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Customer Satisfaction with Premium Smartphone Brands

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ABSTRACT

Purpose: This paper aims to study the drivers of customer satisfaction among the premium smartphone users along with factors that influence their buying behaviour and decisions to switch from one brand to the other.

Methodology: Descriptive research was undertaken on the basis of primary data collected from the respondents residing in Delhi NCR chosen through non – probability convenience sampling using a structured Questionnaire. The collected data were converted into data matrix using SPSS 21.0 software and inferential analysis was done.

Findings: The level of satisfaction from the use of premium smartphones can be increased to attain customer loyalty by focussing on the features, brand building and price of the smartphones. Further the customers can be attracted towards buying a smartphone by providing innovative specifications, durability and good after sales service.

Research limitations/Implications: The study is limited to the smartphone users living in Delhi NCR for chosen factors considered by respondents. The study has been conducted at a particular stage of evolution of technology used in smartphones and customers' perception about the determinants of satisfaction with premium smartphone brands.

Originality/Value: This paper offers valuable insights in the drivers of customer satisfaction among the premium smartphone users Findings of this research are of great significance to the smartphone manufacturers and marketers.

Keywords: Customer Satisfaction, Premium Smartphones, Customer Buying Behaviour.

INTRODUCTION

The mobile phone with advanced features as that of a laptop is referred to as a smartphone. It first came into market in 1990s but did not catch much fancy of the mobile phone users the way iPhone did after its launch in 2007. It almost revolutionized the mobile phone industry with touch screen and other high-end features. Later in 2008 the android smartphones were introduced in the market.

Since then the smartphone industry is experiencing rapid growth and has evolved rapidly in the last decade with many Chinese vendors entering the market and completely disrupting it. The smartphone has seen a complete transformation by getting smarter, stylish and increased capability. New and higher computing capability of the smartphones led to the replacement of laptops with these smart devices.

The smartphone industry is steadily growing in market size and the number of models. By 2021 around half of the world's population is projected to own a smartphone. In India top 5 brands have captured the 82% share of the total smartphone market in Q2 2018 .With a market share of 28% in Q2 2018 Samsung led the smartphone market by volume and Xiaomi recorded the highest shipment by volume.

Figure 1: Market Share of Leading Indian Smartphone Brands
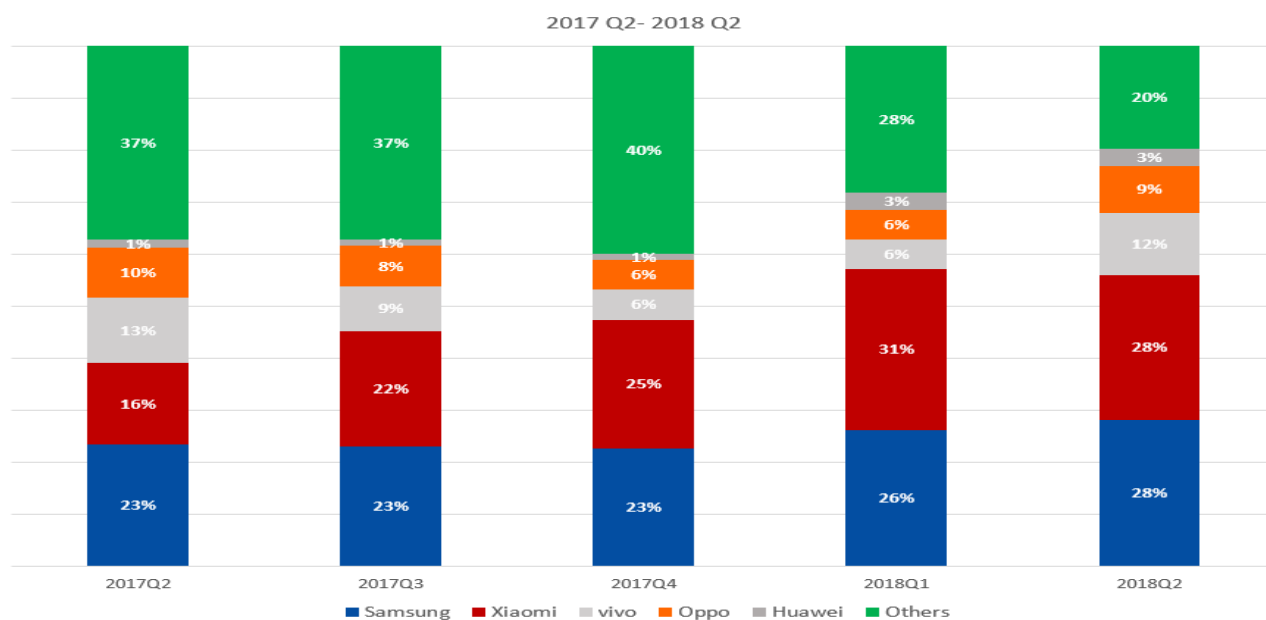
Source: India Smartphone Market Share: By Quarter-Counterpoint Research (2018)

Customer Satisfaction

Customer satisfaction is the ultimate goal which every company strives for as it increases the loyalty among the customers and they start identifying themselves with the brand. Customer satisfaction is the result of a series of interactions of the customer with the product and the services accompanied with it.

Their satisfaction is determined by their evaluation of the product. In various models of consumer behaviour, customer satisfaction is the result of post purchase evaluation of the product. It can be increased by providing the value added services with the product. Thus customer satisfaction is the fulfilment response of the consumers, where they feel that they have received worth more than they have paid for. Customer expectation is affected by prior experiences. If they were satisfied in the first place then their expectations from the product in the future will definitely be at a higher level. Therefore, companies always use different and more creative approaches to satisfy the customer.

Premium Smartphones

In the second quarter of 2018, the growth in the premium smartphone segment was 19% compared to the previous year. According to Counterpoint Research, OnePlus led the premium smartphone segment by capturing 40% market share with its new OnePlus 6 phones. Samsung shifted to 2nd position while apple faced weak demand in 2nd quarter for its iphone 8 and iphone X due to increase in prices post duty. These brands are also facing challenges from the new entrants in this segment like Huawei, Nokia, Vivo and Oppo. Overall in the premium segment OnePlus 6 was the best-selling phone followed by Samsung Galaxy S9 Plus and OnePlus 5T. For the first time the Samsung has been dethroned by a Chinese Smartphone in the premium segment of smartphones.

Figure 2: India Premium Smartphone Segment Market Share-Q2 2018

India Premium Smartphone Segment Market Share – Q2 2018
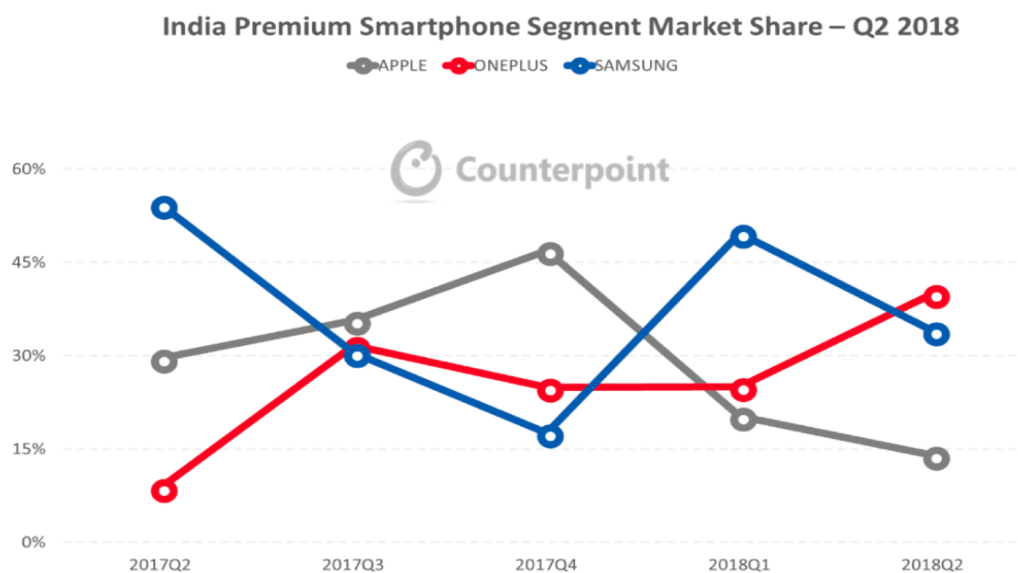
Source: Indian Premium Smartphone Segment Market Share-Q2 2018-Counterpoint Research

According to MICI survey, premium smart phone users can be categorised into 3 categories. The 34% of the users who follow the latest technology are always first to adopt the technology trends. Then there are

the explorers - 24% of customers who always buy popular brand smartphones and are the followers. The rest 42% of the customers are passive who just follow technology trends.

LITERATURE REVIEW

Kano's Model

This model, given by Noriaki Kano in 1996, states that just the product's attributes sufficiency may not result in customer satisfaction but the importance of product attributes expected by customer will satisfy them. This model brings into the picture 3 attributes which are basic attribute, performance attribute and the delight attribute. (Kano &Seraku, 1996).

Figure 3: Kano's Model
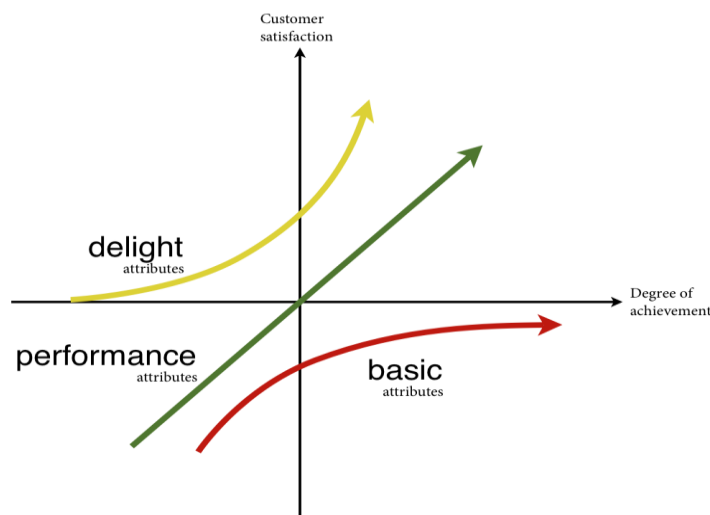
Source: Delivering Customer Delight through User Experience Design-Maruti Techlabs

Basic attributes are the necessary attributes expected by the customer. Absence of these attributes may lead to the customer dissatisfaction. Performance attributes define the desirable attributes in the product anticipated by the customer. The more these attributes are provided by the product, the greater is its probability to satisfy the customer. The delight attributes in the product tend to surprize the customers hence increasing their satisfaction level while their absence do not make much difference to the product and he will still accept the product.

Features

Features have significant influence on the satisfaction of the customers. Higher the number of features, higher the satisfaction level of the customer from the smartphone. Customer sees the smartphone as a bundle of features aiding him in every sphere of his life. It enables him to do the jobs of multiple electronic devices like laptop, camera, scanner, storage device etc. with the help of just one smartphone. The more sophisticated features of the smartphone have enabled the users to do their professional work irrespective of the place they are in. (samkar, 2017)

Brand

In his paper, Turnbull, et al.(2000) stated that within the mobile phone market customers are driven to buy well known brands as it provides them the certainty of a good product and hence feel more satisfied with the purchase. The customer is deeply influenced by the judgement of other satisfied customers which in turn creates a brand perception in their mind providing satisfaction on the purchase of the product. Brand perception along with the level of service charges and price of the mobile phone builds the performance expectation. Hence buying a branded smartphone provides more satisfaction than a non-branded one. The brand loyalty shows the commitment of the customer in the future purchase and promises that consumers will not change their brand loyalty in different situations. (Oliver, 1999) (Goode, 2005).

Price

Reasonable price of the smartphone is also one of the influencers that determines the customer satisfaction. The feeling of getting much more value than the money paid gives immense pleasure to the customer. According to a survey conducted in Bangladesh by Uddin and Akhter (2012) reasonable price of the smartphone has positive influence on the customer satisfaction. A similar research in France revealed that after quality, price has positive effect on the customer satisfaction (Cadet, 2012).

Perception of Quality

Perception of Quality is the conformance, or the non-conformance of the perceived service received. According to a customer satisfaction study conducted in Sri Lanka, perception of quality has a positive influence on the satisfaction of the customer. The perceived quality depends on factors like previous experience, education level, and perceived risk and situational variables such as purchase purpose, purchase situation, and social background of consumers. (Greenrooms, 1984) (VM, 2016) (Jacoby, 1985) (Ulas Akkucuk, 2016).

Ease of Operation

The ease of operation is the ease with which a person can adopt the technology. In a study conducted in Kurdistan, to assess the customer satisfaction of smartphone user, perceived usefulness and perceived ease of use have significant positive influence on the satisfaction achieved by the customer (Khayyat, 2012).

After Sales Service

Just the selling of a product to the customer does not end the liability of the seller to the customer. It is just the beginning of the relationship between the two. The seller is responsible to provide the after sales service to the customer. Providing efficient after sales service gives a competitive edge to the organization and often leaves the customer with greater satisfaction level with the product(Iyiola, 2013).

RESEARCH METHODOLOGY

Both exploratory and the descriptive research designs have been used in this study. Exploratory research was used to get a perspective of relevant issues to be studied. Primary data were collected from 200 respondents for a descriptive research through non probability convenience and sampling in the National Capital region of Delhi through a structured questionnaire having a five-point Likert scale with 1 signifying lowest level of satisfaction and 5 signifying highest level of satisfaction. SPSS tool is used to analyse the data. The data so collected were converted into data matrix using SPSS (21.0) software. Inferential analysis (testing of hypothesis) was also undertaken.

Objectives of the Study

1- To study various determinants of customer satisfaction with premium smart-phones.
2- To study the factors influencing the buying behaviour of premium smartphones customers.
3- To find out the premium smartphone brand that the users would like to switch to in future.

.**DATA ANALYSIS AND INTERPRETATION**

- In order to examine the relationship between level of customer satisfaction from the use of premium smartphones and the brand, features, price, ease of operation, quality, and after sale service of the smartphone, the following hypotheses were formulated and tested.

  H01: There is no significant relationship between level of satisfaction of the customer from the use of premium smartphone and the brand of the premium smartphone.

  Ha1: There is a significant relationship between level of satisfaction of the customer from the use of premium smartphone and the brand of the premium smartphone.

  In order to test the above hypothesis, Pearson's correlation was calculated between level of satisfaction of the customer from the use of premium smartphone and the brand of the premium smartphone. Results of the calculation given in Table 1 show that the p-value for level of satisfaction is 0.0001 which is less than the significance level of 0.05. Therefore, H01 is rejected, which implies that Brand of the premium smartphone has a significant impact on the satisfaction level of the customer from the use of the smartphone.

H02: There is no significant relationship between level of satisfaction of the customer from the use of premium smartphone and the features of the premium smartphone.

Ha2: There is a significant relationship between level of satisfaction of the customer from the use of premium smartphone and the features of the premium smartphone.

In order to test the above hypothesis, Pearson's correlation was calculated between level of satisfaction of the customer from the use of premium smartphone and the features of the premium smartphone. Results of the calculation given in Table 1 show that the p-value for level of satisfaction is 0.006 which is less than the significance level of 0.05. Therefore, H02 is rejected, which implies that Features of the premium smartphone have a significant impact on the satisfaction level of the customer from the use of the smartphone.

H03: There is no significant relationship between level of satisfaction of the customer from the use of premium smartphone and the price of the premium smartphone.

Ha3: There is a significant relationship between level of satisfaction of the customer from the use of premium smartphone and the price of the premium smartphone.

In order to test the above hypothesis, Pearson's correlation was calculated between level of satisfaction of the customer from the use of premium smartphone and the price of the premium smartphone. Results of the calculation given in Table 1 show that the p-value for level of satisfaction is 0.001 which is less than the significance level of 0.05. Therefore, H03 is rejected, which implies that price of the premium smartphone have a significant impact on the satisfaction level of the customer from the use of the smartphone.

H04: There is no significant relationship between level of satisfaction of the customer from the use of premium smartphone and the ease of operation of the premium smartphone.

Ha4: There is a significant relationship between level of satisfaction of the customer from the use of premium smartphone and the ease of operation of the premium smartphone.

In order to test the above hypothesis, Pearson's correlation was calculated between level of satisfaction of the customer from the use of premium smartphone and the ease of operation of the premium smartphone. Results of the calculation given in Table 1 show that the p-value for level of satisfaction is 0.134 which is more than the significance level of 0.05. Therefore, H04 is accepted, which implies that ease of operation of the premium smartphone does not have a significant impact on the satisfaction level of the customer from the use of the smartphone.

H05: There is no significant relationship between level of satisfaction of the customer from the use of premium smartphone and the quality of the premium smartphone.

Ha5: There is a significant relationship between level of satisfaction of the customer from the use of premium smartphone and the quality of the premium smartphone.

To test the above hypothesis, Pearson's correlation was calculated between level of satisfaction of the customer from the use of premium smartphone and the quality of the premium smartphone. Results of the calculation given in Table 1 show that the p-value for level of satisfaction is 0.795 which is more than the significance level of 0.05. Therefore, H05 is accepted, which implies that quality of the premium smartphone does not have a significant impact on the satisfaction level of the customer from the use of the smartphone.

H06: There is no significant relationship between level of satisfaction of the customer from the use of premium smartphone and the after-sale service of the premium smartphone.

Ha6: There is a significant relationship between level of satisfaction of the customer from the use of premium smartphone and the after-sale service of the premium smartphone.

In order to test the above hypothesis, Pearson's correlation was calculated between level of satisfaction of the customer from the use of premium smartphone and the after sale service of the premium smartphone. Results of the calculation given in Table 1 show that the p-value for level of satisfaction is 0.425 which is more than the significance level of 0.05. Therefore, H06 is accepted, which implies that after sale service of the premium smartphone does not have a significant impact on the satisfaction level of the customer from the use of the smartphone.

- In order to examine the relationship between factors such as price, features, brand, promotion, social influence, after sale service, durability and the customer's buying behaviour of the premium smartphone the following hypothesis was tested.

H07: There is no significant relationship between the customer buying behaviour of the premium smartphone and the brand of the premium smartphone.

Ha7: There is a significant relationship between the customer buying behaviour of the premium smartphone and the brand of the premium smartphone.

In order to test the above hypothesis, Pearson's correlation was calculated between the customer buying behaviour of the premium smartphone and brand of premium smartphone. Results of the calculation given in Table 2 show that the p-value for customer buying behaviour is 0.568 which is greater than the significance level of 0.05. Therefore, H07 is accepted, which implies that brand does not have a significant impact on the customer buying behaviour of premium smartphone.

H08: There is no significant relationship between the customer buying behaviour of the premium smartphone and the after sale service of the premium smartphone.

Ha8: There is a significant relationship between the customer buying behaviour of the premium smartphone and the after-sale service of the premium smartphone.

In order to test the above hypothesis, Pearson's correlation was calculated between the customer buying behaviour of the premium smartphone and after sale service of the premium smartphone.

Results of the calculation given in Table 2 show that the p-value for customer buying behaviour is .021 which is less than the significance level of 0.05. Therefore, H08 is rejected, which implies that after sale service has significant impact on the customer buying behaviour of premium smartphone.

H09: There is no significant relationship between the customer buying behaviour of the premium smartphone and the price of the premium smartphone.

Ha9: There is a significant relationship between the customer buying behaviour of the premium smartphone and the price of the premium smartphone.

In order to test the above hypothesis, Pearson's correlation was calculated between the customer buying behaviour of the premium smartphone and price of the premium smartphone. Results of the calculation given in Table 2 show that the p-value for customer buying behaviour is .758 which is greater than the significance level of 0.05. Therefore, H09 is accepted, which implies that price do not have a significant impact on the customer buying behaviour of premium smartphone.

H010: There is no significant relationship between the customer buying behaviour of the premium smartphone and the features of the premium smartphone.

Ha10: There is a significant relationship between the customer buying behaviour of the premium smartphone and the features of the premium smartphone.

In order to test the above hypothesis, Pearson's correlation was calculated between the customer buying behaviour of the premium smartphone and features of the premium smartphone. Results of the calculation given in Table 2 show that the p-value for customer buying behaviour is .040 which is less than the significance level of 0.05. Therefore, H010 is rejected, which implies that features have a significant impact on the customer buying behaviour of premium smartphone.

H011: There is no significant relationship between the customer buying behaviour of the premium smartphone and the social influence.

Ha11: There is a significant relationship between the customer buying behaviour of the premium smartphone and the social influence.

In order to test the above hypothesis, Pearson's correlation was calculated between the customer buying behaviour of the premium smartphone and social influence. Results of the calculation given in Table 2 show that the p-value for customer buying behaviour is .008 which is less than the significance level of 0.05. Therefore, H011 is rejected, which implies that social influence have a significant impact on the customer buying behaviour of premium smartphone.

H012: There is no significant relationship between the customer buying behaviour of the premium smartphone and the durability.

Ha12: There is a significant relationship between the customer buying behaviour of the premium smartphone and the durability.

In order to test the above hypothesis, Pearson's correlation was calculated between the customer buying behaviour of the premium smartphone and durability. Results of the calculation given in Table 2 show that the p-value for customer buying behaviour is .008 which is less than the significance level of 0.05. Therefore, H012 is rejected, which implies that durability have a significant impact on the customer buying behaviour of premium smartphone.

H013: There is no significant relationship between the customer buying behaviour of the premium smartphone and the promotions

Ha13: There is a significant relationship between the customer buying behaviour of the premium smartphone and the promotions.

In order to test the above hypothesis, Pearson's correlation was calculated between the customer buying behaviour of the premium smartphone and promotions. Results of the calculation given in Table 2 show that the p-value for customer buying behaviour is .960 which is greater than the significance level of 0.05. Therefore, H013 is accepted, which implies that promotions do not have a significant impact on the customer buying behaviour of premium smartphone.

- In future most of the premium smartphone users would like to switch to Apple iphones followed by Oneplus and Samsung in the order.

Figure 4: Pie chart depicting the brand to which the customers would switch in future.
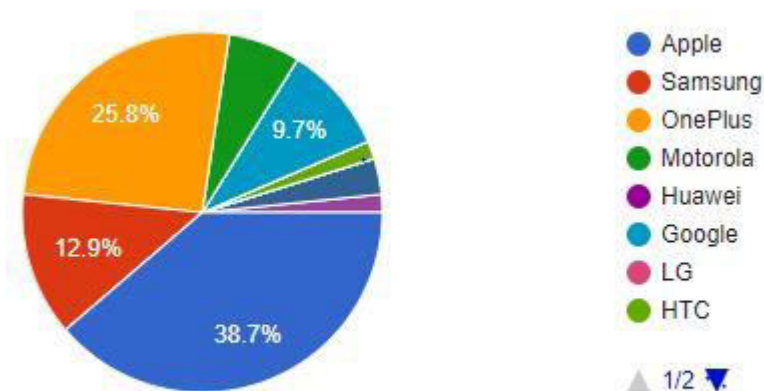
- Most of the premium smartphone users use their phones for social networking, entertainment and making calls in order of priority.

Figure 5: Pie chart depicting the purposes for which the smartphones are used
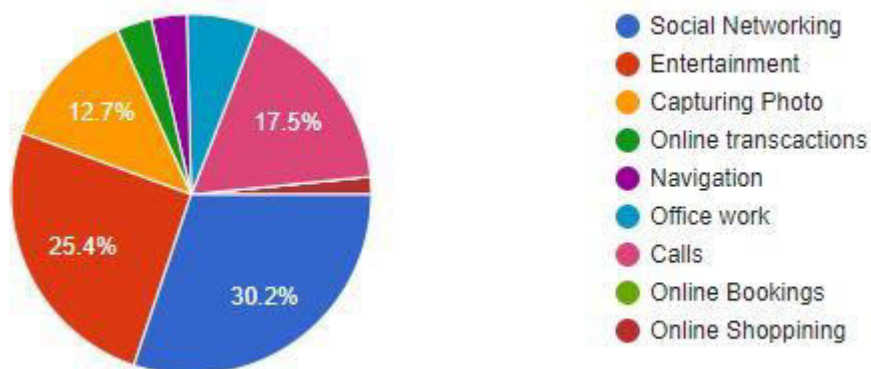
CONCLUSIONS

- Brand, features and price of a smartphone have a significant impact on the level of customer satisfaction from the use of premium smartphone.

- Features, after sale, and durability of a smartphone together with social influence have a significant impact on the customer's buying behaviour for the premium smartphone.

- Most of the premium smartphone users are likely to switch to Apple iPhone in the future.

- People most often use smartphones for social networking, entertainment and making calls.

Research Implications, Limitations Of The Study And Scope For Further Research

- Findings of the research are of great significance to the smartphone manufacturers for understanding the behaviour of the smartphone users. Through this research they can gain important insights into the factors that influence customer's buying behaviour and their satisfaction level, and accordingly they can focus on these factors during the design stage of the smartphone to attract more customers.

- The results of this research pave the way for further research to study additional factors that are important to the customers while buying the smart phone and what drives the level of satisfaction among them.

- The geographic area of the study is limited to NCR of Delhi. Therefore, further research may be undertaken covering a wider geographic area. Application of the findings at pan India level might be limited due to various factors such as differences in taste and lifestyles etc.

- The findings of the study pertain to a particular level of smartphone technology. These findings may change with the development of technology and the resultant spectrum of choices. Therefore, further researches may be undertaken at various levels of the development of smartphone technology.

Tables

Table 1: Pearson's Correlation of various factors and Customer Satisfaction

Correlations		rate satisfaction with current premium smartphone	qualityas the determinants of satisfaction	after sale service as the determinants of satisfaction	ease of operation as the determinants of satisfaction	brand as the determinants of satisfaction	features as the determinants of satisfaction	the determinants of satisfaction among the premium smartphone customers. [Price]
rate satisfaction with current premium smartphone	Pearson Correlation	1	-.018	-.057	.106	.248**	-.194**	-.272**
	Sig. (2-tailed)		.795	.425	.134	.000	.006	.000
	N	200	200	200	200	200	200	200
qualityas the determinants of satisfaction	Pearson Correlation	-.018	1	.709**	.762**	.312**	.688**	.516**
	Sig. (2-tailed)	.795		.000	.000	.000	.000	.000
	N	200	200	200	200	200	200	200
after sale service as the determinants of satisfaction	Pearson Correlation	-.057	.709**	1	.644**	.256**	.622**	.399**
	Sig. (2-tailed)	.425	.000		.000	.000	.000	.000
	N	200	200	200	200	200	200	200
ease of operation as the determinants of satisfaction	Pearson Correlation	.106	.762**	.644**	1	.385**	.581**	.453**
	Sig. (2-tailed)	.134	.000	.000		.000	.000	.000
	N	200	200	200	200	200	200	200
brand as the determinants of satisfaction	Pearson Correlation	.248**	.312**	.256**	.385**	1	.230**	.174*
	Sig. (2-tailed)	.000	.000	.000	.000		.001	.014
	N	200	200	200	200	200	200	200
features as the determinants of satisfaction	Pearson Correlation	-.194**	.688**	.622**	.581**	.230**	1	.538**
	Sig. (2-tailed)	.006	.000	.000	.000	.001		.000
	N	200	200	200	200	200	200	200
Please rate the following factors on a scale 1 to 5 as the determinants of satisfaction among the premium smartphone customers. [Price]	Pearson Correlation	-.272**	.516**	.399**	.453**	.174*	.538**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.014	.000	
	N	200	200	200	200	200	200	200

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Table 2 : Pearson's Correlation of various factors and Customer's Buying Behaviour

Correlations		rate price as an influencer buying a premium smartphone	rate features as an influencer while buying a premium smartphone	brand an influencer while buying a premium smartphone	social influence an influencer while buying a premium smartphone	after sale service an influencer while buying a premium smartphone	durability an influencer while buying a premium smartphone	promotion influencer while buying a premium smartphone	influence driven by the factors to buy the new premium smartphone
rate price as an influencer buying a premium smartphone	Pearson Correlation	1	.324**	-.233**	-.159*	.133	.316**	.084	.022
	Sig. (2-tailed)		.000	.001	.025	.061	.000	.237	.758
	N	200	200	200	200	200	200	200	200
rate features as an influencer while buying a premium smartphone	Pearson Correlation	.324**	1	.275**	.114	.603**	.562**	.402**	-.146*
	Sig. (2-tailed)	.000		.000	.108	.000	.000	.000	.040
	N	200	200	200	200	200	200	200	200
brand an influencer while buying a premium smartphone	Pearson Correlation	-.233**	.275**	1	.579**	.283**	.132	.348**	-.041
	Sig. (2-tailed)	.001	.000		.000	.000	.062	.000	.568
	N	200	200	200	200	200	200	200	200
social influence an influencer while buying a premium smartphone	Pearson Correlation	-.159*	.114	.579**	1	.179*	.095	.471**	.186**
	Sig. (2-tailed)	.025	.108	.000		.011	.181	.000	.008
	N	200	200	200	200	200	200	200	200
after sale service an influencer while buying a premium smartphone	Pearson Correlation	.133	.603**	.283**	.179*	1	.589**	.435**	-.163*
	Sig. (2-tailed)	.061	.000	.000	.011		.000	.000	.021
	N	200	200	200	200	200	200	200	200
durability an influencer while buying a premium smartphone	Pearson Correlation	.316**	.562**	.132	.095	.589**	1	.431**	-.186**
	Sig. (2-tailed)	.000	.000	.062	.181	.000		.000	.008
	N	200	200	200	200	200	200	200	200
promotion influencer while buying a premium smartphone	Pearson Correlation	.084	.402**	.348**	.471**	.435**	.431**	1	.004
	Sig. (2-tailed)	.237	.000	.000	.000	.000	.000		.960
	N	200	200	200	200	200	200	200	200
influence driven by the factors to buy the new premium smartphone	Pearson Correlation	.022	-.146*	-.041	.186**	-.163*	-.186**	.004	1
	Sig. (2-tailed)	.758	.040	.568	.008	.021	.008	.960	
	N	200	200	200	200	200	200	200	200

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

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