

**Dissertation Report**  
**On**  
**Consumer buying behavior & Preference regarding**  
**Different Cell phone Brands in India**

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## **Declaration**

I Kunal Sridhar, 2K11/MBA/26, student of Delhi School of Management hereby declare that I have pursued a research study on the topic “**Consumer Buying behavior and Preference regarding different Cell phone brands in India**” under the guidance of Mrs. Meha Joshi, Delhi School Of Management. I also declare that this work has not been submitted in part or full to this or any other organization/ institute as part of any project work by me.

## **Acknowledgement**

It is indeed a matter of great pleasure to present this project report on the topic **“Consumer Buying behavior and Preference regarding different Cell phone brands in India”** to The Head, Delhi School Of Management. I gratefully acknowledge my profound indebtedness towards my esteemed guide **Mrs. Meha Joshi, Assistant Professor, Delhi School Of Management** for her invaluable guidance, excellent supervision and constant encouragement during the entire the project work. I also take the opportunity to thank **Prof. P.K.Suri, Head, Delhi School Of Management** for being a constant support in deciding the framework of the research study

Last but not the least; I would like to express my gratitude towards my parents for their constant encouragement & support.

**Kunal Sridhar**  
**Delhi School Of Management**

## **Certificate**

It is to certify that the thesis entitled “**Consumer Buying behavior and Preference regarding different Cell phone brands in India**” is an authentic task carried out by **Kunal Sridhar**, student of the MBA program at Delhi School of Management, Delhi Technological University. I further confirm that the study taken up by him has been carried out under my supervision and guidance. His efforts throughout the project were satisfactory.

**Mrs. Meha Joshi**  
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## **EXECUTIVE SUMMARY**

### **Mobile phones in India**

**Mobile Phones** have a huge market in the world and especially in India. With the inset of Multi- Nationals the want for a better lifestyle has turned into a need and more precisely the Mobile has become a necessity rather than a luxury commodity. Wireless and Cellular Phones are soon picking up the market in India as the demands of the consumers are growing.

The Mobile Phone Market comprises of corporate giants playing in a cutting edge competitive environment. The sharks in the system namely **Nokia, Samsung, Apple iPhone, Micromax, Motorola, Sony Ericsson, LG** etc. introduce latest Mobile Phone Models at regular intervals in order to keep the smaller fishes aware of their superiority in the business. The range of accessories available for each Handset caters to the demands of all kinds of users.

With the rising living standards, many Mobile Phone Stores have come up in India that offer the entire range available along with special Offers and Free Gifts. The Mobile phone sales have touched a new high ever since the introduction of technologies like Camera, Games, polyphonic Ringtones, extendable memories in the form of Memory Cards, Video Recording, Bluetooth, Wi-Fi, GPRS etc.

Carrying a camera or a camcorder is no longer a liability as you can capture any image in your Mobile phone and then transfer it to a computer with the help of a USB connector, or a card reader of the Mobile Phone Memory Card or use the Bluetooth, Wi-Fi, GPRS operations for data transfer. Mobile Phones Games have captured the interests of youngsters and adults alike. Many people are actually addicted to them. The large and bulky gaming devices have reduced to either handheld video games that are certainly passé or the playstations that are way too expensive. The Mobile Phones offering various Gaming Softwares duly fill up the void. Introduction of polyphonic ringtones have been in literal sense music to the ears of the users. Music Players supporting the entire popular downloadable music format available and FM radio have reduced the role of music systems in the lives of amateur music lovers. In-built and Extendable Memory has enabled storage of more data, be it notes, music, videos etc. Mobile- to-Mobile and Mobile-to-Computer transfer of data is possible via Bluetooth, Infrared, Wi-Fi, GPRS, USB Connector. WAP provides interactive data services such as e-mails, music downloads, news etc.

With all these available techniques, the Indian Mobile Users have a vast choice served to them. The consumption of Mobile Phones in India is touching new heights with the boom in the IT industry. The center places of the IT revolution in India, Bangalore, Chennai, Delhi, Hyderabad and Mumbai boast of numerous Mobile Phone Connections. Consequential to the arrival of newer and higher varieties in the market, Comparison among handsets as well as Companies is inevitable. As a promotional tool, the leaders in the field like Nokia, Samsung, I-Phone, Apple, Micromax, Motorola, Sony Ericsson, LG make regular market surveys to keep the Mobile Phone Prices in India affordable to the

mass consumers (mainly the middle class) and luring to the luxury consumers (mainly the elite).

Online Mobile Stores also offer attractive Deals on Mobile Phones. Any detailed information regarding the Latest Models, Updated Price Lists, Reviews, Comparisons, Downloads, and even Ratings can be viewed online. Some websites providing useful information on Mobile Phones are:

- Themobilestore.in
- Flipkart.com
- Snapdeal.com
- indiahousing.com,
- ebay.in,
- futurebazaar.com
- rediffshopping.com
- Yehbhi.com

In the current study, the researcher aims to understand consumer buying behavior and their taste & preference regarding the top brands in the cell phone industry in India. The researcher conducts quantitative research technique: Survey Method and Questionnaire and then evaluated primary and secondary research data to give suitable suggestions and recommendation.

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# 1. INTRODUCTION



## **1.1 Cell Phone Industry In India**

### **ABOUT CELLPHONES : FROM PAST TILL PRESENT**

Mobile phone is a small, portable communication device that enables people to make phone calls whenever where they are. It receives and gives out signals via the service providers through transmitting towers and even via satellite. The convenience of mobile phone is allowing people to communicate with one another without the limitation of regions and time. Today, mobile phones have become an important part of communicating with your friends and relatives. Mobile Phones have become a must, not just for business men and working people but also for young college going youths. We all know about the importance of this handheld handset

Mobile phone is a device providing two-way communication. Signal transmission is the very basic concept for mobile phone. It uses the radio wave theories which are similar to the ordinary radios. The frequencies of mobile phones of course are stronger and higher than ordinary radios to enable clearer conversation among users. The transmission of the mobile phones allow these radio wave (signals) to interact (to receive and send) from the device to the transmission centers (towers), then to another user (no matter land line or another mobile phone). The signals of mobile phone are split into small cells (This is also why mobile phones are also known as Cell Phones earlier) geographically. These cells allow radio transmission enabling authorized signals to receive and send out among the mobile phones.

### **HISTORY OF MOBILE PHONES**

The history of cell phones goes back in the year 1843, a man by the name Michael Faraday studied to see if space could conduct electricity. This man in the process developed the cell phone, in the year 1865. The first person to come up with the idea of transmitting and receiving messages was Doctor Mahlon Loomis. He was the first person to communicate through the wireless atmosphere.

The beginning history of cell phones is based upon radio technology that was developed from the 1940's onward. For instance the beginning of cell phones can be traced to the innovation in taxi cabs, police cars and other service vehicles where two way radios were used to communicate with one another or with a central base. Early cell phone communication technology could be even traced back to individuals with special radios that can patch into a phone line via live operator to make a phone call.

The first official mobile phone was used in Sweden by the Swedish police in 1946. The technology was connected to the telephone network and was distinctive of two way radio technology. The phone was not very practical; it was only able to make 6 phone calls before the car's battery was drained. In 1946, America AT&T and Southwestern Bell brought out the first commercial mobile telephone service in 1946. This service is used on communication devices which are permanently installed on vehicles. It uses a weaker

signal (compared to what mobile phones receive now), but a similar theory of receiving and giving out signals. Though, the bandwidth is very low.

The technology of modern cell phones started with the creation of hexagonal cells for mobile phones by D.H. Ring from Bell Labs in 1947, later on another engineer from Bell Labs conceived of cell towers that would transmit and receive signals in three directions instead of normal bi directional antennas. However, although some technologies have been developed, electronics and other technologies would take decades to mature and to be developed. For instance, the electronics that were used in the first cell phones were first developed in the 1960's

By 1967, mobile phone technology was available; however, the user had to stay within one cell area. Cell areas which were serviced by a base station were unable to hand off cellular phone calls from one base station to another. While you could make a phone call, you weren't able to continue the call after you reached a set range. In 1970, Amos Edward Joel, who also was an engineer at Bell Labs, developed the call handoff system. This technology facilitated continuity of a phone call from one area to another without dropping the phone call.

The first cell phone project was for Motorola in 1973 by Martin Copper. He was the one responsible to let the people of New York see it. The first cell phone was made in Chicago in 1977. Initially people were given the cell phone on a free trial to understand and study the product. Slowly and steadily many big companies joined hands and cell phone were found in over 54 places all over the world.

The modern mobile phones are developed, researched and experimented in the 1970s. AT&T Bell Lab and Motorola from United States are the pioneers in that time. Mobile phone was patented individually by Motorola in 1975. Though, the first commercial mobile phone system (also known as network system or system operator) was launched in Japan in 1979. The second mobile phone system was established in 1981 later in United States. In the late 1980s, along with the commercialized mobile phone system, the mobile phone industry started to develop rapidly and attracting more users to use mobile phones.

In 1990s, along with the popularity on a new network system GSM (*Global System for Mobile Communication*), more and more people started to subscribe for mobile phones. In 2003, there are about 1.52 billion mobile phone users around the world, making it a big and important industry in the technology field

### **EVOLUTION OF MOBILE PHONES- TECHNOLOGY**

From the development since the first modern mobile phone launch, the industries has developed rapidly and changed a lot in the short 20 years. Here are the different stages of the mobile phone:

## **Stages of Evolution**

### **❖ First Generation (1G)**

The first generation mobile phone refers to the mobile phones that were developed in the 1980s.

In 1983, Motorola unveiled to the world, the first truly portable cellular phone. It was called the Motorola DynaTAC 8000X. Motorola developed the technology for cellular phones for decades and this particular phone took 15 years to come to market at an expense of over 100 million dollars in research costs. The DynaTAC800X was extremely lightweight for its time and only weighed about 28 ounces. It was 13 inches x 1.75 inches x 3.5 inches and was known as the Brick for its shape. It was largely developed with the help of Dr. Martin Cooper of Motorola.

While most cell phones weren't made to be carried in your hand, all phones were made for permanent installation in the car. For a while the term "car phone" was extremely popular. Besides car phones, there were a few models that came in tote bag type configurations that can easily hook up to a car's battery, via the DC outlet to make calls. There were also a few models that came as briefcases, to hold large batteries necessary to make phone calls.

### **❖ Second Generation (2G)**

The 2G was introduced to the market basically in the early 1990s. GSM and CDMA (*Code Divisional Multiple Access*) are the different protocols that brought the mobile phone into the second generation stage. The protocols of the 2G mobile phone are digitalized transmitted. SMS (*Short Message Service*) is also the services added for the 2G services.

Phones based on 2G technology were much smaller than the brick telephones of the mid to late 80's. Most 2G cellular phones were usually in the range of 100 to 200 grams, plus they were hand held devices that were truly portable without the need for a large battery. Advances in battery technology, as well as computer chip technology also helped to make 2G cell phones much smaller than their predecessors. With these innovations, cell phone usage soared.

### **❖ Second And a Half Generation (2.5G)**

Still under the same network protocol, but provided services such as WAP (*Wireless Application Protocol*) and GPRS (*General Packet Radio Service*) enabling mobile phones to access on certain websites. Colored screen with camera featured mobile phones were also introduced in this stage (not all phones are featured with these new functions).

### **❖ Third Generation (3G)**

Third Generation cellular phones is the technology that is currently available today and it is commonly referred to as 3G. While 3G came only a few years after 2G, mainly due to

many innovations in technology and services, standards for 3G are usually different depending on the network.

3G mobile phones usually include innovations to receive much more than phone calls, A whole new network protocol launched in the twenty-first century. The 3G protocol enables high speed connection (speed similar to broadband connection) to access through internet and also video calls. Currently technologies are continuing to improve and new innovations such as streaming radio and TV, as well as Wifi are currently breaking into the market.

#### ❖ **Fourth Generation (4G)**

In telecommunications, **4G** is the fourth generation of mobile phone mobile communication technology standards. It is a successor of the third generation (3G) standards. A 4G system provides mobile ultra-broadband Internet access, for example to laptops with USB wireless modems, to smartphones, and to other mobile devices. Conceivable applications include amended mobile web access, IP telephony, gaming services, high-definition mobile TV, video conferencing, 3D television and Cloud Computing.

## 1.2 Profile of Different Mobile Brands in India

### SAMSUNG

**Samsung** is a South Korean multinational electronics company headquartered in Suwon, South Korea. It is the flagship subsidiary of the Samsung Group and has been the world's largest information technology company by revenues since 2009. Samsung Electronics has assembly plants and sales networks in 88 countries and employs around 370,000 people.

Samsung has previously been known for its position as a manufacturer of components such as lithium-ion batteries, semiconductors, chips, flash memory and hard drive devices for clients such as Apple, Sony, HTC and Nokia. In recent years, Samsung Electronics has actively expanded in consumer markets moving away from its manufacturing roots - marked by new products and increasing revenue.

Samsung has gained prominent position in the mobile phone market - fuelled by its flagship **Samsung Galaxy** line of devices. The company has also established a prominent position in the tablet computer market, with the release of the Android-powered Samsung Galaxy Tab and Note 10.1.

Samsung has been the world's largest maker of LCD panels since 2002, the world's largest television manufacturer since 2006, and world's largest manufacturer of mobile phones since 2011. Samsung Electronics displaced Apple Inc. as the world largest technology company in 2011 and has been a major part of the Miracle on the Han River - accounting for 17% of the South Korean economy

### NOKIA

**Nokia Corporation** (is a Finnish multinational communications and information technology corporation (originally a paper production plant) that is headquartered in Helsinki, Finland. Its principal products are mobile telephones and portable IT devices. It also offers Internet services including applications, games, music, media and messaging, and free-of-charge digital map information and navigation services through its wholly owned subsidiary Navteq. Nokia has a joint venture with Siemens, Nokia Siemens Networks, which provides telecommunications network equipment and services.

Nokia has around 101,982 employees across 120 countries, sales in more than 150 countries and annual revenues of around €30 billion. It is the world's second-largest mobile phone maker by 2012 unit sales (after Samsung), with a global market share of 22.5% in the first quarter of that year. Nokia is a public limited-liability company listed on the Helsinki Stock Exchange and New York Stock Exchange. It is the world's 143rd-largest company measured by 2011 revenues according to the *Fortune Global 500*.

Nokia was the world's largest vendor of mobile phones from 1998 to 2012. However, over the past five years it has suffered a declining market share as a result of the growing use of smartphones from other vendors, principally the Apple iPhone and devices running on Google's Android operating system. As a result, its share price has fallen from a high of US\$40 in late 2007 to under US\$2 in mid-2012. Since February 2011, Nokia has had a strategic partnership with Microsoft, as part of which all Nokia smartphones will incorporate Microsoft's Windows Phone operating system (replacing Symbian). Since then previously increasing smartphone sales have been collapsing and the previously profitable smart devices business unit went loss-making

### **Some firsts for Nokia in India:**

- 1995 – First mobile phone call made in India on a Nokia phone on a Nokia network
- 1998 - Saare Jahaan Se Acchha, first Indian ringtone in a Nokia 5110
- 2000 - First phone with Hindi menu (Nokia 3210)
- 2002 - First Camera phone (Nokia 7650)
- 2003 - First Made for India phone, Nokia 1100
- 2004 - Saral Mobile Sandesh, Hindi SMS on a wide range of Nokia phones
- 2004 - First Wi-fi Phone- Nokia Communicator (N9500)
- 2005 – Local UI in additional local language
- 2006 – Nokia manufacturing plant in Chennai
- 2007 – First vernacular news portal

### **Apple iPhone**

The iPhone is a line of smartphones designed and marketed by Apple Inc. It runs Apple's iOS mobile operating system, known as the "iPhone OS" until June 2010, with the release of iOS 4.<sup>[15]</sup> The first generation iPhone was released on June 29, 2007;<sup>[16]</sup> the most recent iPhone, the sixth-generation iPhone 5, on September 21, 2012.<sup>[17]</sup> The user interface is built around the device's multi-touch screen, including a virtual keyboard. The iPhone has Wi-Fi and cellular connectivity (2G, 3G, 4G, and LTE).

An iPhone can shoot video (though this was not a standard feature until the iPhone 3GS), take photos, play music, send and receive email, browse the web, send texts, and receive visual voicemail. Other functions—games, reference, GPS navigation, social networking, etc.—can be enabled by downloading apps; as of 2012, the App Store offered more than 775,000 apps by Apple and third parties.

There are six generations of iPhone models, each accompanied by one of the six major releases of iOS. The original 1st generation iPhone was a GSM phone, and established design precedents, such as a button placement that has persisted through all models and a screen size maintained until the launch of the iPhone 5 in 2012. The iPhone 3G added 3G

cellular network capabilities and A-GPS location. The iPhone 3GS added a faster processor and a higher-resolution camera that could record video at 480p. The iPhone 4 featured a higher-resolution 960 × 640 "retina display", a VGA front-facing camera for video calling and other apps, and a 5-megapixel rear-facing camera with 720p video capture. The iPhone 4S upgrades to an 8-megapixel camera with 1080p video recording, a dual-core processor, and a natural language voice control system called Siri. iPhone 5 features the new A6 processor, increases the size of the Retina display to 4 inches, and replaces the 30-pin connector with an all-digital Lightning connector.

The resounding sales of the iPhone have been credited with reshaping the smartphone industry and helping make Apple one of the world's most valuable publicly trading companies in 2011–12. However, there has been criticism of the company's outsourcing and move of jobs from the US to China. Apple and its manufacturing contractor Foxconn have received criticism due to poor working conditions at the assembly plant in China.

## **MICROMAX**

**Micromax** is an Indian consumer electronics company located in Gurgaon, Haryana, India. It focuses on the manufacturing of mobile telephones and LED televisions. It has 23 domestic offices across the country and international offices in Hong Kong, USA and Dubai. Presently, the company has about 1400 employees.

Micromax is the largest mobile phone manufacturer in India and 12th largest handset manufacturer in the world. According to industry analysts, as of 2012, Micromax leads the Indian tablet market with a share of 18.4%, ahead of Samsung and Apple, and is the third largest mobile phone vendor in terms of volume. The company's rapid market share growth since it entered the Indian mobile devices market in 2008 is primarily attributed to its strategy of aggressive low pricing in the entry-level segments of its products and its wide distribution setup. The company operates in 14 locations: Hong Kong, Bangladesh, Nepal, Sri-Lanka, Maldives, UAE, Kingdom of Saudi Arabia, Kuwait, Qatar, Oman, Afghanistan and Brazil.

**Micromax A115 Canvas 3D** leaked online on April 8, 2013 with rumored specifications like 5-inch display, 1GB of RAM, MediaTek MT6577 Dual Core Processor, 8MP Rear Camera, 2MP Front Facing Camera and will be running on Android 4.1 Jelly Bean OS.

**Micromax A116 Canvas HD** is a smartphone with the following features: Quad-core 1.2 GHz Cortex-A7, PowerVR Series 5XT GPU, 8 megapixel (MP) camera with 720p hd recording, 2MP front camera, dual-LED flash, 156 grams weight, 1GB RAM, 4GB internal memory (2GB usable and expandable up to 32GB), IPS LCD touchscreen, 16M colors, 720 x 1280 pixels, 5.0 inches (~294 ppi pixel density).

**Micromax Canvas 2 A110** is a smartphone with a dual-core 1 GHz Cortex-A9 processor, PowerVR SGX531 GPU, 8 MP camera, front camera, 116 gram weight, 512

RAM, 4 GB internal memory (2 GB usable and expandable up to 32 GB), IPS LCD capacitive touchscreen, 16M colors, 480 x 854 pixels, 5.0 inches (~196 ppi pixel density).

## **SONY ERICSSON**

Sony Ericsson currently concentrates on the categories of: music, camera, business (web and email), design, all-rounder, and budget focused phones.

- The Walkman-branded W series music phones, launched in 2005. The Sony Ericsson W-series music phones are notable for being the first music-centric series mobile phones, prompting a whole new market for portable music that was developing at the time.
- The Cyber-Shot-branded line of phones, launched in 2006. This range of phones are focused on the quality of the camera included with the phone. Cyber-shot phones always include a flash, some with a xenon flash, and also include auto-focus cameras. Sony Ericsson kicked off its global marketing campaign for Cyber-shot phone with the launch of 'Never Miss a Shot'.
- The UIQ smartphone range of mobiles, introduced with the P series in 2003 with the introduction of P800. They are notable for their touchscreens, QWERTY keypads (on most models), and use of the UIQ interface Platform from Symbian OS. This has since expanded into the M series and G series phones.

The Xperia range of mobile phones, heralded by the Sony Ericsson XPERIA X1 on February 2008 at the Mobile World Congress (formerly 3GSM) held in Barcelona Spain.

- Operating System into Sony Ericsson powerhouse smartphones. XPERIA was the first trademark promoted by the Sony Ericsson as it's own and is designated to provide technological convergence among it's target user base



### **1.3 Objective of the study**

- To understand consumer buying behavior and their taste & preference vis-à-vis the top brands in the cellphone industry in India.
- To assess the buyer want and behavior as well the actual and potential market size .Thus studying different parameters to understand the various preferences of the consumer.
- To understand the consumer preferences regarding the usage of cellphones.
- To understand the customer satisfaction level and brand Retention.
- To identify brand loyalty and brand preference of the consumer

# 2. LITERATURE REVIEW

The Indian mobile phone market is very competitive with more than 150 device manufacturers selling devices to consumers. Most of these manufacturers remain focused on the low-cost feature phone market which still constitutes over 91 percent of overall mobile phone sales, offering a huge market to compete in. The increase in share of smartphone device sales, declining sales to first time buyers and the continuous focus of global manufacturers on the low cost feature phone market, has put many of the 150 plus local and Chinese device manufacturers under survival mode. Many of them are already struggling to maintain share in the growing market.”

Some of these local and Chinese manufacturers are building capabilities, distribution and brand to compete with the big global players as they are preparing to compete at a larger level covering broader consumer segments. Manufacturers such as ZTE, Micromax, Huawei , Karbonn Mobile, stand at sixth, seventh, eleventh and twelfth in the Indian smartphone market in 1H12 and are constantly expanding their smartphone portfolio to compete at a larger level with big global manufacturers Samsung and Nokia which held the first and second position respectively.

Samsung’s brand strength and wide device portfolio has allowed it to take advantage of the high growth opportunities in Indian market. Samsung’s share has risen from 15 percent in 1Q11 to 49.8 percent in 2Q12. If Samsung continues this strong growth, it could end 2012 with more than 60 percent share — exactly where Nokia was at the start of 2011..

Mobile device sales in India are forecast to reach 251 million units in 2013, an increase of 13.5 percent over 2012 sales of 221 million units, according to Gartner, Inc. The mobile handset market is expected to show steady growth through 2016 when end user sales will surpass 326 million unit.

According to CMR’s India Mobile Handsets Market Review, CY 2012, March 2013 release, India registered 221.6 million mobile handset shipments for CY (January-December) 2012. During the same period, 15.2 million smartphones were shipped in the country.

**Table 1. India Mobile Handsets Market: CY 2012 versus CY 2011 (in terms of unit shipments)**

<b>Form Factor</b>	<b>Shipments (CY 2011)</b>	<b>Shipments (CY 2012)</b>	<b>Year-on-Year Growth, CY 2012 over CY 2011 (%)</b>	<b>Half Year-on- Half Year Growth, 2H 2012 over 1H 2012 (%)</b>
Mobile Handsets	183.4	221.6	20.8%	16.4%
Feature phones	172.2	206.4	19.9%	11.3%
Smart phones	11.2	15.2	35.7%	75.2%

Samsung, Nokia and Apple are the leading Mobile vendors by shipments in Q1 2012, according to a report by Research Firm IDC (International Data Corporation). The Worldwide mobile phone market declined 1.5% year over year in the Q1 2012 with worldwide shipments of 398.4 million units compared to 404.3 million units in the first quarter of 2011.

The worldwide smartphone market grew 42.5% year over year in Q1 2012 with 144.9 million smartphones shipped compared to 101.7 million units in Q1 2012. Samsung overtook Apple and leads as the top smartphone vendor based on Shipments. They have also created a new record for most number of smartphones shipped in a single quarter with 42.2 million shipments and 29.1%. Apple is in second spot with 24.2% market share, followed by Nokia with 8.2% market share that is down by 50.8% compared to Q1 2011.

**Top Five Worldwide Smartphone Vendors, Shipments, and Market Share, Q1 2012  
(Units in Millions)**

Vendor	1Q12 Unit Shipments	1Q12 Market Share	1Q11 Unit Shipments	1Q11 Market Share	Year-over-year Change
Samsung	42.2	29.1%	11.5	11.3%	267.0%
Apple	35.1	24.2%	18.6	18.3%	88.7%
Nokia	11.9	8.2%	24.2	23.8%	-50.8%
Research In Motion	9.7	6.7%	13.8	13.6%	-29.7%
HTC	6.9	4.8%	9.0	8.9%	-23.3%
Others	39.1	27.0%	24.5	24.1%	59.6%
Total	144.9	100.0%	101.7	100.0%	42.5%

Source: IDC Worldwide Mobile Phone Tracker, May 1, 2012

**Note:** Vendor shipments are branded shipments and exclude OEM sales for all vendors.

The table above indicates the Worldwide Mobile shipments based on the total unit shipments and market share in Q1 2012. Samsung tops the worldwide Mobile phone shipments with 23.5% market share in Q1 2012 that is 35.4% more than Q1 2011. Nokia is right behind with 82.7 shipments but has 23.8% less market share compared to Q1 2011. Apple is in the same 3rd spot. ZTE pushes LG to 5th spot.

The India smartphones market during 2H 2012 saw a rise in shipments by 75.2% over and above the 1H 2012 number, taking the overall contribution of smartphones to 6.8% for the full year. In fact, during 2H 2012, smartphone shipments stood at 8.1% of the country's total mobile handset shipments. While BlackBerry was at third spot during 1H 2012, Sony Mobiles displaced the former if we examine numbers for the full CY 2012.

A comparison of overall mobile handset shipments and featurephone shipments shows a direct correlation for the India mobile handsets market rankings. Market shares are somewhat similar for the top three players across the overall market and the featurephones segment, as shown in Table 2.

**Table 2. India Mobile Handsets Market: Leading Players, CY 2012 (% of unit shipments)**

Player	Rank – Overall	Share – Overall (% of unit shipments)	Rank – Featurephones segment	Share – Featurephones segment (% of unit shipments of featurephones)
Nokia	#1	21.8%	#1	22.5%
Samsung	#2	13.7%	#2	11.5%
Micromax	#3	6.6%	#3	6.5%

Source: CMR’s India Mobile Handsets Market Review, CY 2012, March 2013 release

Although we see a huge market ‘hype’ around smartphones, the fact remains that the India Mobile Handsets market is still dominated by shipments of featurephones. On the other hand smartphone shipments are growing fast. This indicates India is still a ‘new phone’ market, where featurephones contribute to the bulk of shipments compared to replacements or upgrades.

“This propensity on the part of Indian subscribers of mobile telephony services to purchase large numbers of featurephones has paved the way for the establishment of Indian brands, which are largely focused on this segment.”

**Table 3. India Mobile Handsets Market: Leading Smart Phone Players, CY 2012 (in terms of % of unit shipments)**

Player	Rank	Share (% of unit shipments of smartphones)
Samsung*	#1	43.1%
Nokia	#2	13.3%
Sony Mobiles	#3	8.2%

The India smartphones segment has very distinct characteristics vis-à-vis the overall market. We believe the struggle for leadership in the India smartphones market is going to intensify through 2013 as vendors bring new form factors to market.

Players such as Samsung, HTC and Sony Mobiles will increasingly try to establish leadership through differentiated offerings and by promising a ‘seamless’ experience across the four consumer screens – smartphone, tablet, PC and TV. At the same time, home grown vendors such as Micromax, Karbonn and Lava will try to make a mark against their global competitors, by bringing to market powerful, yet attractively priced smartphones in an attempt to widen their appeal and grow the overall smartphone user base.

# 3. RESEARCH METHODOLOGY

## **Research Methodology**

Here we aim to understand the research methodology establishing a framework of evaluation and revaluation of primary and secondary research. The techniques and concepts used during primary research in order to arrive at findings; which are also dealt with and lead to a logical deduction towards the analysis and results.

### **Quantitative Research**

Quantitative research is about measuring a market and quantifying that measurement with data. Most often the data required relates to market size, market share, penetration, installed base and market growth rates.

However, quantitative research can also be used to measure customer attitudes, satisfaction, commitment and a range of other useful market data that can tracked over time.

Quantitative research can also be used to measure customer awareness and attitudes to different manufacturers and to understand overall customer behavior in a market by taking a statistical sample of customers to understand the market as a whole.

The different techniques of conducting quantitative research are:

- Survey method
- Questionnaires

# 4. CASE STUDY



## 4.1 Introduction to the case

### Problem Definition

1. The current perception and attitude towards cell phones is changing. **Most people perceive cell phones not only as communication mode but their buying is influenced by various other factors.** Thus innovation is the essence of cell phone industry and in order to survive in a highly competitive market ,its necessary to understand these attributes .
2. The second problem, which we came across while doing our exploratory research, is that the **companies face the problem of customer retention** since the market is flooded with new and attractive mobile phones thus, it is required on the part of the companies to update themselves regarding changing needs of the customer.

### Need And Scope Of The Study

The dynamic nature of every industry keeps the pulses of the companies operating in each sector racing. With its rapid growth in India, it has become essential to pay much attention to it.

The behavior of the Indian consumers towards the cell phones has been changing. It is essential to study this behavior further in order for it to improve. Knowing the consumers' perception is crucial as it facilitates consumers' behavior prediction.

So this research is basically done to to understand consumer buying behavior and their taste & preference regarding the top brands in the cellphone industry in India.

## **4.2 Data Collection Techniques**

### **GENERAL MARKETING RESEARCH PROCESS**

#### **Beginning with the research**

- Formulate marketing research problem
- Determine research design (Exploratory / Causal)
- Determine data collection method (Secondary / Primary)
- Sampling frame
- Sample selection process (Probability sample / Nonprobability sample)
- Sample size
- Design data collection forms
- Design sample questionnaire and collect data
- Editing (Check the completeness and consistence of data as well as completeness of instructions)
- Analyze and interpret the data
- Prepare the research report

### **TARGET POPULATIONS AND SAMPLE SIZE**

We all are aware that cellphone industry is one of the most booming industries in our country. Almost every individual we come across owns a cellphone, be it a rickshaw wala or a company CEO. The only difference being the usage and the brand preference.

The kind of cellphone owned by a person has a direct relationship with the income level. Hence, the questionnaire includes an income level based question.

The target population shall obviously be the users of cellphone and within the Delhi and NCR region. The sample size is restricted to the age group of 18-40+ years.

The questionnaire has been designed keeping in mind the research objectives. The language has been kept simple for easy understanding by the general population.

Therefore the target population that was taken for the analysis of cellphone usage in Delhi & NCR region was:

- Both men and women
- Age group: 18-40+

### **QUESTIONNAIRES**

The questionnaire method has come to be more widely used and economical means of data collection. The common factor in all varieties of the questionnaire method is the reliance on verbal responses to questions, written or oral. The researchers found it

essential to make sure the questionnaire was easy to read and understand to all spectrums of people in the sample. It was also important as researchers to respect the samples time and energy hence the questionnaire was designed in such a way, that its administration would not exceed 5-10 minutes. The questionnaires prepared by us consisted of 15 questions so that it does not waste the valuable time of the sample population.

The researchers were overwhelmed with the potential benefits and ease of administrating questionnaires. The questionnaires were found to be a simple and a direct manner to generate feedback from the users of the product, taking their minimum time and effort.

Data was collected by contacting people online and pursuing them to fill the questionnaire online only.

## **SCALING TECHNIQUES USED IN THE RESEARCH**

### **COMPARATIVE SCALES:**

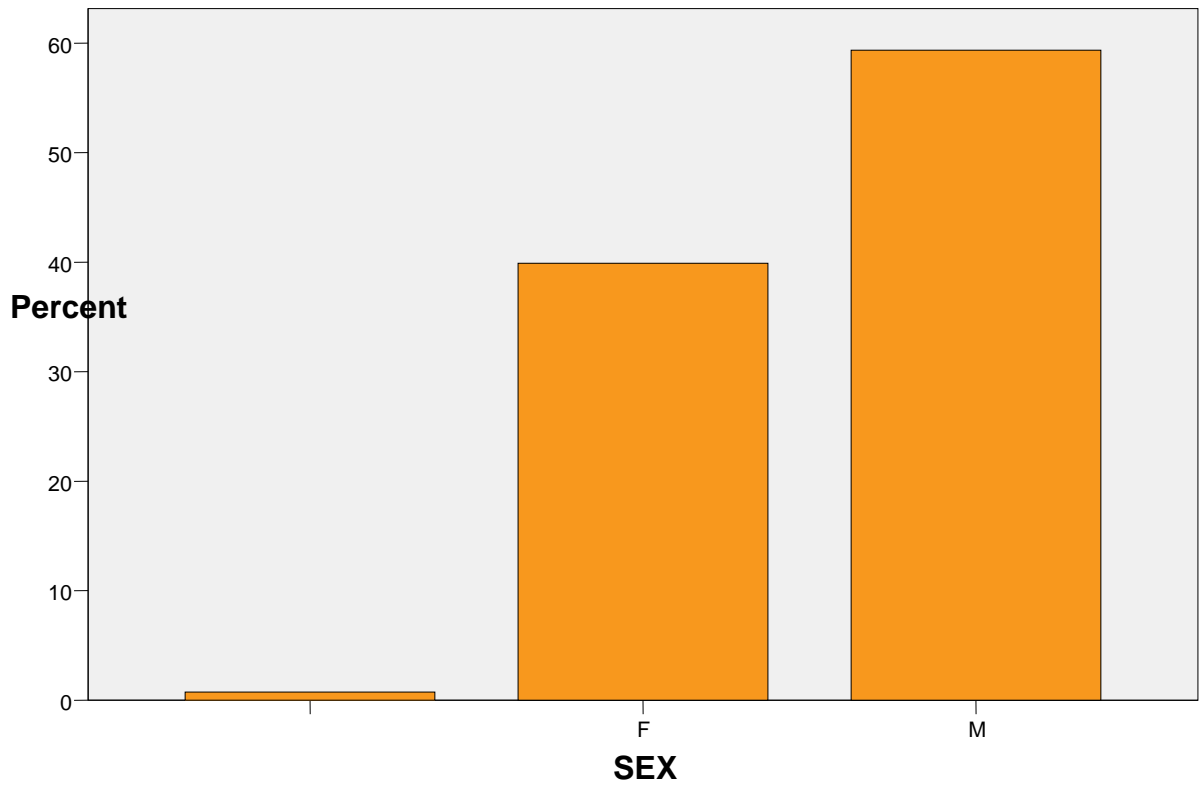
- **Rank order scaling** : In this method respondents are presented with several objects simultaneously and asked to order or rank them according to some criteria.

### **NON COMPARATIVE SCALES:**

- **Likert scale** : It is a measurement scale with five response categories ranging from “strongly agree” to “strongly disagree”, which requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements related to the stimulus objects.

# DATA ANALYSIS

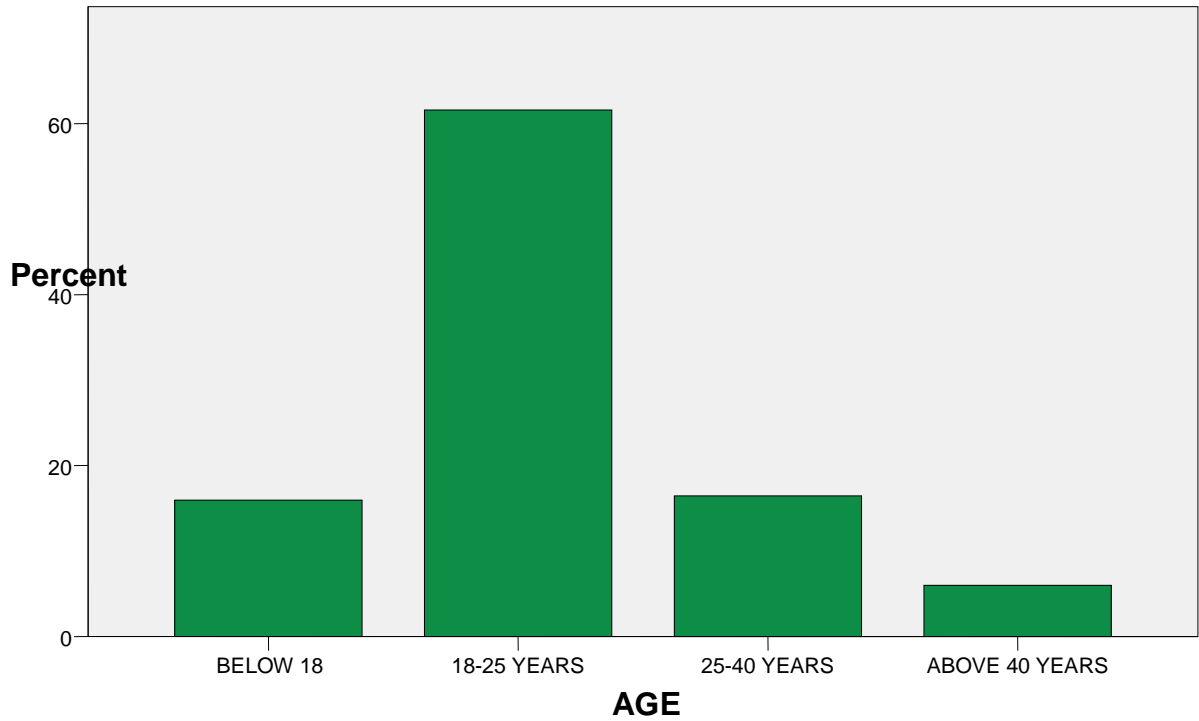
## SEX RATIO



The survey was conducted on random sampling basis. Out of total number of respondents of 200, women were 39.9% and men were 59.4%.

## AGE GROUP:

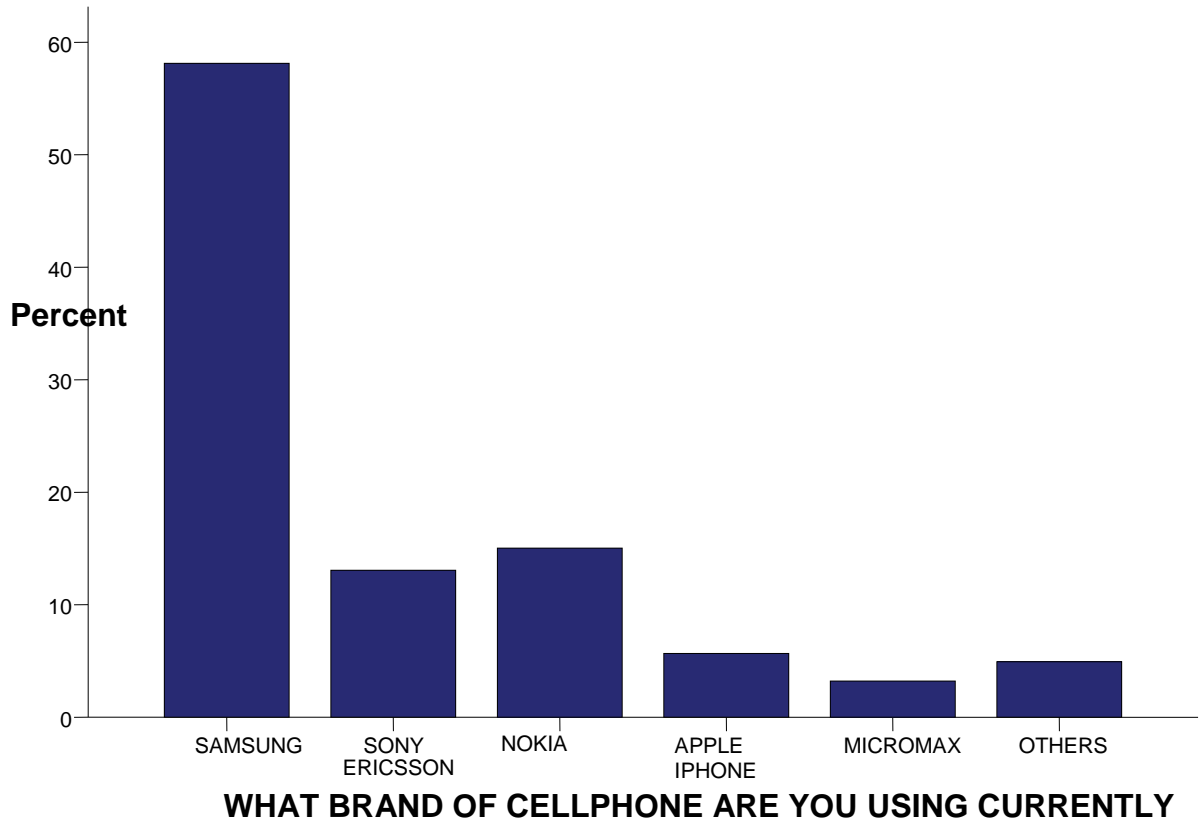
## AGE



Survey was conducted for four age groups. The maximum people surveyed lied in the age group of 18-25 years . While, the least belonged to the above 40 age group.

## BRAND PREFERENCE

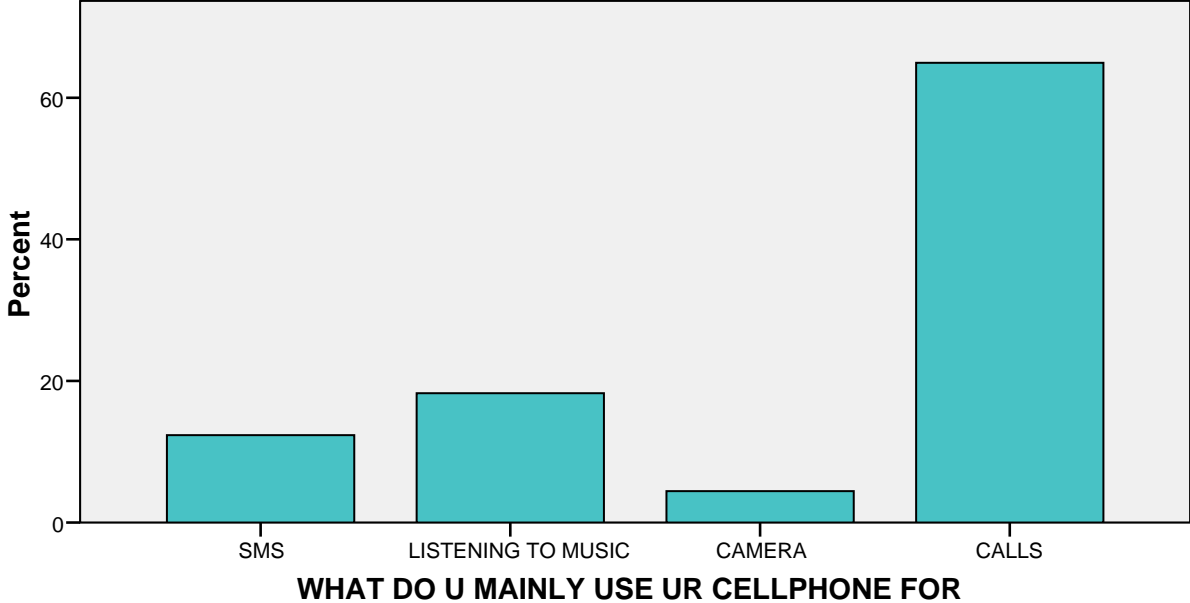
## WHAT BRAND OF CELLPHONE ARE Y USING CURRENTLY



The largest market share was captured by SAMSUNG at 58.1% which is more than half the market. Followed by NOKIA at 15%. Others included brands like HTC, Reliance, LG.

## USAGE OF CELLPHONES

**WHAT DO U MAINLY USE UR CELLPHONE FOR**

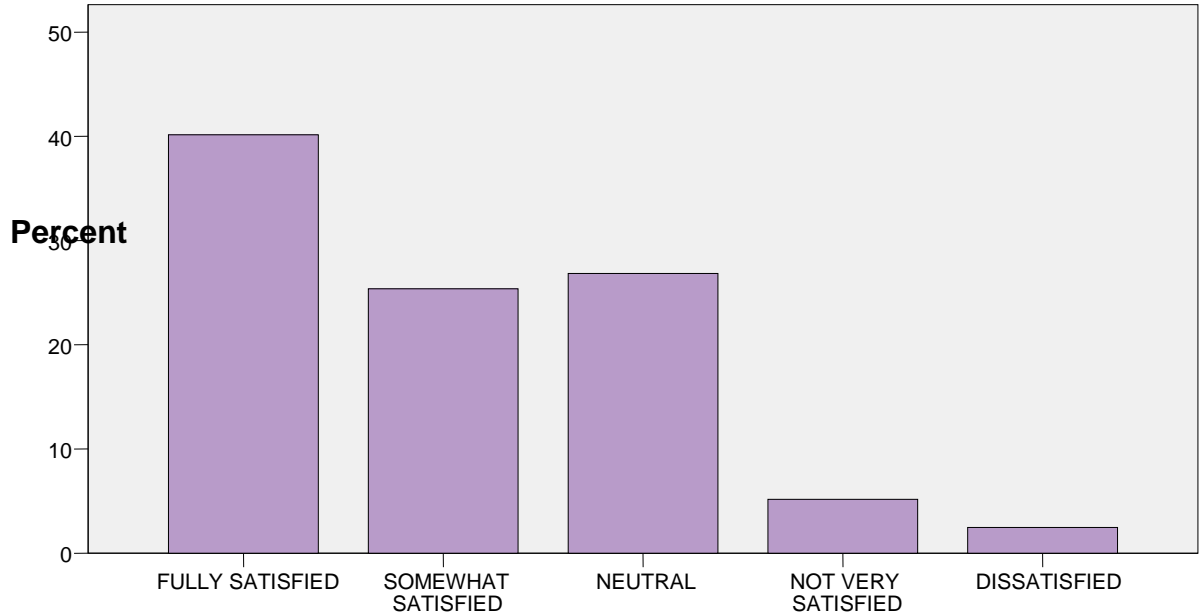


64.8% people possessed cellphones for making calls. They wanted to use the cellphone to satisfy the basic purpose of a phone that is communication. Next was listening to music which was 18.2%.

**LEVEL OF SATISFACTION**



## HOW SATISFIED ARE U WITH UR PRESENT CELLPHONE

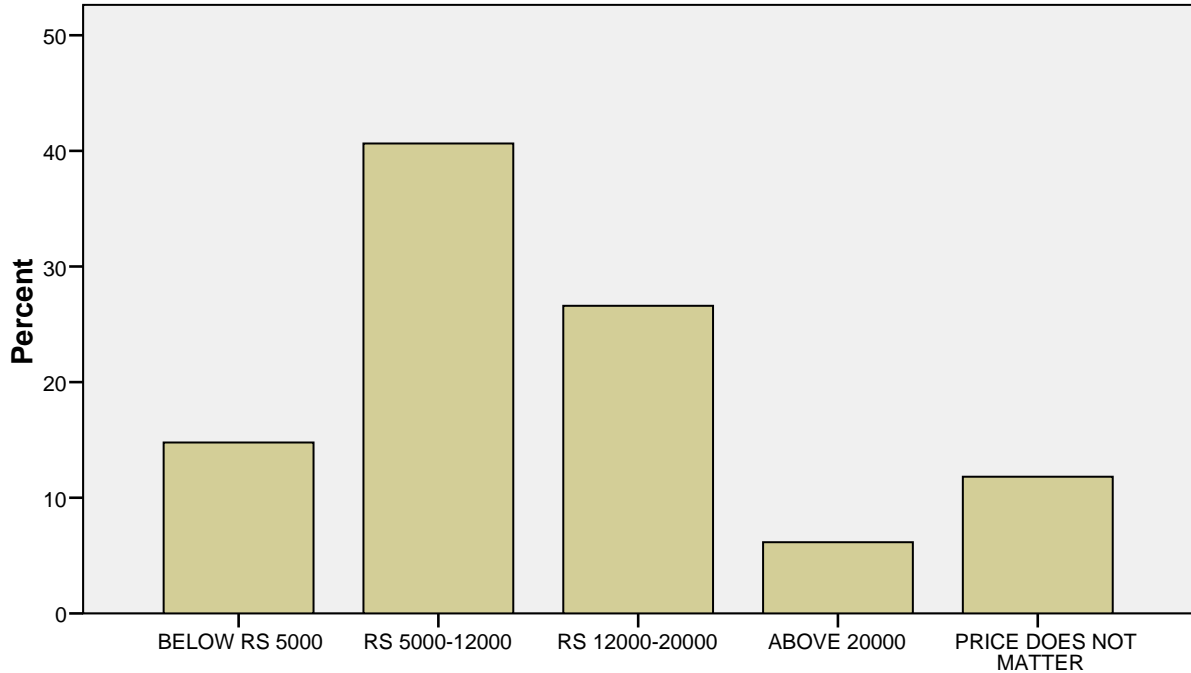


## HOW SATISFIED ARE U WITH UR PRESENT CELLPHONE

40% of the people were fully satisfied with the cellphones they were using. This meant that the features were user friendly and served their needs. About 26.8% people had a neutral attitude that is they were neither satisfied nor dissatisfied. A mere 2.5% people were dissatisfied with their cellphones

## PRICE SENSITIVITY

### WHAT PRICE ARE U WILLING TO PAY FOR A CELLPHONE

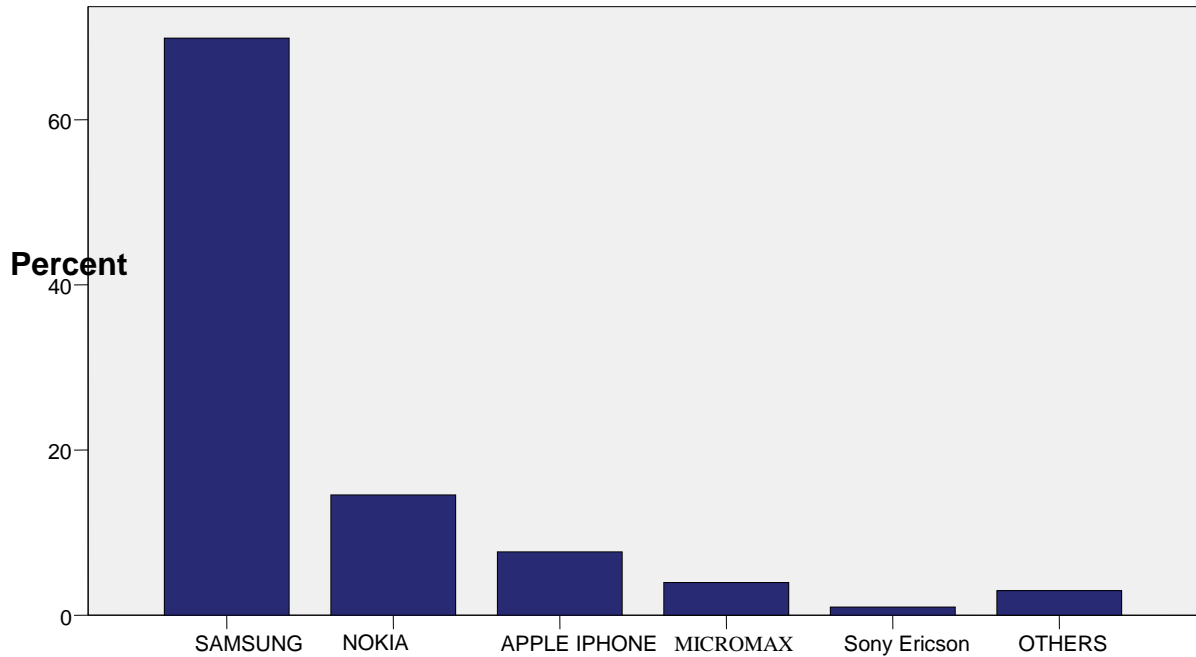


### WHAT PRICE ARE U WILLING TO PAY FOR A CELLPHONE

40.6% people prefer to buy cellphones that lie in the range of 5000-12000 which means they are the average users who don't like very expensive neither very cheap phones. A 11.8% people lied in the range where price did not matter to them for purchasing a cellphone.

### BRAND RECOMMENDED BY THE USERS

## WHAT CELLPHONE BRAND WOULD U RECOMMEND

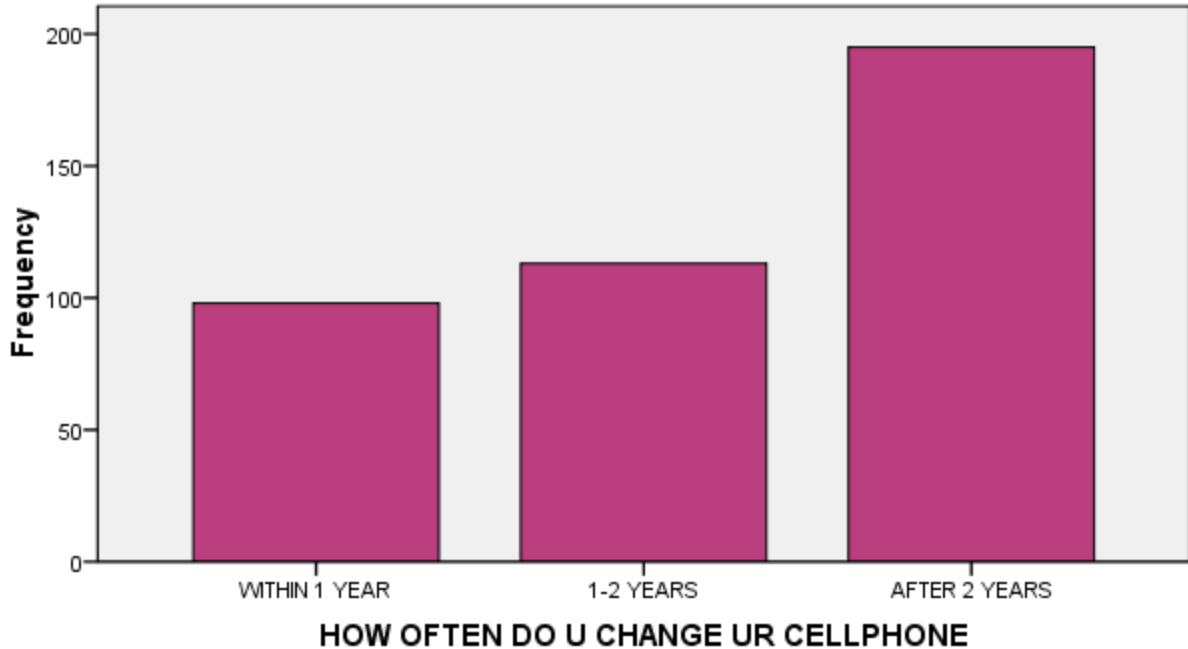


## WHAT CELLPHONE BRAND WOULD U RECOMMEND

We can notice that people would generally recommend the same brand that they are using. In this case we notice that the recommendation for samsung is the highest at 69.7% and than they recommend Nokia.

## FREQUENCY OF CHANGING CELLPHONES

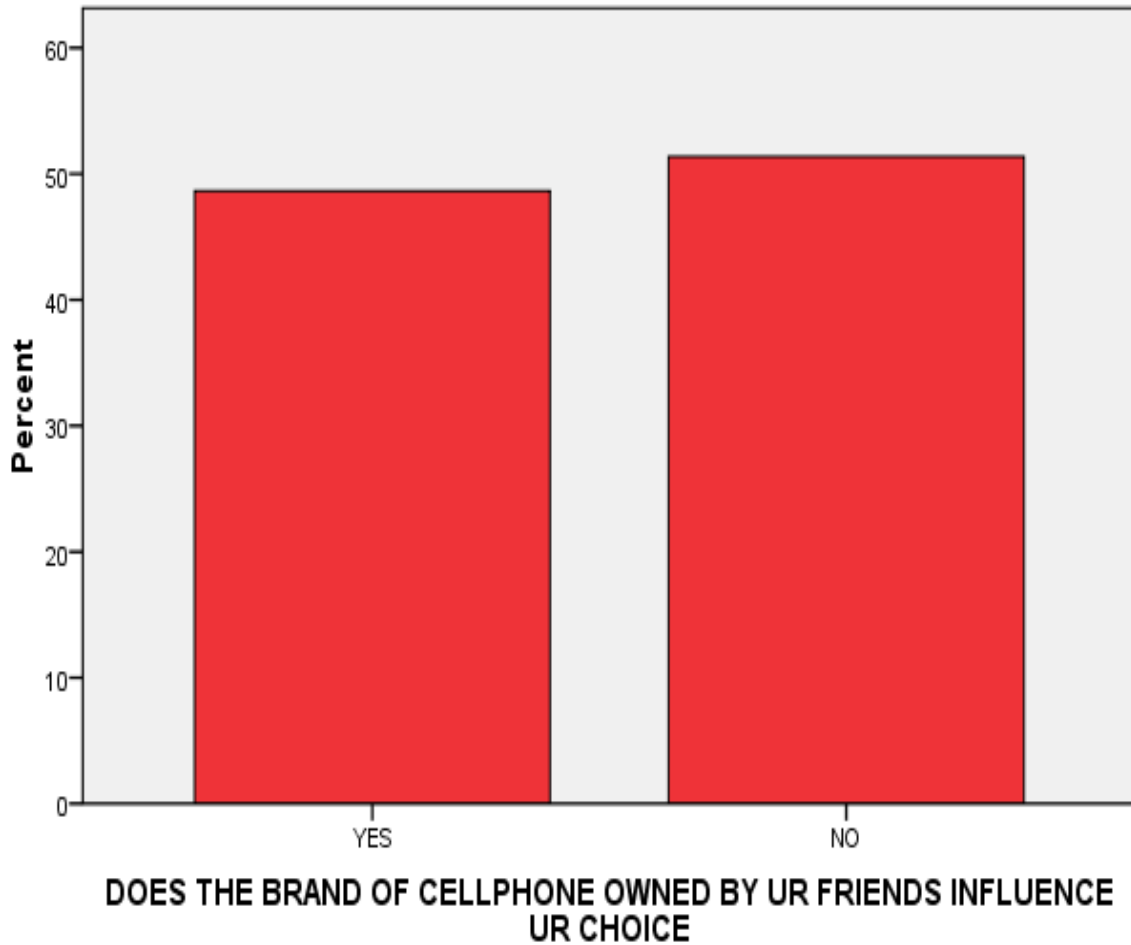
## HOW OFTEN DO U CHANGE UR CELLPHONE



The people who like to change their cellphones after 2 yrs are 48% this implies that most people are not very keen on changing cellphones very often. They prefer to use the same cell for a longer period. This is probably because they are very satisfied with the phone they are using. A small percentage of people of about 24% like to change their cellphones within 1 year. This could be because they are not satisfied or because they simply like to use a variety.

## INFLUENCE OF PEERS ON CHOICE OF BRAND

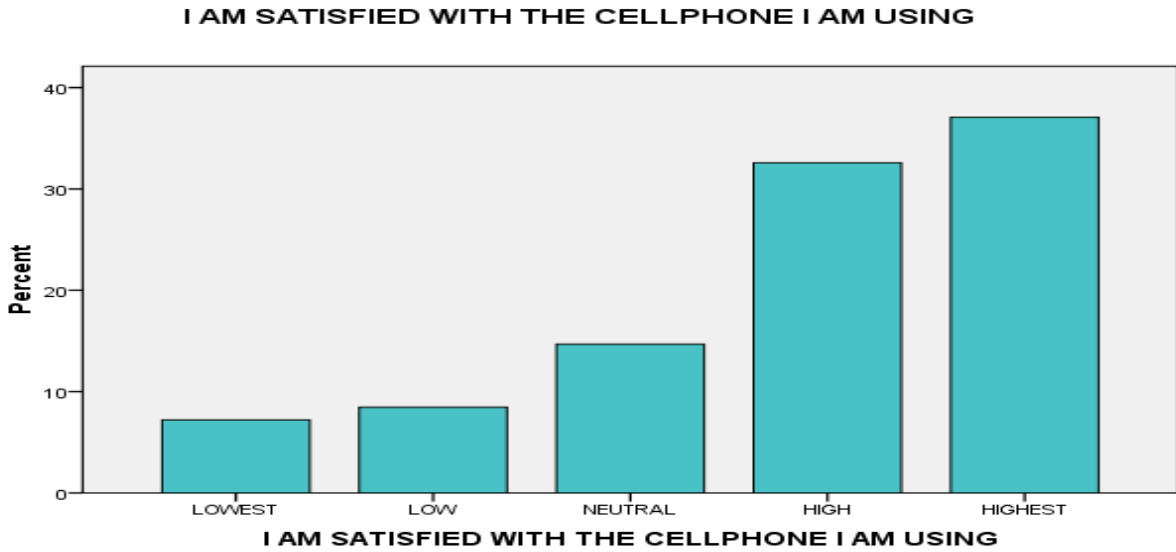
**DOES THE BRAND OF CELLPHONE OWNED BY UR FRIENDS INFLUENCE  
UR CHOICE**



For maximum percentage of people 51.4% are not influenced by their friends or relatives. While, 48.6% are influenced by their friends when buying cellphones.

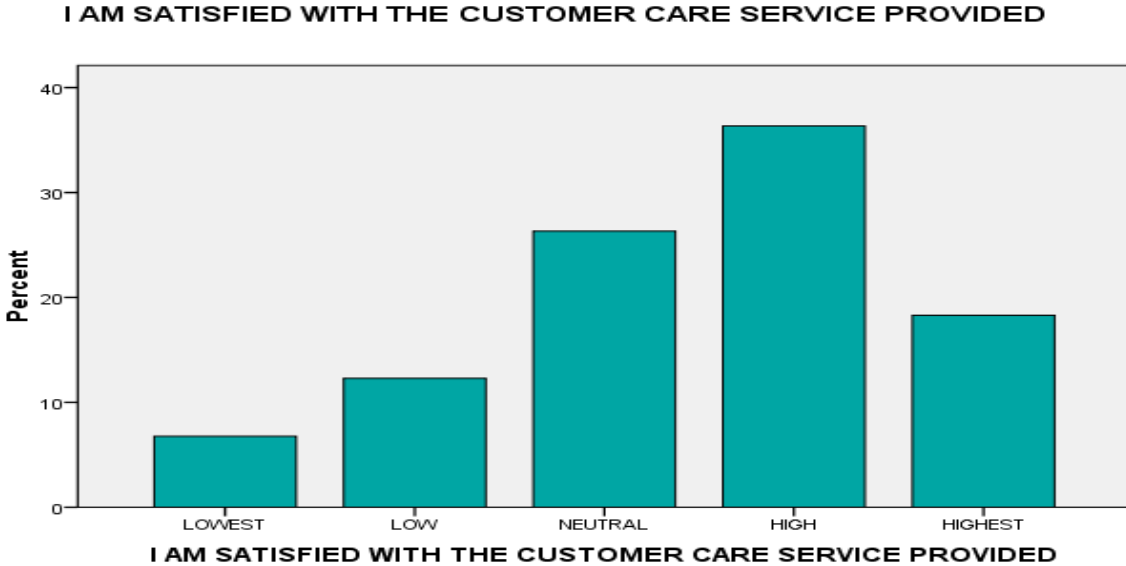
**OPINION ABOUT THE STATEMENTS GIVEN:**

**1. I am satisfied with the cellphone I am using.**



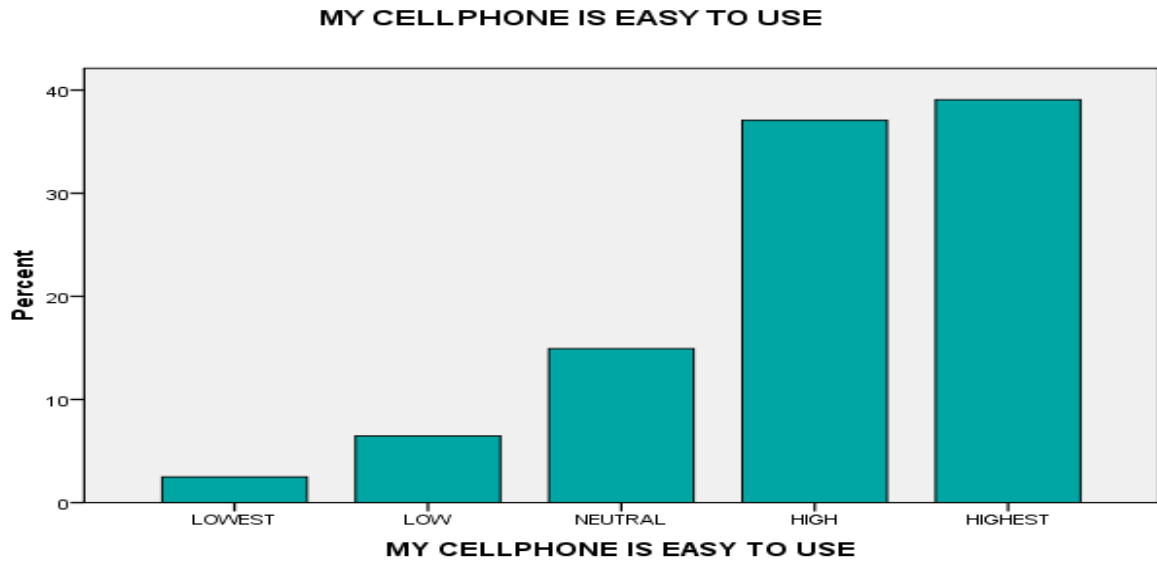
37.1% respondents are completely satisfied with the cellphone while, only 7.2% are completely dissatisfied with the brand of cellphone they own.

**2. I am satisfied with the customer care service provided**



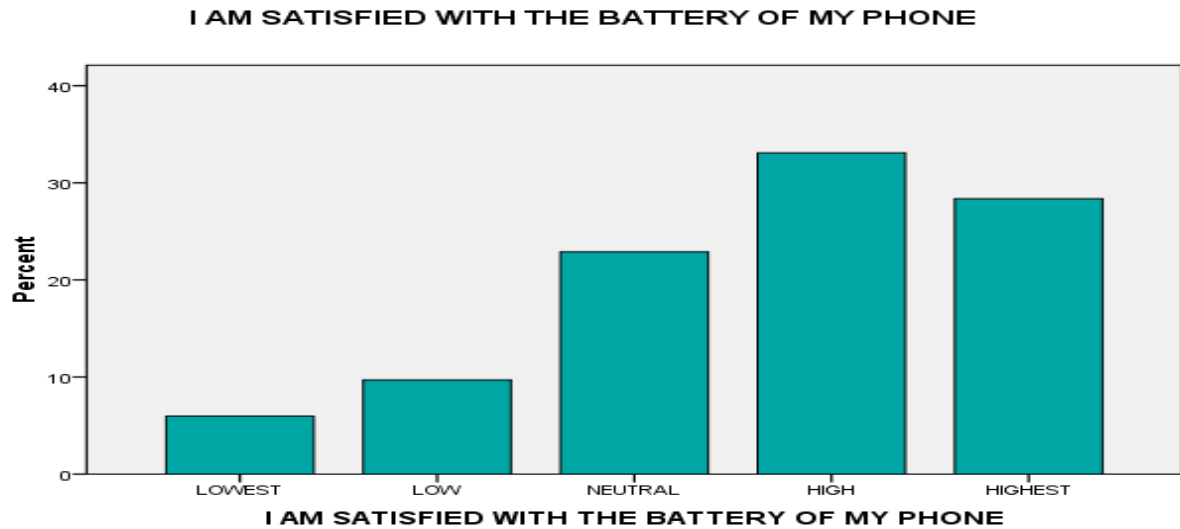
36.3% respondents have agreed that they are satisfied with the customer service provided by picking the option 'high'.

**3. My cellphone is easy to use**



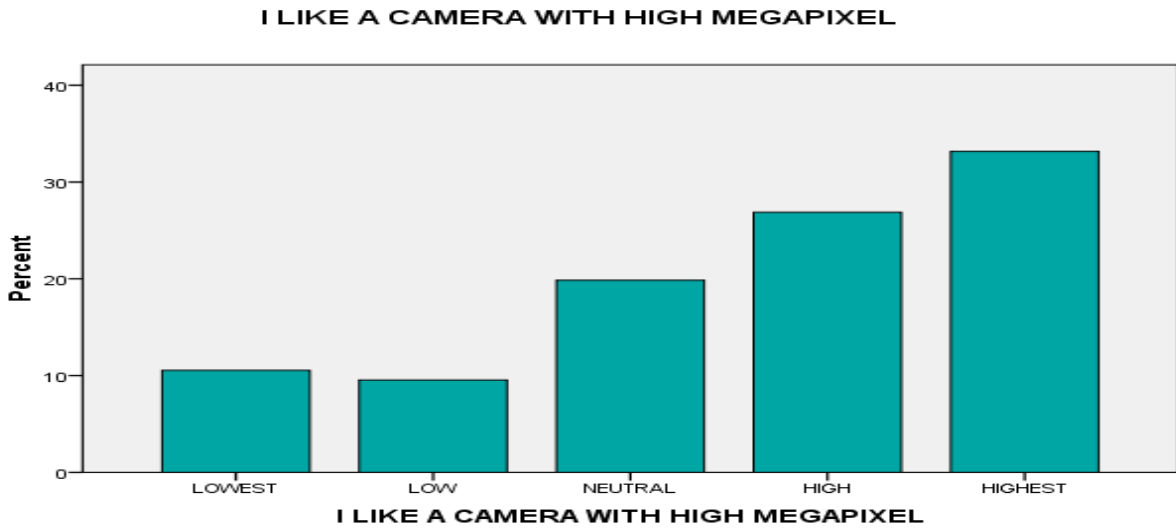
39.1% people agree that the cellphone brand they are using is easy to use. While, a low 2.5% find their cellphone as difficult to use.

**4. I am satisfied with the battery life my cellphone has.**



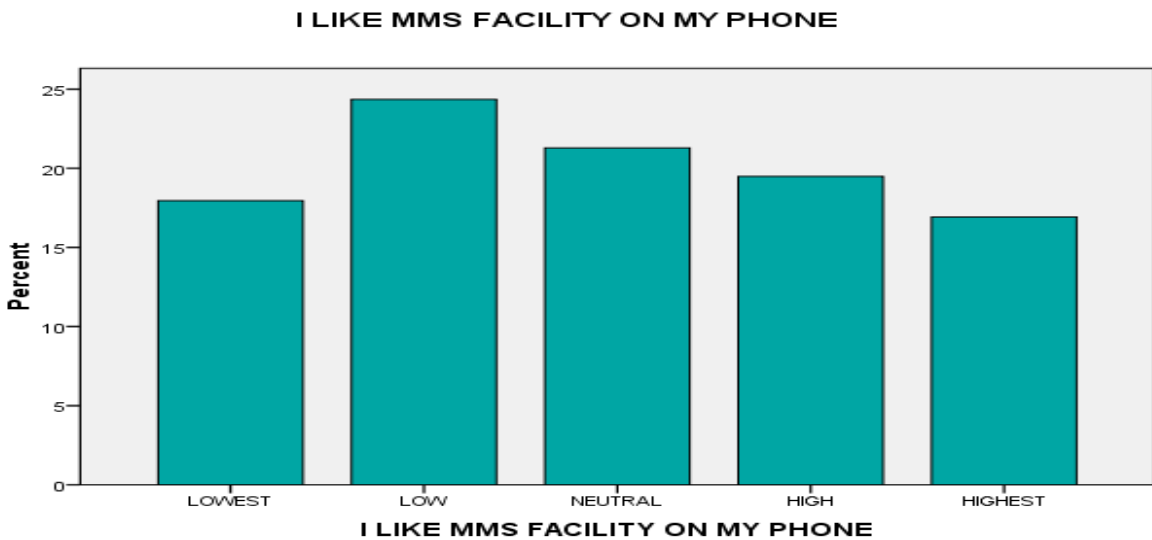
33.1% respondents are satisfied with the battery of their cellphones.

**5. I like a camera with high megapixel.**



33.2% of respondents have indicated their liking of a high megapixel camera. It shows that camera is a feature which a good amount of people keep in my mind while buying cellphone.

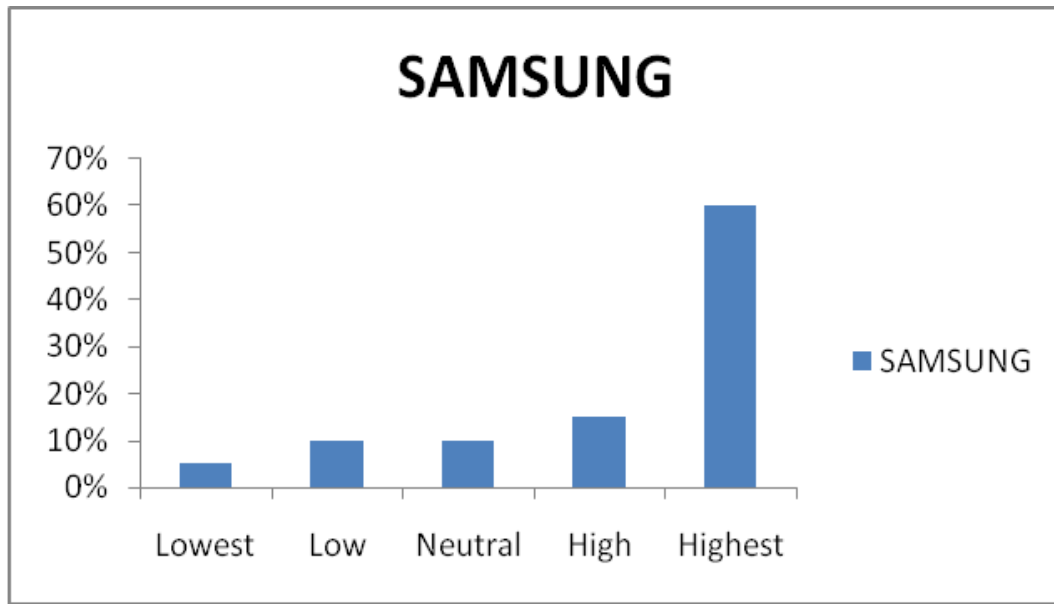
**6. I like MMS facility on my cellphone**



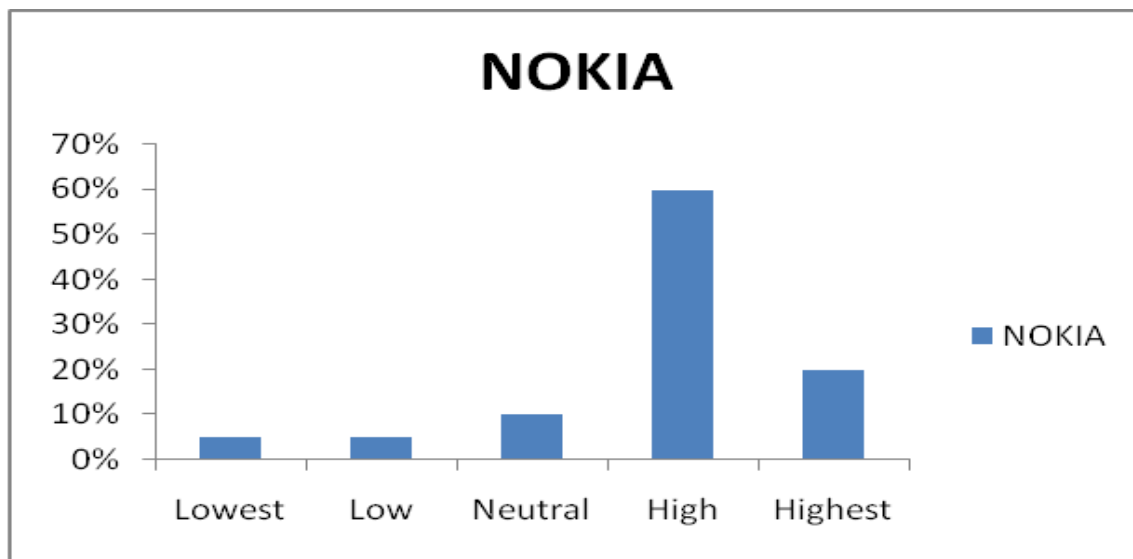
The maximum percentage of people 23.4% do not like MMS facility in their cellphones. While, 16.3% like the facility very much.



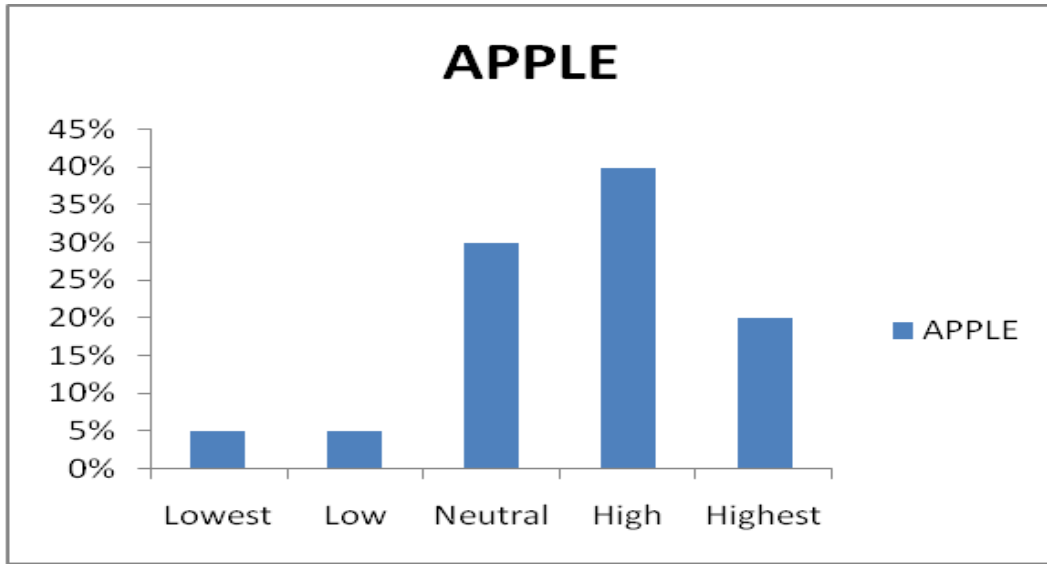
## Brand Visibilty



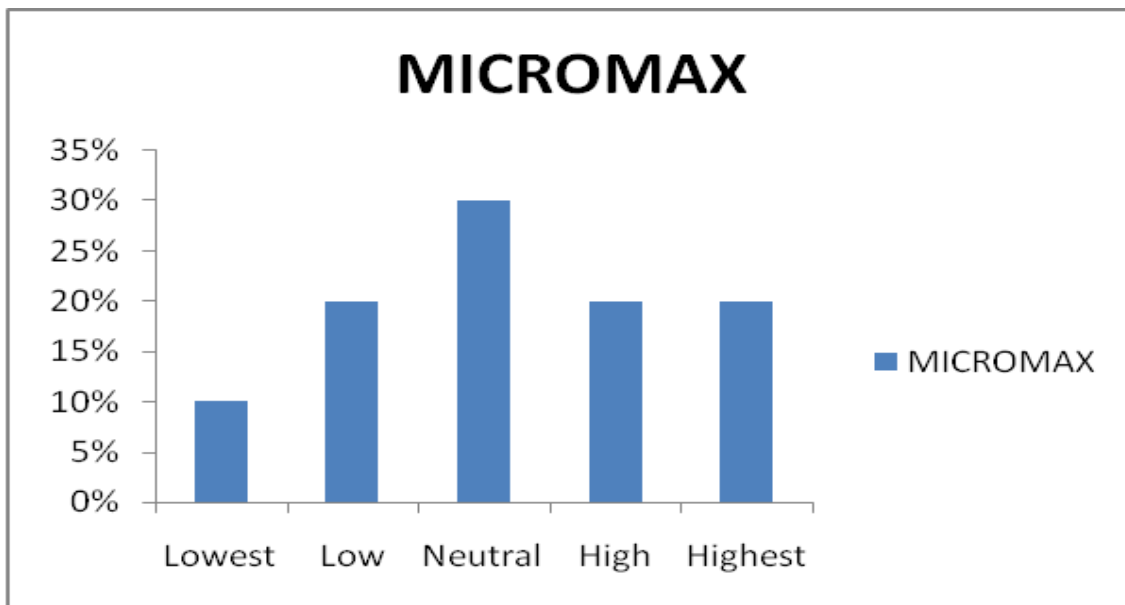
Samsung Has the Highest brand visibility among all the other brands as 60% people rated highest as its brand visibility.



Nokia Has a High Brand Visibility after Samsung as 60% rated nokia as high brand visibility.



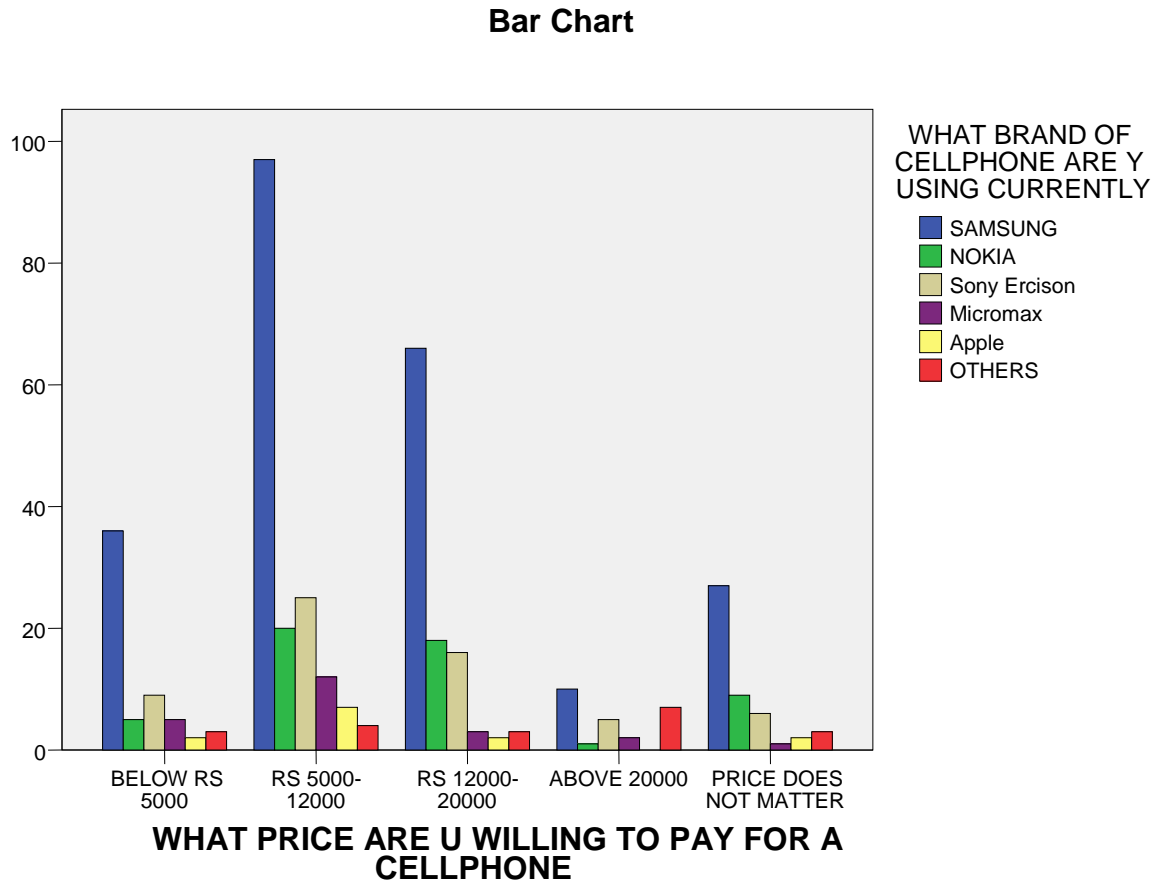
40% rated as High brand visibility and 30% as neutral for Apple as its brand Visibility. So Apple too was visible but due to its high price it was not used by most of the consumers.



Micromax was not so much popular among the consumers so only 20% rated as high brand visibility, 30% were neutral in their decision, and 20% rated low brand visibility.

## CROSS TABULATION

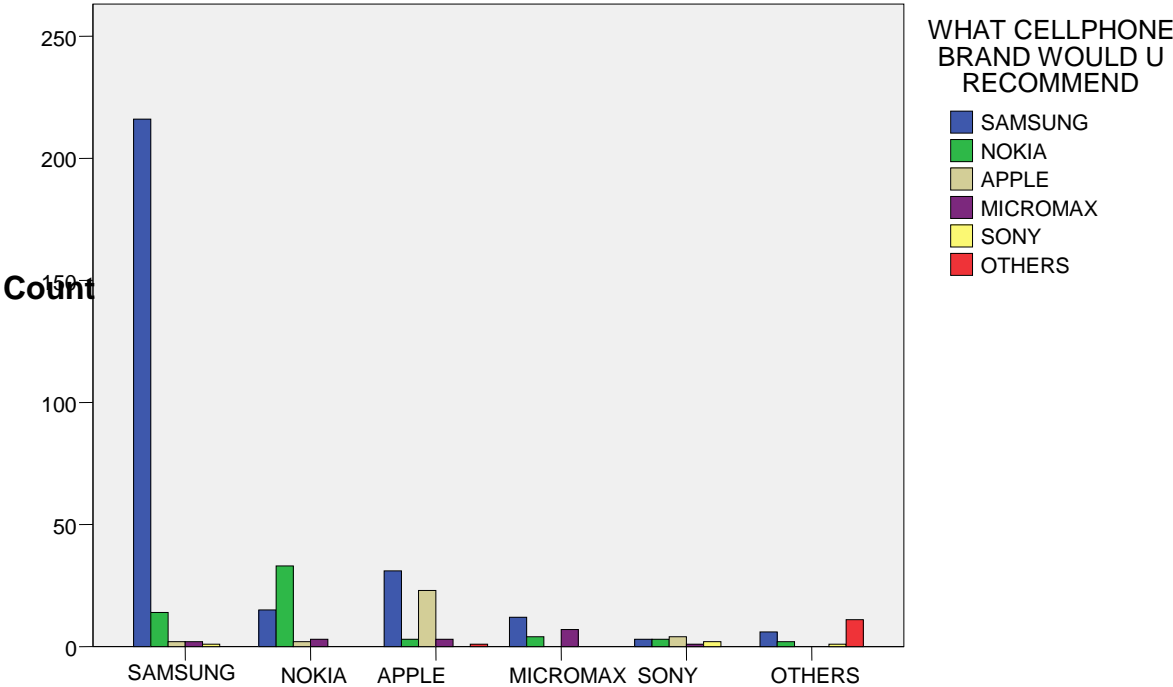
1. Linking what price are the consumers willing to pay for a cellphone and what brand of cellphone are they currently using:



Whether the price of a cellphone is below Rs 5000 or even more than 12,000 price does not matter, most of the people prefer Samsung which shows the highest count.

2. Linking what brand of cellphone are people currently using and what brand do they recommend:

**Bar Chart**

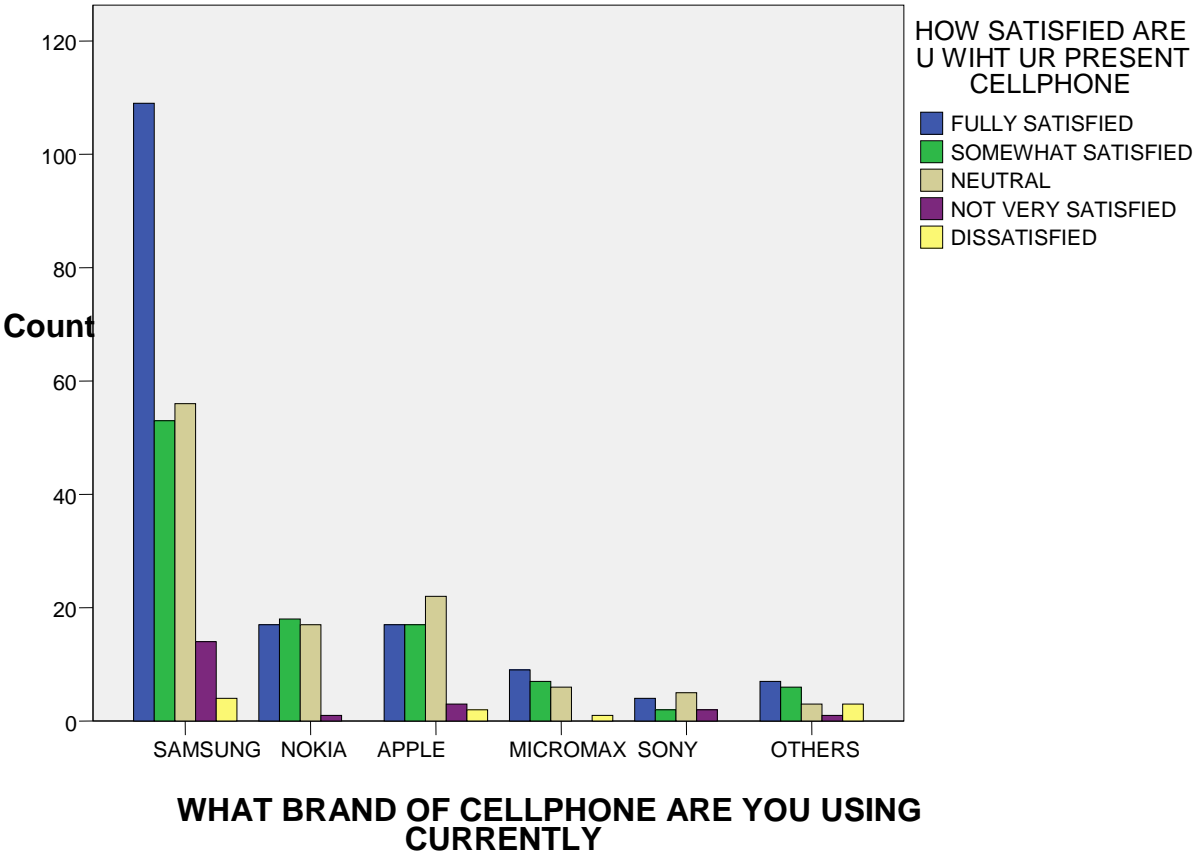


**WHAT BRAND OF CELLPHONE ARE YOU USING CURRENTLY**

This shows that Samsung users are majority in number as well as they recommend the same brand. In case of Nokia though there are less users still they too recommend Nokia. Some of the other brand users too recommend Samsung mobile.

**3. Linking how satisfied are people with the brand they are using currently**

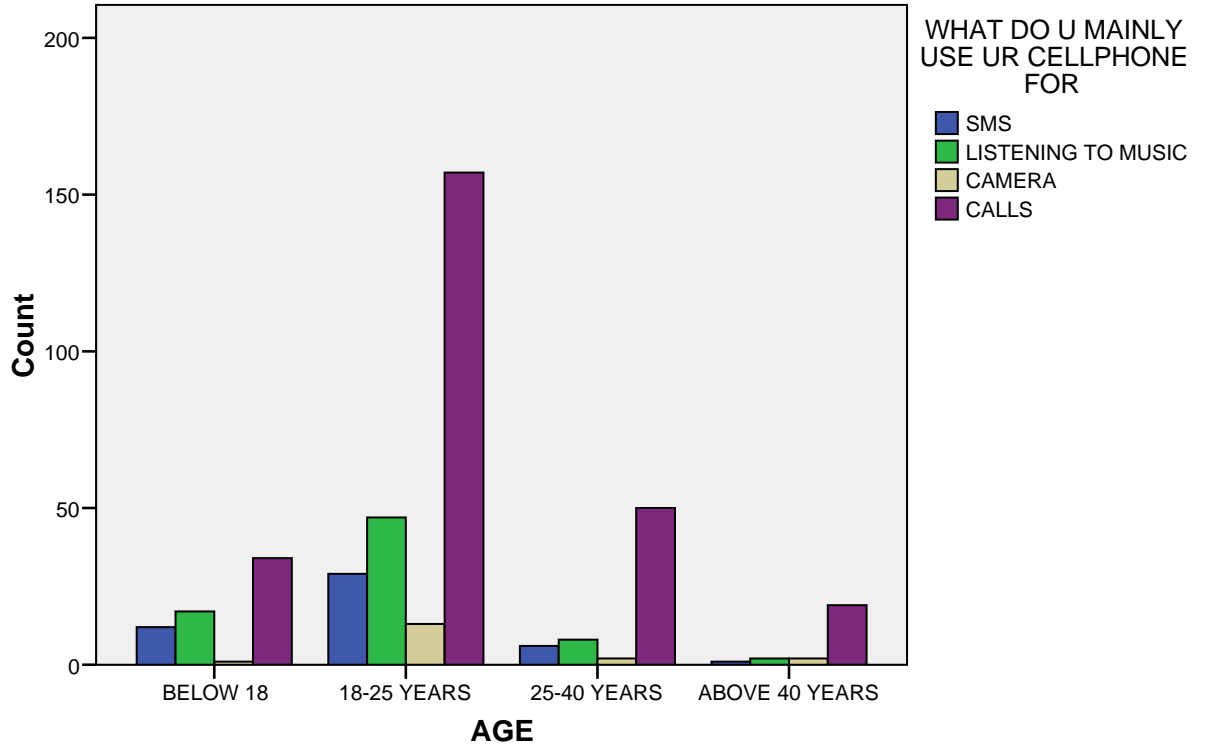
**Bar Chart**



This shows that in Samsung maximum no. of people are fully satisfied. In Nokia maximum no. of people are somewhat satisfied. In case of Apple maximum no. of people are neither satisfied nor dissatisfied.

**4. Linking the age of consumers with what are they mainly using their cellphone for:**

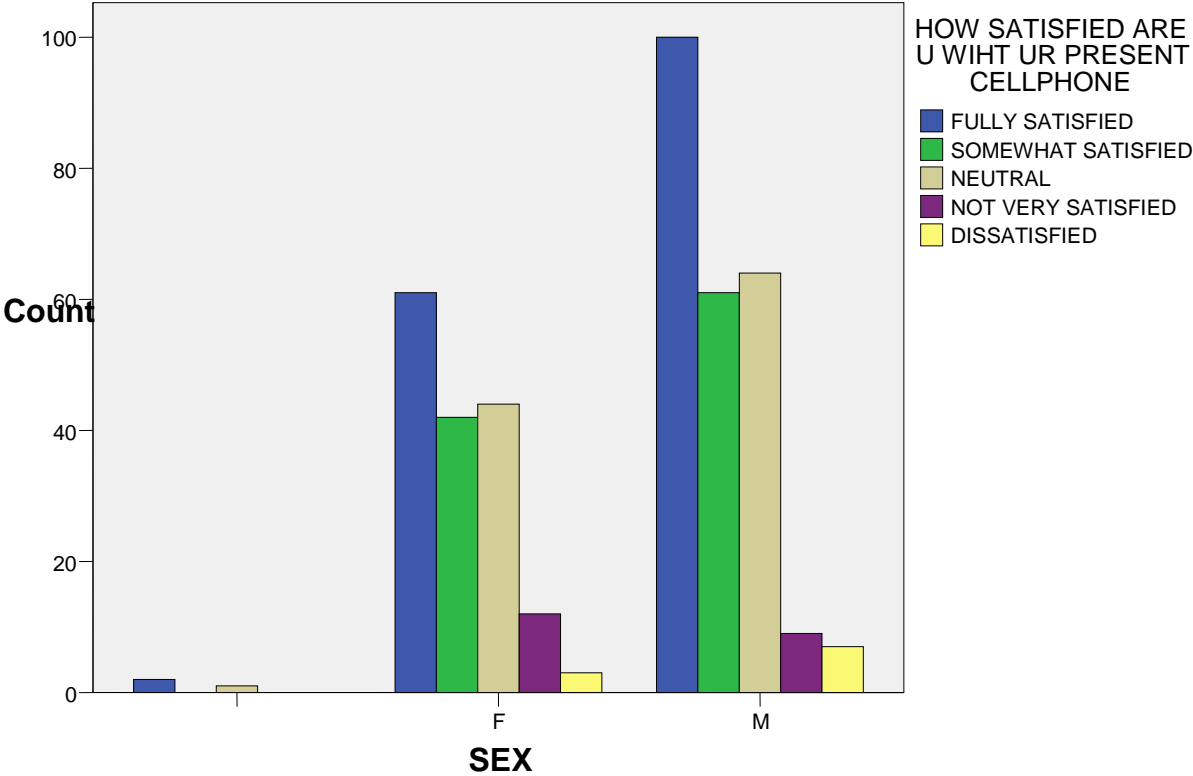
**Bar Chart**



Its evident that people across all age groups mainly use their cellphone for calls, the second highest use being listening to music.

**5. Linking the gender with how satisfied are they with their cellphone:**

Bar Chart



It is evident that men are more dissatisfied with their current cellphone.

**FINDINGS & CONCLUSIONS**

- The largest Market share has been captured by Samsung. Though the cost of some of the cellphones is high as compared to others, the brand still has largest

- percentage of loyal customers who recommend the same brand to others. This leads to increase in the sales of Samsung brand.
- Highest percentage of people mainly use cellphones for making calls and this is the reason for lucrative offers on talktime by the telecom providers. Companies are even collaborating with telecom companies so as to give offer along with the cellphone.
  - The general consensus is that people are satisfied with the cellphone they are using. However, from cross tabulation we found that samsung users is the highest lot of “fully satisfied” people.
  - The Indian market is price sensitive. Mostly people are ready to pay Rs. 5000-12000 but very less are ready to shell out Rs. 12000-25000. The customer wants value for money.
  - Since we see through the report that most people are highly satisfied with the cellphone brand they are using. Hence, the frequency of changing cellphones is low and lies within after 2 years category. Also, the age group did not make any difference to this factor.
  - We see Samsung lies highest in the brand visibility, closely followed by Nokia. Then Apple, Micromax, sony Ericson, and Others. This implies that the promotion of Samsung is most effective and it indicates that brand recall rate is higher.
  - No relationship was found between income level and the price they are willing to pay for a cellphone. The maximum expenditure any income level was willing to make lied within the range of Rs. 5000-12000.
  - We developed a likert scale asking people to indicate their satisfaction level on a scale of 1 to 5. some of the findings were:
    1. The highest number of people were satisfied with the cellphone they are using. This indicates that the brands have been able to satisfy the customers and retain them.
    2. Though the level of satisfaction from customer service providers was high, but the percentage of satisfaction being low and neutral is prominent. This indicates that the customer service is not up to the mark and there is scope of improvement for the cellphone companies.
    3. Most people find the cellphones highly user friendly which indicates that the cellphones are easy to use.
    4. Most people prefer high megapixel camera. This indicates that the usage of camera in cellphones is gaining prominence and hence, while buying a cellphone it is a major factor to be considered.
    5. Majority of people do not like the MMS facility. This may be because MMS facility is an expensive affair and they could do without it.

## **RECOMMENDATIONS**



- ❖ Brands other than Samsung should more emphasize more on promotional strategies so that they can increase on the level of visibility and hence, increase their market share.
- ❖ We recommend that the companies should build on unique features so that people buy cellphones to serve other purposes. They should advertise these features also so that people know about it. The various features should be user friendly so that people do not find it difficult to use and do not hesitate in using them.
- ❖ Price is an important constraint in the Indian market hence companies need to keep that in mind while manufacturing any commodity.
- ❖ People change cellphones mostly after 2 years so companies should come up with new and sleek designs which are attractive as well as more techno savvy which would encourage people to change their cellphones more frequently. This would lead to people wanting to be more technologically advanced.
- ❖ Samsung has taken the market from Nokia due to its high sale of smartphones. So nokia along with other companies should design strategies to promote its product and attract more and more customers.
- ❖ Companies should also try to target the higher income level groups so that they can encourage them to buy expensive cellphones than those that lie in the Rs 5000-12000 category.
- ❖ Aggressive marketing should be followed online specially on social networking websites as most of the people are on social websites like facebook, twitter,etc

## **LIMITATIONS**

- Due to the limitation of time and resources the study was limited to the geographical region of Delhi and NCR..
- Some of the people who were part of our sample size, became non- respondents i.e. the questionnaire they filled were incomplete or they were not willing to respond.
- Sample size was a constraint since it was not representative of the entire target population.

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# 6. APPENDIX

## FINAL QUESTIONNAIRE

NAME \_\_\_\_\_



- |                 |                 |
|-----------------|-----------------|
| 1. Bluetooth    | 2.Camera        |
| 3. Memory card  | 4.Gaming        |
| 5. Music player | 6. Battery life |
| 7. Messaging    |                 |

Q12. How often do you change your cellphone?

- |                  |              |
|------------------|--------------|
| 1. Within 1 year | 2. 1-2 years |
| 3. After 2 years |              |

Q13. Rate the following brands according to visibility on the scale of 1- lowest & 5 - highest

- |             |                  |
|-------------|------------------|
| 1. Nokia    | 2. Sony ericsson |
| 3. iPhone   | 4. Samsung       |
| 5. Micormax |                  |

Q14. Does the brand of cellphone owned by your cellphone or friends influence your choice

- |        |       |
|--------|-------|
| 1. Yes | 2. No |
|--------|-------|

Q15. On a scale of 1 to 5, answer the statements based on your preferred choice of cellphones brand

Lowest					Highest
1	2	3	4	5	

- a) I am satisfied with the cellphone I am using.
- b) I am satisfied with the customer care service provided
- c) My cellphone is easy to use
- d) I am satisfied with the battery my phone has.
- e) I like a camera with high megapixel
- f) I like MMS facility on my phone

Q.16 Demographic information:

- a) Profession :
- b) Phone no. :
- c) Address :
- d) Email id :