some unique features introduced in recent times are fingerprint opening, facial recognition, Voice detection, Iris Scanning and much more. Phone which provides such type of security feature would definitely have an edge over competitors.

While Apple iphone 12 pro max is considered as most secured phones followed by Samsung galaxy note 20.According to a website androidcentral.com Samsung Galaxy S21 has best security features that is factory unlocked followed by Google Pixel 5A. Thus we can say security feature plays crucial role in selecting a Smartphone.

Qualification:



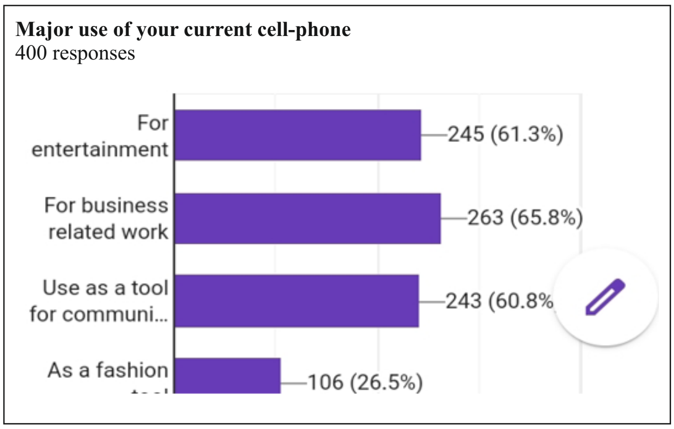
Education also plays important role in buyer's decision. Educated people buy phone not just by looking at phone's good look or good image, they buy after through analysis like features, privacy, quality, price and so on.

As per responses received , around 54.5% people are graduated . It means most of population is educated and they make sound decision based on reasonable analysis.

Use of phone:

From traditional use of phone just to communicate with people, use of Smartphone have gone through a drastic change in recent times. As per response received people now a days buy phone not just to communicate but increasingly to use it for entertainment purpose (61.3%) and business purpose (65.8%). While some people use it as fashion tool, they may from female communities.

Smartphone becomes need of everyone due to wide use in our day to day affairs. e.g. online payment through QR Code, UPI, Sale of products through online site like amazon and flipkart. This trend indicates that Smartphone is the fourth basic need of human being along with Roti, Kapda and Makan and there is huge scope for producers of such phones.



Income per month:

As discussed earlier, budget of buyer is equally important along with brand name. As per data collected most of buyers are from lower middle class 16000-25000 per month (26.3%) and middle class 26000-40000 per month (29.3%).

Due this there is a constraint on purchasing a phone that should be within budgets. And that's why people would prefer to buy Samsung phones rather than Costlier phones like IPHONE.

CONCLUSION:

The first research objective was to find out the effect of attitude and subjective norms of consumers on buying behavior. The finding shows that consumers in India have a very positive attitude towards smartphones as maximum respondents used smartphones in their daily lives. They were mostly satisfied with their smartphones as it satisfied their needs. Upon asking respondents who do not use a smartphone to find out if they are planning to purchase one in the future, a majority answered yes. This means people in India are slowly switching their normal mobile phone to smartphones.

The second and third research objective was to validate the Hawkins, Best and Coney model regarding the impact of external and internal factors on buying behavior and buying decision process. Our study shows that consumers are susceptible to external factors like culture, social status, family and friend, word of mouth and marketing activities and the internal factors like perception, motivation, memory, learning, and attitude. Consumers are influenced by a combination of these factors according to their need and desire.

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