

# A Study of Demographic Variables Affecting the Buying behaviour of Generation Y with Reference to Mobile Phones in Jaipur City

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**Abstract**—Mobile Phones today have a huge impact on our daily lives . Every year millions of consumers are spending billions of money for purchasing and upgrading their mobile phones .Consumers' Buying Behavior is influenced by various factors. This paper seeks to examine the various demographic factors which effect the buying behavior of an individual while choosing a particular brand. The study further aims at identifying the product / brand preference and factors affecting the product/ brand choice of the consumer with respect to their demographic profiles. The demographic factors considered for the study include age, gender , income and occupation. An exploratory study was conducted among 250 respondents from Jaipur City using structured questionnaire . The study applied the Anova technique to know whether there is any relation between demographic factors & buying behavior for mobile phones. Findings of the study revealed the influence of demographics on consumer purchase behavior. It was found that brand loyalty among this age was highest, price competitiveness being major influence for brand selection among majority of the respondents, Samsung being the market dominator with more than 40% users and the frequency with which users plan to change their cell phones is less than 1 year thus creating opportunities for new entrants in the market thereby with a stronger competitive price advantage.

## 1. INTRODUCTION

Generational differences are apparent with respect to newer forms of communication. The Information Technology has brought a tremendous change in our day to day activities and Mobile technology is one the biggest examples of the fast changing information system and high tech products. Communication in the present day world has undergone a new breakthrough with over 900 million subscribers using the cell phone services. The mobile phone purchase decision is greatly influenced by various demographic factors factors and Gen Y is assumed to adapt itself with this change rather fast. A key formative characteristic for Gen Y is early and frequent exposure to technology, which has advantages and disadvantages in terms of cognitive, emotional, and social outcomes. This study seeks to know the factors underlying a person's decision in choosing brand of mobile phone(s) to use.

## 2. REVIEW OF LITERATURE

Muthukumar et al. (2015) in their research study concluded that the most important service quality factors for any GSM service provider besides their basic services happens to be value added services and customer care assurance. There is a service quality gap and high switching intentions among customers from all backgrounds hence the customer loyalty is very low and level of expectation towards services is very high. The factors which influence the switching decisions and the perceived service quality factors are entirely different among the two generations.

Bolton et al. in their study assessed the know- how of social media , Generation Y and its usage. It affects the consumers brand loyalty, expectation reality, purchase behavior and ultimately helps in firm's value creation. Furthermore a lot about customization and productivity is implemented which influences the design of interactive services. The use of social media varies across borders and there is a need to study what is the relative influence of each determinant factor for this difference.

In a research report by Comptia (2013) generational research on technology and its impact in the workplace an exploratory research was carried out to know the impact of technology on generations i.e how well have they adopted technology for communication, professional development and services at workplace . The composition of workforce is undergoing a rapid change with 74% of Gen Y workers using smart phones as against 37% baby boomers. Furthermore 34% of all respondents reported that e-learning was a training methodology used in past 12 months with maximum number of Gen Y adopting for it. People who are younger than 50 years of age prefer using text and Instant messaging for communication at workplace. Social media plays a prominent role in life of younger workers. Being social media savvy is an important part of their skill set and add values to their proposition. Flexibility is the norm of industry.

Patel & Rathod (2011) came out with the factors affecting mobile purchase among students commuting from rural areas to nearby towns and found that different rural segments are organized and organization are willing to enter the rural market to promote their products and services in such a manner which leads to higher customer satisfaction and increased market size. It was also found that since average amount that a consumer spends on mobile usage is Rs. 100 so family's income and gender aren't influential factors for the same. SMS being the cheapest source of communication was widely accepted and used by students due the availability of limited financial resources. Male students send more texts than females and the best service providers with good image are Idea & Vodafone.

### 3. RESEARCH METHODOLOGY

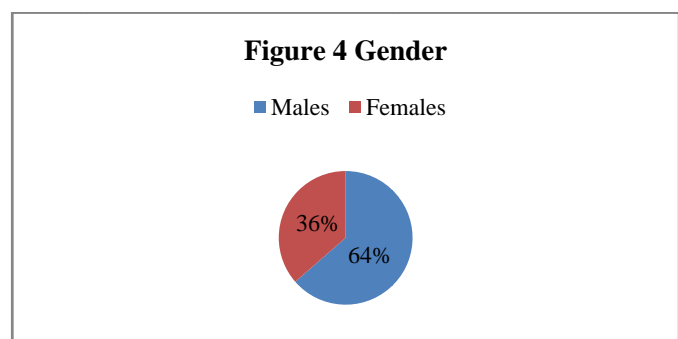
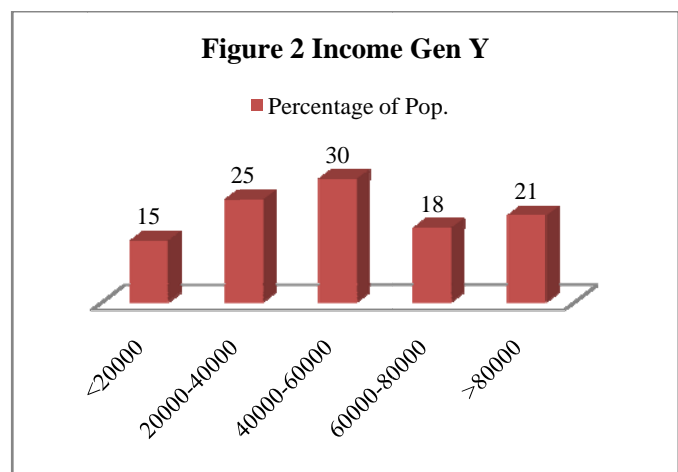
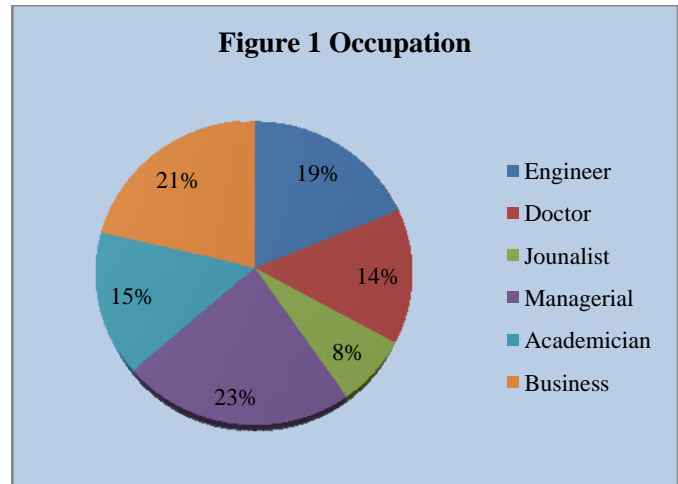
The present study aims at studying three broad parameters which include how the usage pattern with regards to mobile phones has evolved over years with regards to both generations, influence of demographics on consumer purchase behavior and the impact of this change on lifestyles of consumers. The basic research design is descriptive in nature and also cross-sectional in nature so as to describe the statistical association between two or more variables. A structured schedule was developed to collect data on the variables in this study. The questionnaire included 15 items that were related to the brands of cell phones, usage pattern of consumers and purchase behaviour for the same. The questions included were close ended. The items were refined and paraphrased in both wording and contextual to make them appropriate to suit the research purpose. The respondents belonged to Jaipur city and they were selected from both genders among Gen Y (18-30) having varied socio economic background, belonging to various age groups and having different occupational and income levels to minimize bias. The demographic details of the respondents are depicted in graphical format (Figure 1, Figure 2, Figure 3). The period of study was September -December 2014. The data were collected using a questionnaire (personally) to minimize the non sampling error and it was analyzed using one way ANOVA test in 95% confidence level for final interpretation.

#### 3.1 Objectives of the Study

To identify the affect of income and occupation on the Buying Behaviour of Generation Y with Reference to Mobile.

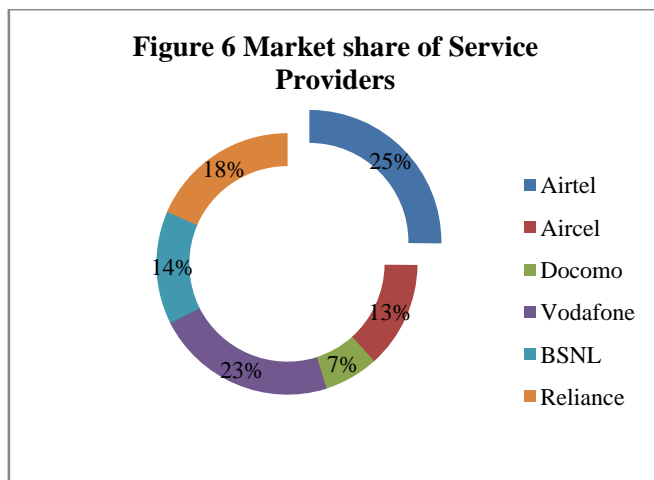
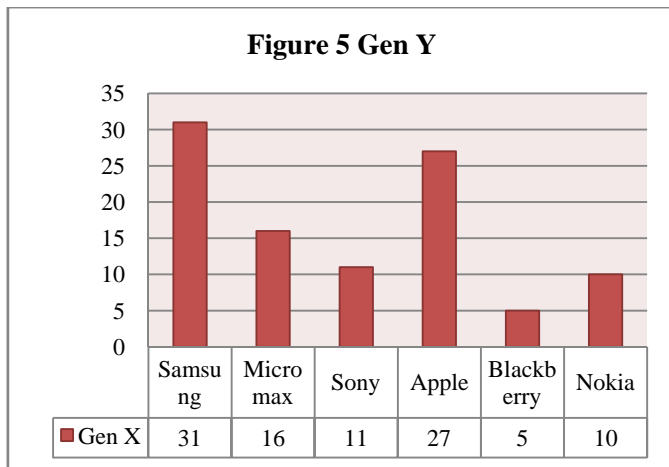
#### 3.2 Hypothesis of the study

H01: There is no significant difference of income and occupation on buying Behavior of Mobile Phones of Generation Y.



### 4. RESULTS & DISCUSSIONS

The figure 5 depicts the Brands of Smart phones used by Gen Y. Samsung (31%) was rated among the most popular handset followed by Apple (27%), Micromax (16%), Sony (11%), Nokia (10%) and Blackberry (5%) respectively.



The figure 6 depicts the Market share of Service providers in terms of Consumer adoption of a particular service . Being the most expensive player still Airtel (25%) dominates the telecom market with maximum number of users, Vodafone(23%) holds the second most popular service provider followed by Reliance (18%), BSNL (14%), Aircel (13%) and Docomo (7%) respectively.

Table 1: Income

ANOVA		Sum of Squares	Df	Mean Square	F	Sig.
Time	Between Groups	21.705	4	5.426	5.564	Sig.
	Within Groups	238.939	245	.975		
	Total	260.644	249			
Price	Between Groups	3.492	4	.873	1.035	N.S
	Within Groups	206.652	245	.843		
	Total	210.144	249			
Brand	Between Groups	8.888	4	2.222	1.081	N.S
	Within Groups					

	Within Groups	503.512	245	2.055		
	Total	512.400	249			
Change of cell phone	Between Groups	19.545	4	4.886	4.116	Sig.
	Within Groups	290.859	245	1.187		
	Total	310.404	249			
Switch	Between Groups	9.914	4	2.479	3.949	Sig.
	Within Groups	153.770	245	.628		
	Total	163.684	249			
New Brand	Between Groups	5.182	4	1.295	.832	N.S
	Within Groups	381.302	245	1.556		
	Total	386.484	249			
Operating System	Between Groups	30.797	4	7.699	4.592	Sig.
	Within Groups	409.090	244	1.677		
	Total	439.888	248			
Service Provider	Between Groups	36.330	4	9.083	2.198	N.S
	Within Groups	1012.474	245	4.133		
	Total	1048.804	249			
Internet Expenses	Between Groups	10.993	4	2.748	3.426	Sig.
	Within Groups	196.531	245	.802		
	Total	207.524	249			
Phone Expenses	Between Groups	6.941	4	1.735	2.626	Sig.
	Within Groups	190.200	244	.780		
	Total	197.141	248			
Alternate Handset	Between Groups	4.562	4	1.140	2.828	Sig.
	Within Groups	98.802	245	.403		
	Total	103.364	249			
Limitation of Internet	Between Groups	9.183	4	2.296	2.474	Sig.
	Within Groups	227.317	245	.928		
	Total	236.500	249			

(\* at 2.41 .05 level (4,245)

The analysis produced a significant analysis of Variance [F(4,245)=2.41 , p <.05 ] indicating there was difference of **income** on time since respondent has been using cell phone [F(4,245) = 5.564 , p = .057 ] , how often do you change cell phone [F(4,245) = 4.116 , p = .017 ] , are you ready to switch your current brand [F(4,245) = 3.949 , p = .013 ] , which operating system used [F(4,245) = 4.592 , p = .054 ] ,Internet

**Table 2: Occupation**

expenditure [F(4,245) = 3.426 , p = .028 ], Monthly Phone Expenses[F(4,245) = 2.626, p = .015 ] , Alternate Smartphone[F(4,245) =2.828 , p = .008 ] , Limitation of Internet [F(4,245) = 2.474, p = .043 ].

ANOVA		Sum of Squares	df	Mean Square	F	Sig.
Time	Between Groups	1.323	4	.331	.312	N.S
	Within Groups	259.321	245	1.058		
	Total	260.644	249			
Price	Between Groups	.522	4	.130	.152	N.S
	Within Groups	209.622	245	.856		
	Total	210.144	249			
Brand	Between Groups	6.641	4	1.660	.804	N.S
	Within Groups	505.759	245	2.064		
	Total	512.400	249			
Change of Cell phone	Between Groups	5.386	4	1.347	1.082	N.S
	Within Groups	305.018	245	1.245		
	Total	310.404	249			
Switch	Between Groups	1.952	4	.488	.739	N.S
	Within Groups	161.732	245	.660		
	Total	163.684	249			
New Brand Preference	Between Groups	9.275	4	2.319	1.506	N.S
	Within Groups	377.209	245	1.540		
	Total	386.484	249			
Operating System	Between Groups	12.906	4	3.227	2.844	Sig.
	Within Groups	426.981	244	1.750		
	Total	439.888	248			
Service Provider	Between Groups	41.660	4	10.415	2.534	Sig.
	Within Groups	1007.144	245	4.111		
	Total	1048.804	249			
Internet Expenses	Between Groups	1.861	4	.465	2.554	Sig.
	Within Groups	205.663	245	.839		
	Total	207.524	249			
Phone Expense	Between Groups	3.665	4	.916	2.755	Sig.
	Within Groups	193.476	244	.793		
	Total	197.141	248			

Alternate	Between Groups	1.812	4	.453	1.093	N.S
Handset	Within Groups	101.552	245	.414		
	Total	103.364	249			
Limitation Of Internet	Between Groups	3.753	4	.938	.988	N.S
	Within Groups	232.747	245	.950		
	Total	236.500	249			

(\* at 2.41 .05 level (4,245))

The analysis produced a significant analysis of Variance [F(4,245)=2.41 , p <.05 ] indicating there was difference of **occupation** on current brand service provider [F(4,245) = 2.534 , p = .028 ] , which operating system used [F(4,245) = 2.844 , p = .057 ] ,Internet expenditure [F(4,245) = 2.554 , p = .017 ] , Monthly Phone Expenses[F(4,245) = 2.755, p = .028 ].

Since the results for both the variables income & occupation are found positive hence the null hypothesis is rejected. Both the variables have a significant effect on the Buying Behaviour of Generation Y with Reference to Mobile phone.

## 5. CONCLUSIONS

Gen Y has been growing up in a time where brand is very important and almost every product / service which they consume is branded and Gen Y showed their loyalty towards a particular brand by acknowledging that among all the options which are available their brand of cell phones happens to be the first choice among all the available brands. Branding encourages Gen Y to promote loyalty which in turn matches & reflects their image and personality. Among a majority of respondents price competitiveness is one of the major factors influencing their brand selection. Furthermore it was found in the study that the frequency with which users plan to change their cell phones is less than one year with respect to their income levels thus creating opportunities for new entrants in the market thereby with a stronger competitive price advantage. The average monthly expenses on phone are Rs. 540 which includes an average of Rs. 105 spent on 3G services. The most preferred operating system has been Android since it is more user friendly and its cross-platform nature makes it more flexible. A majority of respondents have been using an alternate smart phone besides their regular smart phones irrespective of their income and occupation.

## 6. ACKNOWLEDGEMENTS

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