

FACTORS INFLUENCING BRAND CHOICE OF MOBILE PHONES IN KATHMANDU VALLEY

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ABSTRACT

The main aim of the study is to investigate the factor influencing the brand choice of mobile phone in Kathmandu valley. The study identifies the how brand effect in selection of mobile phone. For the efficient completion of the research a sample of 385 customers were taken from Kathmandu valley. Simple random sampling method was used where every element of the study population had equal and non-zero chance of being selected as a sample of the study. The independent study is completed using a blend of descriptive and causal comparative research design. Quantitative method is used in the research where the questionnaires are close ended with fixed options to be selected. In the present research study, I found that brand attitude, brand image, brand attributes and reference group have positive significant effect on selection of mobile phone brand.

Keywords: Brand, Brand Image, Brand Attitude, Brand Attribute

INTRODUCTION

Strong brand in the market competition is the main goal of many organizations because it allows the creation of a wide range of benefits to organizations including reduce risk, greater profit, cooperation with other parties as well as the opportunity for brand extension (Hawkins, 2004). This question is a fundamental problem and became a major observation in the study of the brand at least in the past two decades, which in turn produces a more powerful paradigm to examine further the concept of brand image and brand trust. Brand also considered contributing to maintain the competitiveness of the existence of offers given because the brand is usually associated with a particular image that can create certain associations in the minds of consumers (Aaker, 1977).

Brand image is also regarded as opinion and consumer confidence in the quality of products produced by organizations and organizational honesty in the products offered to consumers (Aaker, 1977). In the analogy stated that if a consumer thinks that the organization has a consumer-oriented perspective, so consumers have confidence in the brand over the image of the brand owned by the organization (Delgado, 2005). Most studies such as done by Srivastava (2001) considered brand trust as a market-based asset that are interconnected because it is exist externally and lies in the relationship with the end user of the brand. At the same time, the emergence of relationship marketing as a starting point in a study conducted by researchers or marketing practitioners suggest that trust is a major factor in which

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the relationship between the customer and the brand (Morgan, 1994).

Chaudhuri & Holbrook (2001) cover the lack of brand trust study by saying that the role of brand trusts the process of improving confidence in the brand has not be considered in concrete. The importance of confidence in the brand as one of the key factors in many marketing relationships examined in numerous studies, but unfortunately it does not become a major and critical studies in particular its relationship with customer satisfaction and buying behavior(Delgado & Munuera, 2005). Most theories, specifically consider buying behavior of consumers as market-based assets that are interconnected, given that most of the value is the result of external relations with the brand value chain such as distribution systems and end users(Srivastava, Fahey, & Christensen, 2001).

The relationship is what makes purchasing behavior into external assets of the company as this is often a real but not owned by the company. Delgado-Ballester & Munuera-Aleman (2005) in other words, buying behavior is explicitly to be in the market and the brand association of a series of behaviors that develop in the brand study (Deng, Wei, & Zhang, 2010). As a market-based assets that are interconnected, purchasing behavior can be regarded as a function of the relationship between the brand and the customer (Ambler, 1997) and the introduction of the trust as the core of the relationship variables that can enrich the understanding of buying behavior and can generate predictions and assessment of the better marketing performance (Delgado & Munuera-, 2005).

Brand names present many things about a product and give number of information about it to the customers and also tell the customer or potential buyer what the product means to them. Furthermore, it represents the customers' convenient summary like their feelings, knowledge and experiences with the brand.

More over customer do not spend much time to do find out about the product. When customer considers about the purchase they evaluate the product immediately by reconstructed product from memory and cued by the brand name and brand image (Hansen & Christensen, 2003).

RESEARCH METHODOLOGY

The study is based on Primary data. The necessary data has been collected from by distributing self-administrative questionnaires. A questionnaire was designed to explore the fact. Questionnaire contains the use of fixed questions which are presented to respondents in the same way, with no variation in question wording.

The study has employed descriptive and causal-comparative research design to deal with the factor influencing brand choice of mobile phone in Kathmandu valley. Descriptive research is typically more formal and structured because it is based on large, representative samples and the data obtained are subjected to quantitative analysis. Luck & Rubin(2001) describe the descriptive research designs as the intended to produce accurate descriptions of variables relevant to the decision being faced, without demonstrating that some relationship exists between variables. The causal comparative design is used to explore relationships among variables of brand choice. This study used causal comparative research design to establish the cause and effects relationship between factors influencing brand choice and mobile phone. The cause and effect relationship between the dependent and independent variable that are taken in the present research is analyzed using the causal research.

The population for this research survey in brand choice is from Kathmandu valley. The questionnaires were only distributed to those people who uses different brand of mobile phones in Kathmandu valley. The questionnaire was collected through Google docs using

social networking site. Sampling size depend according to research questions and objectives (Saunders, 2011). Total population for the study is unknown so researcher calculates the minimum sample size using the formula given by (Cochran, Sampling Technique (3rd ed., 1997).

First calculate the sample size for unknown population

$$S = \{z^2 * M (1-P)\} / M^2$$

Where,

S = Sample size for unknown population

Z = Z-Score (1.96 determined on Confidence level of 95 %.)

P = Population proportion (assumed to be 50% = 0.5)

M = Margin of Error 0.5

$$\text{Now, } S = \frac{1.96^2 \times 0.5 \times (1 - 0.5)}{0.05^2}$$

Therefore, minimum sample size required for the study is 385.

A total of 400 questionnaires were sent online, out of them, 385 responses were considered for data analysis.

RESEARCH MODEL

As, a first approximation, the model estimation in the study assumes that the brand choice depends on brand image, brand attitude, brand attributes, reference group, age, gender and education. Therefore the model takes the following form:

Brand choice = f (brand image, brand attitude, brand attributes, reference group, age, gender and education)

More Specifically,

$$BC = \beta_0 + \beta_1 bi + \beta_2 ba + \beta_3 bat + \beta_4 rg + \beta_5 ag + \beta_6 g + \beta_7 e + e$$

Whereas,

BC = Brand Choice

bi = brand image

bat = brand attribute

rg = reference group

ag = age

g = gender

e = education

HYPOTHESIS

H₁ : There is significant relationship between brand image and mobile brand choice.

H₂ : There is significant relationship between brand attitude and mobile brand choice.

H₃ : There is significant relationship between brand attributes and mobile brand choice.

H₄ : There is significant relationship between Reference Group and mobile brand choice.

PRESENTATION AND DATA ANALYSIS

Respondent Profile

In this study, the respondents include consumer of Kathmandu valley and 385 questionnaires were collected based on the age, gender, academic qualification, and designation. The respondent profile is briefly presented in the following Table 1.

Table 1: Profile of respondents of brand choice in Kathmandu valley

Respondents Character	No. of responses	Percentage
Gender		
Female	231	60
Male	154	40
Total	385	100
Age		
Below 30	150	39
31-40	189	49
41-50	46	12
51-60	0	0
Above 60	0	0
Total	385	100
Academic Qualification		
Master's Degree	231	60
Bachelor Degree	77	20
Intermediate (+2)	69	18
Above Master's	8	2
Total	385	100
Designation		
Assistant Level	192	50
Executive Level	115	30
Managerial level	78	20
Total	385	100

The above table shows the respondent's profile information regarding the gender, age, academic qualification, designation and years of experience. Demographic characteristics play a vital role in understanding the factor influencing brand choice of mobile phone in customer of Kathmandu valley. Thus, the individual respondent perception about the factor affecting brand choice of mobile phone in customer of Kathmandu valley can be known through questionnaire. Out of the total respondent's 60 percent is female and under the age group, the majority of the respondents (49 percent) are of age group 31-40. Likewise, 39 percent are from age group below 30. On the basis of academic qualification, employees are categorized on the completion of master's, bachelor, intermediate, or above master

degree. 60 percent of the respondent completed master's degree, 20 bachelor's degree, 18 percent intermediate (+2) degree, and 2 percent above master's degree. On the basis of designation, 50 percent of the respondent falls under assistant level, 30 percent executive level and 20 percent managerial level.

Analysis of Brand Choice

This section provides the information regarding the brand choice. Brand is strategically crucial, but famously difficult to quantify. Many experts have developed tools to analyze this asset, but there is no agreed way to measure it. As one of the serials challenges that marketing professionals and academics find with the concept of brand equity, between quantitative

and qualitative equity values is difficult to reconcile. Quantitative brand includes numerical values such as profit margins and market share, but fails to capture qualitative elements such as prestige and associations of interest. Overall, most marketing practitioners take a more qualitative approach to brand because of this challenge.

The respondent’s opinion regarding the brand choice is presented in table 2.

Below table show the analysis of brand choice. The majority of the respondents (45 percent) believe that I had proper information about the brand before purchase. While, 25 percent of the respondents agree about this statement and 20 percent of the respondents are neutral and 3 percent strongly disagree family always supports you in your individual decisions.

The majority of the respondents (30.00 percent) believe that I choose the brand even if I haven’t heard about it While, 30 percent of the respondents are neutral about this statement and 5 percent of the respondents believe that I choose the brand even if I haven’t heard about it.

The majority of the respondents (50 percent) believe I buy the brand because I have complete trust on it. While, 5 percent of the respondents are neutral about this statement and 40 percent of the respondents disagree that I buy the brand because I have complete trust on it.

The majority of the respondents (60 percent) strongly disagree that I choose brand that suits meanwhile, 5 percent of the respondents are neutral about this statement, and 30 percent of the respondents disagree that I choose brand that suits me.

Table 2: Brand Choice in the context of mobile users in Kathmandu valley

Statement		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	N	Mean
I had proper information about the brand before purchase	F	12	27	77	173	96	385	3.82
	%	0.03	0.07	0.20	0.45	0.25	100	
	A%	0.05		20	0.35			
I choose the brand even if I haven’t heard about it	F	19	39	116	96	114	385	3.65
	%	0.05	0.10	0.30	0.25	0.30	100	
	A%	0.08		30	0.275			
I buy the brand because I have complete trust on it	F	193	154	19	19	0	385	1.55
	%	0.5	0.4	0.05	0.05	0	100	
	A%	0.45		0.05	0.025			
I choose brand that suits me	F	231	115	19	12	8	385	1.57
	%	0.6	0.3	0.05	0.03	0.02	100	
	A%	0.45		0.05	0.025			
Weighted average mean								3.01

Brand Image

Brand image is developed over time through advertising campaigns with a consistent theme, and is authenticated through the consumers’

direct experience. See also corporate image. The respondent’s opinion regarding brand Image is presented in table 4.

Table 3: Analysis of Brand Image

Statement		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	N	Mean
Thinking of brand brings back memory	F	19	19	39	231	77	385	3.85
	%	0.05	0.05	0.1	0.6	0.2	100	
	A%	0.05		0.1	0.4			
My brand comes in my mind whenever I think of phone	F	19	19	77	116	154	385	3.95
	%	0.05	0.05	0.2	0.3	0.4	100	
	A%	0.05		0.2	0.35			
The product quality is good	F	19	19	77	39	231	385	4.15
	%	0.05	0.05	0.2	0.1	0.6	100	
	A%	0.05		0.2	0.35			
Weighted Average Mean								3.9833

The above table shows the analysis of brand image to brand choice of mobile phone. The majority of the respondents (60 percent) believe that thinking of brand brings back memory. While, 10 percent of the respondents strongly agree about this statement and 10 percent of the respondents are neutral and 5 percent strongly disagree that thinking of brand brings back memory.

The majority of the respondents (40.00 percent) believe that "My brand comes in my mind whenever I think of phone". While, 20 percent of the respondents are neutral about this statement and 30 percent of the respondents believe that my brand comes in my mind whenever I think of phone.

The majority of the respondents (60 percent) believe that the product quality is good. While, 20 percent of the respondents are neutral about this statement and 5 percent of the respondents disagree that the product quality is good.

Analysis of Brand Attitude

Customer brand attitude is a state of mind that enables a consumer to view a brand through a filter. Consumers develop viewpoints about brands along with a spectrum or continuum, but nothing is lost by thinking of this spectrum as a type of Likert scale. The five points of a

Likert scale are markers of customer brand attitude at a particular point in time. Customer brand attitude is expressed as a lasting opinion or conception of product differentiation, whether good or bad.

The respondents were asked questions regarding their view on brand attitude. The respondent's opinion regarding the brand attitude is presented in table 4.4.

Below table shows the analysis of brand attitude to brand choice of mobile phone. The majority of the respondents (30percent) believe that I am satisfied with the phone that I am using. While, 20 percent of the respondents strongly agree about this statement and 25 percent of the respondents are neutral and 5 percent strongly disagree that I am satisfied with the phone that I am using.

The majority of the respondents (50 percent) believe that this brand give me pleasure experience. While, 10percent of the respondents are neutral about this statement and 30 percent of the respondents agree that believe that this brand give me pleasure experience

The majority of the respondents (50 percent) believe the brand is reliable. While, 15 percent of the respondents are neutral about this statement and 5 percent of the respondents disagree that the brand is reliable.

Table 4: Analysis of Brand attitude

Statement		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	N	Mean
I am satisfied with the phone that I am using	F	19	77	96	116	77	385	3.4
	%	0.05	0.2	0.25	0.3	0.2	100	
	A%	0.125		0.25	0.25			
This brand gives me pleasure experience	F	19	19	39	116	193	385	4.15
	%	0.05	0.05	0.1	0.3	0.5	100	
	A%	0.05		0.1	0.4			
The brand is reliable	F	19	39	58	193	77	385	3.7
	%	0.05	0.1	0.15	0.5	0.2	100	
	A%	0.075		0.15	1.25			
Weighted average mean								3.75

Analysis of Brand Attribute

Brand attribute is also known as core values, brand attributes represents the essence of the brand. Brand attributes are a set of characteristics that identify the physical, character and

personality traits of the brand, similar to the attributes that allow us to consistently identify individuals. The respondents were asked questions regarding their view on brand attribute. The respondent’s opinion regarding the brand attribute is presented in table 5.

Table 5: Brand Attribute

Statement		Strongly Disagree	Disagree	Neutral	agree	Strongly Agree	N	Mean
Quality is the major factor for brand attribute	F	19	19	39	116	193	100	4.15
	%	0.05	0.05	0.1	0.3	0.5	100	
	A%	0.05		0.1	0.4			
Cost plays an important role for brand attribute	F	39	19	19	193	116	100	5.5
	%	0.1	0.05	0.05	0.5	0.3	100	
	A%	0.075		0.05	0.4			
The material used in the product is durable	F	39	39	77	154	77	100	3.5
	%	0.1	0.1	0.2	0.4	0.2	100	
	A%	0.1		0.2	0.3			
Weighted average mean								4.38333

The above table shows the analysis of brand attribute to brand choice of mobile phone in Kathmandu valley. The majority of the respondents (50percent) strongly believe that quality is the major factor for brand attribute.

While, 30 percent of the respondents agree about this statement and 10 percent of the respondents are neutral and 5 percent strongly disagree that quality is the major factor for brand attribute.

Analysis of Reference Group

Reference groups act as a frame of reference to which people always refer to evaluate their achievements, their role performance, aspirations and ambitions. A reference group can be either from a membership group or non-membership group. An example of a reference

group being used would be the determination of affluence.

The respondents were asked questions regarding their view on reference group. The respondent’s opinion regarding the reference group is presented in table 6.

Table 6: Reference Group

Statement		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	N	Mean
I mostly buy the phone when my friend approves me to buy	F	19	39	116	96	77	100	3.15
	%	5.00%	10.00%	30.00%	25.00%	20.00%	100	
	A%	0.075		30.00%	0.225			
It is important for others to like my brand	F	19	19	154	116	77	100	3.55
	%	5.00%	5.00%	40.00%	30.00%	20.00%	100	
	A%	0.05		40.00%	0.25			
I like to know what brand make good impression to others	F	12	8	39	116	212	100	4.32
	%	3.00%	2.00%	10.00%	30.00%	55.00%	100	
	A%	0.025		10.00%	0.425			
Weighted average mean								3.67333

The above table shows the analysis of reference group on brand choice of mobile phone. The majority of the respondents (30 percent) are neutral that I mostly buy the phone when my friend approves me to buy. While, 25 percent of the respondents agree about this statement and 20 percent of the respondents strongly agree this statement and 5 percent strongly disagree I mostly buy the phone when my friend approve me to buy.

The majority of the respondents (40 percent) are neutral that “It is important for others to like my brand”. While, 30 percent of the respondents agree about this statement and 20 percent of the respondents strongly agree that it is important for others to like my brand. The majority of the respondents (55 percent) believe that I like to know what brand makes good impression to others. While, 30 percent of the respondents are neutral about this

statement and 10 percent of the respondents agree that I like to know what brand make good impression to others.

Pearson’s correlation analysis

Pearson’s correlation is used to analyze the relationship between brand choice and mobile phone. The coefficient is often used as a test statistic in a statistical hypothesis test to establish whether two variables may be regarded as statistically dependent. The Pearson’s correlation analysis is summarized on following table 7.

Table 7: Pearson’s correlations coefficient brand choice of mobile phones

	BC	BI	BA	BT	R
BC	1				
BI	.412**	1			
BA	.208**	.049**	1		
BT	.191**	.096**	.803**	1	
R	.274**	.137**	.175**	.121**	1

The above table reveals the correlation coefficient among the dependent and independent variables. The above result believes that there is positive correlation between brand choice and brand image which means that higher the brand image, higher would be brand choice.

Brand attitude has positive correlation with brand choice indicating that higher the brand attitude higher would be brand choice of mobile phone. There is a positive correlation between independency of brand choice and brand attribute. It means that higher the brand

attribute towards the phone, higher would be brand choice of mobile phone. There is a positive correlation between brand choice and reference. It means that reference for mobile phone, higher would be brand choice of mobile phone.

Regression Analysis

The regression of brand image, brand attitude, brands attribute and reference group are summarized on following Table 8.

Table 8: Regression on brand choice of mobile phone in Kathmandu valley

Model	Intercept	BI	BA	BT	R	Adj. Rsquare	SEE	F-Value
1	2.409 (18.54)**	0.265 (7.234)**				0.354	0.206	53.64**
2	2.54 (14.58)**		0.23 (4.679)**			0.183	0.232	21.89**
3	2.554 (14.21)**			2.229 (4.45)**		0.168	0.234	19.835**
4	2.157 (10.73)**				0.343 (5.95)**	2.266	0.22	35.475**
5	2.063 (9.33)**		0.198 (4.14)**		0.293 (4.73)**	0.264	0.221	17.389**
6	1.555 (7.52)**	0.196 (7.52)**	0.032 (0.297)*	0.063 (0.59)*	0.146 (2.287)*	0.494	0.186	18.33**

Notes:

- (1) Figures in parenthesis are t-values.
- (2) * denotes that the results are significant at 1% level of significance.
- (3) ** denotes that the results are significant at 5% level of significance.

The above table represents the regression of brand image on mobile phone. The regression of brand image variables on brand choice shows that beta coefficient for brand image is positive with brand choice. The results hence indicate that higher the brand image, higher would be brand choice on mobile phone. However, the coefficient is significant at 5 percent level of significance. The beta coefficient for brand attitude is positive with brand choice. The coefficients are significant for brand attitude. The results hence indicate that higher the brand attitude towards phone, higher would be the brand choice on mobile phone.

The beta coefficient for brand attribute is positive with brand choice. The coefficients are significant for brand attribute. The results hence indicate the higher the brand attribute higher would be the brand choice on mobile phone. The beta coefficient for reference group is positive with brand choice. The coefficients are significant for reference group. The results hence indicate that higher the reference group, higher would be the brand choice of mobile phone.

CONCLUSION

The study found that there is positive relationship between brand image and brand choice of customers. This indicates that higher the brand image higher would be the customer choice. Similarly, there is positive relationship between brand attitude and customer, choice indicating, increasing the brand attitude would increase the brand choice of customers. Likewise, brand attributes and reference group are also positively related. This means, increase in brand attributes and reference group increases the customer brand choice.

RECOMMENDATION

In the course of this research several factors affecting brand choice for mobile phone in Kathmandu valley had been identified.

The recommendation for this research is highlighted below:

First, it has been found that, most of respondents are depressed about fake products because they pay for something which does not qualify for what they pay. There are differentiations which should be expressed to customers in order to help them while purchasing, that will help them to identify fake and original one. The producers of fake products develop their personal versions of famous products and are selling them as the real one. The fake products at first seem to be very close to the genuine device. Despite the short-lasting effect of fake products and being far from original products, a lot of people still buy fake products that only have the brand name illegally printed on them. So, I suggest that there should be strict laws which will punish those who bring fake products from outsiders.

Second, in mobile phones, it's also about creating smarter smart phones. More powerful batteries can support more complex computing; a long-life battery can open the doors to carry the Smartphone to the next step of being a truly personal, portable electronic powerhouse. But most of smart phone have low battery backup, the thing that cost consumers to have other source of power like power bank. But not all consumers can afford power-bank which results in consumers looking for other solutions like switching to other mobile brands. This causes the loss or reduction in consumer's loyalty towards the existing brand. So, I recommend the producers to produce mobile brands with longer battery life which can be an important source of consumer's loyalty.

Third, data of survey was collected by distributing self-administered questionnaires. Although this data collection method is budget friendly, detailed comments from customers could hardly be obtained. Moreover, future study is recommended to co-operate with brand choice to directly approach the customers during the data collection.

Lastly, these limitations are acknowledged but they do not diminish the significance of findings in this study.

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