

# **Factors Affecting Mobile Phone Brand Preference: Empirical Study on Sri Lankan University Students**

Mohamed Ismail Mohamed Riyath<sup>1</sup> and Sulaima Lebbe Musthafa<sup>2</sup>

<sup>1,2</sup> Sri Lanka Institute of Advanced Technological Education, Sammanthurai, Sri Lanka.

Corresponding Email: mimriyath@msn.com

## **Abstract**

This study gives an insight into the mobile market industry in Sri Lanka. Mobile phone manufactures and marketers are facing hyper competition in Sri Lanka as well as in the world mobile market. Mobile phone marketers should have clear idea about the factors which are affecting the choice of the mobile phone to design, produce, set price, communicate and promote the mobile phone in such manner to get more market share and win whole hard of the potential consumers and stakeholders. This study aims to find out the factors which are affecting the choice of a particular mobile brand when make purchase decision with reference to Sri Lankan university students. The primary data collected through online-based questionnaire designed and then sent to randomly selected students to respond who are following any programme of study in universities island-wide. Descriptive statistics; mean and standard deviation are used to identify the factors those are affecting the mobile brand preference. Price, stylish appearances and perceived quality are found as very important factors on purchase decision when selecting a mobile phone brand.

**Keywords:** Mobile Phone, Brand Preference, Price, Perceived Quality, Stylish Appearance.

## **Introduction**

The mobile phones dominate most of modern human in every movement of life. Nowadays which are become part of basic needs of a person as means of communication across the world during the last fifteen years. Every individuals use mobile for not only communication purpose, but also it becomes a personnel assistance to make everyday life easier. The development of mobile communication technology (e.g. wireless internet, mobile phone, MP3 player, GPS navigation system) has been a long journey of innovation which is constantly evolving and updating as a result of consumers' changing needs and preferences (Mokhlis & Yaakop, 2012). Mobile phones are one of the modern telecommunication technologies that have emerged over the past decades to facilitate communication among people within and across countries (Dziwornu, 2013).

Sri Lanka is one of the good destination for introducing and selling new mobile brand. There are several brands and sizes of mobile phone handsets with different ranges of prices on the Sri Lankan market. It is therefore important that with the growing market demand for mobile phone handsets in Sri Lanka. Manufacturers and marketers understand the future purchase behavior of consumers in order to produce and market mobile phone handsets that meet consumers taste for profitability. There are enormous competition among mobile manufactures in mobile industry. Consumers are prefer one brand over another brands of mobile. In a world dominated by increasingly interchangeable product and service offerings trademarks plays an increasingly important role in consumers' purchasing decisions. Positive attitudes and preferences for the brand to repeat purchase are creating long-term customer relationships. Brands that assume consumers' needs has the potential to bring positive preferences and attitudes lead to frequent purchases and long-term relationships between businesses and consumers. The question is whether this is applied in practice or if companies instead more looks at short-term profits than consumer wellbeing? The question is also whether consumers in turn care about long-term relationships or whether they instead are based on the price or other factors? This paper is analyzing what are the factors affecting brand preference of mobile phones.

## **Problem Statement**

Due to the technological innovation in mobile phone technologies, the products are created beyond what consumer need and wants. There are large number of manufacturers are producing and selling different variety of mobile phones and models into the mobile market. Therefore, a huge competition in the mobile phone market to sell their products. In today's competitive mobile market, it is very important for the marketers to realize and find out the factors that are essential to deal with the competitors, changing customer tastes and preferences. Many studies found the factors in different countries all over the world, but in Sri Lankan context studies are very rare in this regard even though as the mobile phone market is an emerging trend in Sri Lanka. Therefore, this study is going to identify and rank the factors from most important to least important factors affecting mobile phone brand choice among university students in Sri Lanka.

## **Objective of the Study**

To identify the preferred and important factors affecting the purchase decision of mobile phone when choose a particular mobile brand in Sri Lanka.

## **Research Question**

What is the order of preference of factors affecting mobile phone purchase decision in Sri Lankan University Students?

## **Literature Review**

Brand gives a strategic form of position for competition and make the product different from other competitor's brands. Mobile phone choice is based on personal feelings, opinions and tastes (subjective choice), there are also some other general factors which appear to have an influence on choice (Karjaluoto *et al.*, 2005). The most important factors that influence brand choice when changing the mobile phones are: technical problems, price, innovative services, brand, reliability, basic properties, design and outside influences. The fact behind this finding can be that all the competing brands have almost same size phones which are small enough. So the trend will not actually be directed towards smaller sized phones but rather towards better capacity and large screen phones (Shahzad & Sobia, 2013).

The competition in terms of product similarity and increased number of competing brands in the market have led the marketers to consider and study the factors that are determine consumers' brand choice decision makings and their behaviors (Shahzad & Sobia, 2013). There are number of factors that affect the way the consumer choose a particular brand than other brands. Various factors influence the consumers when they are making a choice among alternate brands. These factors consist of price, quality, features, family and friends' recommendations, brand image, innovative features, promotion effectiveness, celebrity endorsement, user friendliness, stylish appearance and post-purchase services (Shahzad & Sobia, 2013).

The price is a dominant and the most important factor affecting the decision making and purchase process of any products. Price of the phone has been identified as a critical factor in the choice of the mobile phone model, especially among younger people (Tallberg *et al.*, 2007). In case of mobile, for youths, price can be a key factor of attraction. Price of the mobile phone has been identified as a key factor in the choice of mobile phones, especially among the young consumers. The product's price may vary based on economic conditions and perceptions of the consumers. It may affect the brands' perceived value. Price is used by many of the consumers as an indication of the brands' quality which is a vital factor in the purchase decision (Kotler *et al.*, 1999). Price and properties were regarded as the most important motives affecting the decision to purchase current mobile phone model among the respondents as displayed (Karjaluoto *et al.*, 2005). The factor brand, price and characteristics of mobile phone are the main factors for purchasing new mobile phone and technical problems are the main cause for changing the mobile phone by users (Karjaluoto *et al.*, 2005). The study of Ziad and Smadi (2011) tries to find out how university students make decision for purchasing mobile phone in Jordan.

The study shows that university students of Jordan have perfectionist style of purchasing mobile phone, they are price and brand sensible.

Consumers prefer the purchase of mobile phone handset with value added facilities like camera, large screen, familiar brand and low price (Soomro & Ghumro, 2013). Consumers purchase new phones due to the fact that their existing one's capacity is not appropriate referring to the idea that new accessories features such as built-in cameras, better memory, radio, more developed messaging services and color displays are influencing consumer decisions to acquire new models (Bell, 2002). Stylish appearance is one of the important factor to attract the consumers towards the products. It may be the reason, the phone manufacturers are continuously changing the physical design of mobile phones with same configuration. Latest mobile phones teamed up with attractive folding designs, quick launch, short cut buttons are in style and these preferences are commonly acceptable (Bhatti, 2007). Consumers were very conscious about style and shape, which was beyond their expectations. Saif et al. (2012) revealed that Pakistani customers desired Design and style more than any other factors.

The consumer perceives the quality of a brand is a crucial factor that affects the brand choice. Product quality frames the products' ability to carry out its functions. Brand is due to quality because the unbranded products have significantly varying in quality (Sardar, 2012). The features of mobile phone are basically the set of competencies, services and applications offered to the users. These can be Bluetooth, camera, dual SIM, video-recorder, MP3 player, memory card reader, Wi-Fi connectivity and so on and they vary from brand to brand (Shahzad & Sobia 2013). Various design features have a contribution as size and weight of the phone, its material, color, shape of buttons and interface features (Düng, 2012). Nowadays customers are asking for more and more compatibility in their handset's user interface which is why Nokia is liked by all for its user friendly interface (Saif et al., 2012). Choices between mobile phone brands were affected by new technology features such as memory capacity and SMS-options, more than size. The trend will actually be not towards smaller phones but towards phones with better capability and larger screens (Karjaluo et al., 2005). The new millennium consumer tends to enjoy life. He has greater self-control, and looks for personal style and pleasure. Exposures to variety of products and enhancement of economic status have changed the attitudes of the upper middle-class consumers towards brands (Das, 2012).

Third party recommendations are increasingly important factor in influencing the consumer brand choice and purchase decision. Friends and family members who present at the time of purchase play a key role in choosing a specific brand (Chen & Xie, 2005). Generally, brand image describes the set of beliefs of a customer holds regarding a particular brand. It expresses the whole image of a brand in customers' mind that is created from different bases (Keller, 2002). Promotion mix is the combination of advertising, sales promotion, public relations, personal selling and direct marketing tools that a company uses to communicate value and build relationships (Kotler et al., 1999). Promotion is a way of communicating the information, regarding a product, between the buyer and seller so as to establish the brand profile and brand values. Various promotional tools like advertising, word-of mouth, publicity, sales promotion etc., can be used by a company to create and strengthen its brand position in the customers' mind.

The celebrity endorsement has become much more common and is used as a part of a company's marketing strategy for their brand communication by resorting to different celebrities who play the role of presenters of a particular brand or in other words, act as a spokesperson for a specific brand (Shahzad & Sobia 2013). A celebrity provides a kind of cultural meaning and the association of it later transfers on to the brand. Sales after services, mean any support the seller provides to a buyer after a particular product is sold. It is a viable and important means of building brand loyalty through customer satisfaction and generating repeated purchase. It basically involves the warranty package offered to the customers regarding the product maintenance or repair of the equipment by its manufacturer during the time period of warranty. After-sale services may include six activities namely: routine maintenance, installation, parts supply, training, emergency repair and software services (Wilson, Boström & Lundin, 1999).

## Research Methodology

The online-based questionnaire designed and then sent to randomly selected students to respond who are following any study programme in Universities Island wide by means of email, Facebook and other social networks during the month of October-December 2013. These questionnaires used for analyzing to find out the factors which are affecting mobile brand choice when purchasing a mobile phone. Five point Likert scales are used to measure the responses with values ranging from “very important” to “unimportant”. Furthermore, some other data related with mobile usage also collected to identify consumer behavior towards mobile brand, frequency of changing mobile phones, preferred brand, and use of mobile phone by mobile users. The collected data analyzed by using statistical package for social sciences (SPSS 16.0). The mean value is calculated in each variables, then mean of variable compared to each other variable to find out most important factor which impact on mobile brand preference. Descriptive statistics such as mean and frequency are used to analyze the responses.

## Data Analysis and Presentation

As the study focuses on determining the brand choice factors of students, the research data were collected from the students within the universities and territory Institutes Island wide. The general demographic profile of the respondents reveals that both males and females were the respondents of the study. The table 1 below shows that 68.3% of the respondents were males while the rest of 31.7% were females.

*Table 6: Gender*

	Frequency	Percent
Male	56	68.3
Female	26	31.7
Total	82	100.0

*Table 7: Income Distribution*

	Frequency	Percent
Less than 15,000	21	25.6
15,001 – 25,000	13	15.9
25,001 – 35,000	20	24.4
35,001 - 50000	10	12.2
50,001 & above	18	22.0
Total	82	100.0

The income distribution of the respondents includes 25.6% of income less than Rs.15000, 15.9% of income between Rs.15000 and Rs.25000, 24.4% of income between Rs.25000 and Rs.35000, 12.2% of income between Rs.35000 and Rs.50000 and 22% of income more than Rs.50000 per month (Table 2).

*Table 8: Educational Level*

	Frequency	Percent
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High School	6	7.3
Certificate	1	1.2
Diploma	12	14.6
Graduate	39	47.6
Post Graduate	24	29.3
Total	82	100.0

The educational level of the respondents includes 47.6% of Undergraduate, 29.3% of post-graduate, 14% of are Diploma Holders/Readers and 8.5% are other are certificate and high school qualifications. The above mentioned description stands for the socio-demographic profile of the respondents (Table 3).

*Table 9: Current Market Share*

	Frequency	Percent
Nokia	27	32.9
Samsung	26	31.7
iPhone (Apple)	9	11.0
Sony Ericson or Sony	5	6.1
Motorola	3	3.7
HTC	2	2.4
Blackberry	2	2.4
LG	2	2.4
Huawei	3	3.7
Other	3	3.7
Total	82	100.0

Nokia and Samsung dominate the mobile market of the concerned respondents. Which have 32.9% and 31.7% market shares respectively. Apple 11%, Sony 6.1% and other brands have smaller market shares (Table 4).

*Table 10: Period of Usage*

	Frequency	Percent
Less than 1 year	13	15.9
1 – 2 years	22	26.8

2 – 4 years	39	47.6
More than 4 years	8	9.8
Total	82	100.0

The 47.6% of respondents use the phone for 2-4years, 26.8% use the phone for1-2 years, 15.9% use less than one year and 9.8% use the phone for more than 4 years (Table 5).

Table 11: Time Taken to Switch to another Mobile

	Frequency	Percent
Less than 1 year	12	14.6
1 – 2 years	28	34.1
2 – 4 years	31	37.8
Above 4 years	11	13.4
Total	82	100.0

The 37.8% of users change the mobile every 2-4 years, 34.1% change 1-2 years, 14% change within one year and 13.4% do not change the mobile within four years (Table 6).

Table 7: preferred brand to buy next time

	Frequency	Percent
Samsung	28	34.1
iPhone (Apple)	23	28.0
Sony Ericson or Sony	13	15.9
Nokia	7	8.5
LG	6	7.3
HTC	2	2.4
Motorola	1	1.2
Blackberry	1	1.2
Huawei	1	1.2
Total	82	100.0

Some respondent are like some brands to buy next time as preferred brand. According to the Table 7 Samsung, Apple and Sony brands will be dominate the market which represents 34.1% 28.0% and 15.9% respectively. Nokia will be lose its market share to 8.5%.

*Table 8: Price to be charge for next mobile phone*

	Frequency	Percent
Less than 10,000	29	35.4
10,001 to 20,000	26	31.7
20,001 to 40,000	17	20.7
40,001 to 60,000	5	6.1
More than 60,000	5	6.1
Total	82	100.0

The mobile users are seems to be price sensitive. 35.4% of the responders are willing to pay for a mobile is less than Rs. 10,000.00, 31.7% of them are willing to pay between Rs. 10,001.00 and Rs. 20,000.00, 20.7% of them are willing to pay between Rs. 20,001.00 and Rs. 40,000.00, 6.1% of users are willing to pay between Rs. 40,001.00 and Rs. 60,000.00, and another 6.1% of users are willing to pay more than Rs. 60,000.00 (Table 8).

*Table 9: Price*

	Frequency	Percent
Neither important nor unimportant	17	20.7
Somewhat important	41	50.0
Very important	24	29.3
Total	82	100.0

According to the impotency of the price; 50.0% of responds are say somewhat important, 29.3% are very important and 20.7% are neutral (Table 9).

*Table 10: Stylish Appearance*

	Frequency	Percent
Neither important nor unimportant	17	20.7
Somewhat important	45	54.9
Very important	20	24.4
Total	82	100.0

Stylish appearance is measured by differed dimensions such as Dimensions (Body), Weight, Shape, Colors and Attraction. 54.9% of responds are somewhat important, 24.4% are very important and 20.7% are neutral (Table 10).

*Table 11: Quality Aspect*

	Frequency	Percent
Unimportant	2	2.4
Less important	6	7.3
Neither important nor unimportant	18	22.0
Somewhat important	37	45.1
Very important	19	23.2
Total	82	100.0

Quality aspect is measured by differed dimensions such as Network Coverage, Display, Sound, Camera, Speed, Battery and User-Friendliness. 22.0% of responds are responded as neither important nor unimportant, 7.3% of them are less unimportant, 45.1% of them are somewhat important, and 23.2% are very important (Table 11).

*Table 12: Promotion and Advertisement*

	Frequency	Percent
Less unimportant	8	9.8
Neither important nor unimportant	67	81.7
Somewhat important	7	8.5
Total	82	100.0

Promotion and Advertisement is measured by differed dimensions such as TV Advertisement, News Paper Advertisement, Web Page Advertisement, Offer (By Operator), and Seasonal Offers. 81.7% of responds are responded as neither important nor unimportant, 8.5% of them are somewhat important and 9.8% of them are less unimportant (Table 12).

*Table 13: Features*

	Frequency	Percent
Less unimportant	7	8.5
Neither important nor unimportant	54	65.9
Somewhat important	21	25.6



Total	82	100.0
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Features are measured by differed dimensions such as Memory, GPRS, WLAN (Wi-Fi), Bluetooth, USB, Radio, GPS, 4G Network, 3G Network, and Memory Card slot. 65.9% of responds are responded as neither important nor unimportant, 25.6% of them are somewhat important, and 8.5% of them are less unimportant (Table 13).

*Table 14: Third Party Recommendation*

	Frequency	Percent
Unimportant	1	1.2
Less important	26	31.7
Neither important nor unimportant	48	58.5
Somewhat important	7	8.5
Total	82	100.0

Third party recommendation is measured by differed dimensions such as Friends, Family, Classmate, Colleague and Sales People. 58.5% of responds are responded as neither important nor unimportant, 31.7% of them are less unimportant, 8.5% of them are somewhat important, and 1.2% are unimportant (Table 14).

*Table 15: Brand Image*

	Frequency	Percent
Less unimportant	8	9.8
Neither important nor unimportant	44	53.7
Somewhat important	24	29.3
Very important	6	7.3
Total	82	100.0

Brand image is measured by differed dimensions such as Brand personality, Brand sensitivity, Brand involvement, Brand trust and Brand commitment. 53.7% of responds are responded as neither important nor unimportant, 29.3% of them are somewhat important, 9.8% of them are less unimportant and 7.3% of them are very important (Table 15).

*Table 16: Celebrity Endorsement*

	Frequency	Percent
Unimportant	2	2.4
Less unimportant	13	15.9
Neither important nor unimportant	51	62.2

Somewhat important	16	19.5
Total	82	100.0

Celebrity Endorsement is measured by differed dimensions such as Feel rich, Feel professional, Feel attraction and Feel be modern. 62.2% of responds are responded as neither important nor unimportant, 19.5% of them are somewhat important, 15.9% of them are less unimportant and 2.4% of them are unimportant (Table 16).

*Table 17: Post Purchase Services*

	Frequency	Percent
Unimportant	1	1.2
Less unimportant	6	7.3
Neither important nor unimportant	45	54.9
Somewhat important	25	30.5
Very important	5	6.1
Total	82	100.0

Post Purchase Services is measured by differed dimensions such as Service warranty, Phone repair and troubleshoot, Technical services and Easy payment system. 54.9% of responds are responded as neither important nor unimportant, 30.5% of them are somewhat important, 7.3% of them are less unimportant, and 6.1% of them are very important and 1.2% of them are unimportant (Table 17).

*Table 18: Summary*  
Descriptive Statistics

	N	Mean	Std. Deviation
Price	82	4.09	.706
Stylish Appearance	82	4.04	.675
Quality aspects	82	3.79	.965
Brand image	82	3.34	.757
Post Purchase Services	82	3.33	.754
Features	82	3.17	.562
Celebrity Endorsement	82	2.99	.676
Promotion Advertisement	82	2.99	.430
Third party recommendations	82	2.74	.625
Valid N (list wise)	82		

According to the analysis shown in the table-18, brand choice is strongly influenced by the Price, Stylish Appearance and Quality Aspects of the mobile brand (Mean 4.09, 4.04 and 3.79 respectively). Brand image, Post-Purchase Services and Features of mobile also affects the mobile brand preference when purchasing a mobile phone (Mean 3.34, 3.33 and 3.17 respectively). Marketers need to consider and prioritize these three main factors, especially when targeting the younger consumers.

### **Finding and Conclusion**

This paper measured the factors influencing the brand choice under the context of mobile phone industry in Sri Lanka. It can be seen that youth's Brand choice is driven by a number of factors like Price, Stylish Appearance, Quality Aspects, Promotion & Advertisement, Features, Third Party Recommendations, Brand Image, Celebrity Endorsement and Post- Purchase Services.

In Sri Lankan context, the price of mobile phone plays a vital role in brand choice decision with reference to Sri Lankan university students. The price of mobile phone is one of the important factor when choose a particular brand. The consumers are aware that new technologies reduce in price over time. Middle and lower income consumers are expecting price reduction on which they preferred brand. New mobiles are introduced with competitive premium prices, however the consumers are waiting for some period of time until the price becomes lower. This finding is consistent with prior studies of Karjaluo et al. (2005), Tallberg et al. (2007), and Ziad & Smadi (2011).

The quality aspects of mobile phones such as network coverage, display, sound, camera, speed, battery and user-friendliness and Stylish appearance such as dimensions (body), weight, shape, colors and attraction also play a vital role in brand choice decision of mobile phones with reference to Sri Lankan university students. This attractiveness gives motives to the consumer to purchase the particular mobile than other brands. This finding is consistent with prior studies of Soomro & Ghumro (2013), Bell (2002), Bhatti (2007) and Saif et al. (2012).

The features of mobile, brand image and after-sale services are also affects the choice of the mobile phone. However these factors are not much important as price, stylish appearances and perceived quality. Features of mobile, brand image and after-sale services of mobile are somewhat support, i.e. seems to affect the choice of mobile phone. This is consistent with prior studies of Sardar (2012), Shahzad & Sobia (2013), Dũng (2012), Saif et al. (2012) and Karjaluo et al. (2005). Third party recommendations, Promotion and advertisement and Endorsement are not much support in brand choice decision of mobile phones in Sri Lanka.

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