

Factors Influencing the Choice of Mobile Phone Brands in Kabul, Afghanistan

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Abstract: As per data available, mobile phone market penetration in Afghanistan has approached 90% at the end of 2013 which is quite a phenomenal growth rate, given the most difficult environment of Afghanistan in terms security issues, lack of infrastructure, chronic electricity shortage, internet access and policy initiatives of government till 2013. Recently this mobile phone market is booming due to positive developments concerning adoption of new technology by the telecom regulator, issuance of 3G license, adoption of 4G technology and issuance of Wi MAX license etc. Also, majority of population under young age category is one of the important factors leading to growth of sales of different brand of mobile phones in Kabul, Afghanistan. Because of these reasons, most of the known brand like Samsung, Apple, Huwaei, Sony, Intex etc. are focusing on this booming market. This study is undertaken to analyze different objective and subjective factors and their various combinations which are considered as important by the customer of Kabul before making a purchase decision of a particular brand of mobile phone.

Keywords: Mobile brands, Critical factors, Buying decision, Quality, Brand Endorsement, word of mouth, Kabul, Afghanistan.

1. INTRODUCTION

Afghanistan with estimated population of 28 million and more than 65% of this being under 25 years of age is one of the potentially growing market for the different brands of mobile phone. Most of the brands such as Samsung, Apple, Huwaei, Intex, Sony etc. are eyeing this growing market and are hopeful that demand for these brands will continue to increase.

But while mobile phone growth in the past decade has been impressive, internet penetration in the country continues to remain low. Out of 28 million populations, there are just above a million internet users in Afghanistan. A lack of computers, chronic electricity shortages and weak economic conditions are just some of the reasons for the industry's sluggish growth. Recently, Afghanistan's mobile market has proved quite resilient and continued to grow, although at a somewhat slower rate. Mobile market penetration is approaching 70% in what has been a most difficult environment. According to the MCIT, by the end of 2013 mobile coverage had reached 90% of the population. In recent years few positive developments in policy initiatives by telecom regulator and adoption of latest technology in telecom sector, such as issuance of 3G licenses and concessions, adoption of 4G technology, issuances of WiMAX licenses etc., has further led this mobile market to grow. Given these positive developments in the telecom sector and the major percentage of young population, the mobile market is bound to grow and so there is lot of scope for the mobile brands to enjoy the major pie of the overall market of Kabul, Afghanistan. On a broader front, the ongoing political and civil unrest continued to be a major concern to the country and its people, with any deterioration in the situation will certainly impact on this booming mobile market.

Objective of Study:

The objective of study undertaken is to find out -

- The factors generally considered by customer while purchasing mobile phones and their specific brands in Kabul, Afghanistan.
- The various combinations of factors which influences customer decision of buying a particular brand of mobile phone.

2. LITERATURE REVIEW

From marketing perspective, consumer choice behavior can be studied through the classical five-step (need-information search-evaluation of alternatives-purchase-post-purchase evaluation) problem solving paradigm or through the progression of consumer choice from a product class to brand choice (Dorsch, Grove, and Darden, 2000). Consumer choice behavior has some important prevailing conditions that must be taken into account while studying choice. In the light of the classical problem solving buying behavior, consumers engage in information search before making the actual choice. Consumer decision making process is usually guided by already formed preferences for a particular alternative. This means that consumers are likely to make the choice between alternatives based on limited information search activity (Beatty and Smith, 1987; Moorthy, Ratchford and Talukdar, 1997) and without detailed evaluation of the other alternatives (Alba and Hutchinson, 2000; Chernev, 2003; Coupey, Irwin and Payne, 1998; Slovic, 1995).

A consumer selects a brand only if it meets acceptable standards, the so-called cutoff point on each key attribute consumer regards as important (Assael, 1995, p. 249; Solomon, 2001, p. 280). In this non-compensatory method of evaluation, a consumer would eliminate a brand that does not fulfill the standards on one or two of the most important attributes, even it is positive on all other attributes.

Riquelme (2001) examined how much self-knowledge consumers have when choosing between different mobile phone brands. The research showed that consumers with prior experience about a product can predict their choices relatively well, although respondents tended to overestimate the importance of features, call rates and free calls and underestimate the importance of a monthly access fee, mobile-to-mobile phones rates and the connection fee. Mobile phone choice and use has also been found to be related to prior consumption styles and size and brand play, to some extent, an important role in decision making. Liu (2002) for instance surveyed Asian mobile phone users and found that size of the phone had no impact on mobile phone choice, but this finding might be due to the fact that all competing brands have quite similar sized phones that are small enough. Liu continues that the trend will actually be not towards smaller phones but towards phones with better capability and larger screens. While companies are advertising new models and services that do not yet exist, according to the paper, it signals to the market that the company is at the cutting edge of technology and shows what will be available in the very near future. The sales of new phones will then be driven by replacement rather than adoption.

Scope of Study:

The study was conducted among age group of 20-35 years old customers, different gender, income category and professions within Kabul city, Afghanistan. Though due to security issues the study conducted was limited to small cross section of the population but analysis and findings indicate major factors and their various combinations which customers consider while making their final choice of purchasing a particular brand.

3. METHODOLOGY

To find out the influence of various human and non-human factors on the customer's final choice of a particular brand of mobile phone the primary research is conducted. The simple random sampling method was used to construct the representative sample of customer in the age group of 20- 35 years. This particular age group is considered for research as it consist of mostly students and working class in their early life and are the most important segment as far as marketing of mobile phone is concerned. Also, this particular segment is much prone to buying and switching habits based on various internal and external influences. The respondents had different educational backgrounds ranging from matriculation (21.0 percent) to university degree (26.2 percent) and also quite different levels of employment ranging from student status (42.6 percent) to white-collar workers (24.6 percent). Most of the respondents belonged to the age category 18-34 (77.4 percent). The respondents used their mobile phones mainly for calling, but other services were also popular. To elicit and record the responses from sample, a comprehensive questionnaire was developed and tested for its reliability through Cronbach's- Alpha test in SPSS software. Here, Cronbach's Alpha test score was found to be 70.5% which shows that the questionnaire is reliable enough to fulfill the objective of research undertaken. Personal interview were conducted with the sample in order to avoid any subjective factor to enter into getting and recording their responses.

Case Processing Summary:

		N	%
Cases	Valid	39	100
	Excluded	0	0
	Total	39	100

Reliability Statistics:

Cronbach's Alpha	N of Items
0.705	19

Analysis and Findings:

Data collected through personal interview using questionnaire was analysed using SPSS software. Mean and standard deviation of all the responses were calculated using SPSS software as below

	Mean	Std. Deviation	N
When buying a mobile phone how much important is quality of phone for you	4.5128	.85446	39
When buying a mobile phone how much important is Price of the product	3.9487	.94448	39
When buying mobile phone information/ features mentioned on the Packaging of Phone is important-	3.3846	1.24848	39
Before buying do you check competitor's product also for comparing the price/features of the phone	3.5385	1.48406	39
When buying a mobile phone how much importance you give to the advertisement you have seen on television in past one week	3.0256	1.47768	39
How important is the influence of culture on buying of your Phone	2.5385	1.25334	39
If there is change in your salary / income will you continue to use same brand of phone or will start buying another high priced brand	3.0513	1.09901	39
You like to buy product like mobile phone alone or along with your family members/ friends	2.5641	1.14236	39
How much important is the word of mouth of your friends/colleagues on choice of your brand of mobile phone	3.2821	1.29673	39
How much time available for shopping affects choice of your brand	3.0769	1.15587	39
When buying a Mobile Phone how much you are influenced by the choice of your Family member	2.7692	1.22392	39
How often you seek approval of your friends after you made purchase of your mobile	2.4872	1.09717	39
Before buying do you search and compare on internet before buying	2.7692	1.22392	39
How often your purchase decision is affected by information available/ search on internet	2.8462	1.15937	39
How much your choice of purchase is affected by discount/ Sales-Promotional Offer	2.4615	1.09655	39
How often your choice of product is influenced by the brand endorsement by any celebrity	2.4103	1.44583	39
Brands having Environment care, green tag, affects choice of my brand	2.4103	1.09347	39
Your choice of brand is affected by the Sales skills of the sales person.	1.9744	1.18070	39

Above calculations clearly indicates that most important factors consider by the respondent are quality, price, features, and advertisement in electronic media (mean value > 3). All these factors are further compared by the customer viz-a-viz competitor offerings. Interestingly, word- of- mouth of friends and family member and time available for actual buying the product are also considered important by the respondents. Also, it is found that respondents do prior research on internet regarding features and prices of the different brand to ensure that they buy best available brand in their budget. Brand endorsement, promotional discounts and skills of the sales person is considered as least important in finalizing the

choice of mobile brand (mean value<2.5).

Since these factors are not mutually exclusive and respondents look for combinations of these factors in their final choice so it is pertinent to find out the correlation and the strength of relationship between these factors. For this purpose the data gathered is analyzed for-

Correlations												
			When buying a mobile phone how much important is quality of phone for you	When buying a mobile phone how much importance you give to the advertisement you have seen on television in past one week	Before buying do you check competitor's product also for comparing the price/features of the phone	How important is the influence of culture on buying of your Phone	How much time available for shopping affects choice of your brand	When buying a Mobile Phone how much you are influenced by the choice of your Family member	How often you seek approval of your friends after you made purchase of your mobile	How often your purchase decision is affected by information available/ search on internet	How often your choice of product is influenced by the brand endorsement by any celebrity	Your choice of brand is affected by the Sales skills of the sales person .
Spearman's rho	When buying a mobile phone how much important is quality of phone for you	Correlation Coefficient	1.000	-.154	-.073	.014	.241	-.074	-.546	.014	-.196	-.186
		Sig. (2-tailed)	.	.716	.864	.973	.565	.861	.161	.974	.642	.660
		N	8	8	8	8	8	8	8	8	8	8
	When buying a mobile phone how much importance you give to the advertisement you have seen on television in past one week	Correlation Coefficient	-.154	1.000	-.020	.154	.206	-.152	.259	.582	.712*	.007
		Sig. (2-tailed)	.716	.	.963	.716	.624	.719	.535	.130	.047	.987
		N	8	8	8	8	8	8	8	8	8	8
	Before buying do you check competitor's product also for comparing the price/features of the phone	Correlation Coefficient	-.073	-.020	1.000	.013	.448	-.384	.048	.715*	-.247	-.080
		Sig. (2-tailed)	.864	.963	.	.975	.266	.348	.911	.046	.555	.851
		N	8	8	8	8	8	8	8	8	8	8
	How important is the influence of culture on buying of your Phone	Correlation Coefficient	.014	.154	.013	1.000	.708*	.318	-.299	.245	.259	-.014
		Sig. (2-tailed)	.973	.716	.975	.	.050	.443	.472	.559	.536	.973
		N	8	8	8	8	8	8	8	8	8	8

How much time available for shopping affects choice of your brand	Correlation Coefficient	.241	.206	.448	.708*	1.000	.057	-.045	.464	.177	-.188
	Sig. (2-tailed)	.565	.624	.266	.050	.	.893	.916	.246	.675	.655
	N	8	8	8	8	8	8	8	8	8	8
When buying a Mobile Phone how much you are influenced by the choice of your Family member	Correlation Coefficient	-.074	-.152	-.384	.318	.057	1.000	.235	-.470	-.318	-.020
	Sig. (2-tailed)	.861	.719	.348	.443	.893	.	.576	.239	.443	.962
	N	8	8	8	8	8	8	8	8	8	8
How often you seek approval of your friends after you made purchase of your mobile	Correlation Coefficient	-.546	.259	.048	-.299	-.045	.235	1.000	-.117	-.067	-.410
	Sig. (2-tailed)	.161	.535	.911	.472	.916	.576	.	.783	.875	.313
	N	8	8	8	8	8	8	8	8	8	8
How often your purchase decision is affected by information available/search on internet	Correlation Coefficient	.014	.582	.715*	.245	.464	-.470	-.117	1.000	.260	-.042
	Sig. (2-tailed)	.974	.130	.046	.559	.246	.239	.783	.	.534	.921
	N	8	8	8	8	8	8	8	8	8	8
How often your choice of product is influenced by the brand endorsement by any celebrity	Correlation Coefficient	-.196	.712*	-.247	.259	.177	-.318	-.067	.260	1.000	.420
	Sig. (2-tailed)	.642	.047	.555	.536	.675	.443	.875	.534	.	.301
	N	8	8	8	8	8	8	8	8	8	8
Your choice of brand is affected by the Sales skills of the sales person.	Correlation Coefficient	-.186	.007	-.080	-.014	-.188	-.020	-.410	-.042	.420	1.000
	Sig. (2-tailed)	.660	.987	.851	.973	.655	.962	.313	.921	.301	.
	N	8	8	8	8	8	8	8	8	8	8
*. Correlation is significant at the 0.05 level (2-tailed).											

4. DATA ANALYSIS AND FINDINGS

When in buying a mobile phone quality is most important consideration for customer then factors such as time available for shopping, information available/ search on internet have significant influence on the final choice of the brand. Whereas seeking approval from friends, brand endorsement by celebrity and sales skills of the sales person becomes less important in final decision of brand of mobile. Whereas, when the advertisement of particular brand of mobile phone seen on television in past one week becomes important for customer then often purchase decision is affected by information available and search of information available on internet by the customer and the brand endorsement by celebrity plays crucial role in final decision of brand selection. Factor such as choice of family member and quality of phone has minimum influence on the final decision.

When customer do prior comparison of the price and features of competitor's product before final buying then information available on internet and time available for shopping affects choice of final brand while influence of the choice of the family member and the brand endorsement by celebrity has less effect on final purchase decision of mobile brand .

In country like Afghanistan culture influences most of the purchases and affects the final brand selection by the customers. For customers when culture is most important then time available for shopping and influence of the choice of family member influences final decision regarding brand of mobile phone. In this case approval of friends after purchase becomes least important. When there is enough time available for buying mobile phone then the influence of culture on choice of brand and comparison of price/ features of different competitor brand of mobile phone effects the final choice of brand. There are customers for whom buying a Mobile Phone is matter of a choice of family members. Also, this category of customer seeks approval of their friends after they made purchase of the mobile phone. Interestingly, for these customers comparing the price/ features of the phone of competing brands and TV advertisement has minimum influence on their final decision. For customers who often seek approval of their friends after they made purchase of mobile phone for them major influence in buying comes through television advertisement and are influenced by the choice of their family members. Here, Quality of phone and culture has no significant affect on the final choice of mobile phone.

When purchase decision is affected by information available/ search on internet customer frequently check competitor's product and compare the price/ features of the phone as they have seen it in advertisement on television in past one week. Also, influence of culture and time available for buying also has significant influence on these customers final choice. In contrast, these customers are less influenced by the choice of their family members. On the other hand, there are customers who are very much influenced by the sales skills of the sales person and the brand endorsement by the celebrity in the television advertisement seen in past one week. Also, their final choice is affected by the information available on internet. But, factors such as the price/ features of the competitors brand and the choice of family member is not very much important for them.

5. CONCLUSION

Based on above analysis we can conclude that while making their final purchase decision of mobile phone most important factors considered by customers in Kabul, Afghanistan are information available on internet regarding price and features of particular brand vis-à-vis other brands, quality of phone, time available for shopping, recently seen TV advert and brand endorsement by celebrities. Interestingly, for some customers word-of- mouth of friends and their family member and their post purchase approval of brand choice is important.

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