

**“CONSUMER BUYING BEHAVIOUR PURCHASING A MOBILE PHONE “**

*PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT FOR THE AWARD OF THE DEGREE OF:*

Master of Business Administration

*By: Anuj Parashar (22GSOB2010118)*

*IN BRANCH OF STUDY:* SCHOOL OF BUSINESS

*UNDER THE SUPERVISION OF:*

*Dr.Vivek Kumar Verma*

# ABSTRACT

This study examines the complex dynamics of purchasers' behavior when purchasing mobile phones, with the goal of offering significant insights for marketers and industry stakeholders. Due to the swift advancement of technology, the mobile phone industry is intensely competitive, requiring a thorough comprehension of consumer preferences and decision-making procedures. The study used a mixed-methods methodology, integrating qualitative and quantitative studies to explore the various factors that impact purchasers' decision-making processes. Qualitative interviews and focus groups reveal the emotional and psychological elements that influence preferences, while quantitative surveys evaluate the importance of variables such as brand reputation, pricing, features, and customer reviews. The key findings emphasize the crucial impact of brand perception on purchasing decisions, as consumers frequently link particular traits and values with mobile phone companies. The study highlights the growing importance of online reviews and social media in influencing consumer perceptions and decisions. Furthermore, pricing methods and the perception of value-for-money play a crucial role in the decision-making process. This research enhances the current knowledge by providing insights into the changing patterns of consumer behavior when it comes to buying mobile phones. Marketers can utilize these observations to customize strategies that align with the varied requirements and inclinations of consumers, thereby augmenting their competitive edge in this ever-changing market.

**Keywords:-** Mobile phones, Buyers' behavior, Consumer preferences, Brand perception, Pricing strategies, Online reviews, Technology market, Decision-making process, Marketing strategies, Consumer psychology.

**INTRODUCTION**

The technology and the development of mobile phones are immensely increasing as per the needs and preferences of the consumers in the market. Nowadays mobile phone have become a basic necessity and integral part of human life and communication across anywhere in the globe. In the current competitive market of mobile phones, every mobile manufacturing company is trying to come up with some new feature and innovation to beat their competition so that consumer purchases their product and not of their competitor. Different consumers have different characteristics in their life that also influences their buying behaviour. Social factors (such as family, groups, roles and status), Income factor 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. Different studies have determined factors which affect the buying behavior of consumers include price of the mobile, features, quality, brand name, durability, and so on. Consumer behaviour is basically the study of how consumers select, purchase, use and dispose the product to satisfy their needs and wants. It means the actions of the consumers in the marketplace and the underlying motives for those actions. So in this research paper I will further study on the consumer behaviour on preferences of brands of mobile phone

PROBLEM

Nowadays, smartphones have already become the most preferred mobile devices in Sweden. According to Statista (2023), in the year 2018, the smartphone users in Sweden accounted for almost 8.50 million of the whole population. It is also projected that by 2024 there will be almost

9.50 active smartphone users. Additionally, Svenskarna och internet (n.d.), states that 92% of the population in Sweden owns a smartphone. These statistics show a clear indication that the smartphone market in the country is growing and presents a perfect opportunity for further study. Deloitte (2016), suggests that the youth use their phones more than the seniors do thus presenting the opportunity to further deepen the available research of the correlation between young people and the purchase decisions of iPhones. Morphitou (2014) suggests that with the emergence of smartphones and the rapid increase in technology development, students view these mobile devices as essentials. Smartphones have a huge impact on the lifestyle of students and they tend to interact with their cell phones quite frequently. According to O‘Donnell & Epstein (2022), a college student spends five to nine hours a day scrolling through their mobile device on average every day. O‘Donnell & Epstein (2022), also claim that students choose to buy smartphones due to the benefits the devices offer and they use them as tools for entertainment, quick accessibility, relaxation, browsing the internet and connecting with their friends through the various social media channels. Additionally, Chan et al. (2015) suggest that students tend to incorporate their smartphones in diverse ways when it comes to learning and studying. Because of the fact that mobile phones offer immediate accessibility to various sources, students can check university databases instantly (Morphitou, 2014). Due to the enormous number of benefits that these devices present, students prefer to use cell phones rather than other technological devices like laptops, PCs, etc. On the other hand, there are also some negative aspects that can affect the

student‘s perception when it comes to smartphones. Moprhitou (2014) suggests that the drawbacks associated with the devices can be a limitation when it comes to accessing data and problems with their software and hardware. Despite the fact that the advantages of using smartphones outweigh the accompanying disadvantages, it is extremely important to note that the purchase of a mobile device should not result in an unfavourable experience.

Peer influence plays a major role when it comes to the choices that students make. The term is related to the interpersonal effect that the youth has among each other (Lee, 2014). Kim et al. (2014) identify that young college students are cautious when it comes to monetary cost and social influence factors. Aspects like perceived value and perceived prices also have a huge contribution to the decision-making of students when it comes to smartphones due to the fact that this group is often regarded to have a lowerincome status compared to the older demographic groups. When it comes to social influence, factors such as positive self-image and perceived popularity have a huge influence on the adaption of cell phones by students (Kim et al. 2014). Additionally, aspects like students‘ financial constraints and perceived risk are major influencing factors to the final decision-making process of electric goods such as smartphones (Mitchell & Greatorex, 2006).

According to Prasad & Jha (2014), understanding the consumer decision making process is key to identifying marketing challenges and opportunities. It is crucial to be able to align the marketing efforts with the steps customers undertake to decide what to buy. Nagarkoti (2009), stated that in today‘s mature smartphone market, users‘ behaviour is at least as important as technological capabilities. According to Antoine (2003), as a result of the evolution of mobile phones, consumption has grown exponentially alongside it. This growth demonstrates a massive influx in the purchasing frequency of mobile phones across the globe as newer models are

developed each year thus presenting a challenge to businesses to adapt to consumer purchasing decisions and tailor their products. Not only does this present a challenge to businesses but more importantly, to customers. Consumers, on average, change their mobile devices every two years and they must capture and internalize their next need of a phone before committing to a decision (Ganlari, 2016).

Customers are extremely complicated thus it is essential for businesses to be able to generate models that would help to dissect and analyse more efficiently and effectively each individual part that takes place in the whole buying action. While the internal and external factors affecting decision-making would vary from person to person and from situation to situation, the study of consumer behaviour attempts to draw certain generalizations (Prasad & Jha, 2014). According to Stankevich (2017), marketers and The study gives a brief about the perception & buying behavior of customers towards various mobile brands ,customer preference level associated with different mobile phones, major features which a customer looks for in a mobile before making a purchase and factors that influence decision-making in purchasing a mobile phone. Consumers both can use a wide collection of varying forms of the consumers‘ decisionmaking process in order to deepen understanding on influences to product purchase. The five-stage consumer decision-making process has been historically applicable and has also served as a basis for a variety of marketing studies. In addition, it is of great importance when it comes to the purchasing habits and preferences of the customers. The model comprises five stages starting with the initial stage called need recognition, followed by information search, evaluation of alternatives, purchase decision, and finally post-purchase behaviour (Stankevich, 2017). That is why it acts as a backbone for the theoretical framework of this study. The Swedish smartphone market was chosen due to the fact that it is rapidly growing each year. Moreover, university

students in Sweden are an important market segment that presents a great opportunity for future research.

Purpose

The purpose of this research is to explore the five-stage consumer-decision making process of university students in Sweden when it comes to smartphones while using the case of iPhones for the purpose of understanding this. The study is aimed at analysing the different stages within the process while providing a deeper understanding of the accompanying aspects that impact them. The paper obtains the customer's perspective, which in this case are university students in Sweden, in order to better explain the influencing factors within the different stages of the consumer decision-making process and provide a deeper insight to the very elements that shape the students‘ buying decision for an iPhone. Since Apple as a company and its product line have been highly studied, the gap that this paper tries to fill is the observation of the whole decision making process of the customers regarding their pre-purchase, purchase and postpurchase behaviour towards Apple‘s iPhones. The research question that will be answered through this research in order to fill the gap in the existing literature is:

―What are the relevant influencing factors that affect the purchasing decision towards smartphones of university students in Sweden?‖

**METHODOLOGY**

It is basically the process which is being used to collect information & the data and further the way in which the data is to be presented. The methodology may include other published researches, surveys which are to be conducted, some interviews and interactions or maybe any other research techniques.

In this report work I have chosen the source of Primary Data along with some amount of Secondary Data as it would be more helpful and it will provide more relevant details and data for my topic. As Consumer Behaviour deals with how consumer behave and choose their commodity so it‘s better to collect the data directly from them as this is more reliable and gives authentic data instead of totally going for Secondary Data which will provide the pre used data but it‘s better to opt for Primary Collection of Data as facts and figures keeps on changing so frequently nowadays.

On field interacting with each person of the sample size is not possible in such busy schedule. So some other tool has to be selected. And making a Questionnaire with most relevant questions which is to be asked from the consumers regarding the topic of the report is the most common tool. So my tool for collecting data is by circulating Questionnaire through Google Forms to the sample size of people.

Further the data which is collected through the questionnaire will be presented with tools such as Pie Charts, Graphs, Tables, etc. for the better understanding of the

data which is collected as responses from the consumers through the questionnaire.

Research Design – Exploratory Research

Data Sources – Primary and Secondary Sources

Data Collection Instrument – Questionnaire

Sample Size – 150 People

Sampling Method – Simple random sampling

Sampling Unit – An individual person

**PROFILE OF THE ORGANISATIONS**



Samsung Mobile Division is one of five divisions within Samsung electronics, belonging to the Samsung Group. It‘s headquarter is located in Suwon, North Korea. In 2007 Samsung Mobile Division Business reported over 40% growthand became the second largest mobile device manufacturer in the world.

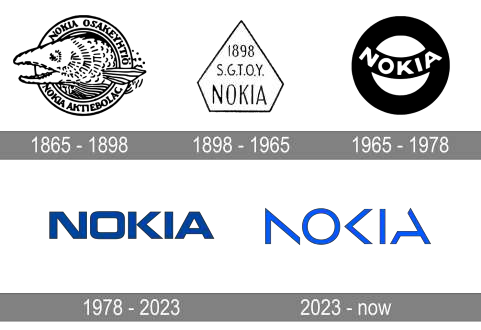
According to estimates from marketing research firm Counterpoint, Samsung commanded 24% of the Indian smartphone market in the quarter that ended in September,2023. The volume of units Samsung shipped in Q3 2023 was up 32% year-over-year, Counterpoint said. The company has benefited from its recent aggressive push in online sales and launch of several affordable smartphone handsets in recent months

Xiaomi



Xiaomi Corporation is a Chinese multinational electronics company founded in April 2010 and headquartered in Beijing. Xiaomi makes andinvests in smartphones, mobile apps, laptops, home appliances, etc. At the start of second quarter of 2018, Xiaomi was the world's fourth- largest smartphone manufacturer. It has 16,700 employees worldwide.Xiaomi has led the Indian smartphone market for three consecutive years. According to estimates from marketing research firm Counterpoint, Xiaomi commanded 23% of the Indian smartphone market in the quarter that ended in September,2023. It has entered India in 2014 and for several years sold exclusively through e-commerce platforms, is still the top online brand in India

Nokia



Nokia continues to be a major patent licensor for most large mobile phone vendors. As of 2018, Nokia is the world's third-largest network equipment manufacturer. The company was viewed with national prideby Finns, as its mobile phone business made it by far the largest worldwide company and brand from Finland. In 2018, Nokia employed approximately 103,000 people across over 100 countries, did business in more than 130 countries, and reported annual revenues of around €23 billion. Nokia is a major contributor to the mobile telephony industry, having assisted in the development of the GSM, 3G and LTE standards (and currently in 5G), and was once the largest worldwide vendor of mobile phones and smartphones. After a partnership with Microsoft and subsequent market struggles, its mobile phone business was bought byMicrosoft.

Apple iphone



The iPhone is a series of smartphones made by Apple Inc since 2007.It does many things that a computer can do, but is small enough to fit in someone's hand. It is a mobile phone, meaning that it makes calls and sends text messages but without wires. There are many types of iPhones,such as the model iPhone X. The iPhone can access the Internet as well, either using a cellular network or over Wi-Fi. Like an iPod, it plays music and videos that havebeen downloaded from the Internet directly, or which have been put on itby connecting it to a personal computer, which is called syncing. It also has a calendar and 1 or 2 built-in cameras. A user can make it do many other things, such as run video games, by downloading apps from the App Store.

All iPhones run on a mobile operating system which Apple calls "iOS".A new version of iOS comes out every year, each having more features than the one before. Each new iPhone comes with the latest version of iOS, and older iPhones usually also get a software update to the latest version. The more-recent iPhones, such as the iPhone 11 and variants ofit, use iOS 13 and came out in September 2022. As of November 1, 2018, more than 2.2 billion iPhones had been sold.

**ANALYSIS AND INTERPRETATION OF DATA**

The questionnaire has been circulated in several areas of Delhi NCR and 150 responses have been received. So now to give some conclusion to this report, analyzing and interpreting thecollected data is very essential. To find out what are the factors which effect the consumer‘s behaviour for preference of brands of mobile phone, each question asked and filled by the consumers need to be analysed and the figures are to be interpreted as well.

**1. AGE**

From the 150 responses which have been received, The age group was divided in 3 respective groups and the results were asfollows:

1. 83.1% respondents were between 18 – 25 years.

2. 14.2% respondents were above 25 years.

3. And the rest were below 18 years.

Table 01: Representation of Age

|  |  |  |
| --- | --- | --- |
| AGE | NO. OF RESPONDENTS | PERCENTAGE |
| Below 18 | 4 | 2.7 |
| 18-25 | 125 | 83.1 |
| Above 25 | 21 | 14.2 |

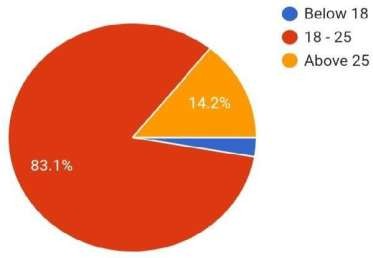


Fig 01: Ratio of Age Group

**2. GENDER**

Out of 150 responses , the classification of gender was as follows:

1. The majority of respondents as 61.5% people were Male.

2. Remaining 38.5% people were Female respondents who filled thequestionnaire.

Table 02: Representation of Gender

|  |  |  |
| --- | --- | --- |
| GENDER | NO. OF RESPONDENTS | PERCENTAGE |
| Male | 92 | 61.5 |
| Female | 58 | 38.5 |
| Other | \_ | \_ |

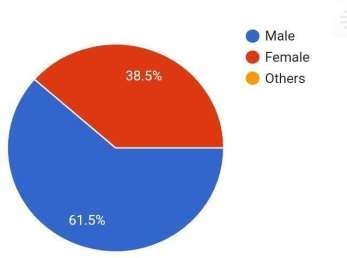


Fig 02: Ratio Of Gender

3. FAMILY INCOME

Now the most important factor of this study was the income factor. It plays amajor role in how consumer chooses the brand of their product. So, the next aspect was the Family Income of the consumers. As, Income directly effectsthe purchasing power of consumers. The result was as follows:

1. 51.1% people‘s family income was upto Rs.5 lacs.

2. 39.6% were upto Rs.10 lacs

3. 9.4% were more than Rs.10 lacs.

Table 03: Representation of Family Income

|  |  |  |
| --- | --- | --- |
| FAMILY INCOME | NO. OF RESPONDENTS | PERCENTAGE |
| Upto 5 lacs | 77 | 51.1 |
| Upto 10 lacs | 59 | 39.6 |
| More than 10 lacs | 14 | 9.3 |

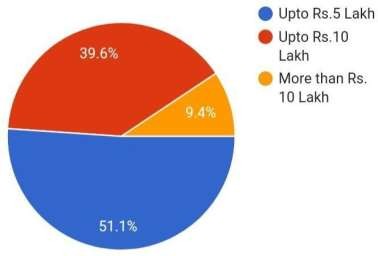


Fig 03: Ratio of the Family Income

4. OCCUPATION

The next question was about the occupation of the respondents. What do they do is very essential to know as according to that it will influence which type of mobile they would prefer, how much they willspend on it and which brand they will like to have. So occupation has been divided in three groups. Results are as follows:

1. 75.7% were Students

2. 21.6% people are Working

3. Rest are Non-Working.

Table 04: Representation of Occupation

|  |  |  |
| --- | --- | --- |
| OCCUPATION | NO. OF RESPONDENTS | PERCENTAGE |
| Students | 113 | 75.7 |
| Working | 33 | 21.6 |
| Non-Working | 4 | 2.7 |

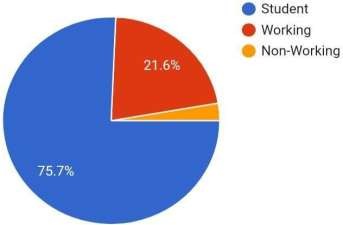


Fig 04: Ratio of Occupation

5.FAVOURITE BRAND

Now the question arises of what is the favourite brand of mobile phone among the consumers? Various responses have been received for this. Some particular brand names were given to them but as there is huge marketof different brands of mobile phone, so it was not possible to mention all the names in the questionnaire. So some specific famous brands were there and an option was given as Other so than people could choose that if their favourite brand is not mentioned in the list. The results are as follows:

1. Majority of people with 24.3% said that there favourite brand is Apple.

2. 21.6% said it‘s One+

3. 18.2% people‘s favourite brand is Xiaomi.

4. And from the remaining 7.4% said their favourite brand is Others.

5. And the rest of percentage for favourite brands were divided into verysmall small parts.

Table 05: Representation of Favourite Brand

|  |  |  |
| --- | --- | --- |
| FAVOURITE BRAND | NO. OF RESPONDENTS | PERCENTAGE |
| Apple | 36 | 24.3 |
| OnePlus | 33 | 21.6 |
| Xiaomi | 27 | 18.2 |
| Nokia | 11 | 7.4 |
| Samsung | 22 | 14.9 |
| Motorola | 8 | 2.5 |
| Others | 11 | 7.4 |

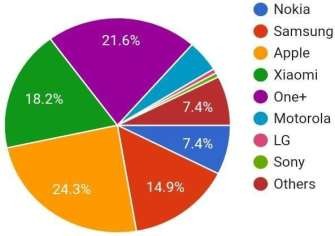


Fig 05: Ratio of Favourite Brands of Mobile Phone

6. CURRENT BRAND IN USE

As we saw the results of favourite brands of mobile phone by the consumers,now we shall analyze what is the current brand which is being used by them. And the results are as follows:

1. 32.4% respondents are using Xiaomi

2. 20.3% are using Samsung

3. 10.1% are users of Apple

4. A huge part which is 23% are using Other brands which are notmentioned in the questionnaire.

5. The remaining percentage is divided in some smaller parts.

Table 06: Representation of Current Brand

|  |  |  |
| --- | --- | --- |
| CURRENT BRAND | NO. OF RESPONDENTS | PERCENTAGE |
| XIAOMI | 49 | 32.4 |
| SAMSUNG | 30 | 20.3 |
| APPLE | 15 | 10.1 |
| MOTOROLA | 12 | 8.1 |
| OTHERS | 34 | 23 |

7.FREQUENCY OF CHANGING A MOBILE PHONE:

We will also analyse the time period of how long does consumers uses a same mobile phone. How frequently does they switch their mobile and thebrand of the mobile phone. So we got the results as follows:

1. 67.6% people uses a same mobile phone for more than 1year.

2. 25% respondents switches their mobile phone within 1year

3. 7.4% people changes their mobile phone so frequently and that too withinjust 6months.

**CONCLUSION**

In the realm of consumer electronics, particularly in the expansive mobile phone industry, understanding consumer buying behaviour is crucial for both manufacturers and retailers. The consumer's mobile phone purchasing decision-making process is intricate, influenced by a diverse array of factors that encompass practical considerations and emotional impulses. Thus, it is imperative for businesses to possess a comprehensive understanding of these factors in order to tailor their marketing strategies, product offerings, and customer experiences with utmost accuracy. Price is a crucial determinant for consumers when purchasing a mobile phone. Consumer price sensitivity displays considerable variability, with certain individuals prioritising affordability while others are more inclined to pay a premium for superior features and brand reputation. Hence, it is imperative to offer a diverse range of pricing options that are accompanied by distinct features and value propositions to cater to the requirements of various consumer segments. Furthermore, marketing strategies such as discounts, trade-in options, and financing alternatives can influence buying decisions by minimising financial barriers or enhancing perceived value. Brand reputation and loyalty have a substantial impact on consumer buying behaviour. Established brands often benefit from the trust they have built with consumers through a track record of consistently providing top-notch products, dependability, and exceptional customer service. Conversely, emerging or lesser-known brands may encounter challenges in establishing consumer trust. In order to successfully compete, it is necessary for them to adopt strategic branding initiatives and quality assurance measures. Furthermore, the associations that brands establish with innovation, status, or cultural relevance can significantly influence consumers' perceptions and preferences towards them. The attributes and

characteristics of a mobile phone are significant factors that influence consumer decisions. They are indicative of personal preferences, usage habits, and technological preferences. Consumers assess various attributes, such as camera functionality, battery longevity, processing prowess, and storage capacity, according to their individual requirements and preferences. Photography enthusiasts may assign greater significance to the camera's quality and advanced imaging capabilities, while power users may prioritise the performance and multitasking capabilities. Hence, manufacturers must conduct market research to discern emerging trends and shifting consumer preferences. They must continuously adapt their product offerings to align with the ever-changing demands. The mobile phone's operating system (OS) is a crucial factor for many consumers, in addition to its features. When choosing between Android and iOS ecosystems, it is crucial to consider factors such as the level of user interface familiarity, the availability of applications, the level of integration within the ecosystem, and the security features provided. Some consumers exhibit brand loyalty towards a particular operating system, while others may alter their preference or transition to a different operating system due to changing preferences or advancements unique to a specific platform. Consequently, manufacturers must improve the compatibility and user experience of their devices within the chosen operating system (OS) ecosystem. This entails maximising the advantages of the platform while minimising any drawbacks. Consumers often base their purchasing decisions on external sources of information and validation, such as reviews, recommendations, and social influences. Consumers currently possess the capacity to obtain a substantial volume of information and viewpoints via online reviews, user-generated content, and influencer marketing platforms. This has bestowed upon them greater authority in their purchasing choices. The perception and trust that consumers have towards a particular mobile phone model or brand can be significantly influenced by positive

reviews, endorsements from reputable sources, and evidence of widespread use among peers. The process of consumer purchasing behaviour for mobile phones involves a complex interplay of economic, psychological, social, and ethical factors. By understanding and addressing the diverse needs, preferences, and values of consumers, businesses can differentiate their products, foster customer loyalty, and build long-lasting connections with their target market. To thrive in a fiercely competitive market, mobile phone manufacturers and retailers must continuously introduce innovative ideas, execute impactful marketing strategies, and prioritise customer satisfaction. This will enable them to adapt to evolving consumer preferences and establish themselves as leaders in the industry.

REFERENCES

1 . Dr . Vivek kumar verma