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Research Paper

FACTORS INFLUENCING THE YOUTH IN BRAND SWITCHING OF SMART PHONES – RESEARCH PAPER

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ABSTRACT

Smart phones are commonly used by the youth today. They have the habit of switching over from one smart phone to another due to a lot of innovations and various brands available in the market. This brand switching is due to the influence of various factors such as personal factors, sales promotion factors, internet factors and product factors. The results show that product factors influence frequent switchers, moderate switchers and rare switchers alike. Majority of rare switchers are influenced by sales promotion, personal and internet factors. Hence to attract customers the sellers must concentrate on product factors which include product features such camera, appearance, guarantee/warranty, battery life, easy usage, apps facility, brand name, accessories, security features, after sales service, and eco friendly product. The results also show that brand switching of smart phones can be discouraged by making the brand of smart phone popular and also by making the customers feel their brand as useful to them.

KEYWORDS: smart phone, brand, switching, influence, personal factors, sales promotion factors, internet factors, product factors

INTRODUCTION

Switching behaviour is a process of switching over to other products due to the attraction towards its competitors. This happens among brand loyal consumers and also among other consumers. If switching from one product to another takes place, the company stands to lose its consumers. Losing its existing consumers is to be viewed seriously, as it may tend to reduce the sales thereby reducing the profits of the company. In order to retain its existing consumers and attract new consumers, knowledge of the switching behaviour among the consumers is necessary. This is a very complex issue in this competitive market due to the fact that the consumers are now technology friendly and have easy access to know about different brands. They are the end users of any product. Therefore satisfying them and creating a favourable impression about the product should be the priority of any organisation.

TRAI in its Annual Report (2013-14) has revealed that “there has been a substantial growth in the number of subscribers during the year 2013-14. At the end of the financial year, the subscriber base was 933.00 million, out of which 904.51 million were wireless subscribers. During the year, wireless subscriber base recorded an increase of 36.71 million, while the overall teledensity increased from 73.32 to 75.23. The year also saw increase in rural teledensity from 41.02 to 43.96 while the urban teledensity decreased to 145.78 from 146.96. As per the data reported by the service providers, by the end of March, 2014 about 117.01 million mobile subscribers have submitted their requests to different service providers for porting their mobile number. The Internet subscriber base in the country as on 31st March 2014 stood at 251.59 million as compared to 164.81 million as on 31st March 2013. In the year 2013-14 the wireless subscriber base was 904.51 million as on 31st March 2014



in comparison to the subscriber base 867.80 million as on 31st March 2013 registering a growth

of 4.23% during the financial year 2013-14. According to India Brand Equity Foundation (IBEF) the number of wireless subscribers is expected to reach approximately 1.2 billion by 2016. The Government of India has introduced Digital India program under which all the sectors such as healthcare, retail, etc. will be connected through internet. The government has been proactive in its efforts to transform India into a global telecommunication hub.

With the increase in the use of mobile phones in India, smart phone technology has proved to be preferred especially among the youth, that it has become a part of their life.

Losing their smart phones makes them mad as they have lot of personal information stored into it. They use it for texting, listening to music, playing games, chatting seeing movies, passing information, fiddling with apps etc.

Having seen the growing attraction towards smart phones in India, competition among smart phones is also on the rise. This has led to switching from one smart phone to another smart phone mainly among the youth.

LITERATURE REVIEW

Arvind Sahay & Nivedita Sharma (2010) in their study found that young consumers do form relationships with brand(s) with love and passion dimension of brand relationship being stronger amongst teen-agers as compared to young adults.

Satish M, Santhosh Kumar K, Naveen KJ & Jeevanantham V(2011) in their study reveal that call rates plays the most important role in switching the service provider followed by network coverage, value added service and customer care while advertisement plays the least important role.

Sudhansh Sharma , Venu Gopal , Rachna Sharma & Neetu Sharma(2013) in their study concluded that mobile phone users i.e. college students, are frequently switching the brands. Karen Lim Lay-Yee, Han Kok-Siew & Benjamin Chan Yin-Fah in their study found that the Smart phone purchase decisions of Generation Y is influenced by brand concern, convenience concern, dependency concern, price concern, product features and social influence concern.

Paurav Shukla(2004) study observed that product usage and related level of satisfaction fail to explain the brand switching behaviour. Product involvement was found to have moderate impact on readiness to switch.

Mazursky, David; LaBarbera, Priscilla and Aiello, Al (2006) found in their study that there is a difference depending upon whether switching behavior was induced by extrinsic (e.g., price, coupon) or intrinsic (e.g., a desire to try a new brand) incentives. Unlike intrinsically induced switching, extrinsic incentives motivated consumers switch despite a high level of satisfaction with last purchased brand. However, this switching behaviour resulted in the weaker intentions to repurchase the new brand.

Jones, Marie J. Lachance, Pierre Beaudoin & Jean Robitaille, (2003) discovered in their study that girls' brand sensitivity is related to the importance fathers give to clothing brands. TV exposure is not related to adolescents' brand sensitivity. For boys and girls, peers represent the most important predictor of this consumer socialization. There was a positive relationship between peers using a brand or favouring a brand and the consumer switching to that brand. The survey responses also revealed that sharing of brand opinions was correlated with brand switching, thereby reinforcing the strength of peer pressure.

Mazursky David, LaBarbera Priscilla, Al Aiello, (1987) found that there was a difference depending upon whether switching behaviour was induced by extrinsic (e.g., price, coupon) or intrinsic (e.g., a desire to try a new brand) incentives. Unlike intrinsically induced switching, extrinsic incentives motivated consumers to switch, despite a high level of satisfaction with the last purchased brand. However, this switching behaviour resulted in weaker intentions to repurchase the new brand.

OBJECTIVES OF THE STUDY

1. To examine the factors influencing brand switching among the youth.
2. To find the association between brand switchers and the factors influencing brand switching among the youth
3. To identify the factors that prohibits frequent switching over to other Smart phones among the youth.

METHODOLOGY

This study on "Factors influencing the youth in brand switching of smart phones" is done among the youth whose age range from 18 to 23 years in Chennai, India during the year 2015. Chennai city was chosen for the study due to the diversified nature of youth population present. The type of research used for this study is descriptive research where 180 questionnaires

was administered in the presence of the researcher to the youth using smart phones, out of which 150 questionnaires were considered applicable for the research. Questions were framed on Likert 5 point rating scale and multiple choices. Data was entered in Statistical Package for Social Sciences (SPSS) ver. 17.0 for analysis and analysed. Reliability of the data was tested using Cronbach’s alpha for each of the factors influencing brand switching and the data was found to be reliable with an alpha value > 0.7.

RESULTS AND DISCUSSIONS

For the purpose of the study on “Factors influencing the youth in brand switching of smart phones”, the factors were identified by the researcher

and categorised into 4 factors ie. personal factors, sales promotion factors, internet factors and product factors.

Factors Influencing Brand Switching Among The Youth.

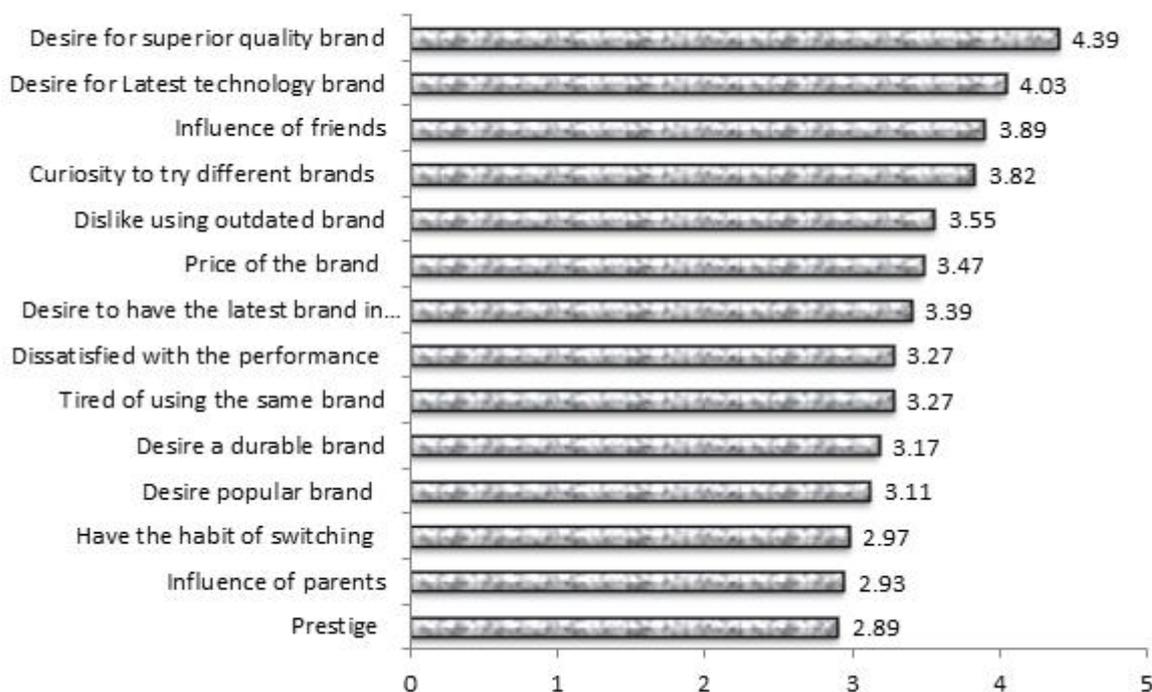
To study the factors influencing brand switching among the youth, questions regarding each feature for each factor was given in a five point Likert scale ranging from Strongly agree to Strongly disagree. The important factor was then identified by applying one way ANOVA.

Ranking Of Features For Each Factor

The figures below show the important feature for each factor in the descending order.

Personal factors

**Figure 1
Influence of personal factors on brand switching**

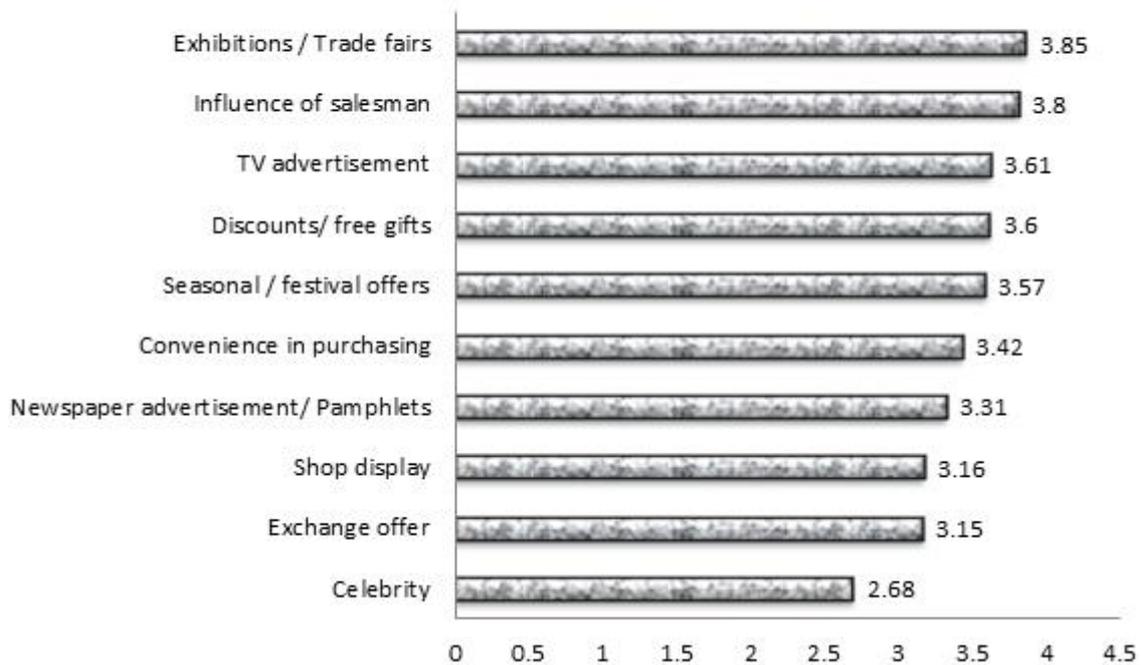


Considering the scores above 3.5 which shows the youths agreement towards the different factors, the youth are of the opinion that brand switching behaviour with regard to Personal factors are due to ‘desire for

superior quality brand’, followed by ‘desire for latest technology brand’, followed by ‘influence of friends’, followed by ‘curiosity to try different brands’ and followed by ‘dislike using outdated brands’.

Sales promotion factors

Figure 2
Influence of Sales promotion factors on brand switching

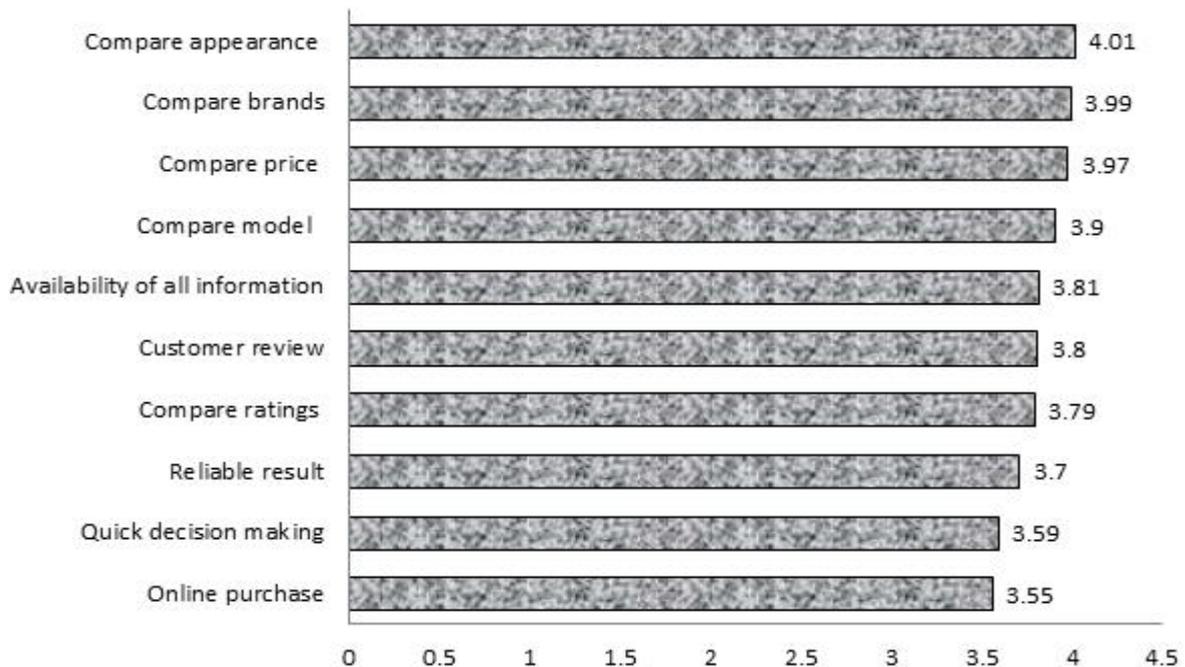


Considering the scores above 3.5 which shows the youths agreement towards the different factors, the youth are of the opinion that brand switching behaviour with regard to Sales promotion factors are due to

‘exhibitions/trade fairs’, followed by ‘influence of salesman’, followed by ‘TV advertisements’, followed by ‘discounts/free gifts’ and followed by ‘seasonal/ festive offers’.

Internet factors

Figure 3
Influence of Internet factors on brand switching

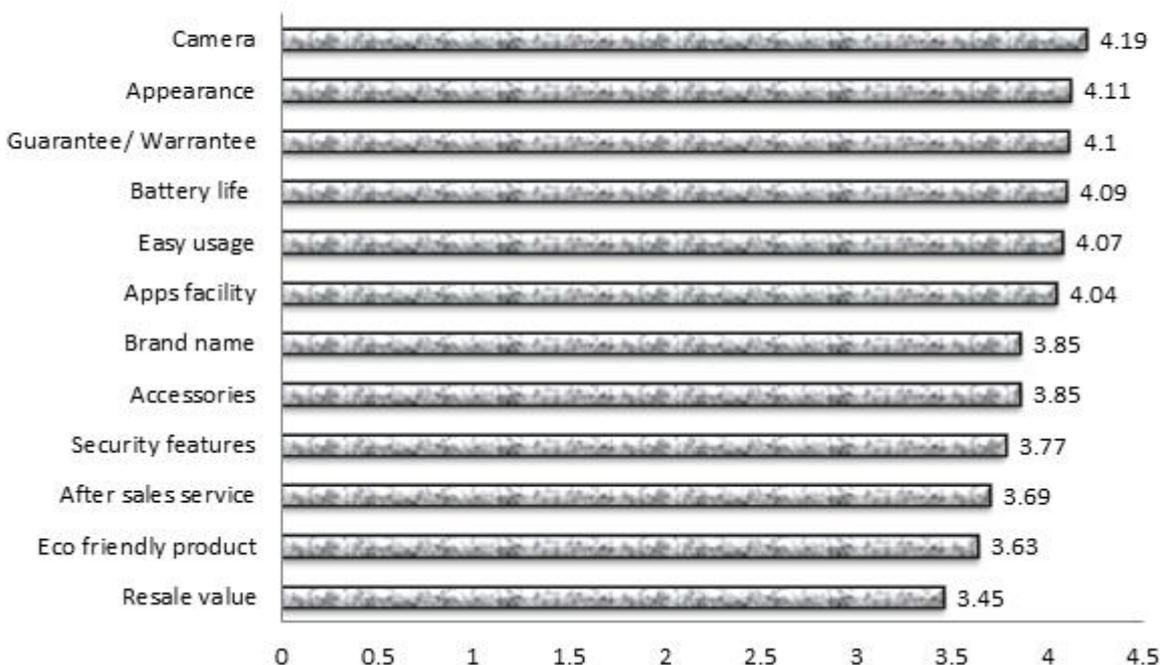


Considering the scores above 3.5 which shows the youths agreement towards the different factors, the youth are of the opinion that brand switching behaviour with regard to Internet factors are due to ‘able to compare appearance of smart phones’ followed by ‘able to compare brands’, followed by ‘able to compare price’,

followed by ‘able to compare model’, followed by ‘availability of all information’, followed by ‘customer review’, followed by ‘customer ratings’, followed by ‘reliable results’, followed by ‘quick decision making’ and followed by ‘online purchase’.

Product factors

Figure 4
Influence of Product factors on brand switching



Considering the scores above 3.5 which shows the youths agreement towards the different factors, the youth are of the opinion that brand switching behaviour with regard to Product factors are due to ‘camera’, followed by ‘appearance’, followed by ‘guarantee/warranty’, followed by ‘battery life’, followed by ‘easy usage’, followed by ‘apps facility’, followed by ‘brand name’, followed by ‘accessories’, followed by ‘security features’, followed by ‘after sales service’, and followed by ‘eco friendly product’.

Identification Of Important Factors That Influence Brand Switching Among The Youth

To identify the important factor that influence brand switching among youth, One Way ANOVA was applied on the average of each of the 4 factors as shown below.

Table 1 One way ANOVA on important factors that influence brand switching

Factors	Mean	df	F	p
Personal	.4390	81	26.911	.000**
Sales promotion	.2067			
Internet	.8107	518		
Product	.8983			

Note: **denotes significance at 1% level.

The p value is < 0.01 (.000) shows that there is significant difference between the factors that influence brand switching among the youth. Looking at the mean

values, product factor seems to be the main factor that influences brand switching followed by internet factor with sales promotion factor being the least factor.

Association between Brand Switchers And The Factors Influencing Brand Switching

To study the association between brand switchers and the factors influencing brand switching among the youth, the brand switchers were categorized based on the use of smart phones and the influence of each factor on brand switchers was found using cluster analysis. Chi square test was then applied to find the association

between brand switchers and the factors influencing brand switching among the youth.

Identification of Category of Brand Switchers Based On Their Use of Smart Phones

Brand switchers were determined based on the years the youth have used a particular brand of smart phone and are categorised as below:

Table 2 Category of brand switchers based on their use of smart phones

Use of Smart phones (Years)	Category
<= 2 years	Frequent switchers
2-4 years	Moderate switchers
>4 years	Rare switchers

Source: Computed data

Influence of Personal Factors in Their Brand Switching

Category based on the influence of personal factors in their brand switching

To categorize the youth based on the influence of personal factors in their brand switching behaviour, K-

Means cluster analysis is applied. Based on the final cluster centres which give the mean abundance of each factor in each of the clusters, a descriptive name to each cluster was given based on their dominant factors and shown below.

Table: 3 Category based on the influence of personal factors in their brand switching

Cluster	Number of cases in each cluster	Percentage	Personal factors
1	45	30	Rare influence
2	78	52	High influence
3	27	18	Moderate influence
Valid	150	100	

Source: Computed data

The above table reveals that cluster 2 consists of 52% of the youth who are highly influenced by personal factors while brands switching, while cluster 3 consists of 18% of youth who are moderately influenced by personal factors and cluster 1 consists of 30% of youth who are rarely influenced by personal factors.

Association Between The Brand Switchers And Influence Of Personal Factors On Them.

Association between brand switchers and influence of personal factors on them was studied by using chi square test and the results are shown below.

Table 4 Chi square test for association between brand switchers and influence of personal factors

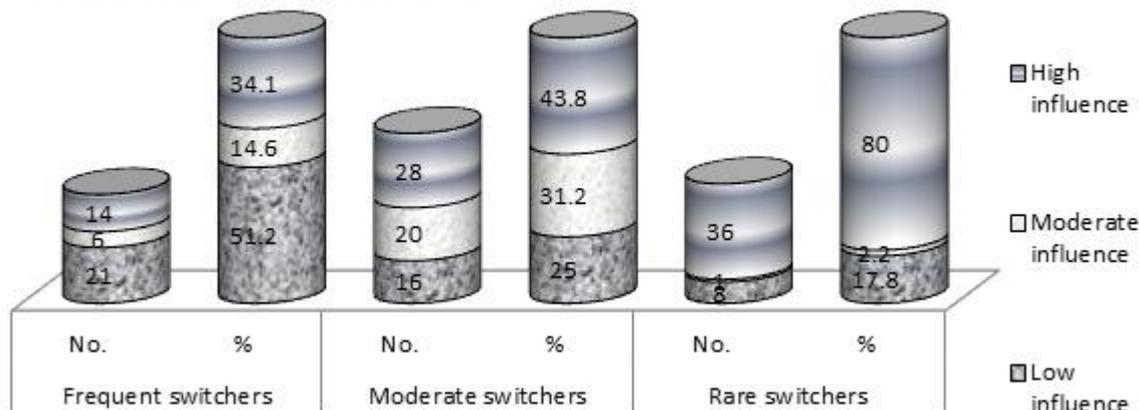
Personal factors	Brand switchers						χ^2 value	P value
	Frequent		Moderate		Rare			
	No.	%	No.	%	No.	%		
High influence	14	34.1	28	43.8	36	80.0	31.787	0.000**
Moderate influence	06	14.6	20	31.2	01	02.2		
Low influence	21	51.2	16	25	08	17.8		
Total	41	100	64	100	45	100		

Note: **denotes significance at 1% level.

The above table reveals that for χ^2 value = 31.787, the p value is < 0.01 (0.000). Hence there is significant association between the between brand switchers and influence of personal factors on them.

The figure below shows the influence of personal factors on brand switchers

Figure 5
Influence of personal factors on Brand switchers



Looking at the majority in the above figure, we conclude that, personal factors have low influence on 51.2% of frequent switchers while it has high influence on 80.0% of rare switchers.

Influence Of Sales Promotion Factors On Brand Switchers
Category based on the influence of sales promotion factors in their brand switching

To categorize the youth based on the influence of sales promotion factors in their brand switching behaviour, K-Means cluster analysis is applied. Based on the final cluster centres which gives the mean abundance of each factor in each of the clusters, a descriptive name to each cluster was given based on their dominant factors and shown below.

Table:5 Category based on the influence of sales promotion factors in their brand switching

Cluster	Number of cases in each cluster	Percentage	Sales promotion factors
1	48	32	Moderate influence
2	19	12.67	Rare influence
3	83	55.33	High influence
Valid	150	100	

Source: Computed data

The above table reveals that cluster 3 consists of 55.33% of the youth who are highly influenced by sales promotion factors while brands switching, while cluster 1 consists of 32.0% of youth who are moderately influenced by sales promotion factors and cluster 2 consists of 12.67% of youth who are rarely influenced by sales promotion factors.

Association Between Brand Switchers And Influence Of Sales Promotion Factors On Them.

Association between brand switchers and influence of sales promotion factors on them was studied using chi square test and the results are shown below.

The figure below shows the influence of sales promotion factors on brand switchers

Table: 6 Chi square test for association between brand switchers and influence of sales promotion factors

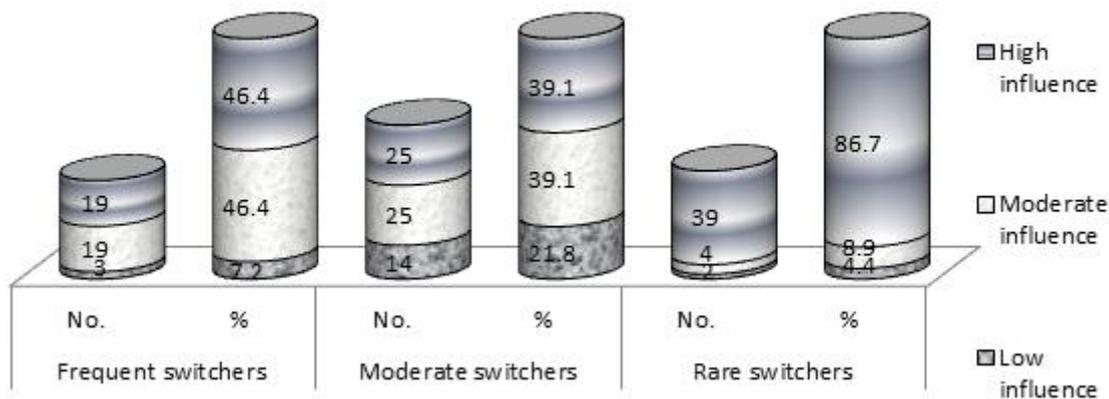
Sales promotion factors	Brand switchers						χ ² value	P value
	Frequent		Moderate		Rare			
	No.	%	No.	%	No.	%		
High influence	19	46.4	25	39.1	39	86.7	30.402	0.000**
Moderate influence	19	46.4	25	39.1	04	08.9		
Rare influence	03	07.2	14	21.8	02	04.4		
Total	41	100	64	100	45	100		

Note: **denotes significance at 1% level. 0 cells (0.0%) have expected count less than 5.

The above table reveals that for χ^2 value =30.402, the p value is < 0.01 (0.000). Hence there is significant association between brand switchers and influence of sales promotion factors on them.

The figure below shows the influence of sales promotion factors on brand switchers

Figure 6
Influence of sales promotion factors on brand switchers



Looking at the majority in the above figure we conclude that, sales promotion factors have high influence on 86.7% of rare switchers.

To categorize the youth based on the influence of internet factors in their brand switching behaviour, K-Means cluster analysis is applied. Based on the final cluster centres which gives the mean abundance of each factor in each of the clusters, a descriptive name to each cluster was given based on their dominant factors and shown below.

Influence Of Internet Factors On Brand Switchers
Category based on the influence of internet factors in their brand switching behaviour

Table: 7 Category based on the influence of internet factors in their brand switching behaviour

Cluster	Number of cases in each cluster	Percentage	Internet factors
1	73	48.67	High influence
2	27	18.00	Moderate influence
3	50	33.33	Rare influence
Valid	150	100	
Missing	.000		

Source: Computed data

The above table reveals that cluster 1 consists of 48.67% of youth who are highly influenced by internet factors while brands switching, while cluster 2 consists of 18% of youth who are

Association Between The Influence Of Internet Factors On Brand Switching And Brand Switchers.

moderately influenced by internet factors and cluster 3 consists of 33.33% of youth who are rarely influenced by internet factors.

Association between brand switchers and the influence of internet factors on them was studied using chi square test and the results are shown below.

Table:8 Chi square test for association between brand switchers and influence of internet factors

Internet factors	Brand switchers						χ^2 value	p value
	Frequent		Moderate		Rare			
	No.	%	No.	%	No.	%		
High influence	16	39.0	29	45.3	28	62.2	11.857	0.018*
Moderate influence	13	31.7	12	18.8	02	04.5		
Rare influence	12	29.3	23	35.9	15	33.3		
Total	41	100	64	100	45	100		

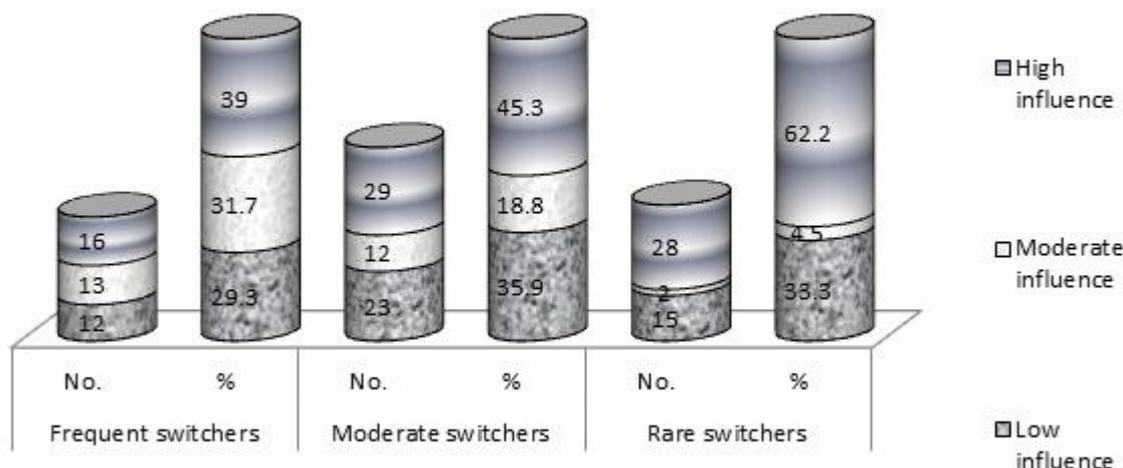
Note: * denotes significance at 5% level. 0 cells (0.0%) have expected count less than 5.



The above table reveals that for χ^2 value =11.857, the p value is <0.05 (0.018). Hence significant association between brand switchers and influence of internet factors on them was established by using chi square test.

The figure below shows the influence of internet factors on brand switchers

Figure 7
Influence of Internet factors on brand switchers



Looking at the majority of youth in the above figure we conclude that, internet factors have high influence on 62.2% of rare switchers.

To categorize the youth based on the influence of product factors in their brand switching behaviour, K-Means cluster analysis is applied. Based on the final cluster centres which gives the mean abundance of each factor in each of the clusters, a descriptive name to each cluster was given based on their dominant factors and shown below.

Influence Of Product Factors On Brand Switchers
Category based on the influence of product factors in their brand switching

Table:9 Category based on the influence of product factors in their brand switching

Cluster	Number of cases in each cluster	Percentage	Product factors
1	55	36.67	High influence
2	18	12.00	Rare influence
3	77	51.33	Moderate influence
Valid	150	100	

Source: Computed data

The above table reveals that cluster 1 consists of 36.67% of youth who are highly influenced by product factors while brands switching, while cluster 2 consists of 12% of youth who are moderately influenced by product factors and cluster 3 consists of 51.33% of youth who are rarely influenced by product factors.

Association Between Brand Switchers And The Influence Of Product Factors On Them.

Association between brand switchers and the influence of product factors on them was studied using chi square test and the results are shown below.

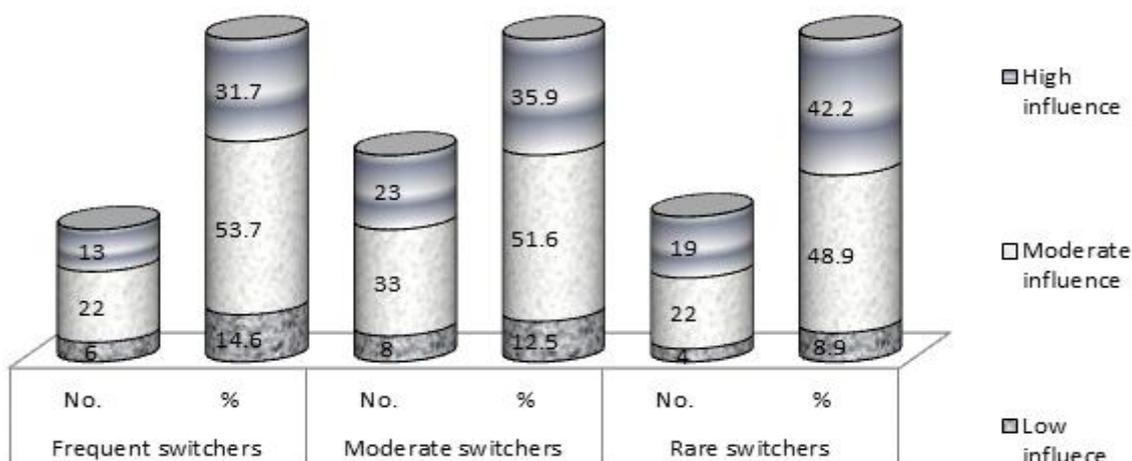
Table:10 Chi square test for association between brand switchers and influence of product factors

Product factors	Brand switchers						χ^2 value	P value
	Frequent		Moderate		Rare			
	No.	%	No.	%	No.	%	1.373	0.849
High influence	13	31.7	23	35.9	19	42.2		
Moderate influence	22	53.7	33	51.6	22	48.9		
Low influence	06	14.6	08	12.5	04	08.9		
Total	41	100	64	100	45	100		

The above table reveals that for χ^2 value = 1.373 the p value is >0.05 (0.849). Hence, there is no significant association between the brand switchers and the influence of product factors on them.

The figure below shows the influence of product factors on brand switchers

Figure 8
Influence of product factors on brand switchers



As there is no significant association between the brand switchers and the influence of product factors on them we can conclude that all the category of brand switchers are equally influenced by product factor in their brand switching behaviour.

FACTORS THAT PROHIBIT FREQUENT SWITCHING OVER TO OTHER BRANDS

Twelve factors that that prohibit frequent switching over to other Smart phones are identified.

Factor analysis is applied using Principal Component method and Varimax (orthogonal) rotation with factor loading based on Eigen values greater than 1. Kaiser-Meyer-Olkin Statistic for measuring sampling adequacy was 0.718, Barlett’s test of Sphericity ($\chi^2=598.446, p=0.000$) is found significant and thereby confirm the feasibility of factor analysis. The extracted factors as shown in Communalities table ranges from 0.629 to 0.808. These variables are reduced to 4 predominant factors with a total cumulative variance of 68.155% are reported in the table below.

Table 11 Rotated Component Matrix

Factor	Statements	Factor Loading
Popularity of the brand	Most popular brand in the market	.893
	Latest technology	.749
	Latest brand in the market	.699
Usefulness of the brand	Works properly	.876
	As long as it looks attractive	.766
	Download the latest apps	.603
Status symbol	Prestigious brand	.856
	New brand	.752
Impossibility to purchase	Financially unable	.842
	Brand not available in the market	.808

Source: Computed data



From the above table we conclude that the main factor that prohibits a person to frequently switch over to other smart phones is 'popularity of the brand' followed by 'usefulness of the brand'

FINDINGS

The youth agree that their brand switching behaviour is influenced by 'superior quality', 'latest technology', 'influence of friends', 'curiosity to try different brands' and followed by 'dislike using outdated brands' with regard to personal factors. Brand switching behaviour with regard to Sales promotion factors are due to 'exhibitions/trade fairs', 'influence of

salesman', 'TV advertisements', 'discounts/free gifts' and 'seasonal/festive offers'. Brand switching behaviour with regard to Internet factors are due to 'able to compare appearance of smart phones', 'able to compare brands', 'able to compare price', 'able to compare model', 'availability of all information', 'customer review', 'customer ratings', 'reliable results', 'quick decision making' and 'online purchase'. Brand switching behaviour with regard to Product factors are due to 'camera', 'appearance', 'guarantee/warranty', 'battery life', 'easy usage', 'apps facility', 'brand name', 'accessories', 'security features', 'after sales service', and 'eco friendly product'. Product factors followed by internet factors highly influence brand switching. Compared to majority of the high switchers and moderate switchers, majority of rare switchers are those who are highly influenced by personal factors, sales promotions factors and internet factors. The main factor that prohibits the youth to frequently switch over to other smart phones is popularity of the brand followed by usefulness of the brand.

CONCLUSION

Though product factors highly influence brand switching, it influences all the brand switchers alike. As product factors influence all customers, sellers who are interested in attracting new

customers must concentrate on product factors. The reason behind personal, internet and sales promotion factors to have a high influence among majority of rare switchers is the 'popularity of the brand and usefulness of the brand' that prevents them from switching over to other brands. Hence competitors who want the youth to be loyal to their cell phones must give importance to 'popularity of the brand and usefulness of the brand'.

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