

Determinant of Consumer Preference for Smartphone among Mobile Phone Users in Oyo State, Nigeria

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Abstract

The study investigated the determinant of consumer preference of smartphone among mobile phone users. In order to accomplish the objectives of the study, a sample of 381 consumers were taken from 45000 population of students in Oyo state, Nigeria by using Krejcie and Morgan sample size. Four factors i.e. price, brand, packaging, and quality were used to check the preference of consumers and data were analyzed through the use of correlation and multiple regressions. From the analysis, it was clear that price of phone exerts an insignificant positive effect on consumer's preference, followed by quality; the most important variable amongst all is the packaging of the phone which was discovered to exert significant effect that determines consumer preference and it also acted as a motivational force that influences them to go for a mobile phone. The study suggested that if mobile phone manufacturer should consider making a quality and well package product, price is of no significant to youth in Oyo State, Nigeria, i.e., youth will buy expensively for a quality and well packaged product.

Keywords: Consumer Preference, Smartphones, Price, Quality, Brand and Packaging

Introduction

Now a day's mobile phones have become a basic element of individual communication across the globe in the past ten years, consumer research has dedicated little precise concentration to motives and choice underlying the mobile phone buying decision process (Karjaluo, Karvonen et al., 2005).

It has been not so recent that the telecommunications industry has been seeing an incremental graph and growth especially in the product domain. Today's market is highly volatile as regards to the dynamicity in the market with respect to brands and prices available in almost all the goods and services. Cell phones have seen capitalizing the market with a huge potential to grow as well as sustain. A lot of surveys are conducted world over to identify and understand customer preferences in cell phone buying and because of highly competitive and rapidly changing business environment, has therefore prompted firms that plans to succeed in its goal has to do a continuous observation of the consumer behavior and their preference because consumers are the kings in the business world (Anojan & Subaskaran, 2015). This suffix to say that a firm must have a bird's eye-view on its product life cycle right from the

stage of launching to saturation. This demands that marketers remain alert and active at all time to winning permanent and loyal customers in the consumer market (Thangasamy & Patikar, 2014).

Consumers are individuals and households that buy the firm's product for consumption (Kolter, 2004). It is term often used to describe two different kinds of consuming entities: the personal consumers and the organizational consumers (Krishna, 2010). The activities these consumers undertake when obtaining, consuming and disposing of product and a service is known as consumer behavior. However, before consumers take any of the aforementioned steps, he/she is motivated by a number of factors. Consumer behavior involves studying how people buy, what they buy, when they buy and why they buy. (Blackwell, Miniard & Engel, 2006).

While individual consumers may not give much thought to why they prefer one product over another, for businesses and marketers who make a living based on consumer demand, it is pretty much a science. Among all the development and innovations that have cropped up in modern times, Smart phone devices have had one of the fastest household adoption rates of any technology in the world's modern history. The growth of smart phones in the 21st century has been phenomenal. Nowadays, Smart phones have become an integral part of human daily life and personal communication across the globe. Almost everyone possesses a smart phone. Due to its integral nature, one simply cannot live without it.

Consumers are betwixt alternative most times due to some factors that they cannot but concern themselves with the alternative collection of product available around them and within their reach. These factors stand as some sub-variable under the independent variable (Consumer preference). They include: Price, brand, quality, and packaging just to mention but few.

Numerous studies have been conducted to understand the consumer buying behavior one of them include Manali Khaniwale (2015) he conducted a study which analyzed the theoretical aspects of consumer buying behavior and the factors that influence it. According to Aggarwal (2004) prior research has examined differences in how consumers perceive and evaluate brands, for example, through investigating brand equity, brand personality and brand extensions. More recently, researchers have noted that consumers differ not only in how they perceive brands but also in how they relate to brands. This line of research has suggested that people sometimes form relationships with brands in much the same way in which they form relationships with each other in a social context (Aggarwal, 2004).

Consumers are individuals and household that buys the firm's product for personal consumption (Kolter, 2004). Zameer, Saeed & Abass (2012) research work on consumer Buying Behavior of mobile phone device, they focused more on the features that have been reviewed by existing writings in urban consumers and rural consumers in Pakistan. The only limitation of this research is that it was done in Pakistan and have not been done in Nigeria and the buying behavior of the two countries will surely be different. Therefore, the problem this research addresses is to investigate the determinants of consumer preference of smartphone among mobile phone users in Oyo state, Nigeria.

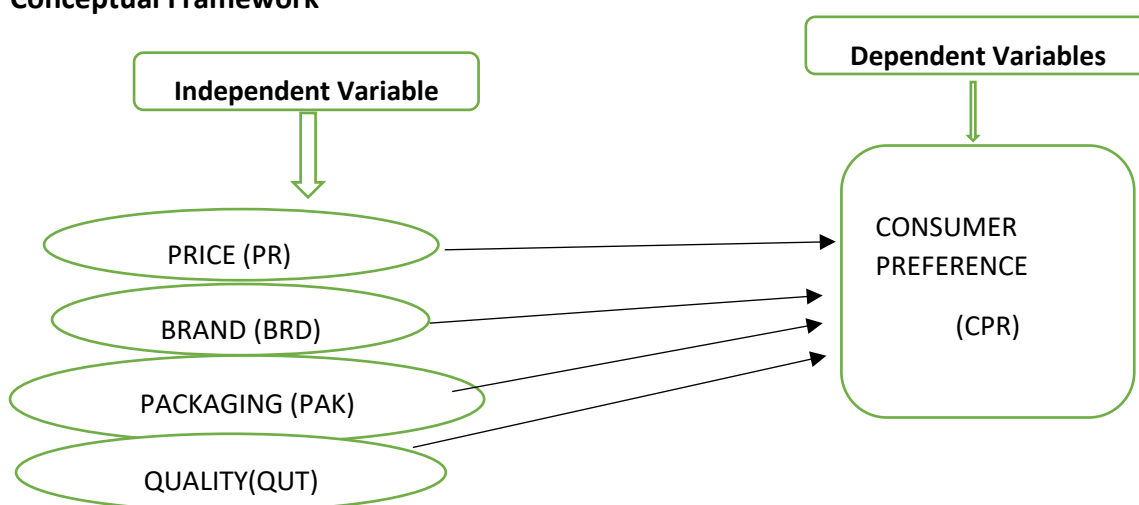
Conceptual Clarification Consumer Preference

Consumer preference explains how an individual rank a collection of goods and services or prefers one collection over another. This definition assumes that consumer ranks goods and

services by the amount of satisfaction and utility they derive from the product. The preferences of certain consumers are also determined by their level of income, the price of the goods and service and the willingness and ability of the consumer to purchase the product at the time needed (study.com/lconsumer-preference, 2019)

A consumer preference assumes that the consumer can choose consistently and among alternative goods and services available for purchase. The consumer must prefer one set of goods or services over another or treat all as equally beneficial. Consistency is an issue when the consumer more than two alternatives. If a consumer rank brand of mobile phone as better than the other or feels there’s more utility and satisfaction to derive from the mobile phone type compared to another at every time purchases are made, the consumer will always go for its brand preference. Customer satisfaction is the feelings of pleasure and disappointments resulting from the comparison of products, perceived performance or outcomes in relation to the person’s prior expectations. The satisfaction is the level of a person’s felt state resulting from comparing a products perceived performance (outcomes) in relation to the person’s expectation (Kotler, 2009). Seth (2008) analyzed that there is relative importance of service quality attributes and showed that responsiveness is the most importance dimension followed by reliability, customer perceived network quality, assurance, convenience, empathy and tangibles. Liu (2002) found that the choice of a cellular phone is characterized by two attitudes: attitude towards the mobile phone brand on one hand and attitude towards the network on the other.

Conceptual Framework



Methodology Population and Sample size for the Study

Population is defined by ErlindaDionco-Adetayo (2011) as the entire group of people, events or things of interest that the researcher wishes to investigate. In respect to this research work the population of this study is comprised of 45000 in Oyo-state. According to Krejcie and Morgan sample size table, a total number of 381 students was sampled for this study

Method of Data Analysis

The collected were analyzed using descriptive and inferential statistical methods. In descriptive statistics, simple frequency counts and percentages will be used to answer the research question while the inferential statistics will be used to test the hypotheses.

correlation and multiple regressions analysis will be used to test the hypotheses at 0.05 level of significance which made good presentation and analysis of data and testing of the hypotheses. Correlation is the statistical technique for establishing the extent of relationship or association between two or more variables. Correlation coefficient would reveal both the magnitude and direction of relationship between the variables.

Results

Distribution of respondents by Phone Brand

Table 1.1 reveals the distribution of the respondents based on phone brand. The table reveals that 12 (3.1%) of the respondents prefers Nokia brand, 107 (28.1%) of the respondents are Tecno fans, 163 (42.7%) prefers Infinix, while, 64 (16.7%) of the respondents are iPhone users while 35 (9.2%) of the total respondents are users of other brands.

Table 1.1

Distribution of respondents by Phone Brand

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Nokia	12	3.1	3.1	3.1
	Tecno	107	28.1	28.1	31.2
	Infinix	163	42.7	42.7	73.9
	iPhone	64	16.7	16.7	90.6
	others	35	9.2	9.2	100.0
	Total	381	100.0	100.0	

Correlation Analysis

Table 1.2:

Correlation Matrix

	CPR	PR	BRD	QUT	PAK
CPR	1				
PR	0.440	1			
BRD	0.334	0.701**	1		
QUT	0.324	0.706**	0.629**	1	
PAK	0.357	0.634**	0.843**	0.792**	1

Source: *Author's Computation, (2021)*

Table 1.2 presents correlation coefficient for pairs of variables used in the study. Specifically, the table reported correlation statistics of 0.440, 0.334, 0.324, 0.357, 0.701, 0.706, 0.634, 0.629, 0.843, 0.792 for CPR and PR; CPR and BRD; CPR and QUT; CPR. and PAK. It also shows PR and BRD; PR and QUT, PR and PAK, BRD and QUT, BRD and PAK, QUT and PAK respectively. The result revealed that there is positive relationship between pairs of variables used in the study. Notably the result showed that consumer preference increases overtime alongside increases in price, brand, quality as well as packaging.

Regression Analysis

Table 1.3:

Regression Estimation Result Dependent Variable: Consumer Preference

Variable	Coefficient	Std Error	t-statistics	Prob.
C	9.367	4.356	2.150	0.048
PR	0.398	0.331	1.202	0.248
BRD	0.156	0.459	0.340	0.739
QUT	0.115	0.329	0.349	0.732
PAK	1.269	0.491	2.585	0.008

R-Squared= 0.613

Adjusted R-Square= 0.603

F-statistics= 11.014

Prob(F-statistics) =0.002

Result of the regression estimation presented in table 1.3 revealed coefficient estimates of 0.398, 0.156, 0.115, 1.269, with the probability values of 0.248, 0.739, 0.732, 0.008 for price brand, quality as well as packaging. The result revealed that all the explanatory variables exert positive impact on consumer's preference for smartphones. This implies that increase in price, brand uniqueness, quality as well as packaging will lead to a corresponding increase in preference of consumers as represented to the tune of average score of 0.398, 0.156, 0.115, 1.269. The probability values presented in table 4.10 showed that among all the explanatory variables only packaging exert significant positive impact on consumer preference. R-square statistics reported in table 1.3 stood at 0.613, which implies that about 61% of the systematic variation in consumer's preference can be explained by joint variation in price, brand, quality as well as packaging. F-statistics and probability values reported in table 4.10 reflect that the model is a good fit, with the probability value of the reported statistics less than 0.05

Discussion

From the empirical investigation conducted in the study with the focus of investigating the determinant of consumer preference of smartphone among mobile phone users in Oyo State revealed the following discoveries: First, the study discovered that price exert a positive but insignificant impact on buying behavior of consumers. The result reflect that consumer tends to buy more of phone that are expensive, this might be attributed to the fact that mobile phone is considered an ostentatious product in which every individual consumer purchase on the basis of some prevailing factors such as style, fashion, and vogue trend etc. since most of the consumers anticipates for newly made product and no one wants to be left out using the latest. Therefore, in this context, it can be deduced that higher price of mobile phone culminates into higher preference among students in Oyo state. However, the study found that the positive interrelationship between price and preference is not statistically significant, which could reflect the fact that the study sampled university mobile phone users.

Secondly, the study discovered that brand of a product exerts insignificant positive impact on consumer's preference. This result can be agreed upon based on the growing competition in the business world. This has over the years make organizations to sit back and come up with strategies by incorporating some features in their products in order to serve their customers better and to keep them away from consuming their competitors' products, as a result of the

competition the importance of mobile phones to various individuals has remained enormous through the various functions available in different phone brands. In a nutshell the result reflects that brand is one of the determinants of consumer buying behavior in the context of rural and urban consumers in Ekiti state.

Thirdly, the study discovered that quality exert positive and insignificant impact on consumer's preference. The quality of a product goes a long way determining the reaction of consumers towards the purchase of a product. Therefore, as a company strives to make goods available for the consumers, they should also ensure that the available products are attached with the sense of quality so as to ensure customer's retention as well as increasing the numbers of their final consumers.

Finally, the study discovered that packaging exerts significant positive impact on consumer's Preference. This discovery established that the way mobile phone is packaged tends to significantly influence the determinant of consumer preference, thus reflecting the important role played by packaging in the mobile phone industry, and also reaffirmed the fact that packaging does not only provide protection to the product but also act as a promotional tool, because sometimes, consumers assesses the quality of the product from its packaging.

Conclusion and Recommendations

Based on the discoveries and the analysis conducted in the study, it can be concluded that high price is a notable factor which influences the consumer's preference, quality is a key determinant of how well a consumer's preference can be measured, that brand exerts a positive impact that cannot be undermine in determining the consumer's behavior, and finally, it can be concluded that packaging exerts a notable significant impact on consumer's preference

Recommendation

Mobile phone producing companies should ensure that the price tag on their products correlate with inbuilt values of their product so that consumers can get commensurate value for money spent of their product, so as to keep a long-standing consumer loyalty and patronage. Management should ensure that products made by them are attached with the sense of quality as this goes a long way in determining the stay or exit of customers. Management of mobile phones producing company should incorporate some innovative packaging ideas that will increase the scope of marketing their product as this will serve as a way of ensuring customers to quick access to quality product.

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