

“Study of Consumer Behaviour Towards Purchasing Electronic Products”

By

Shatabdi Jamnik

Student, GNVS Institute of Management Studies, Sion,

Mumbai

Abstract

This study contributes to a deeper understanding of the impact of different factors on consumer buying behaviour while purchasing electronic products (Mobile phones and laptops). It analyses the relationship between several independent variables, such as cultural, social, personal, psychological, and marketing mix factors, and consumer behaviour (as the dependent variable) in the electronic products market. The purpose of this study is to determine the factors affecting consumer preferences and behaviour in the electronic products market. The data employed to analyse the factors influencing consumers' purchase decision-making processes were obtained through a questionnaire, the major findings of the study indicated that, overall, the set of independent variables are weakly associated with the dependent variable. However, the in-depth analysis found that social factors, physical factors, and marketing mix elements are strongly associated with consumer buying behaviour. These analyses make it possible to discover consumer decision-making rules while purchasing electronic products. The results may assist retailers in understanding consumer behaviour and improving consumer satisfaction while purchasing electronic goods.

Keywords: Laptops, Mobile Phones, Amazon, Flipkart, Offline Store, Online shopping

1. Introduction

With more than 1.38 billion population, India is the 5th largest economy in terms of GDP. Due to India's purchasing power, it has become the most lucrative market for most of the international players. India's telecommunication industry is the second largest by the number of mobile phones, smartphone, and internet users.

1. Mobile phones: We are living in the era of technology where the products are manufactured targeting consumers and their satisfaction Consumer behaviour is the study of human behaviour where it found important factors which directly or indirectly influence the customers

to buy a product. People are very much particular about buying their smartphones. They consider many factors before buying a smartphone where personality plays an important role.

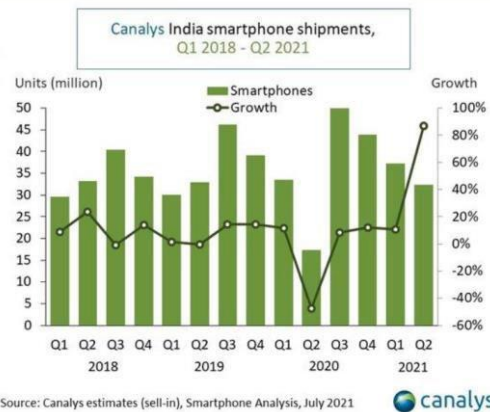
Some people choose globally renowned brands like iPhone, Samsung etc. which cost high but goes with their ideal social image, on the other hand some people goes with less specified brands like Symphony, Walton, Xiaomi etc. which are comparatively cheaper. At the same time many people have exploratory purchase behaviour; they switch brands often to experience new features with new brands. Some people follow inner directedness, they prefer their own choice.

2. Laptops: The introduction of computer technology has transformed the lives of the humanity in general with the speed, quality and density with which the information is being transferred, retrieved and stored resulting in enhancing the efficiency and effectiveness. Today, a bundle of brands is available with several options such as lower price, higher quality, better performance and world-class services along with the power efficiency, touch screen functions, etc. and various companies are coming with various attractive promotional schemes with added features to their laptops. Apart from the rapidly falling prices of laptops and new technologies being packed into an ultra-slick laptop, the entry of non-traditional players to develop wireless infrastructure has given the market a further boost. For instance, a few years ago, wireless connectivity in the laptop was considered to be a luxury, but today, it has become a necessity with major hospitality chains in India establishing wireless hotspots.

Canalys PC Market Pulse Q1 2021

Vendor (company)	Q1 2021 shipments	Q1 2021 market share	Q1 2020 shipments	Q1 2020 market share	Annual growth
HP	1,022	25.3%	506	21.6%	102%
Lenovo	964	23.9%	591	25.2%	63%
Dell	534	13.2%	358	15.3%	49%
Samsung	331	8.2%	110	4.7%	201%
Apple	208	5.2%	104	4.4%	100%
Others	978	24.2%	675	28.8%	45%
Total	4,037	100.0%	2,344	100.0%	72%

Note: Shipments in thousands. Percentages may not add up to 100% due to rounding.
Source: Canalys PC Analysis (sell-in shipments), May 2021



4. Literature Review

Chen et al. (2002) and Limayem et al. (2000) theoretically considered e-shopping intention as an antecedent factor of actual e-shopping behaviour, which in principle is the expected direction of causality. Limayem et al. (2000) employed a longitudinal survey, the first survey measuring respondents' attitudes, online purchasing intention, and so on, and the second survey

asking for the number of online purchases they made since the first survey. However, in Chen et al. (2002), an individual's e-shopping intention was measured at the current time point, while her previous e-shopping behaviour was used as the dependent variable. This model inverted the time precedence between intention and actual behaviour and thereby violated temporal consistency.

Nguyen et al. (2019) revealed that although high-income customers were able to spend extra on green goods, they really might not purchase those electronic products in the marketplace due to a lack of trust. Hence, additional awareness of the ecological and climate effects of commodities is also a significant driver. If customers do not comprehend the advantages of eco-friendly merchandise, they might be unwilling to purchase it. Consequently, Li et al. (2017) proposed that additional evidence about electronic products must be delivered to customers with proper financial enticements, for example, subsidies to encourage customers to purchase eco-friendlier products. Because laws and protocols are not always successful in accomplishing related policy goals, incentives might be a successful way to encourage personal behaviours.

Armstrong & Scott, 1991 article shows the rise in per capita income & income levels of the customer. It also discusses the change in shipment size which shows the extent of growth in size of smartphone industry. It states that disposable income of Indians with more than 1 billion population rose to Rs. 95,000 from Rs. 73,000 which makes India a lucrative market. The Indian market however declined by 4% but still its outperformed markets such as North America, Latin America and Africa. The above article states with reference to Counterpoint Research that smartphone shipments are estimated to reach 173 million in 2021 which is 14% increase as compared to 2020. Sustained by an improved economic demand, the demand for smartphones in 2021 will be driven by elevated consumer spending.

Schiffman & Kanuk, 2007 stated Consumer behaviour research attempts to understand the buyer decision-making process, both individually and collectively. It studies individual consumer characteristics such as demographics and behavioural variables in an attempt to understand people's wants. Consumer behaviour research allows for improved understanding and forecasting concerning not only the subject of purchases but also purchasing motives and purchasing frequency.

Foret & Procházka, 2007 (Solomon, 2004) stated that one of the current fundamental assumptions in consumer behaviour research is that individuals often purchase products for their subjectively perceived values rather than their primary functions. This does not mean that the products' basic functions are not important, but that the contemporary role of a product is more than its basic use-value. Frequently, consumers do not rate products according to their

core attributes (i.e., the primary utility they provide) but, above all, according to the so-called real product (i.e., a particular products' qualities) and the extended product, which represents the set of intangible factors that confer a desired perceived advantage on the consumer – including image, consultancy, and after-sale service.

Pride & Ferrell, 2007, pp. 177-179 In the evaluation stage, the customer must choose between alternative brands, products and services. An important determinant of the extent of the evaluation is whether the customer feels “involved” in the product. A buyer's level of involvement determines why s/ he is motivated to seek information about a particular product or brand while virtually ignoring others. The involvement level, as well as other factors, affects an individual's choice of one of three types of consumer buying behaviour: routine response behaviour, limited decision making, and extended decision making.

Carrigan & Attalla, 2001; Zander & Hamm, 2011 A consumer uses routine response behaviour when buying frequently purchased, low-cost items that demand very little search-and-decision effort (e.g., milk, eggs, bread or socks). Customers spend very little time deciding whether to purchase these items and do not typically need to read reviews or consult with friends for their opinions before making routine purchases. However, when confronted with ‘ethical’ products, consumers often become more involved, and this results in a more extensive information search.

5. Objectives:

Following are some of the objectives:

- a) Study of consumer behaviour while purchasing mobile phones, & laptops.
- b) Comparing consumer behaviour towards online and offline shopping.

6. Research Methodology:

- a. *Methodology*: The study is based on primary data. In primary data, feedback received from respondents was analysed. The feedback from respondents was majorly from Mumbai region.
- b. *Research Approach*: For this research, quantitative approach is followed. The researcher made close ended questionnaire and asked the respondents to respond to the different options. The sample size / no of respondents are 130 nos. The questionnaire was circulated via WhatsApp, Facebook and LinkedIn.
- c. *Statistical tools applied*: SPSS for cross tabulations and Microsoft excel for percentage analysis are the some of the tools applied to arrive to the conclusion.

7. Data Analysis:

The analysis tries establish a relationship between different marketing mix like place of purchase, price of product, age group of the consumers, annual income etc.

a. Place of purchase of product:

From where you prefer to purchase	Mobile		Laptops	
	N	%	N	%
Amazon	75	57.7	51	39.2
Flipkart	23	17.7	18	13.8
Offline stores (viz. Reliance Digital, Vijay sales. Croma)	32	24.6	61	46.9
Total	130	100.0	130	100.0

Table 1

From above table it is seen that the customers preference is seen to be with Amazon where 57.7% & 39.2% respondents buy mobiles and laptops respectively. Further 17.7% & 13.8% respondents buy mobiles and laptops respectively from Flipkart. While Amazon and Flipkart share more than 50% of the share. Thus, it can be seen that consumers are preferring Online shopping over conventional showroom shopping. If responses for laptop and mobile are compared, then it can be seen that there is high number of respondents that prefer showrooms while purchasing laptops whereas Online shopping portal is preferred when Mobiles are to be purchased.

b. Relationship between age group of consumers and place of purchase:

From where you prefer to purchase mobile								
Age Group	Amazon		Flipkart		Offline store		Total	
	N	%	N	%	N	%	N	%
Below 20-25	59	54.63	22	20.37	27	25.00	108	100.00
36-50	13	68.42	1	5.26	11	57.89	19	100.00
51 and above	3	100.00	0	0.00	1	33.33	3	100.00
Total	75	57.69	23	17.69	12	9.23	130	100.00

Table 2

The above table indicates age group wise distribution where in a breakup is shown. It can be seen that 54.63% respondents falling within age group of below 20-35 years prefer Amazon. Further respondents between age group prefer offline store. This shows age wise behaviour.

From where do you prefer to purchase laptops								
Age Group	Amazon		Flipkart		Offline store		Total	
	N	%	N	%	N	%	N	%
Below 20-25	41	37.96	17	15.74	50	46.30	108	100.00
36-50	8	42.11	1	5.26	10	52.63	19	100.00
51 and above	2	66.67	0	0.00	1	33.33	3	100.00
Total	51	39.23	18	13.85	61	46.92	130	100.00

Table 3

It can be seen from above table that in age group of below 20-35 years, there is drop in percentage of respondents who prefer to buy laptop from Amazon in contrast to the response for mobiles. Similarly, there is increase in number of respondents who prefer shopping from Showroom while purchasing from Amazon in contrast to the response for mobiles.

This indicates that when it is mobile, Online shopping platform is preferred while for laptops consumer tend to purchase from online portal.

c. Relationship between the price of product and the place of purchase:

Mobile phones	Amazon		Flipkart		Offline store		Total	
	N	%	N	%	N	%	N	%
Below 5000 to	34	52.31	13	20.00	18	27.69	65	100.00
20000-40000	32	72.73	6	13.64	6	13.64	44	100.00
40000-60000	7	70.00	2	20.00	1	10.00	10	100.00
Above 60000	2	18.18	2	18.18	7	63.64	11	100.00
Total	75	57.69	23	17.69	32	24.62	130	100.00

Table 4

Laptops	Amazon		Flipkart		Offline stores		Total	
	N	%	N	%	N	%	N	%
Below 5000 to	22	33.85	12	18.46	31	47.69	65	100.00
20000-40000	25	56.82	4	9.09	15	34.09	44	100.00
40000-60000	3	30.00	2	20.00	5	50.00	10	100.00
Above 60000	1	9.09	0	0.00	10	90.91	11	100.00
Total	51	39.23	18	13.85	61	46.92	130	100.00

Table 5

From above table, it can be seen that as the price of mobile phone increases, the respondent's preference shifts from Amazon to the offline store. Similarly, in laptops as well the behaviour indicates that respondent's preference shifts with change in price.

8. Findings:

Some of the key findings are as under:

- a. Youngsters prefer online shopping and old ones prefer offline shopping.
- b. While buying laptops, consumer is more quality conscious while buying laptop is quality conscious
- c. In case of mobile phones, as the price of mobile phone increases, the user tends to purchase it from showrooms (offline stores) & low-cost mobiles are bought from online.

9. Recommendations & Conclusion:

It is observed from the analysis that the Age & Individual annual income play an important role in decision making. Further it is observed that buying behaviour of consumer while buying Mobile phone is different than then behaviour while buying laptops.

It is seen that age group of below 20 – 35 prefer online shopping while respondent with Age group 35 to 50 prefer offline shopping for mobiles.

It is observed that Mobile phones are generally preferred and bought from online platform while the shift is seen while buying laptops where in respondents prefer offline stores (viz. Croma, Reliance Digital, Vijay Sales etc). This may be because these showrooms offer physical touch where consumer can visit and check the product physically & laptop being costly product consumer prefer to check the specifications and performance of laptop before purchasing the same.

The Physical shop / showrooms have an added advantage when the price of product is high and the consumer is more conscious about the quality and performance. The sellers like Croma, Reliance and Vijay sales to continue focus on High price segment. However, actions to be taken on increasing penetration in low price segment where online platforms have strong hold.

Companies like Amazon & Flipkart need to understand customer insights with respect to high price product. Though consumers buy low cost product online, they are still reluctant on buying the products like high priced mobiles and laptops from online portal. Online selling platform to strategize and find out ways to increase revenue from high priced products as well.

10. Bibliography:

- a. <https://economictimes.indiatimes.com/industry/cons-products/electronics/indias-smartphone-market-logs-38-billion-revenue-11-shipment-growth-in-2021-counterpoint/articleshow/89241285.cms?from=mdr>
- b. <https://indianexpress.com/article/technology/tech-news-technology/india-pc-market-reports-4-5-million-shipments-in-q3-2021-idc-7630461/>
- c. [https://www.ibef.org/industry/consumer-durables-presentation#:~:text=Indian%20appliance%20and%20consumer%20electronics,%24%2021.18%20billion\)%20by%202025.](https://www.ibef.org/industry/consumer-durables-presentation#:~:text=Indian%20appliance%20and%20consumer%20electronics,%24%2021.18%20billion)%20by%202025.)
- d. <https://economictimes.indiatimes.com/industry/cons-products/electronics/india-to-have-1-billion-smartphone-users-by-2026-deloitte/articleshow/89750324.cms>
- e. https://economictimes.indiatimes.com/industry/cons-products/electronics/india-to-have-1-billion-smartphone-users-by-2026-deloitte/articleshow/89750324.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst