

Brand Loyalty and Switching : An Empirical Study on Mobile Phone Usage Among Young Indian Adults

* *Shampa Nandi*

** *J. K. Pattanayak*

Abstract

Mobile phones are emerging like a boon quench for providing facilities, which are beyond the common man's imagination. The mobile phone industry is growing at an incredible pace with no sign of a slowdown, and the Indian mobile market is one of the fastest growing markets in the world. Cell phones are a pervasive new communication technology, especially among young people. The youth have a unique behaviour compared to the older generations, with research showing that a lot of what they purchase represents their self-expression. Mobile devices are a part of their personal selves and are a vital component which connects them with the world and the people around them. The present study focused on the brand switching tendencies of young Indians and effectively analyzed the impact of different demographic variables on brand loyalty. A total number of 600 young adults comprising of both students and working professionals from various reputed colleges and companies in Bangalore were surveyed and their responses were analyzed using SPSS 20. The study indicated that Apple has the most loyal base of customers, though Samsung is the most popular brand, and among the various demographic factors, only age had an impact on brand loyalty. Technical incompatibility and new technical and value added features are the primary reasons for switching to a new handset.

Keywords : brand loyalty & switching, young adults, consumer buying behaviour, mobile phone

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The Indian telecom sector has grown by leaps and bounds in the last decade. The telephone, which was earlier considered as a luxury item, has become an essential part of our daily life. The present global mobile phone market is estimated as 6.6 billion connections with global revenues of \$1.5 trillion last year. The Indian mobile market is one of the fastest growing markets, and this industry is growing at an incredible pace, with no sign of a slowdown. It is actually a sunrise industry in India with the prominent players like Nokia, Samsung, Sony, Apple, Motorola, LG, and Micromax, to name just a few. As smart phones get smarter and consumers' expectations rise, mobile technology is required to continuously offer innovative and cutting-edge services. A large range of accessories are available with various prices just to cater to the needs for all kinds of users. Technologies like the camera, games, polyphonic ringtones, extendable memories in the form of memory cards, video recording, bluetooth, dual sim, wi-fi, GPRS, WhatsApp, and so forth make a mobile handset a handy perfect gadget for the youngsters and adults alike to explore the world, to define their social space, and to perfectly match their lifestyles.

India is home to 1.237 billion people, out of which 50% of the population is in the age bracket of 0-25 years, and 65% are in the age bracket of 0-35 years. Since a huge number of population is in the young age group, it is an attractive market. The purchasing power of the youth has significantly increased, whether they are drawing a salary or are getting pocket money from their parents. Salaries in India rose by 14.4% in 2006 and by 15.1% in 2007

* *Assistant Professor of Marketing*, RJS Institute of Management Studies, Koramangala, Bangalore.

E-mail : Shampa_nandi@yahoo.co.in

** *Head of the Department*, Department of Management Studies, Indian School of Mines, Dhanbad, Jharkhand.

E-mail : jkpattanayak@yahoo.co.in

as surveyed by Hewitt Associates. An ASSOCHAM survey revealed that the average monthly allowance of urban children in the age group of 10-17 years went up from ₹ 300 in 1998 to ₹ 1,300 in 2008. This youth segment of India is very attractive due to its size, increasing spending power, large exposure to media, and their vast knowledge and adaptability to technology. Young adult consumers are very much drawn in with current trends as compared to other age groups. Typically, most young adult consumers are trendsetters among themselves, and are also playing the role as trendsetters to the population at large. While mobile phones are primarily acquired due to new features, including color display and polyphonic ringtones, some consumers buy new phones in order to get an innovator and/or opinion leader status. To match their lifestyles, the youth are adopting technology to a large extent. Mobile phones with the Internet are not only used for their work but for entertainment, to maintain social networking, and to reinforce their group identity. The youth have a huge tendency to switch to a new mobile handset. The term “brand loyalty” has lost its shine among the young consumers, especially with reference to mobile phones, because of their frequent switches.

Problem Identification

The Indian telecom industry has undergone a massive transformation since its introduction. The mobile phones are progressively becoming cheaper and affordable for people in the country with the increase in disposable income that improves the quality of life in India. Young people are tech-savvy, fashion conscious, and love to explore different brands. On the other hand, there are a plethora of different handsets with access to the Internet and new schemes. Technology advancement has resulted in more and more consumers to switch to new mobile phones. The cellular companies are also aggravating the situation by introducing latest mobile phone models having attractive features and Internet services facility. Every single cellular company is trying hard to keep their share intact as there is a cut-throat competition among different companies as well as different models of the same company. As the young people have a great tendency to switch to a new phone just for hedonistic pleasure or to acquire a “innovator” status or to match the current technology, it is absolutely necessary for the mobile companies to understand their customers and their buying decision processes.

Literature Review

In today's life, mobile technologies have become an integral part in young people's everyday lives; particularly, mobile phones with their various features like call making, text messaging, photo, videos, and so forth have been adopted by them widely. Young people are more favourably disposed towards change (Modahl, 2000 ; Mulhern, 1997; Schiffman & Kanuk, 2008) and use new technologies such as the mobile phones from a very early age (AIMC, 2004). The Internet and mobile phone are a source of both hedonistic and utilitarian pleasure for them, and they use the same for communication, acquiring information, entertainment, and even as an alternate shopping channel (Bordeau, Chebat, & Couturier, 2002). As the young people are more open towards innovation and their various types of needs are satisfied with the help of mobile phones, use of both mobile phone and personal computers has grown so much among the youth (Modahl, 2000). Young people use these media not only for education or work, but for many other reasons like entertainment and shopping (Bordeau et al., 2002; Joines, Scherer, & Scheufele, 2003). Young people's consumption of mobile phones needs close attention and analysis. Adolescents are highly literate consumers of media and advertising in general (Ritson & Elliott, 1999), and are called 'electronic generation' as they are more comfortable users of this new media (Buckingham, 2002). For these reasons, the 'youth market' has become extremely attractive to mobile phone marketers, and mobile phones are increasingly seen as an exciting medium for targeting and interacting with young people (Rohm & Sultan, 2005).

An in-depth study of the demographics and their impact on consumer mobile buying behavior was conducted by Binge, Ruiz, and Sanz (2005). Young people spend a large amount of their day to day lives with their mobile phones, apart from the educational, official, or functional purposes. They are tech savvy, innovative, and love to

shop through online either through laptop or mobile phones. The attitude towards innovation and these differentiated needs are one of the main reasons for the growth in personal computers and mobiles in households.

Karjaluoto, Karvonen, Kesti, Koivumäki, Manninen, Pakola, Ristola, and Salo (2005) investigated the mobile phone usage among young adults in Finland with the use of a focus group interview and survey responses. This paper found different influencing factors for acquiring a new cell phone and also derived factors that influenced the respondents to choose a particular mobile phone over the other. The study showed that while technical problems are the basic reason to change mobile phones among students; price, brand, and interfaces were the other reasons to acquire a new handset, while price and properties were the most influential factors affecting the actual choice between brands.

Usage patterns of and attitude about cell phones among university students in a mature market (USA) and a rapidly growing market (India) were investigated, and the study revealed that Indian students used mobile phones differently from their American counterparts (Chakraborty, 2006). Age plays a major role in the purchase decision while buying a product or service. For capturing the market, a marketer should be wise enough to give due consideration to age while developing a product or service.

Mort and Drennan (2007) developed a system of relationships and used structural equation modeling to test the factors influencing the use of m-services. They also considered the existing relationships of the consumers with mobile devices. Mobile phones are a useful instrument to consumers in general, but consumers who value mobile phones for hedonic attributes are more particular about selecting a particular handset that will help them to enhance their lifestyles. The specific relationships tested were among perceived value (hedonic and utilitarian), involvement (with the product category and in purchasing a mobile phone for one's own use), personal attributes of innovativeness and self-efficacy, and the use of mobile services. The extent to which consumers felt that their mobile phones were useful, valuable, and beneficial increased their involvement with mobile devices as well as the purchase of a specific device. On the other hand, the perception of the hedonic value of mobile phones as instruments that are pleasant, nice, and agreeable drives the purchase of a particular mobile phone.

Goode, Davies, Moutinho, and Jamal (2005) conducted a research in the UK to identify some of the key determinants of customer satisfaction for mobile phones by utilizing both multiple regression and neural network analysis. The most important factors that led to customer satisfaction were product quality, level of service charges, level of call charges, and level of satisfaction with the service provider. The estimated neural network model predicted the factors very well and appears to be very robust.

A study was conducted by Aoki and Downes (2003) to find the attitude and level of usage of cell phones among college students using both qualitative approach (focus group interview) and quantitative approach (survey method). According to the study, college goers used mobile phones for variety of reasons like safety, communicating with family and friends, for financial benefits, for time management, and so forth. Based on their attitudes and the level of integration of mobile phones into their daily lives, the respondents were grouped under five categories. They were "cost conscious," "security/safety conscious," "dependent," "sophisticated," and "practical users".

According to Barak and Gould (1985), younger consumers are more fond of fashionable/stylish products than their older counterparts. Young consumers are normally more willing to try new products, and they are interested in asking for more information than older ones. It makes them self-confident, and this is the reason as to why they are more likely to be opinion leaders and less hesitant in brand switching. A study was conducted on brand switching of mobile handsets among different genders by Biswas (2012), focusing particularly on the influence of convenience factors and non-convenience factors in case of brand switching for mobile phones.

Mallikarjuna and Krishna Mohan (2010) conducted an analysis on customer switching behaviour in case of mobile users and found out that the factors affecting mobile phone service providers switching were price escalation, changing needs of the customer, core service failure, and inconvenience and voluntary reasons.

Singh and Goyal (2009) concluded that the users in the age group of 18-30 years are less price sensitive than consumers of other groups; rather they considered 'physical appearance,' 'brand,' 'value added features,' and 'core technical features' more important than users of any other age groups. This may be due to the reason that majority

of the Indian youth seeks excitement in products, and also, they are more exposed (Sabnavis, 2002) to new technological developments than other age groups, particularly the mature ones. People in India, particularly the youth, have two types of tendencies - one is to show their possessions to others, and the second is relating their possessions to their own physical looks and style. A handset of a reputed brand, smart appearance, and with advanced value added features is the choice of the respondents in the 18-30 year age group.

A study on the effect of demographic factors on consumer buying behaviour of durable goods was conducted by Juyal (2013), and it was found out that among mobile phones, the most aspiring brand was Nokia and the highest impact of marketing mix efforts were on the age groups - 21-34 years or 35-44 years. Bhatt (2008) surveyed post graduate students to identify their perception about mobile handsets and mobile phone service providers. Different dimensions like motives for using mobile phones, the popularity of brands, the influencing factors for purchasing any brand as well as the satisfaction level with their current handsets were analyzed.

Porter, Hampshire, Abane, Munthali, Robson, Mashiri, and Tanle (2012) examined mobile phone usage by young people across 24 sites in three countries, Ghana, Malawi, and South Africa, drawing on intensive qualitative and survey research, and related this to issues of gendered physical mobility. The authors found that the penetration of mobile phones into sub-Saharan Africa had occurred with amazing rapidity: for many young people, mobile phones played a significant role in their daily lives. The major reasons for acquiring and using mobile phones were greater flexibility, low cost, and restricted landline access. Most of the young people used mobile phones for chatting and social networking with family and friends, for emergency, work related calls, and for urgent news.

Research Methodology

↳ **Sampling Design :** A sample of young-adults (two primary categories of young people - working youth and non-working youth) between the age group of 18-30 years were considered as the respondents of this study. For the non-working group, student samples from the management departments of different colleges of Bangalore from various social, financial, and academic backgrounds agreed to participate in the study. To choose the sample for this study, convenience sampling method was used.

For the working youth, employees of various reputed organizations were surveyed keeping in mind the age group which was between 18-30 years. Respondents from renowned IT companies, banks, as well as small consultancy firms agreed to participate in the survey.

The sample size of the present study is 600 respondents. The data used in this study were collected during a three-month period from September to November 2013. Professionals and employees from various organizations were asked to participate in the study as the sample should represent a young population from different financial, educational, and social backgrounds. Respondents were encouraged to give their honest answers with simple self-explanatory questions.

↳ **Method of Analyzing Data :** For analyzing the data, cross tab, chi-square, and multiple regression analysis methods were used with the help of SPSS 20.

Data Analysis and Results

Different demographic characteristics like age, gender, educational level, income, financial status, and so forth of the respondents are depicted in the Table 1. The Table 2 gives a clear picture about the possession of the current brand of mobile phone by the respondents, and it is observed that the most popular brand was Samsung with a share of 39.7%, followed by Nokia, Sony, and so on. The respondents also possessed other brands namely LG, and some more local brands.

From the Table 3, it is observed that the price range of the mobile handsets owned by the respondents is very high - from ₹ 500 to ₹ 1,06,005. Some of the respondents were not sure of the price as they might have received the handset as a gift. The minimum price was ₹ 500 as such handsets were purchased second hand. The average money

Table1. Demographic Characteristics of the Respondents

Group	Respondents' Characteristics	Number of Respondents	(%)
Gender	Male	349	58.2
	Female	251	41.8
Age in years	18-20	120	20
	21-23	271	45.2
	24-26	140	23.3
	27-30	69	11.5
Education(last degree completed)	PUCII	123	20.5
	Graduation	356	59.3
	Post Graduation	112	18.7
	Others	9	1.5
Occupation	Students	380	63.3
	Service	179	29.8
	Business	4	0.7
	Homemaker	4	0.7
	Others	33	5.5
Financial independence	No	348	58
	Yes	252	42
Monthly Income (in ₹)	Below 15,000	125	20.8
	15,001-30,000	198	33
	30,001-45,000	105	17.5
	45,001-60,000	55	9.2
	Above 60,000	117	19.5

Table 2. Possession of Current Brands by Respondents

Current brand	Frequency	Percent
Nokia	160	26.7%
Samsung	238	39.7%
Sony	65	10.8%
Apple	41	6.8%
Blackberry	16	2.7%
Micromax	34	5.7%
Karbons	4	0.7%
Others	42	7.0%
Total	600	100.0%

Table 3. Price Paid for the Present Handset

Range (₹)	Minimum price paid (₹)	Maximum Price paid (₹)	Mean	Valid N
105505	500	106005	15099.86	585

spent by the consumers to procure a mobile phone is ₹ 15099.86 (Table 3). The Table 4 reveals that the majority of the respondents were *satisfied* or *highly satisfied* with their present handset.

It can be observed from the Table 5 that almost 50% of the respondents were likely to switch to a new model of handset within 2 years. Mobile phones provide both utilitarian and hedonistic pleasures to the young crowd, and with the continuous innovation of technologies, this industry shows a rapid transformation.

From the Table 6, we can observe that a majority of the respondents aspired for Apple iPhone. Samsung, Nokia,

Table 4. Satisfaction Level of the Respondents with the Present Handset

Satisfaction Level	Frequency	%
<i>Highly Dissatisfied</i>	11	1.8%
<i>Dissatisfied</i>	20	3.3%
<i>Neutral</i>	79	13.2%
<i>Satisfied</i>	362	60.3%
<i>Highly Satisfied</i>	128	21.3%
Total	600	100%

Table 5. Frequency of Switching to a New Handset

Frequency of switching	Frequency	%
Within 6 months	29	4.8%
6months to 1 year	87	14.5%
1-2 years	216	36.0%
2-5 years	205	34.2%
More than 5 years	63	10.5%
Total	600	100.0%

Table 6. Brand of Next Purchase

Brand of next purchase	Frequency	%
Nokia	66	11.0%
Samsung	163	27.2%
Sony	63	10.5%
Apple	182	30.3%
Blackberry	30	5.0%
Micromax	6	1.0%
Others	7	1.2%
Not sure	83	13.8%
Total	600	100.0%

Table 7. Details of the Derived Demand in their next Purchase

Tendency to switch	Frequency	%
Brand Switchers	327	63%
Brand Loyal	190	37%
Total	517	100%

and Sony are some other brands on their wish lists. The respondents were questioned about their choice of brand in their next purchase with the options of different brands. It can be inferred from the Table 7 that 37% of the respondents said that they would like to stick to their present brand, and 63% of the respondents said that they would like to switch to other brands in their next purchase.

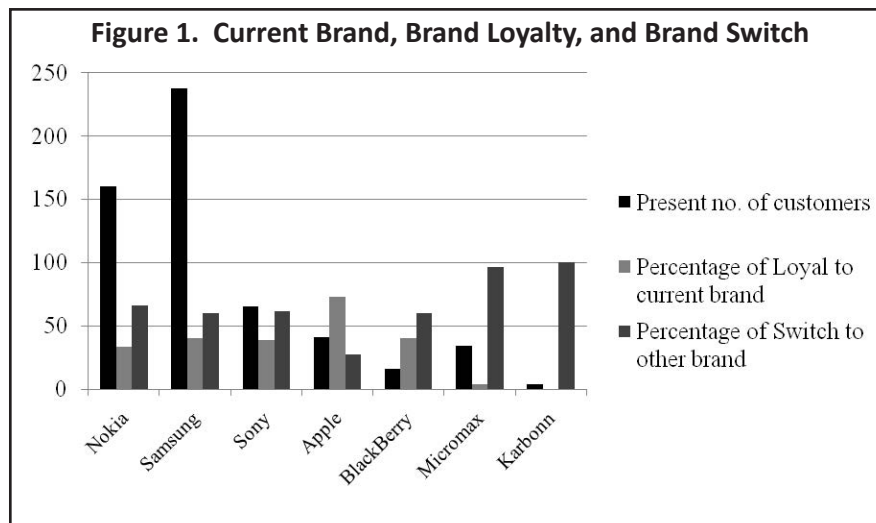
Though the total number of respondents were 600, 83 of them were not sure which brand they would prefer while making their next purchase of a mobile handset. It can be inferred from the Table 8 that majority of the

Table 8. Approximate Budget for the Next Handset Purchase

Approximate Budget (In ₹)	Frequency	%
less than ₹ 2000	4	0.7%
₹ 2001- ₹ 5000	39	6.5%
₹ 5001- ₹ 15000	186	31.0%
₹ 15001- ₹ 30000	235	39.2%
More than ₹ 30000	136	22.7%
Total	600	100.0%

Table 9. Branding Analysis

Next Brand Purchase										
Current Brand	Nokia	Samsung	Sony	Apple	Blackberry	Micromax	Karbons	others	Total	Not sure
Nokia	46	40	12	32	6	0	0	1	137	23
Samsung	13	83	18	77	9	5	0	1	206	32
Sony	4	9	22	21	1	0	0	0	57	8
Apple	0	5	1	27	4	0	0	0	37	4
Blackberry	0	4	1	4	6	0	0	0	15	1
Micromax	0	14	5	7	0	1	0	0	27	7
Karbons	0	1	1	0	0	0	0	0	2	2
Others	3	7	3	14	4	0	0	5	36	6



respondents were willing to buy more expensive models in their next purchase. There are two reasons for the same - our sample consisted of primarily two classes : students and service professionals. Students were willing to spend more money once they were financially independent, and professionals definitely wanted to go in for more expensive models once they switched from their present brands.

According to Table 9 and Figure 1, 160 respondents owned Nokia cell phones and the percentage of the respondents who wished to switch to another brand is 66.48% ; 238 respondents were using Samsung mobiles, and the percentage of respondents who wished to switch to another brand is 59.7% ; 65 respondents had a Sony

Table 10. Age vs. Brand Loyalty

Age	Brand Switchers		Brand Loyal		Total	
	Count	Column N %	Count	Column N %	Count	Column N %
18-20	75	22.9%	34	17.9%	109	21.1%
21-23	153	46.8%	78	41.1%	231	44.7%
24-26	75	22.9%	46	24.2%	121	23.4%
27-30	24	7.3%	32	16.8%	56	10.8%
Chi square		12.43	<i>df</i>	3	<i>Sig value</i>	.006*

Table 11. Gender vs. Brand Loyalty

Gender	Brand Switchers		Brand Loyal		Total	
	Count	Column N %	Count	Column N %	Count	Column N %
Male	191	58.4%	104	54.7%	295	57.1%
Female	136	41.6%	86	45.3%	222	42.9%
Chi square		.662	<i>df</i>	1	<i>Sig value</i>	.416

handset, and among them, the percentage of respondents who wished to switch to another brand is 61.4% ; 41 respondents were having the Apple brand, and among them, the percentage of respondents who wished switch to another brand is 27.02% ; 16 respondents had Blackberry mobile phones, and the percentage of respondents who wished to switch to another brand is 60.0% ; 34 respondents had a Micromax handset, and the percentage of respondents who wished to switch to another brand is 96.29% ; 4 respondents had a Karbonn handset, and the percentage of respondents who wished to switch to another brand is 100% .

It can be inferred from the analysis that the most popular brand was Samsung, followed by Nokia, Sony, and Apple. However, the most loyal customers were Apple customers. Percentage of switching to a new brand was highest in case of users of Karbonn mobiles, followed by Micromax. Among the popular brands, Nokia had more percentage of switches than Samsung and Sony. The most aspiring brand was Apple.

Demographic Characteristics of the Respondents and the Impact on Brand Loyalty

→ **Hypothesis 1** : To check the influence of age of the respondents on brand loyalty.

→ **H01 (Null Hypothesis)** : There is no significant relationship between brand loyalty and age of the respondents.

Table 12. Education vs. Brand Loyalty

Education	Brand Switchers		Brand Loyal		Total	
	Count	Column N %	Count	Column N %	Count	Column N %
Plus 2	72	22.0%	36	18.9%	108	20.9%
Graduation	196	59.9%	103	54.2%	299	57.8%
Post-Graduation	59	18.0%	51	26.8%	110	21.3%
Chi square		5.889	<i>df</i>	3	<i>Sig value</i>	.117

Table 13. Occupation vs. Brand Loyalty

Occupation	Brand Switchers		Brand Loyal		Total	
	Count	Column N %	Count	Column N %	Count	Column N %
Student	215	65.7%	113	59.5%	328	63.4%
Service	92	28.1%	67	35.3%	159	30.8%
Chi square		5.63	<i>df</i>	4	<i>Sig value</i>	.228

Table 14. Income vs. Brand Loyalty

Income	Brand Switchers		Brand Loyal		Total	
	Count	Column N %	Count	Column N %	Count	Column N %
below 15000	74	22.6%	37	19.5%	111	21.5%
15001-30000	113	34.6%	64	33.7%	177	34.2%
30001-45000	57	17.4%	32	16.8%	89	17.2%
45001-60000	27	8.3%	18	9.5%	45	8.7%
60,000 & above	56	17.12%	39	20.52%	95	18.37%
Chi square		1.569	<i>df</i>	4	<i>Sig value</i>	.814

Table 15. Financial Status vs. Brand Loyalty

Financial Independency	Brand Switchers		Brand Loyal		Total	
	Count	Column N %	Count	Column N %	Count	Column N %
No	200	61.2%	102	53.7%	302	58.4%
Yes	127	38.8%	88	46.3%	215	41.6%
Chi square		2.76	<i>df</i>	1	<i>Sig value</i>	.096

From the Table 10, we can see that the value of chi-square lies in the critical region at 5% level of significance, or the value of $p = 0.006$, which is less than 0.05. Therefore, H01(null hypothesis) is rejected. Hence, it can be concluded that there is an association between brand loyalty and age of the respondents.

→ **Hypothesis 2** : To check the influence of gender of the respondents on brand loyalty.

→ **H02 (Null Hypothesis)** : There is no significant relationship between brand loyalty and the gender of the respondents.

Since the value of $p = 0.416$, as seen in the Table 11, which is more than 0.05 at 5% level of significance, the H02 (null hypothesis) is accepted. Therefore, it can be concluded that there is no association between brand loyalty and the gender of the respondents.

→ **Hypothesis 3** : To check the influence of educational qualification of the respondents on brand loyalty.

→ **H03 (Null Hypothesis)** : There is no significant relationship between brand loyalty and educational qualification of the respondents.

Table 16. Current Brand vs. Brand Loyalty

Current Brand	Brand Switchers		Brand Loyal		Total	
	Count	Column N %	Count	Column N %	Count	Column N %
Nokia	91	27.8%	46	24.2%	137	26.5%
Samsung	123	37.6%	83	43.7%	206	39.8%
Sony	35	10.7%	22	11.6%	57	11.0%
Apple	10	3.1%	27	14.2%	37	7.2%
Blackberry	9	2.8%	6	3.2%	15	2.9%
Micromax	26	8.0%	1	.5%	27	5.2%
Karbonn	2	.6%	0	.0%	2	.4%
Others	31	9.5%	5	2.6%	36	7.0%
Chi square	44.684		<i>Df</i>	7	<i>Sig</i>	.000

Table 17. Satisfaction Level with Current Brand vs. Brand Loyalty

Satisfaction Level with current brand	Brand Switchers		Brand Loyal		Total	
	Count	Column N %	Count	Column N %	Count	Column N %
<i>Highly dissatisfied</i>	8	2.4%	0	0.0%	8	1.5%
<i>Dissatisfied</i>	19	5.8%	0	0.0%	19	3.6%
<i>Neutral</i>	48	14.6%	21	11.0%	69	13.3%
<i>Satisfied</i>	202	61.7%	114	60.0%	316	61.1%
<i>Highly satisfied</i>	50	15.3%	55	28.9%	105	20.3%
Total	327		190		517	
Chi square	27.970		<i>Df</i>	4	<i>Sig</i>	.000

From the Table 12, we observe that the value of chi-square (5.889) does not lie in the critical region at the 5% level of significance or the value of $p = 0.117$, which is more than 0.05. Therefore, H03 (null hypothesis) is accepted. Therefore, it can be concluded that there is no association between brand loyalty and educational qualification of the respondents.

➔ **Hypothesis 4 :** To check the influence of occupation of the respondents on brand loyalty.

➔ **H04 (Null Hypothesis) :** There is no significant relationship between brand loyalty and the occupation of the respondents.

Only two categories of occupations - students and service professionals were considered in the above cases as the majority (559) of the respondents fell in these two categories. Since the value of chi-square observed in the Table 13 is 5.63, which does not lie in the critical region at the 5% level of significance, or the value of $p = 0.117$, which is more than 0.05, the H04 (null hypothesis) is accepted. Therefore, it can be concluded that there is no association between brand loyalty and occupation of the respondents.

➔ **Hypothesis 5 :** To check the relationship between income of the respondents and brand loyalty.

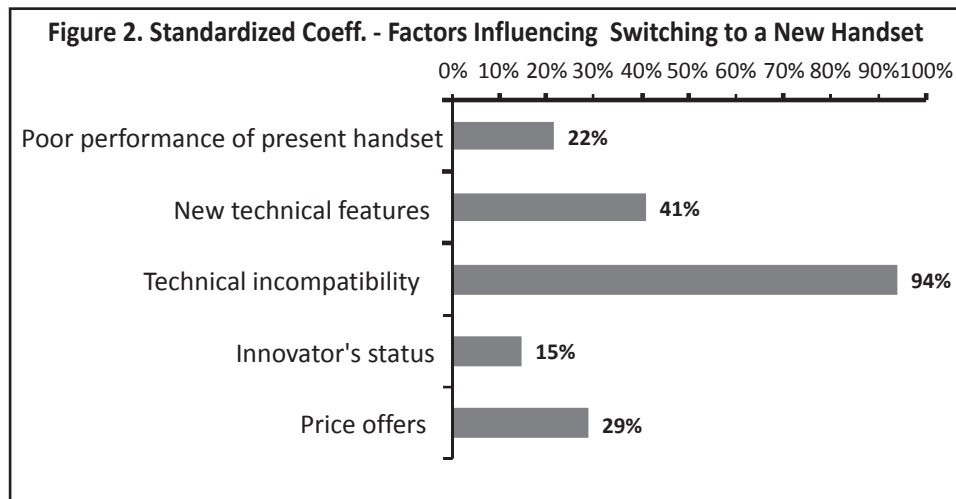
➔ **H05 (Null Hypothesis) :** There is no significant relationship between income of the respondents and brand loyalty.

Table 18. Influence of Various Factors on Brand switching

Model Summary Dependent	Independent	Model	R	R Square	Adjusted R square	F	Sig
Factors influencing switching to a new handset	>Poor performance of the present handset, >New technical & value added features, >Technical incompatibility, >Innovator status, >Price offers	Linear	.631	.398	.390	45.305	.000*

Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	13.313	6.527		2.806	.000
Poor performance of present handset	.309	.174	.215	2.775	.007
New technical & value added features	.664	.174	.410	3.824	.000
Incompatibility with current technology	1.182	.168	.938	7.042	.000
Innovator's status	.292	.181	.152	2.611	.008
Price offer	.530	.180	.292	2.952	.003



Since the value of chi-square is 1.569 (Table 14), and it lies in the acceptance region at the 5% level of significance, or the value of $p = 0.814$, which is more than 0.05, the H05 (null hypothesis) is accepted. Therefore, it can be concluded that there is no association between brand loyalty and income of the respondents.

➔ **Hypothesis 6 :** To check the relationship between financial status of the respondents and brand loyalty.

➔ **H06 (Null Hypothesis) :** There is no significant relationship between financial status of the respondents and brand loyalty.

Since the value of chi-square is observed (Table 15) to be 2.76, which lies in the acceptance region at 5% level of significance, or the value of $p = 0.096$, which is more than 0.05, the H06 is accepted. Therefore, it can be concluded that there is no association between brand loyalty and financial status of the respondents.

➔ **Hypothesis 7:** To check the influence of the current brand possessed by the respondents and brand loyalty.

➔ **H07 (Null Hypothesis) :** There is no significant relationship between brand loyalty and the current brand of mobile phones owned by the respondents.

It is observed (Table 16) that the value of chi-square is 44.684, which lies in the critical region at the 5% level of significance, or the value of $p = 0.000$, which is less than 0.05. Therefore, the H07 (null hypothesis) is rejected. Hence, it can be concluded that there is a significant association between brand loyalty and the current brand of mobile phones possessed by the respondents.

➔ **Hypothesis 8 :** To check the impact of satisfaction level of the respondents with the present handset and brand loyalty.

➔ **H08 (Null Hypothesis) :** There is no significant relationship between the satisfaction level of the respondents and brand loyalty.

As per the Table 17, the value of chi-square (27.970) lies in the critical region at the 5% level of significance, or the value of $p = 0.000$, which is less than 0.05, therefore, H08 (null hypothesis) is rejected. Hence, it can be concluded that there is a significant association between brand loyalty and the satisfaction level of the respondents with their current brands.

Multiple Linear Regression Analysis

➔ **H0:** All the factors that influence the buyer to switch to a new handset are equally impactful on the holistic total score of the respondents on switching, taking all the factors together.

This propels us to reject the null hypothesis and conclude that all the factors that influence switching to a new handset are not equally impactful on the holistic total score of the respondents (taking all the factors together). From both - the Table 18 and Figure 2, it can be concluded that the primary reason given by the respondents for switching to a new handset was "technical incompatibility with the current upgraded technology," followed by "new technical and value added features," and then "price offer". The value of adjusted R^2 in the model summary is 0.390, which means that together, the collective influence all the five factors (listed in the Table 18) in switching to a new mobile phone is approximately 39% as there are some other extraneous variables related to the respondents which also had an influence in switching to a new handset.

Summary of Findings

(1) Results of Simple Percentage Analysis

✧ As per this study, the most popular brand is Samsung, followed by Nokia, Sony, Apple, and so on.

✧ The average money spent by a consumer to procure a mobile phone is ₹ 15099.86 ; though, a large variation is present in price range - from ₹ 500 to ₹ 1,06,005. Some of the respondents were not sure about the price as they might have got the handset as a gift. The minimum price is ₹ 500 (for a second hand handset).

✧ Majority of the respondents were *satisfied* or *highly satisfied* with their present handset. Though there was a high level of satisfaction, but at the same time, the frequency of switching to a new handset was also quite high, as visible in the study.

✧ According to our study, a majority of the respondents aspired for Apple iPhone. Samsung, Nokia, and Sony are some other brands on their wish lists.

- ✚ More than 50% of the respondents were likely to switch to a new model of mobile handset within 2 years.
- ✚ The analysis revealed that 37% of the respondents would like to stick to their present brand, and 63% would like to switch to other brands. Among 600 respondents, 83 respondents were not sure which brand they would go in for during the next purchase of a mobile handset. However, the tendency of switching was very high.
- ✚ Majority of the respondents were willing to buy more expensive models in their next purchase.
- ✚ The most popular brand was Samsung, followed by Nokia, Sony, and Apple. However, the most loyal customers were Apple customers as the percentage of switching to a new brand was the lowest in case of Apple. The percentage of switching to a new brand was highest in Karbonn, followed by Micromax. Among the popular brands, Nokia had more percentage of switches than Samsung and Sony. The most aspirational brand was Apple.

(2) Results of Chi-Square Analysis

- ✚ There is a significant relationship between brand loyalty and age of the respondents.
- ✚ In case of all demographic factors, there is no significant relationship between gender, educational qualification, occupation, income, and financial status of the respondents and brand loyalty.
- ✚ There is a significant association between brand loyalty and the current brand of mobile phone possessed by the respondents.
- ✚ There is a significant association between brand loyalty and the satisfaction level of the respondents with their current brands of mobile handsets.

(3) Result of Multiple Linear Regression Analysis

From the previous literature, five factors were (poor performance of present handset, new technical & value added features, technical incompatibility, innovator's status, and price offers) identified which have a major influence on switching. Among the factors, the primary reasons for switching to a new handset are : “technical incompatibility with the current upgraded technology,” followed by “new technical and value added features,” and then “price offer”.

Suggestions and Recommendations for Managerial Relevance

Young consumers frequently switch to a new handset, even to accommodate a new type of technology. It is a challenge for the marketers how well they would be able to provide the desired products to the consumers and get the maximum satisfaction from them. If a company can acquire the competitive advantage that is long term and stable by creating products that cannot be duplicated or imitated by other firms, they will be the market leaders with core competencies, as we have seen in case of Apple Inc. Apple is one of the most aspirational brands, especially among youngsters, though the penetration rate is low. One of the probable reasons for the low penetration may be price. Apple should further probe into this factor to improve its market share. The study revealed that Samsung is the most popular brand among Indian youth followed by Nokia.

Young consumers have a unique buying behaviour as compared to the other age groups. Except their age, none of the other factors like educational qualification, income, financial status, and gender had any impact on brand loyalty. A lot of what they purchase represents their self-expression. Mobile devices are a part of their personal selves and are a vital component which connects them with the world and the people around them.

Mostly, consumers change a mobile handset either when it is broken or the same is not working properly, which means either calls are interrupted, there is weak audibility, battery is weak, screen is out of order, or the keypad is so consumed that the numbers are invisible. However, as far as young people are concerned, many of them even

change their old handset just to get the latest technical features or to acquire the status of innovators or opinion leaders. From a company's or marketer's point of view, this is a good sign, as the company can make new business with the same customer within a very short period. There is a scope for companies to introduce different models with new innovative features and improve the satisfaction level with the present customers and make them more loyal to the brand. As a brand is a powerful differentiator in a highly competitive market place, a set of loyal customers to any brand will be an enduring asset.

In order to utilize the immense potential of the mobile telephony market among young Indians, companies need to develop specific strategies and action plans taking into account the complex set of factors that influence consumer buying behaviour. Companies must translate preferences of their target segments into the diverse models meant for different segments. Moreover, the companies may design their communication messages according to the factors considered the most important by a definite age, gender, and other demographic groups.

Limitations of the Study and Scope for Further Research

The study is confined to Bangalore city, where the youngsters are more affluent than they are in many parts of India. As it is an IT hub, the respondents might be more tech savvy, though it is a recent trend among any Indian youth. A more generalized conclusion could be made probably after conducting the study in different parts of India. The youth market is lucrative, but it is also complex and rapidly changing, and therefore, their buying behaviour must be examined carefully from time to time. The present research could be complemented by considering some other influencing factors in buying by applying a more in-depth approach.

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