

Consumer decision making towards mobile phone



**ASSIGN
BUSTER**

Abstract

There are five main processes to demonstrate how consumers choose mobile phone in terms of decision making, and all of the information have been found will be interpreted by the structure which is following the decision making; it will start from problem recognition to information search, and then straight to evaluation of Alternatives, product choice and outcomes.

Moreover, the suggestions which have been concluded will also show on the conclusion

Introduction

Mobile phone market is growing rapidly, and the expectation amount of population of mobile phone user is 5 billion in 2010. Nowadays, mobile phone market is one of the most competitive markets in the world. Therefore the purpose of this study is to survey consumer behavior in terms of mobile phone.

The main idea of this study is how consumers choose their mobile phone in terms of decision making, and there are five principal processes will be discussed. Firstly, marketer will start with how consumers recognize the difference between ideal state and actual state, and then while consumers proceed to search the information, the ways how they search information from internal and external resources will also be discussed. Secondly, the main factors of evaluation alternatives which have been found will show on this step and then proceed to product choice. Finally, marketer will summarize all the points and indicate the main findings to make suggestions for mobile phone business in the future.

Background of product

In 1973, the first mobile phone in the world has been developed by Motorola, it called DynTAC 8000X, but it was too heavy and big, and the price was nearly \$4000. However, this very first mobile phone was not appeared in the market until 10 years later. Afterwards, Nokia, a handset maker from Finland, launched their first mobile phone in 1982, and then the competition between Motorola and Nokia has been started and continuing almost two decades. From 2000, the technology of smart phone was rapidly grown. It means the new age of mobile phone is coming; a lot of mobile phone manufacturers join this competition, for example, Blackberry, Sony Ericsson. Nokia and Motorola, they are not the only choices in this mobile market from that moment. The critical stage of mobile phone, it could be 2007, because Apple and HTC launched their smart phones, which are iPhone and HTC touch. iPhone and HTC touch are the first mobiles phones which are mainly controlled by touch screen, and they have a lot of functions on it.

Nowadays, mobile phone is a competitive market, whatever the functions, shapes, and price; the designs between companies are quite different from each other, in other words, it means consumers have a lot of choices.

According to commercialwireles. com (2010), below is the mobile phone market share in May, 2010

Objectives of the study

The number of mobile phone users is over 4. 6 billion so far, and it is still growing rapidly. It is expected to reach five billion within 2010(Geneva 2010). Mobile phone is a mature and competitive market. Therefore, it is a

critical issue for marketer to understand how consumers choose mobile phone.

In this study, marketer will follow the decision making framework to undertake this project, in order to comprehend consumers' behaviour how consumers make their decision of buying a mobile phone.

Problem recognition

The first process of the consumer decision-making framework is problem recognition which is generally caused by a significant difference between an ideal state and an actual state (Girish 1992). When consumers perceive there is a problem with their current product need to be solved, and this problem could be simple or complex, rational or irrational. According to Solomon, a concept has been shown on his study, which is

Ideal

Ideal state Ideal

Actual state Actual

Actual

NO problem Opportunity recognition Need recognition

Solomon, M. R., Russell-Bennett, R., Josephine previte., 2010. Consumer Behaviour: buying, having, being, 2nd Edition. Pearson Australia., page237

In the other words, there are various causes of problem recognition of products could be happened, for instance, dissatisfaction, out of stock, and new needs or wants.

In terms of mobile phone, nowadays mobile phone is not only a device, but also a sign of vogue. Some consumers recognize their mobile phone out of vogue as a problem, According to Ling & Yttri(1999), mobile phone is not just a device for communication but also a way to express sense of self-character. Consumers change the wallpaper and set the unique ring tones on their mobile phones because they want their mobile phones to show out their self-character.

Consumers can have various reasons for them to perceive that their mobile phone got problem need to be solved. As mentioned, those reasons could be rational or irrational. For example, a new phone release, current mobile phone is not operating well, not satisfied with current mobile phone, or just wants a new mobile.

Information search

Once consumers realize that current product is not as it should be, it means a problem has been recognized, and then consumers will proceed to search great information in order to resolve it. This process is called information search, if people undertake this process by buying a product, it also can be called pre-purchase search. Information search can be divided into two types: internal and external search. Internal search is consumers search information from their own memory, because consumers may already have some limited knowledge of product which they intend to buy, or they already

have previous experience about similar product. External search is consumers obtain information from family, friend, and advertising by companies.

Mobile phone is a mature market; the number of mobile phone users has already reached 4.6 billion around the world (Genev 2010). Therefore, most of consumers have prior experience of mobile phone, so they already have some degree of knowledge of mobile phone. In terms of external information, there are ways for consumers to get information, such as magazine, TV commercial, and internet. Especially the internet, internet is convenient today, consumers can search information easily through it; for example, there are enormous amount of mobile phone websites on internet, such as Allphones (allphones.com.au) in Australia, consumers can compare all the mobile phone's features, price, and ranking on it.

Evaluation of Alternatives

“ Much of the effort that goes into a purchase decision occurs at the stage when a choice must be made from the available alternatives” (Solomon 2010: 243).

In this process, consumers' purchase intention is already quite strong, only the brand's choice still hesitating in their minds. Those brands could be broken down into three types: Evoked set, Inert set and Inept set. Evoked set is defined as brands which are in consumers mind with positive image, and Inert set is contrary to Evoke set, it is defined as the brands are negative and already outside of consumers choice. Inept set is defined as the brands have

no characteristic, consumers perhaps will not choose them. (Solomon 2010: 243-246).

Below is a simple framework example, in terms of mobile phone: (Cathy, Genevieve, Pettigrew 2007)

In terms of mobile phone, if consumer is satisfied with the brand of their current mobile phone, they may still look for another of the same brand's new products, if not, they will choose others. " Brand awareness is expressed as the power of the brand's existence in the consumers' minds and it is an important part of the brand equity". (Pappu, Quester and Cooksey 2005). For example, mobile phone companies slogans, such as human technology by NOKIA, Hello Moto by Motorola. The purpose of those slogans is to build up their own brand image, which means friendly, humanity. Therefore, brand's image is the critical factor when consumers think about the alternatives.

Product Choice

" Once the relevant options from a category have been assembled and evaluated, a choice must be made between them" (Solomon 2010)

Evaluative criteria appear on the step, some competing options are in consumers' minds. For example, there are some secondary features between those particular products. Consumers must choose some of those features; those features are called determinant attributes.

In terms of mobile phone, similar characteristic phones sometimes come with different secondary features, For example, two same price mobile phones; one comes with higher quality camera, but the other one comes

with nicer speakers. Consumers generally will choose one of those determinant attributes as their purchase decision, because of those products are already on their list.

Outcomes

Once the product has been chosen, the purchase behaviour will happen.

Consumer will proceed to pay the product which they mainly evaluated, and bring it home and enjoy it. After consumer experiences this new product, the next purchase will happen in the future.

Conclusion

In conclusion, the populations of people who use mobile phone today become enormous amount. Because of this big market, every company should have competitive advantage more than any other mobile phone companies. Therefore, it is better for a company to pay more attention on consumer behaviour of decision making in terms of mobile phone. In this study, researcher has found out three main characteristics of mobile phone purchaser, first one is some consumers buy new mobile phone because of self-recognized current mobile phone is out of vogue; second is consumers mainly search information of mobile phone via internet; third is brand image is one of the most important factors influences consumers to choose a new mobile phone. However, research would like to suggest mobile phone companies can work on build brand image and make more advertisement on internet, hope this could be helpful in their future business.