CHAPTER I

INTRODUCTION
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As the mobile phone industry has reached the target of securing its second billion subscribers, the demand for a new generation of handsets with different features have forced manufacturer to pay much closer attention to their device portfolios. So with the intense competition, operators need to work closely with mobile handset makers and software developers to match their handset portfolios according to consumers desires and needs. Businessmen, field workers and other consumers have different wants and desires and they are looking for some features such as ease-of-use, phone book, reminder, push-to-talk, camera phones, multimedia messaging service (MMS), video streaming, audio streaming, etc. This makes it evitable for handset manufacturers, operators and software developers to pay more attention to buying motives of different consumers.

The present study is attempting to evaluate the factors influencing handset users in forming purchase decision. This study focuses on the mobile handset features and buying motives and their effects on purchase decision of consumers (postgraduate and research students of Pune University inside the campus). The research design provides a scope for drawing logical conclusions. The study relies mainly on the primary data collected through validated questionnaires.

Consumer purchase behaviour for handset, influence in the decision – making is more complex. This research explicitly clears the relationship between logical and emotional buying motives with their relative influence on consumer purchase decision. Logical motive is a result from a process in which the individual assesses the expected value of the product through the influence options regarding cost and benefits of using a product available to him and hence it is subjective. Emotional motive is a result from those aspects for the purchase that are indirectly related to the anticipated performance of the product and directly related to the consumer’s social and psychological interpretation of the product.
DEFINITIONS

Customers and Consumers
The term ‘customer’ is typically used to refer to someone who regularly purchases from a particular store or company. The term ‘consumer’ more generally refers to anyone engaging in any of the activities of evaluating, acquiring, using or disposing of goods and services. Therefore, a customer is defined in terms of a specific firm while a consumer is not.

The traditional viewpoint has been to define consumer strictly in terms of economic goods and services. This position holds that consumers are potential purchases of products and services offered for sale. This view has been broadened over time so that at least some scholars now do not consider a monetary exchange essential to the definition of consumers. This change implies that potential adopters of free services or even philosophies or ideas can also be encompassed by the definition. Consequently, organizations such as UNICEF, Foster Parent Plan, as well as religious and political groups, can view their various publics as ‘consumers’. The rational for this position is that many of the activities that people engage in regarding free services, ideas and philosophies are quite similar to those they engage in regarding commercial products and services. (Loudon and Della Bitta 2000; 5).

Consumer Behaviour
The term ‘consumer behaviour’ is defined as the behaviour that consumers display in searching for purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs. Consumer behaviour focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption related items. That includes what they buy, why they buy it, whey they buy it, where they buy it, how often they but it, how often they use it, how they evaluate it after the purchase and the impact of such evaluations on future purchases, and how they dispose of it. (Schiffman and Kanok 2003; 8)
Motivation

According to M. C. Farland: “Motivation refers to the way in which urges, drives, desires, aspirations, strinings or needs direct, control or explain the behaviour of human beings.” Motivation is the driving force within individuals that implies them to action. (Schiffman and Kanuk 2003; 87). Motivation is an inner force that reflects goal-directed arousal. (Hoyer & Macinnis 1999; 30)

Motive

A motive is an inner state that mobilizes bodily energy and directs it in selective fashion toward goals usually located in the external environment. (Loudon and Della Bitta 2004; 322). According to W. J. Stanton: A motive can be defined as a drive or an urge for which an individual seeks satisfaction. A motive is a need that is sufficiently pressing to drive the person to act. (Kotler 2003; 195)

Buying Motives

Buying Motives are all the desires, considerations and impulses which induce a buyer to purchase a given product. According to Prof. D. J. Duncan, Buying motives are those influences or considerations which provide the impulse to buy, induce action or determine choice in the purchase of goods or services. (Nair 2004; 235)

Basically, buying motives are of two kinds:

1. Product motives
2. Patronage motives.

1. Product Motives

The impulses, considerations and desires that induces a person to be positively inclined to purchase a particular product is called product motives. The product is inclusive of attributes colour, size, attractive design, package, price, etc., which may be the reason behind a person having product motive. Product motives can be classified on the basis of the nature of satisfaction sought by the buyer. Based on this classification, there are two categories of product motives:
a. Emotional product motives
b. Rational product motives

a. Emotional Product Motives
Emotional Product Motives are those impulses which persuade a consumer to purchase a product spontaneously and without forethought on the consequences of the action or decision. Evaluation of the pros and cons of the decision or logical reasoning analysis is not found behind such purchase decisions. Here the buyer lets the heart rule over the mind. That is, emotional product motives usually appeal to the buyers’ sense of ego, to display his social status, tendency to imitate others or convey the feeling of love and affection to close friends and family members.

b. Rational Product Motives
Rational product motives involve careful reasoning and logical analysis of the intended purchase. The buyer will work out whether it is worthwhile to purchase the product. He will think on the lines - the purpose to be served by the intended product purchase, the various alternatives available to the buyer and so on-. The buyer will think and work out the valid and relevant reasons to justify the proposed purchase of the product.

2. Patronage Motives
Why do buyers purchase from certain specific firms or shops? What are the considerations or factors which persuade the buyer to display such store patronage? These questions can be answered by understanding patronage motives. Patronage motives are of two kinds:
a. Emotional patronage motives
b. Rational patronage motives.
a. Emotional Patronage Motives
Emotional Patronage Motives are those impulses which motivate and persuade a buyer to purchase from specific shops or firms. There may be no logical reasoning behind his decision to purchase from a particular shop and he may simply decide to buy from his ‘most preferred’ or ‘favourite’ shop, merely based on subjective reasons. Here also it may be the urge to gain social recognition or urge to imitate others etc. which may be responsible for the buyer developing patronage to a specific shop.

b. Rational Patronage Motives
If a buyer solicits a particular shop after following a logical reasoning of the mind, this is called rational patronage motives. He may select a shop because it offers a variety of products, or stocks the latest designs and models or prompt delivery or assures good after sales service. (Nair 2004; 235-236)

SCOPE OF THE STUDY
The scope of the study is to identify the product features (logical and emotional) includes the study of mobile handset features, buying motives and buying behaviour of postgraduate and research students of Pune University campus. This study also highlights the difference between logical and emotional motives influencing the purchase decision.

OBJECTIVES OF THE STUDY
The objectives of the study include the following:
1. To investigate, identify, and classify the product features in the mobile handset market of international companies.
2. To study and classify product features based on buying motives in the study area.
3. To investigate and identify buying motives that have more effects on purchase decision.
4. To study the buying behaviour of consumers in the said market.
5. To analyze, identify, and compare logical and emotional buying motives which have more effects on purchase decisions.
6. To analyze demographic characteristics of consumers and their effects on consumer’s brand and price preferences in the said market.

SIGNIFICANCE OF THE STUDY

The business success of each enterprise is dependent on it’s ability to persuade consumers to make purchase decision and to take action. Knowledge of buying motives of consumers is very important factor to marketers because the intention and need of marketers is to attract consumers as many as possible. The people buy the products or services based on their reasons and their reasons may not be intelligent and rational, but they make decision based on those reasons. It is important to marketers to understand the motives behind each reason as they likely to encounter them in the course of the sale. The underlying buying motives affect consumer purchases and different people will have different motives for the same kind of purchase.

The aim of marketing is to meet and satisfy the consumer’s need and want. The field of consumer behaviour studies how individuals, groups and organizations select, buy and dispose of goods, services, ideas or experiences to satisfy their needs and desires. Understanding buying motives and knowing customers is never simple. Consumers may say one thing but do another. They may not be in touch with their deeper motivations. They may respond to influences that change their mind at the last minute. Small and also big companies stand to profit from understanding how and why their customers buy. (Kotler 2003; 182) A consumer’s buying behaviour is influenced by cultural, social, personal and psychological factors.

In addition a knowledge of consumer behaviour has following significances :
1. It helps to make a systematic effort to understanding the consumer needs and wants.
2. It helps to prepare a plan for developing new products.
3. It helps to increase the consumer satisfaction.
4. It gives appropriate feedback for corrective actions to the management of companies.
5. Knowledge of the product motives and patronage motives will help the marketers to devise or formulate sales promotion programmes, so that the same product appeals to the different motives of the buyers and also work out strategies to attract and retain patronage from many buyers to their business.

**HYPOTHESES OF THE STUDY**

The following are the hypotheses covered under this study:

**Hypothesis 1.** The importance of Logical-related features of handsets for making purchase decision is more than Emotional-related features as per the consumer’s point of view:
   i. for all
   ii. for men
   iii. for women

**Hypothesis 2.** There is a significant association between consumer income and price preference:
   i. for all
   ii. for men
   iii. for women

**Hypothesis 3.** There is a significant association between consumer income and brand preference:
   i. for all
   ii. for men
   iii. for women

**Hypothesis 4.** There is a significant association between age and importance of emotional and logical features of handset:
Hypothesis 5. The logical buying motives are associated with emotional buying motives:
   i. for all
   ii. for men
   iii. for women

ASSUMPTIONS OF THE STUDY:
It has been assumed that:
1. The respondents will provide genuine information about whatever has been asked.
2. The data will be valid, reliable and unbiased.

LIMITATIONS OF THE STUDY:
Although every effort will be made to conduct a study as rigorous as possible, but there are certain limitations however unavoidable. The limitations of this study are as following:
1. This study is limited only to the students of Pune University. Hence, the conclusion may not be generalized on people outside the University.
2. The universe is huge; therefore, in order to collect the necessary data using the sampling techniques are inevitable. Hence, the following limitations are unavoidable:
   a. Sampling will not give the accuracy available from census survey.
   b. The accuracy and reliability of sample data is affected by two different types of errors i.e. sampling errors and data collection errors. If these errors are too large, the results of the sample survey will be of extremely limited use.