

Brand Preference of Smartphone

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ABSTRACT

Keyword:

Brand Preferences, Smartphones, Kathmandu, Price Factor

The research aims at finding out the factors that majorly influence the buying decision of a customer when choosing a Smartphone. This research used quantitative method. In this study populations for this people residing inside Kathmandu valley who were using mobile phones. The sample size of 270 respondents who were job holders and using mobile phones were surveyed based on one of the non-probability sampling techniques, the convenience sampling method. This research used independent variables, advertisement, brand image, brand loyalties, price satisfaction and attributes. In addition, variables Price has positive and significant effect on brand preferences but remaining variables, advertisement, brand image, brand loyalties positive but not significant effect. Finally, Prices Factors one of dominant variables that makes people thinks to choose the smartphones in Kathmandu City.

Kata Kunci:

Preferensi Merek, Smartphone, Kathmandu, Faktor Harga

SARI PATI

Penelitian ini bertujuan untuk mengetahui faktor-faktor yang secara signifikan memengaruhi keputusan pembelian pelanggan saat memilih *smartphone*. Penelitian ini menggunakan metode kuantitatif. Populasi dalam penelitian ini adalah orang-orang yang tinggal di Lembah Kathmandu dan menggunakan ponsel seluler. Sampel sebanyak 270 responden yang merupakan pekerja dan menggunakan ponsel seluler diambil dengan menggunakan salah satu metode pengambilan sampel non-probabilitas, yaitu metode convenience sampling. Penelitian ini menggunakan variabel independen, yaitu iklan, citra merek, loyalitas merek, kepuasan harga, dan atribut.

Variabel harga memiliki pengaruh positif dan signifikan terhadap preferensi merek, tetapi variabel lainnya seperti iklan, citra merek, dan loyalitas merek memiliki pengaruh positif tetapi tidak signifikan. Akhirnya, faktor harga menjadi salah satu variabel dominan yang membuat orang memilih smartphone di Kota Kathmandu.

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INTRODUCTION

The American Marketing Association defines a brand, as “A name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers. The legal term for a brand is a trademark. A brand may identify one item, a family of items, or all items of that seller. If used for the firm, the preferred term is a trading name.” (Cohen, 2011) A brand can be anything. Brands are used in every sector like business, marketing, and advertising. In the present context, the brand has become an important aspect in people’s lives as well as for a marketer. It reveals to them that they can anticipate your products and services and distinguishes your offering from your rivals’. Your brand is derived from your identity, who you need to be, and who individuals see you to be. Consumers feel having a branded product provides a unique sense of belongingness (Lake, 2021).

Telecommunication is communication at a distance using electrical signals or electromagnetic waves. A telecommunication system is a collection of nodes and links to enable telecommunication. In its most fundamental form, a telecommunication system includes a transmitter to take information and convert it to a signal, a transmission medium to carry the signal, and a receiver to take the signal and convert it back into usable information (Zandbergen, n.d.). The history of Telecommunication in Nepal dates to 1913 when the first telephone line was introduced in Kathmandu and with an open wire trunk between Kathmandu and Raxual (an Indian border town) in 1914. Evolving from such primitive practice to the present-day telecom scenario, Nepal has become a progressive and competitive Telecom market. To date, there are Six Telecom operators with a broad range

of technologies (Landline / Mobile / WLL) like PSTN, ADSL, GSM, CDMA, WCDMA, LTE, EVDO, NGN, and SIP. Nepal Telecom (previously Nepal Telecommunication Corporation) is the incumbent operator, owned by the government of Nepal being the one landline operator and almost all services/technologies in all areas of the nation. Among them, Nepal Telecom (NTC) and N-cell are the only telecoms that have nationwide mobile coverage. Mobile phone usage in Nepal dates back to 1999 when NTC started providing GSM mobile service in May 1999 (Dhital, 2013). Before a decade ago, only high-class people could afford cell phones. Now, there are various brands available with different price ranges. Nepal also offers varieties of brands that are manufactured from neighboring countries as well as imported from other countries. Since Nepali people are low-income people, they are more inclined towards cheaper products with multiple features. When compared with people residing in Kathmandu valley, most of them prefer to have cell phones that provide sophisticated features. Brands like Apple and Samsung are preferred by Kathmandu valley people.

Much research is being conducted based on the brand preference of mobile phone users. Technological advancement is in a rapid phase. This research aims to provide a present scenario of brand preference among professionals’ people inside Kathmandu valley. Professionals include people having jobs as lawyers, doctors, engineers, professors, and entrepreneurs whose monthly income is above NPR 50,000. Also, it helps analyze the impact of word of mouth and advertisement on purchase decisions among customers. With this research, professionals’ habits of using a certain brand will be realized. Technological advancement brings various changes in consumers’

perceptions of a particular brand. Therefore, conducting this research will update us on the current trend of the technological market. The main objective of this research is to examine the brand preference of smartphones in Kathmandu valley.

The research aims at finding out the factors that majorly influence the buying decision of a customer when choosing a Smartphone. By reading the relevant literature, various factors have been found, based on consumer choices about the Smartphones previous research provide a range of variables that affect the purchase decision, combining several dominant variables; certain major factors can be drawn out.

Review of Literature

Ghorban, (2012) studied “Brand Attitude, Its antecedents, and consequences, the investigation into Smartphone brands in Malaysia”. It was found that several factors influenced the attitude of brands among customers, like customer satisfaction and advertisements. There seemed to be a direct relationship between advertising with brand attitude and customer satisfaction. Similarly, purchase intention is also directly influenced by advertisements. Prior purchase experience of a product by consumers also affected the repurchase of products. Various brands of cell phones that were active in advertisements, manufacturing, distribution, and after-sale service influenced the customers more.

Remedios & Nathwani (2014) analyzed “A study to examine the brand preferences of students towards apple v/s Samsung Smartphone”. Major findings are that a strong brand image could lead to an increase in consumers’ rate of purchases. A high degree of brand knowledge was required for leading

Smartphone manufacturers like Samsung and Apple. Therefore, it could create a competitive advantage among competitors. Brand equity led to higher sales. Smartphone makers needed to develop new methods with the consumers of smartphones.

Sajid, (2015) performed research on, the “Impact of brand image on buying behavior among teenagers.” The research was conducted to analyze the influence of factors like brand choice, source of information, and level of satisfaction. Teenagers’ buying behavior is positively influenced by advertisements, brand loyalty, and brand image. So, marketers who are experts in conducting advertisements are most preferred by teenagers.

Nushrat, (2021) examined that, the brand name variable has statistically significant relationships with the consumer preferences variable. The findings of the study indicated positive correlations among the variables i.e., battery backup, camera resolution, durability, and price have a significant impact on the overall preferences of the consumers. The result derived from Cross tabulation and Likelihood ratio entails that these above factors are influenced the customer brand preference and there exists a strong relationship between these factors and brand preference.

Conceptual Framework

A framework is developed so that it serves as a foundation on which the entire research is based. About various studies on the effectiveness of advertising and sales promotion on buying behavior of smartphones, we have come across the following model for the research.

It is based on the literature survey and the requirements of the study. Dependent

and independent variables were obtained through the empirical findings of previous research studies. This research aims to obtain information about the brand preference of different professionals in Kathmandu valley. A conceptual framework derived based on the literature review is:

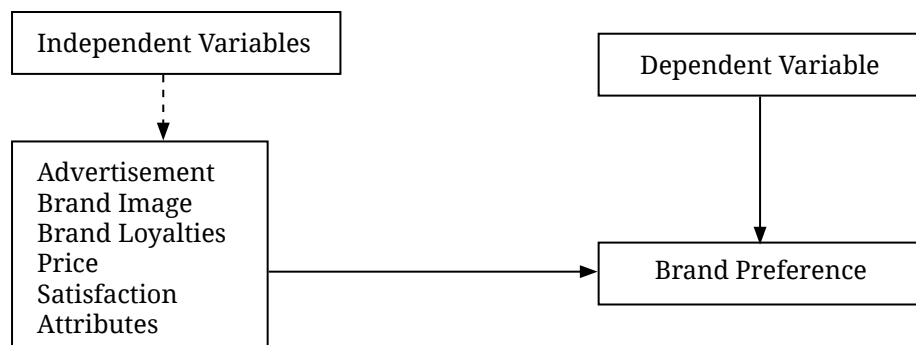


Figure 1: Conceptual Framework.

Some of the determinants of the conceptual framework are described below:

Usage

It is the total time a respondent has been using a particular mobile phone. According to various studies, it has been said that a technological device has a lifetime of two years and consumers keep changing their devices for an average time of two years. People who are technologically advanced and want new devices.

Attributes

The mobile phone was invented to voice calls at long distances without a medium of wire. This concept has gradually changed, and consumers nowadays prefer a mobile phone that provides unique features beyond the effective call. As there are various brands available in the market, consumers have a wide range of options in choosing a mobile phone. Hence, consumers may look for sound quality, internet options, storage capacity, appearance, camera quality, etc.

Brand loyalty

Brand loyalty shows customer preference to purchase a particular brand repeatedly. Brand loyalty is the belief and faith of customers that the brand offers acceptable features and quality at the right price. Initially, customers will purchase a brand for trial, and after being satisfied, customers will keep on buying the product of a brand.

Advertisement

This is the marketing world where the advertisement has been an integral part of retrieving consumers towards a particular brand. Advertisement is a medium through which a marketer can give information about their products to mass customers. It can be done through various mediums like online, newspapers, magazines, word of mouth, and many more. Reliably a particular product is influenced by the way product is presented to consumers. Hence, advertisement is a vital element for enhancing brand preference among consumers.

METHODS

The main purpose of this research was to find the brand preference of mobile phones among professionals inside Kathmandu Valley, so this study follows a descriptive research design. The research survey has been done online using a structured questionnaire approach. Respondents of the study were from different occupations using mobile

phones. The period of study was around six months. A quantitative method was used for this research. The populations for this study were people residing inside Kathmandu valley who were using mobile phones. Primary data were collected. A sample size of 270 respondents who were jobholders and using mobile phones were surveyed based on one of the non-probability sampling techniques, the convenience sampling method. This method is used because determining the population size of people preferring various mobile phone brands is difficult. The survey has been conducted online by sending messages through various online mediums like Facebook, and emails, and also through distributing questionnaires personally. The study has been done among people inside Kathmandu valley.

Ethical Consideration

The following issues have been implemented to address the ethical aspects of the study:

The privacy and confidentiality of the respondents have been maintained. Respondents participated in the survey voluntarily. Fabrication and falsification of data had been avoided. Faulty data-gathering techniques have not been used. No private and personal information of the respondents was asked. The aim and objective of the study had been fully informed to the respondents.

Biasness of any kind had not been done throughout the study. This research work was carried out independently.

Test of Reliability

To test the reliability of the data, Cronbach's alpha was used. Expert opinions and suggestions were also used for enhancing the research's reliability. Further, reliability and validity are mainly used to find if any error has occurred. The value of Cronbach's Alpha is 0.961, suggesting that the items have relatively good internal consistency.

Table 1: Reliability Statistics

Cronbach's Alpha	No of Items
0.961	21

Source: Authors

Table 1 shows the aggregate Cronbach alpha of all 21 items is 0.961 and the Cronbach's Alpha of individual statement if item deleted were less than 0.961 it confirms that there is highly reliability of the data used in this study.

Table 2 shows that the impact of brand preferences and the coefficient of rest of independent variables. Similarly, there is positive and significant effect of price factor to the brand preferences (i.e $P=0.02$ and $b=43.66$).

Table2: Brand Preferences and Coefficient

Variables	Sum of Square	df	Mean Square	F	Sig
Satisfactions	0.38	266	0.13	0.31	0.81
Brand Loyalty	120.23	266	0.45	0.31	0.18
Brand Image	116.75	266	0.43	1.61	0.18
Advertisement	176.51	266	0.66	1.32	0.26
Price Factor	43.66	266	0.16	3.31	0.02
Attributes Factor	52.61	266	0.19	1.75	0.15

(Source: Authors)

It means that there 1-unit changes in prices have direct effect on customer preferences rise by 43.66. In other hand, other variables Satisfaction, Brand Loyalty, Brand Image, Advertisement and Attribute factors have positive effect but not significant effect on brand preferences on smart phones.

RESULT AND DISCUSSION

Based on the purpose of this study and literature review, this study consisted of various factors for determining brand preference. Those factors were satisfaction, brand loyalty, brand image, price, advertisement, and attributes. With the help of a literature review, the questionnaire was developed to determine the actual situation.

Regarding variables, price factors have a positive and significant effect on brand preferences. Similarly, (Malviya *et.al*, 2013) found that factors prices having a dominant influence on the purchase decision of consumer in Indore. (Kaushal *et al.*, 2016) also found that factors affecting purchase intentions of smart phones Lucknow, price factor have highly significant effect on customer preferences. It means that price is one of the important factors which dominantly affects consumer's choice to purchase product or brand. The discussion summarizes all the results generated from the previous research. The major objective of the study was to analyze the brand selection of smartphones inside Kathmandu valley.

IMPLICATIONS

Professionals focus on buying products that are affordable and qualitative. More specifically, they would buy a mobile phone that provides various features with a small range of price as most respondents would spend around 25000 NPR on mobile phones. Rather than focusing

on an advertisement, providing qualitative features on mobile phones would be fruitful. This is because people make decisions to buy a mobile phone only after taking referrals from family and relatives.

People showed brand loyalty which is an encouragement for manufacturers to focus on making their brand more reliable among consumers. Uplifting their services and quality could help in attracting consumers to their brand. The focus for marketers should be on attracting new customers and providing better and improved features to their current customers. Word-of-mouth would be an alternative as people make judgments based on what they hear from their close ones. Being able to attract professionals towards a brand could help in grabbing a market for the brand.

CONCLUSION

Through the survey carried out, the conclusion can be drawn that there was the more male group who were using the mobile phone. 164 respondents from the age group 20-30 indicate that more younger group people use mobile phones and are focused on the features of mobile phones. Many of the respondents had a monthly income of 35000-45000, which affected the purchase of an expensive mobile phone. Though there are launches of various mobile phones in the market, people prefer to change their phone only after it gets damaged. This results that people do not go towards the advertisement but rather making their own decision when buying a new mobile phone. They were satisfied with the service provided by their phone and most of them would go for the same brand representing their loyalty towards the brand.

This paper also concludes that there is a positive relationship that supports the

brand preference for mobile phones among professionals. For obtaining this conclusion, the Likert scale was used with an online survey questioning various aspects that would create an impact on brand preference for a mobile phone. With its findings, the researcher has

concluded that brand has played an important role when buying a mobile phone and people look for a product that they are used to with it. They are not inclined towards using a new brand of mobile phone showing their loyalty towards a brand.

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