iJRASET
International Journal For Research in Applied Science and Engineering Technology



INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Volume: 9 **Issue:** VII **Month of publication:** July 2021

DOI: https://doi.org/10.22214/ijraset.2021.36433

www.ijraset.com

Call: 08813907089 | E-mail ID: ijraset@gmail.com

International Journal for Research in Applied Science & Engineering Technology (IJRASET)
ISSN: 2321-9653; IC Value: 45.98; SJ Impact Factor: 7.429
Volume 9 Issue VII July 2021- Available at www.ijraset.com

Consumers Decision Making Process and Buying Behaviour towards Mobile Handsets

Dr. Aarti[1], Dr. Ravin Kadian[2]
[1]*Assistant Professor, Institute of Management Studies and Research, Maharshi Dayanand University, Rohtak, India*
[2]*Assistant Professor, Govt. PG Nehru College, Jhajjar, India*

Abstract: Purpose – The purpose of this paper is to investigate the decision making process adopted by consumers while buying the mobile handsets and to study the consumer buying behaviour towards mobile handsets.
Design/methodology/approach –Consumer behaviour is observed and analyzed with the help of descriptive analysis. The effect of internal factors has been seen on this decision making process. For this purpose MANOVA analysis has been put to use. Wilk's lambda has been considered as an analysis factor.
Findings – Consumers' buying behaviour depends upon their purpose behind buying a mobile phone. Choice of their phones differs on the basis of various functions they performed on phone; they focus on buying the phone they are familiar with and which fulfills their purpose.
Research limitations/implications – Even though the world as a whole is rapidly adopting smart phones, there is a high degree of variation in how they have been adopted in different parts of the world.
Practical implications – In the present competitive world, growth of smart phones is a truly global story; there are lots of important factors which create differences in how technology has evolved in different countries.
Originality/value – This paper contributes to the knowledge of the marketers about mobile handsets in several ways. It would also be helpful for the marketers to know the actual decision making process followed by them while buying a new mobile handset, which will help them in formulating their strategies to attract the customers.
Keywords: Consumer Buying Behaviour, Mobile Handsets, Purchase decision making process, Youngsters

I. INTRODUCTION

Currently in the market of highly competitive mobile phone handsets, manufacturers constantly fight for competitive edge and find different elements to influence consumers to choose their brand rather than competition. Consumer behavior is one of the behaviors that consumers show in searching for, purchasing, using, evaluating and disposing of products and services which they believe will meet their needs.

Consumer behaviour includes the decision process that precedes and follows the actions like searching; purchasing, using and evaluating (Engel, Blackwell and Miniard, 1995) [7]. Consumers of mobile phones found in the world are affected by the different determinants that influence the decision to buy mobile handsets. These determinants can be related to consumer characteristics and features related to mobile handsets. This leads mobile phone company comes with a variety of mobile phones with various features and brands.

Consumer decision making has long been of immense importance to researchers. Early decision-making studies were focused on purchasing actions (Loudon and Bitta, 1993) [11].

Since 1950, modern concepts of marketing were included in the study of consumer decision making, which included a wide choice of activities (Engel, Blackwell and Miniard, 1995) [7]. Decision-making processes are a significant part of decision science literature and have become known in three distinct fields: cognitive psychology in individual decision making, social psychology in group decision making, and political sciences and management in organizational decision-making. Management and political sciences have gained the most consideration from researchers.

Engel, Blackwell and Kollat (1968) [8] have developed a model of purchase decision process of consumers in five stages: problem / need identification, information search, evaluation of options, purchase decisions and post-purchase behavior. Need recognition occurs when there is a gap between the actual situation of the consumer and the ideal or desired. Once the need is recognized, the consumer has time to find out the probable solutions to the problem.

©IJRASET: All Rights are Reserved

Once the information is collected, the consumer is able to assess the various options available to him. Now when the consumer has evaluated different options, then he selects the product or brand that seems most appropriate for his needs and then proceeds to the real purchase. Once the product is purchased and used, the consumer evaluates the potential with its basic requirements which causes the purchase behavior.

II. LITERATURE REVIEW

Understanding the issues affecting the decision-making process of consumers, motivating consumers to make a purchase, differences in choice and process for different approaches and for different individuals are very important. As buying decisions is a very complicated process, a large number of factors have been found to be effective. There are different levels of different factors in different stages of decision-making.

Court et al. (2009) [5] believed that the marketing strategy operated by the company is more important when the initial idea set is established, while consumer information and knowledge are more important during research and evaluation. Consumer behavior was quite new in the mid-1960s. It has emerged from other topics like marketing, economics and behavioral science (Engel, Blackwell and Miniard, 1995) [7].

One of the key issues in consumer behavior is how to develop, optimize and use consumer decision-making strategies (Moon, 2004) [12]. The researchers have long been interested in study of consumer decisions. Earlier studies related to the decision-making were focussed on the purchase action (Loudon and Bitta, 1993) [11].

Since 1950, modern concepts of marketing have been integrated with consumer decision-making studies, which included extensive activities (Engel, Blackwell and Miniard, 1995) [7].

Decision-making is the process of creating choices by setting goals, gathering information about them, and assessing alternative options.

While considering a product, one of the most common reactions in practicing uncertainty is to find information to reduce uncertainty about it (Urbany, Dickson and Wilkie, 1989) [16]. Consumers taking into consideration the adoption of innovative products give immense importance to the need for information. Gaining of this information helps in spreading the innovation diffusion into market (Rogers, 1983) [14].

The consumer decision-making process is generally directed by pre-formed priorities for a specific option. This means that consumers are more prone to choose between options based on inadequate information search activity (Beatty and Smith, 1987; Moorthy, Ratchford and Talukdar, 1997) [2, 13] and other alternatives without detailed evaluation (Slovic, 1995; Coupey, Irwin and Payne, 1998; Alba and Hutchinson, 2000; Chernev, 2003) [15, 4, 1, 3]. In relation to information discovery, the valuation of various options has gained drive in current researches. (Laroche, Kim and Matsui, 2003) [9].

III. OBJECTIVES OF THE STUDY

A. To investigate the decision making process adopted by consumers while buying the mobile handsets.
B. To study the consumer buying behaviour towards mobile handsets.

IV. RESEARCH METHODOLOGY

Descriptive-cum-analytical research design has been used for the purpose of this study. A combination of snowball and convenience sampling was used to choose these respondents. For this study in particular, questionnaire has been used as the tool for primary data collection, and internet, previous studies and various news articles have been used as the source for secondary data collection. The questionnaire was distributed to respondents of different age groups in Haryana. 600 respondents i.e. majority of them students were chosen from Haryana, who were given the questionnaire to fill up.

A. Hypotheses

1) $H_{4.1o}$: There is no significant impact of age of respondent on decision making process.
2) $H_{4.2o}$: There is no significant impact of gender of respondent on decision making process
3) $H_{4.3o}$: There is no significant impact of educational qualification of respondent on decision making process
4) $H_{4.4o}$: There is no significant impact of occupation of respondent on decision making process
5) $H_{4.5o}$: There is no significant impact of personal income of respondent on decision making process.

©IJRASET: All Rights are Reserved

V. DATA ANALYSIS

The various stages pre, during and post purchase have been discussed. Table1 depict the average ratings of the importance given by the respondents to complexity, trialability and observability before deciding for a mobile phone.

Table 1 Mean Ratings of pre-requisites for mobile selection

		Mean	SD
Rate your level of agreement with the following statements	I could easily explain the reasons for having this mobile handset to others.	4.31	0.73
	I am usually among the first ones to try new mobile handset.	3.24	1.15
	I often persuade other people to buy a new mobile handset that I like.	3.30	1.09
	Other people rarely come to me for advice about choosing mobile handsets.	3.31	1.02
	I often influence people's opinions about mobile handsets.	3.43	0.986
	People prefer to buy mobile handsets based on my advice.	3.37	1.045
	Complexity	**3.975**	
	I knew how to use a mobile handset before owning it.	4.16	0.890
	Learning how to use applications of a mobile handset is easy for me.	3.41	1.034
	Learning how to download apps and put files in and out of the phone is easy for me.	3.57	1.196
	Trialability	**4.011**	
	Trying mobile handsets before purchasing created confidence in me to operate the mobile phone services.	3.83	0.981
	Before deciding whether or not to buy a mobile handset I would like to try it.	4.04	0.838
	Trials help me to explore the new features of mobile handsets.	4.18	0.766
	After trying a mobile handset it is easier to appreciate its quality.	4.17	0.812
	Growth of sale in small area on trial basis helps me in selecting a mobile handset.	3.84	0.94
	Observability	**3.99**	
	It was easy to identify which was the best mobile handset for me.	3.94	0.923
	It was easy to compare the performance of the different mobile handsets available.	4.06	0.837

It was found from Table 1 that the respondents rated providing reasons for having a mobile handset as the easiest task (*4.31±0.73*) followed by appreciating quality of a mobile handset after trying it (*4.17±0.812*). Trialibility statements combined were given high mean rating of 4.011.

Table 2 Mean Ratings of importance given by the respondents to need and social factors

		Mean	SD
Rate your level of agreement with the following statements	Having a mobile phone was my basic necessity for communication.	3.63	0.985
	I needed mobile phone to run various applications.	4.01	0.887
	Imitative behavior	**3.88**	
	All my friends had a mobile handset, so having a mobile handset made me feel part of a group.	3.85	0.989
	Having mobile handset made me gain prestige among my friends.	3.89	1.00
	Network Effects	**4.11**	
	I purchased it on family/friends' recommendation.	4.08	0.98
	I would buy a phone only if it has many users.	4.25	0.861
	A product is beneficial only if many people use it.	4.01	0.905
	Information Bandwagon	**3.7**	
	I surveyed for mobile handset before purchasing.	3.74	1.078
	I bought mobile handset on the basis of previous experience with the same brand.	3.65	1.081

Table 2 depicts the mean ratings of importance given by the respondents to need and social factors. It was found that the respondents considered presence of multiple customers & users of the phone (*4.25±0.861*) as an important factor. This was followed by the recommendations given by friends & family (*4.08±0.98*) and the product being beneficial (*4.01±0.905*).

©IJRASET: All Rights are Reserved

Table 3 Mean Ratings of the activities performed by the respondents after mobile survey

		Mean	**SD**
After surveying about mobile phone you did the following	I compared it with mobile handsets of same or different brands.	4.15	0.834
	I have decided to compare the reviews and prices of different dealers.	4.16	0.89
	I have dropped the idea because it was too expensive and I was expecting that the price would decline in future.	3.37	1.138
	I have decided to wait for a model with some specific features.	3.36	1.15
	I waited for final advice from family/friends.	4.08	0.98

Table 3 depicts the mean ratings of the activities performed by the respondents after mobile survey. It was found that the most number of average respondents compare reviews & different dealers (*4.16±0.89*) and also compare the handset with other handsets of same or different brands (*4.15±0.834*).

Table 4 Mean Ratings of Post-purchase activity of the respondents

		Mean	**SD**
After purchasing mobile handset you did following.	I believed in my decision, I didn't think about it after purchase.	4.23	0.852
	I have compared my mobile handset with others' for future decision.	3.74	1.074

Table 4 depicts the mean ratings of post-purchase activity of the respondents. It was found that the respondents were certain of their decision of purchasing the mobile handset once they did it (*4.23±0.852*). While respondents also compared their mobile handset for help in future decisions (*3.74±1.074*).

Consumer behaviour has been discussed above with the help of descriptive analysis. This process forms the basis of what a consumer decides regarding buying a product. Therefore, studying of the consumer behaviour increases the understanding about the decision making process. Next in the analysis, to see the effect of demographics socio-economic on the decision making process the tool of MANOVA has been used. It has been checked through this analysis as to whether or not the decision making process factors differ based on various demographic and socio-economic groups. The decision making process groups considered for each of the demographic and socio-economic variable include the various components of decision making process like the benefits perceived by the respondents, compatibility of the device, product characteristics, communication strategies encountered by the respondents, need for the device & the social factors, purchase behaviour and the post-purchase behaviour.

A. Groups Based on Demographic and socio-economic Profile

Table 5 shows the results of impact of demographic and socio-economic profile on the decision making process. Perceived Benefits, Compatibility, Communication Strategies, Product Characteristics, Need and Social Factors, Purchase Behaviour and Post Purchase Behaviour have constituted the Decision Making Process

©IJRASET: All Rights are Reserved

Table 5 MANOVA Analysis for Impact of Demographic and socio-economic profile on Decision Making Process

	Age		Gender		Educational Qualification		Occupation		Personal Income	
	F-test	Significance level	F-test	Significance level	F-test	Significance level	F-test	Significance level	F-test	Significance level
Decision Making Process	1.309	0.129	0.878	0.524	1.894**	0	1.378*	0.09	1.768**	0.052
Perceived Benefits	1.365	0.245	0.838	0.36	2.447**	0.024	2.484**	0.043	0.759	0.602
Compatibility	2.837**	0.024	1.627	0.203	3.759**	0.001	3.724**	0.005	0.515	0.797
Communication Strategies	1.661	0.157	2.885*	0.09	2.538**	0.02	0.546	0.702	2.890**	0.009
Product Characteristics	4.385**	0.002	0.045	0.831	4.420**	0	1.466	0.211	0.48	0.824
Need and Social Factors	1.141	0.336	1.597	0.207	1.411	0.208	0.808	0.52	0.861	0.523
Purchase Behaviour	1.336	0.255	0.338	0.561	0.702	0.648	0.741	0.564	1.803*	0.096
Post-Purchase Behaviour	1.445	0.218	0.259	0.611	1.931*	0.074	0.789	0.533	1.975*	0.067

*Significant at 90% level
** Significant at 95% level

Table 5 shows the results of impact of age on the decision making process. As it can be seen in Table 5, the decision making process does not differ significantly [Wilk's Λ = .940, F-value = 1.309, p = .129] amongst the respondents of different age groups. $H_{4.1o}$ is hereby accepted.

It can however be noticed that age has a significant impact on two of the individual variables that are part of the decision making process. The two individual factors as shown in the table 4.40 are Compatibility [F-value = 2.837, p = .024] and Product Characteristics [F-value = 4.385, p = .002].

The results for MANOVA analysis on gender [Wilk's Λ = .990, F-value = .878, p = .524] showed that it has no effect on the decision making process as a whole or on the individual components. $H_{4.2o}$ is hereby accepted.

The MANOVA analysis regarding effect of educational qualification on the decision making process was found to be significant [Wilk's Λ = .875, F-value = 1.894, p = .000]. $H_{4.3o}$ is hereby rejected.

The individual factors that were found to be significantly impacted by educational qualification groups were Perceived Benefits [F-value = 2.447, p = .024], Compatibility [F-value = 3.759, p = .001], Communication Strategies [F-value = 2.538, p = .020] and Product Characteristics [F-value = 4.420, p = .000].

As it can be seen in Table 5, the decision making process does not differ significantly [Wilk's Λ = .937, F-value = 1.378, p = .090] amongst the respondents of different occupation groups. $H_{4.4o}$ is hereby accepted.

The individual factors that were found to be significantly impacted by occupation groups were Perceived Benefits [F-value = 2.484, p = .043] and Compatibility [F-value = 3.724, p = .005].

As it can be seen in Table 5, the decision making process differ significantly [Wilk's Λ = .890, F-value = 1.768, p = .052] amongst the respondents of different personal income groups. $H_{4.5o}$ is hereby rejected.

The individual factor that was found to be significantly impacted by occupation groups was Communication Strategies [F-value = 2.890, p = .009].

©IJRASET: All Rights are Reserved

VI. CONCLUSION

In the present competitive world, growth of smart phones is a truly global story; there are lots of important factors which create differences in how technology has evolved in different countries. Even though the world as a whole is rapidly adopting smart phones, there is a high degree of variation in how they have been adopted in different parts of the world.

This paper focused on knowing about the decision making process and the consumer buying behaviour in the concerned industry. Consumers' buying behaviour depends upon their purpose behind buying a mobile phone. Choice of their phones differs on the basis of various functions they performed on phone; they focus on buying the phone they are familiar with and which fulfills their purpose. On the basis of the rating given by respondents to various activities, some are found to be more focused than others which includes making phone calls, using whatsapp/viber/skype and for internet surfing. Some pre-requisite are found to be more focused which includes 'I could easily explain the reasons for having this mobile handset to others' and 'Trialability' followed by Observability and Complexity.

Consumers' buying behaviour is affected by their perception towards mobile benefits. Consumers have found ease of mobility as the most important benefit followed by presence of various functions and saving of time & efforts. Various characteristics of mobile handsets impacted the buying behaviour of consumers. However all characteristics are important for the customers while evaluating a mobile handsets, some are found to be more prominent than others like features of mobile phone, voice clarity, battery life, video quality, and memory storage/capacity. So buying behaviour of consumers is most impacted by these characteristics, they pay more attention towards these factors than others while purchasing a mobile handset. This study is in contradiction with the existing study of Liu (2002) [10], he surveyed Asian mobile phone users and found that size of the phone had no impact on choice of mobile phone. Advertisement/marketing of the handset was considered as the most reliable medium to the consumers followed by Internet and previous experience with same brand. Buying behaviour of consumers is impacted by the specificity of need and the social factors considered by them while buying a phone. On the basis of the importance given by the consumers to these two factors, it is found that they have considered presence of multiple customers & users of the phone as an important factor followed by the recommendations given by friends & family and the product being beneficial to them. Attitude of consumers towards the phone they have bought differed from person to person followed by their buying behaviour. The most prominent attitude was that they believed in their decision of choice followed by comparison of their mobile phones with others' for future decision.

Decision making process does not differ significantly amongst the respondents of different age groups and gender. However compatibility and product characteristics show significant difference on the basis of age but decision making process as a whole does not differ. Youngsters are more focused towards the compatibility and the product characteristics like design/look, applications, features etc as compared to others. Therefore, basic decision process followed by males/females of all age group is same except the focus on compatibility and product characteristics. Decision making process as a whole differs significantly amongst the respondents possessing different educational qualification. It may be due to the difference in knowledge regarding a mobile handset, youngsters are more aware about the technicality of the phones so they can skip one or more steps like use of communication strategies and comparison of each and every product characteristics etc. These results were consistent with existing study of Das (2012) [6], he concluded the significant impact of demographic and socio-economic profile of consumers on decision making regarding mobile handset choice.

A mobile handset with smart features and look, well recognized brand, advanced features mostly value added features, and usability of the phone are some of factors young consumers are aligned to choose; females over the males, post graduate among other educations groups, students in terms of occupation and urban residents over rural residents play most noticeable role in decision making process.

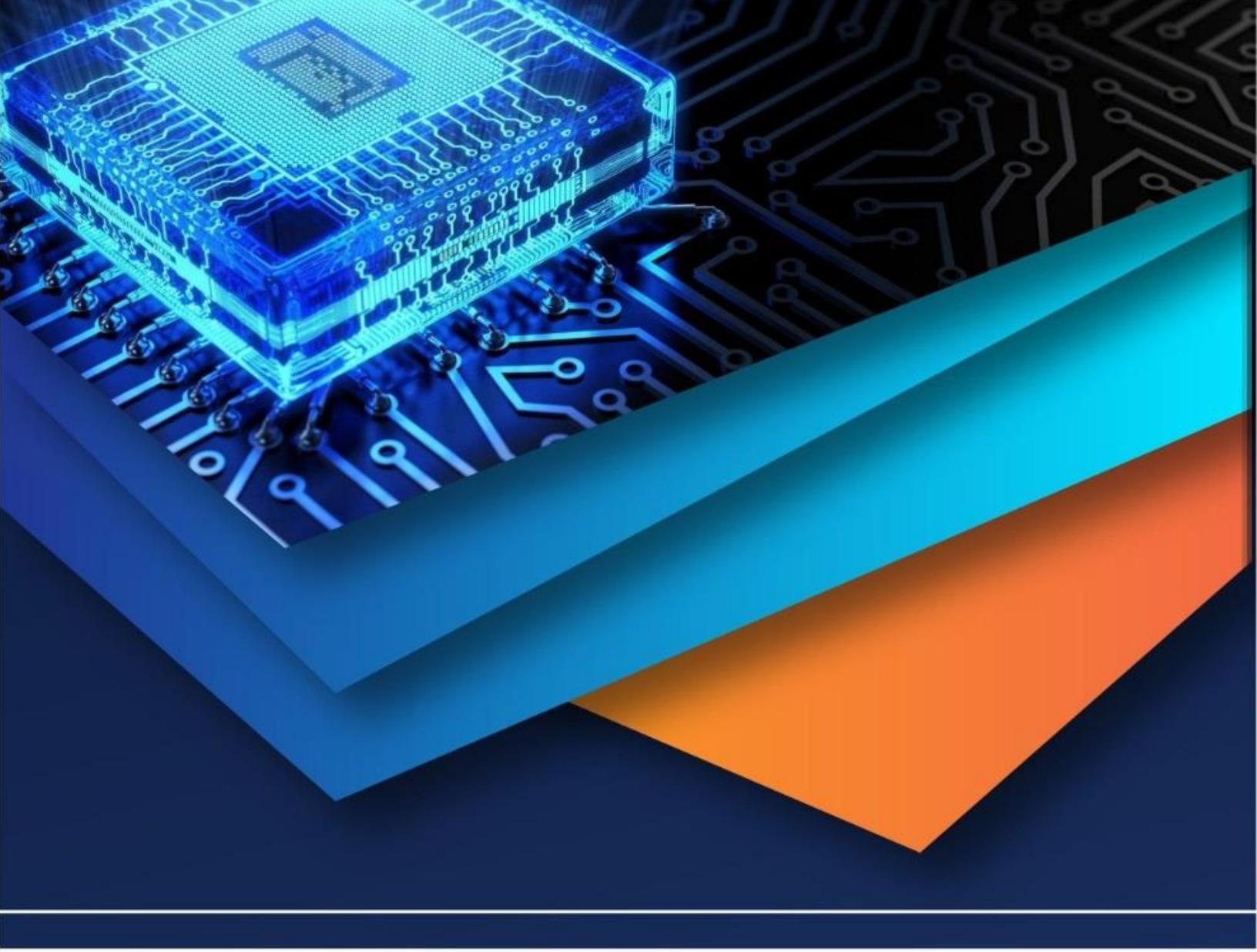
REFERENCES

[1] Alba, J. W., & Hutchinson, J. W. (2000). Knowledge calibration: What consumers know and what they think they know. Journal of consumer research, 27(2), 123-156.
[2] Beatty, S. E., & Smith, S. M. (1987). External search effort: An investigation across several product categories. Journal of consumer research, 14(1), 83-95.
[3] Chernev, A. (2003). When more is less and less is more: The role of ideal point availability and assortment in consumer choice. Journal of consumer Research, 30(2), 170-183.
[4] Coupey, E., Irwin, J. R., & Payne, J. W. (1998). Product category familiarity and preference construction. Journal of Consumer Research, 24(4), 459-468.
[5] Court, D., Elzinga, D., Mulder, S., & Vetvik, O. J. (2009). The consumer decision journey. McKinsey Quarterly, 3(3), 96-107.
[6] Das, D. (2012). An empirical study of factors influencing buying behaviour of youth consumers towards mobile hand sets: A case study in coastal distrcts of Odisha. Asian Journal of Research in Business Economics and Management, 2(4), 68-82.
[7] Engel, J., Blackwell, R. D., & Miniard, P. (1995). Consumer Behaviour, 8th ed., Forth Worth, TX: Dryden.
[8] Engel, J.F., Kollat, D.T. & Blackwell, R.D. (1968). Consumer behavior. New York: Holt, Rinehart, and Winston.

©IJRASET: All Rights are Reserved

[9] Laroche, M., Kim, C., & Matsui, T. (2003). Which decision heuristics are used in consideration set formation?. Journal of Consumer Marketing, 20(3), 192-209.
[10] Liu, C. M. (2002). The effects of promotional activities on brand decision in the cellular telephone industry. Journal of Product & Brand Management, 11(1), 42-51.
[11] Loudon, D. L., & Della Bitta, A. J. (1993). Consumer behavior: Concepts and applications. 4th ed. McGraw-Hill Companies.
[12] Moon, B. J. (2004). Consumer adoption of the internet as an information search and product purchase channel: some research hypotheses. International Journal of Internet Marketing and Advertising, 1(1), 104-118.
[13] Moorthy, S., Ratchford, B. T., & Talukdar, D. (1997). Consumer information search revisited: Theory and empirical analysis. Journal of consumer research, 23(4), 263-277.
[14] Rogers, E. (1983). Diffusion of Innovations, 3rd ed., New York: The Free Press.
[15] Slovic, P. (1995). The construction of preference. American psychologist, 50(5), 364-371.
[16] Urbany, J. E., Dickson, P. R., & Wilkie, W. L. (1989). Buyer uncertainty and information search. Journal of consumer research, 16(2), 208-215

©IJRASET: All Rights are Reserved



10.22214/IJRASET

45.98

IMPACT FACTOR: 7.129

IMPACT FACTOR: 7.429

INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Call : 08813907089 (24*7 Support on Whatsapp)