

Factors of Consumer Choice of SmartPhones — A Study on Brand Image and Brand Features

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Abstract

The research is aimed at exploring the factors and attributes of a smartphone that influence consumers to opt for a particular brand from amongst a wide variety of smartphones along with the investigation of consumer behavior towards those factors and attributes. For this research two factors have been selected which include; the brand image and the brand features. The basic interest of the researcher in this study is to look into the significance of the factors and attributes that are perceived as important by the consumers when they think of purchasing a smartphone. A structured questionnaire was used for the data collection purpose. Data was collected from 300 respondents residing in various areas of Karachi. The research findings revealed that the consumers give preference to brand image over features of a smartphone. Consumers see a smartphone as a part of their personality that enhances their status and self-image in their own eyes as well as in the eyes of their peers.

Keywords: Brand Image, Brand Features, Consumer Choice, Consumer Preference.

Introduction

Presently cellphones have become a necessity for the people to keep in contact with each other across the globe. This trend rose in Pakistan at a fast pace during the last decade (Zameer, Saeed, & Abbas, 2012). With time and increasing demand the cellphone industry has also evolved. The evolution of cellphone industry has led to the era of smartphones. As of May 2016, the tele-density was 71.16%, at the same time, the total annual subscribers

for 5 major cellular networks were 133.4 million (PTA, 2016). Currently majority of the people already have a smartphone or want to buy one. According to the statistics of July 2015 there are around 14.6 million 3G and 4G users in Pakistan (Baloch, 2015). 77% of the smartphone users fall in the age group of 21 to 30 years of age. Furthermore, smartphones' popularity is increasing which has provided the marketers with an opportunity to capitalize on it (Pakistan Advertisers Society, 2014).

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With this growing demand, improving technology is changing the needs and wants of the consumers at large; a phenomenon known as value migration. Value migration has led to a need by the firms to research what their current and prospect customers want presently and what their future demand might comprise of?

A research is required to learn what aspects of a smartphone attract the consumers more towards a particular model and brand (Karjaluoto et al., 2005). Since now a day's consumers give preference to the products which they perceive as compatible with their self image along with their lifestyle (Saaksjarvi, 2003). The aim of this research is to explore the attributes and to create awareness amongst the firms to learn and work on the aspects of a smartphone held important and significant by the consumers. Another aspect that the firms and the managers need to keep in their mind is whether to boost up their brand image or to increase features and quality of their smartphones. The variables catered in this research include: Consumer Choice (dependent variable), Brand image which is further divided into consumer perception, status symbol and price, features which are further divided into functionality, quality and user interface; however, price is overlapping as an element of both features and brand image.

The objective behind this research is to gather information about the factors that influence a consumer to make a decision regarding which smartphone to purchase

from all the competitive brands available. When a consumer is deciding between two or more smartphones, there is a possibility that all the smartphones in question have identical or similar features, say screen size, RAM, camera pixels and so on. The important question here is in such situations what information will affect the consumer choice. Would there be a difference in strength of preference for one brand of smartphone over the other? Will price be a factor in the choice making decision? Will brand image influence the consumer choice? How a few features or quality of features influence the decision for the consumer? Does brand image mean more to the consumers in comparison to brand features?

Hypotheses

H₀1: Brand image does not influence consumer purchase decision while purchasing a smart phone

H₀2: Features do not influence consumer purchase decision while purchasing a smart phone

Literature Review

The mobile market is an example of push driven market where new type of phones are brought forth frequently, before a consumer recognizes its need himself (Gerstheimer & Lupp, 2004). Developments in mobile phone industry are based on consumers' future needs, hence a firm that is able to best recognize and forecast the consumer needs become the leader in this market (Nagel, 2003). The rise of 2G, 3G and now 4G has led for a need to develop faster smartphone handsets that are equipped with latest

features having internet access and enabling the consumers to send and receive multimedia messages easily (Karjaluoto et al., 2005). The improving technology has broadened the use of mobile phones which was once only meant for communication purpose. The evolution of mobile phones has led to the convergence of mobile phones and personal digital assistants (PDAs) (Hansen, 2003 ; Singh & Goyal, 2009).

Consumers have a preconceived notion about their preferences and for alternative preferences. In the past, technology was not available to everyone and many of the consumers were not technologically savvy, hence they had limited knowledge about their choices (Alba & Hutchinson, 2000; Chernev, 2003; Moorthy, Ratchford, & Talukdar, 1997). However, the present day consumer is technologically aware and knows where and how to search for alternatives and find a best offer to fulfilled his need. Fitzsimons et al. (2002) found that consumer choices are based on their conscious and non-conscious choices. Many consumers make purchase choices outside of their awareness. Saaksjarvi (2003) also found that consumers purchase products that are perceived to boost their self-image.

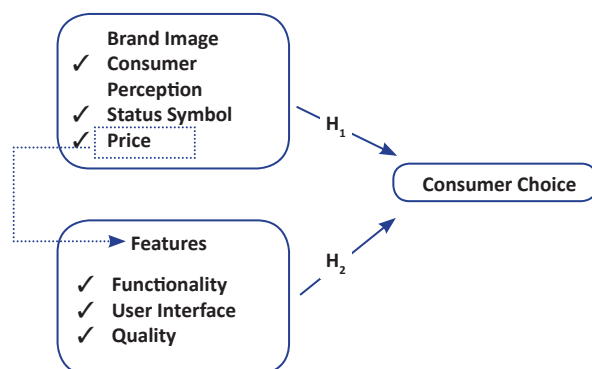
The consumers of the past spent only on what was needed by them and spent enough to fulfill that need, however, were not categorized as risk takers. They did not look for luxury goods having several specifications. In comparison to them the present younger generation has developed an attitude for self-pleasure and personal

style (Aulakh & Johansson, 1997). The current generation is exposed to a variety of products having several features and categories with technological development. This has provided the young consumers with an option to search for best offers in the market.

To maintain a particular status the consumers require certain qualities and features in the products before opting to purchase. Qualities and features are judged by the consumers in terms of brand; a brand is used as a cue by the consumers to judge the quality of a product (Aulakh & Johansson, 1997).

For mobile phone purchase choice, a difference in the pattern between the rural and urban consumers was also observed. The consumers residing in rural areas gave preference to having several features in their mobile phones with price sensitivity and little preference towards brand image while the consumers residing in urban areas gave more importance to brand image and were less price sensitive (Zameer et al., 2012).

Figure 1 Conceptual Framework



Brand Image and Brand Choice

Brand image is seen as a symbol of quality by the consumers. Consumers judge the quality of a product from its brand image and through that judgment they decide to purchase that product or not (Aulakh & Johansson, 1997). Young consumers prefer information seeking behavior and show eagerness to purchase latest products which they perceive to have a higher brand image in order to enhance their self-image. Improvement in self-image provides the young consumers with confidence and satisfaction within their own skin. On the other hand the older and more mature consumers prefer product features over brand image and are also price sensitive. The older consumers prefer purchasing products that best fulfill their need regardless of brand image of the product (Saaksjarvi, 2003). However in an earlier study conducted by Carrigan & Szmigin (1999), it was found that the older generation like their younger decedents are willing to pay more for self-image, comfort and self-pleasure, keeping one factor in mind that the product or service under question is relevant to their specific need.

Feature and Brand Choice

The improving technology is increasing the demands of the consumers. As said earlier in the literature review the mobile market is an example of push driven market where new type of phones are brought

forth frequently, before a consumer recognizes its need himself (Gerstheimer & Lupp, 2004). Developments in mobile phone industry are based on consumers' future needs, hence a firm that is able to best recognize and forecast the consumer needs become the leader in this market (Nagel, 2003).

Methodology

Sample Size

There is no consensus on the issue of sample size e.g. (Sekaran & Bougie, 2011) has suggested that for multivariate analysis at least 30 sample sizes should be selected for each variable. Anderson (2010) has suggested sample size of two hundred and fifty being appropriate while others have suggested calculating the sample size on the basis of confidence level and confidence interval. Furthermore, according to Sekaran & Bougie, (2011) for the population size over two million a minimum sample size of two hundred and eighty five respondents is considered to be appropriate. Therefore for this research, a valid sample size of three hundred respondents was selected to fulfill the minimum requirement for the sample size.

Sampling Technique

The sampling technique employed for this study was convenience sampling. Convenience sampling is a technique which caters to a subset of the population of the research study and the respondents selected for the study are appropriate for

the filling of questionnaires (Sekaran & Bougie, 2011).

Results and Findings

Table 1 Respondents' Profile			
Variable		Number	Percentage
Gender	Male	157	52
	Female	143	48
Age	16 to 25 Years	58	19
	26 to 40 Years	190	64
	40+ Years	52	17
Income	Up to Rs.19k	126	42
	Rs.20K to Rs.25K	142	47
	Rs.25k to Rs.50K	22	7
	Rs.50K to Rs.75K	10	4
Marital Status	Single	167	56
	Married	133	44
Education	Inter	16	5
	Bachelors	210	70
	Masters	74	25
	Total	300	100

Descriptive Statistics

Table 2 Descriptive Analysis				
	Mean	Std. Dev.	Skewness	Kurtosis
Features	3.462	1.323	0.237	0.040
Brand Image	3.533	1.637	0.164	-1.021
Consumer Choice	3.054	1.741	0.561	-0.645

In Table 2 brand image (Mean=3.054, SD=1.741) has the lowest skewness (0.164), and consumer choice (Mean = 3.054, SD=1.741) has the highest skewness (0.561). The Kurtosis for only one item is positive while all the other items have a negative kurtosis.

The highest kurtosis (-0.645) is for consumer choice (Mean = 3.054, SD=1.741) and the lowest kurtosis is for features which is (Mean=3.362, SD= 1.323) is 0.040. Since all the constructs are within the range of ± 2.5 therefore it can be assumed that the data has a normal tendency (Kline, 2010).

Reliability of the Constructs

Table 3 Reliability of the Constructs					
Constructs	Cronbach's Alpha	Cronbach's Alpha on standardized item	No of items	Mean	S.D
Features	0.773	0.776	5	3.34	1.31
Brand Image	0.959	0.961	5	3.63	1.72
Consumer Choice	0.923	0.926	5	3.05	1.73
Overall	0.885	0.887	15	3.34	1.58

The Table 3 shows that the reliability of Brand Image is the highest ($\alpha=0.959$, $M=3.63$, $SD=1.72$). Reliabilities of the all the constructs were greater than 0.7 which are within the acceptable range indicating that the respective items have reasonable internal consistency and reliability. The overall Cronbach's alpha for the instrument including dependent and all the independent variables is 0.885 which shows strong correlation.

Overall Model Regression Test

Table 4 contains the summarized results of regression for the overall model of the research study. The hypothesis that the features and brand image influence the consumer's choice of smartphone positively,

was tested here through Regression analysis.

Table 4 Summarized Regression Results

Variables	Unstandardized B	Standard Coefficient Std Error	Coefficient	T Beta	Sig
Features	.183	.061	.154	3.154	.002
Brand Image	.169	.065	.128	2.340	.020
Consumer Choice	.910	.050	.876	19.654	.000

Note: Dependent Variable: Consumer Choice, Independent Variables: Features and Brand Image, $R^2 = 0.611$; Adjusted $R^2 = 0.591$, $P < .05$, $F(3, 299) = 123.87$

The results of the regression analysis for the overall model indicates that the predictors features and brand image explain 59.1% of the variance ($R^2 = 0.591$, $F(3, 299) = 123.87$, $p < .05$). It was also found that attractiveness, trustworthiness, expertise, match up with the brand and brand image significantly predict consumer choice ($\beta = 0.910$, $p < .05$) which according to Cohen(1998) is a large effect.

Features of a Smartphone

The hypothesis that features of a smart phone positively influences the consumer choice was tested through Regression analysis. The summarized results are presented in Table 5

Table 5 Summarized Regression Results

Variables	Unstandardized B	Standard Coefficient Std Error	Coefficient	T Beta	Sig
Features	.681	.032	.784	21.469	.000

Note: Dependent Variable: Consumer Choice, Independent Variables: Features, $R^2 = 0.615$; Adjusted $R^2 = 0.614$, $P < .05$, $F(1, 299) = 460.90$

The results of the regression indicates that the predictor features explains 61.4% of the variance ($R^2 = 0.614$, $F(1, 299) = 460.90$, $p < .05$). It was also found that features of a smartphone significantly predicts consumer choice ($\beta = 0.681$, $p < .05$) which according to Cohen(1998) is a large effect.

Brand Image

The hypothesis that brand image positively influences the consumer choice was tested through Regression analysis. The summarized results are presented in Table 6.

Table 6 Summarized Regression Results

Variables	Unstandardized B	Standard Coefficient Std Error	Coefficient	T Beta	Sig
Brand Image	.933	0.022	0.925	41.50	.000

Note: Dependent Variable: Consumer Choice, Independent Variables: Brand Image, $R^2 = 0.756$; Adjusted $R^2 = 0.751$, $P < .05$, $F(1, 299) = 410.1$

Discussion

Hypothesis 1

H_{01} : Brand image does not influence consumer purchase decision while purchasing a smart phone

The hypothesis on the relationship between features and consumer choice in case of smartphones was substantiated (Refer to Table 5). This answers the research question 1, do features (functionality, user interface and quality) of a smartphone influence consumer choice?

Through the analysis it was found that

the consumers give preference to features present in a smartphone. With improving technology many smartphone brands are providing similar features to the consumers due to this the consumers' demands are growing. The mobile market being an example of push driven market where new type of phones are brought forth frequently, before a consumer recognizes its need himself (Gerstheimer & Lupp, 2004). Developments in mobile phone industry are based on consumers' future needs, hence a firm that is able to best recognize and forecast the consumer needs become the leader in this market (Nagel, 2003).

Hypothesis 2

H₀2: Features do not influence consumer purchase decision while purchasing a smart phone

The hypothesis on the relationship between brand image and consumer choice in case of smartphones was substantiated (Refer to Table 6). This answers the research question 1, does brand image (consumer perception, status symbol and price) of a smartphone influence consumer choice?

From the analysis it was revealed that the consumers prefer brand when they consider it as a means of boosting their self-image and enhancing their status in their own eyes and also in the eyes of their peers. It was further revealed that the young urban population is less sensitive to price when it comes to improving their self-image. Brand image is seen as a symbol of quality by the

consumers. Consumers judge the quality of a product from its brand image and through that judgment they decide to on whether to purchase that product or not (Aulakh & Johansson, 1997). Young consumers prefer information seeking behavior and show eagerness to purchase latest products which they perceive to have a higher brand image in order to enhance their self-image. Improvement in self-image provides the younger consumers with confidence and satisfaction. On the other hand the older and more mature consumers prefer product features over brand image and are also price sensitive. The older consumers prefer purchasing products that best fulfills their need regardless of brand image of the product (Saaksjarvi, 2003). However in an earlier study conducted by Carrigan & Szmigin (1999), it was found that the older generation like their younger decedents are willing to pay more for self-image, comfort and self-pleasure, keeping one factor in mind that the product or service under question is relevant to their specific need.

Limitations

Firstly, the research sample comprises of only three hundred respondents from the urban population of Karachi. Karachi was selected because it is the largest city of Pakistan and is the business hub of the country which attracts millions of workforce that generates a lot of economic activity while contributing towards the economic growth of the country (Tariq, 2015). However, other cities need to be taken into consideration for future research. Secondly, the respondents had at least high

school education. Lastly, only features and brand image were taken as variables for this research, other variables linked with consumer choice need to be studied in the future. The sub variable price is overlapping in both the independent variables (features and brand image), thus effect of this variable requires further investigation.

RESEARCH QUESTIONS	RESULTS
Would there be a difference in strength of preference for one brand of smartphone over the other?	The analysis has shown that when similar features are being provided by two or more brands then people prefer well-known brands while purchasing a smartphone
Does brand image mean more to the consumers in comparison to brand feature?	No, people do not prefer features over a brand's name, their priority is always a well-known and famous brand. From the analysis it was revealed that only 18% of the respondents preferred features over brand image
Will brand image influence the consumer choice?	Yes, people are highly brand conscious and brand image influences consumer choice. Analysis revealed that 82% respondents preferred brand image over features
Will price be a factor in the choice making decision?	People are willing to pay more for a brand name/brand image rather than features as brand image gives a boost to their self-esteem and self-image
How less features or quality of features influence the decision for the consumer?	Less features in a well-known and established brand was acceptable by the respondents. However many features in a new or less known brand were considered low quality and less preference was given to those brands. More features for less or appropriate price are likable by consumers but brand name and brand image holds priority

Features of a smartphone can be used as a differentiation tool by the firms. To gain competitive advantage over the competitors a firm requires to tap into the uncharted arenas of consumers' minds and needs. With improving technology the consumers are exhibiting variety-seeking behavior. The firm that delivers the best features in the form of consumer needs that are not yet recognized by the consumers themselves becomes the market leader (Nagel, 2003; Gerstheimer & Lupp, 2004).

Grabbing market attention can be achieved by providing the market with unique designs and features while establishing a unique position for the firm itself. Once the unique position is established in the market and in the minds of the consumers, the firm can then work on maintaining that position and retaining the consumers (Kotler & Armstrong, 2010). Unique positioning leads to improved brand image in the minds over the consumers which in the long run establishes consumer choice and preference of a brand (Ries & Trout, 2004).

In the past the consumer choice for purchasing a mobile phone was a low involvement decision but currently it has become a highly involved purchase decision. The consumers presently do not see the mobile phone as only a communication device but also as a part of their personality.

The analysis revealed that only 18% respondents out of the total sample size gave

preference to features over brand image, while 82% of the respondents accepted being brand conscious and had smartphones of famous brands including Apple, Samsung, HTC and Huawei. The analysis also revealed that regardless of consumer pocket size, the choice between highest brand image smartphone (iPhone) and a smartphone having highest features (e.g. Qmobile) the respondents opted to choose Apple's iPhone. Hence it can be assumed that the consumers preferred brand image over brand features. The analysis also revealed that consumers give highest preference and priority to brand image while choosing a smartphone. The consumers after brand image give importance to brand features and then lastly to the price of the smartphone. The findings further revealed that the younger consumers are more brand conscious oriented as compared to their older counter parts.

Recommendations

From the analysis it was found that consumers give more preference to brand image as compared to features of a smartphone. Hence the firms should work on improving their brand image through consumer perception of quality, positioning and differentiation. Repositioning of their brand and employing advertisements to highlight greater brand image can be done by the firms. Firms should also look out from self-cannibalization of their smartphone brands. Frequent launch of new smartphones by the same firm creates a perception of low quality amongst the consumers.

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