

A study of Consumer Preferences towards Mobile Stores

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Abstract:

The mobile phones are an essential part of consumers' life. The shopping of various products and services are carried out through mobile phones. Mobile devices offer opportunities to combine information search, phone functionality and interaction while shopping in-store or using a product. A mobile device is a constant companion to the consumer, a gateway to a relationship between the consumer and the retailer, making it an ideal supplementary channel for distance selling and physical retailing. The purchasing of mobile phones through mobile stores is now declined after the introduction of online shopping platforms. The present study is an attempt to identify the consumer preferences towards mobile stores, the factors affecting their decision making and analysis of their satisfaction.

Keywords: Consumer, mobile phones, Phone store, technology

Introduction:

The Consumers depend so much on their mobile devices for information and engagement though that they may become distracted from reality. According to the National Safety Council (2015), mobile phone use causes three million automobile crashes annually, prompting the need for digital highway signs that remind drivers, "No texting and driving." This form of distraction stems from the human brain's inability to focus on multiple tasks simultaneously; it also implies some negative impacts for retailers, especially those that rely on impulse purchases. That is, rather than browsing impulse offerings (e.g., candy, magazines, beverages) while waiting in line at checkout counters, modern consumers often use the downtime to scan information on their mobile devices (i.e., mobile blinders), without ever looking up to notice the point-of-purchase displays.

Other negative effects of in-store mobile phone use have been reported as well, including reduced consumer recall of instore marketing stimuli (Bellini and Aiolfi 2017), a failure to accomplish shopping goals (Atalay, Bodur, and Bressoud 2017), and loss of trust in brick-and-mortar stores if consumers find lower prices through their phones (Broeckelmann and Groeppel-Klein 2008). In contrast, in-store mobile phone use might evoke positive effects, such as expanded information search capabilities, wider evaluations of alternatives (Burke 2002), and greater redemption of coupons sent to mobile devices (Hui, Inman, et al. 2013; Klabjan and Pei 2011). However, we know of no studies that investigate the influence of consumers' general in-store mobile phone use on sales, such that the pertinent effects throughout the store (not just on impulse purchases near checkout) remain uncertain.

Objectives of the study:

This study was undertaken to understand the preferences of customers who come to these modern trade outlets to make purchases. The outlets considered for the research were the mobile store and subhiksha store. It involves understanding:

- Types of connections sold in the organized sector.
- Prepaid connections
- Postpaid connections
- Prepaid versus Postpaid – which sells more

Based on this information, the customer preferences with respect to buying behavior were worked out. Again the tool used to collect the information was a questionnaire

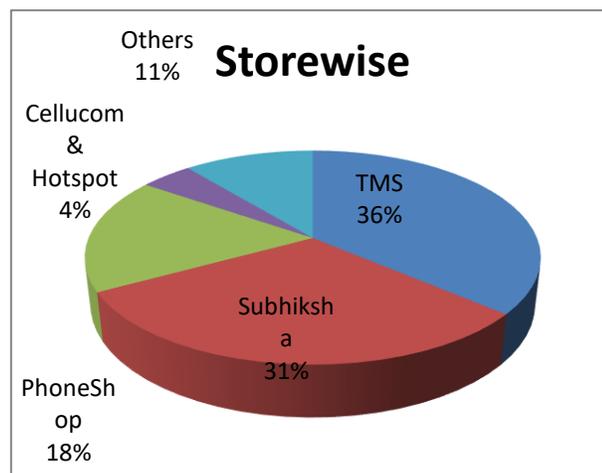
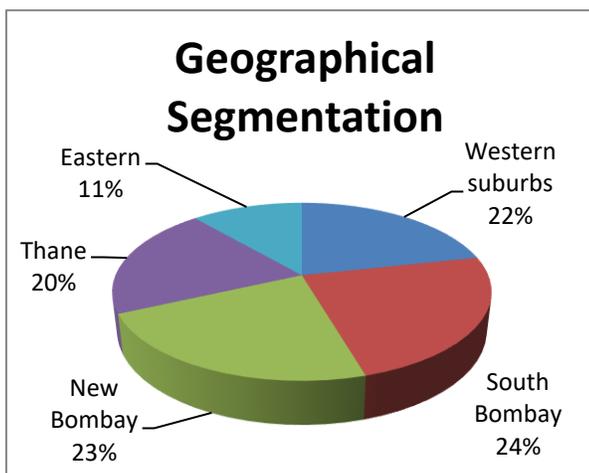
Consumer Perspective: Understanding Customer Preferences

The sample size for the study was 92 respondents.

Markets covered:

- Western Suburbs: Juhu, Vile parle, Andheri
- Central: Thane, Mulund
- New Bombay: Vashi, Chembur, Nerul
- South Bombay: Mahim, Dadar, Lower Parel. Worli, Churchgate
- Eastern: Saki Naka, Chandivli, Powai

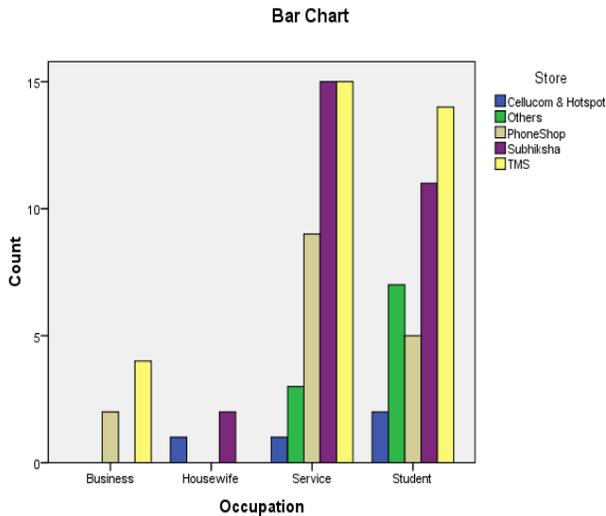
The sample can be segmented as follows:



Occupation-Store Relationship

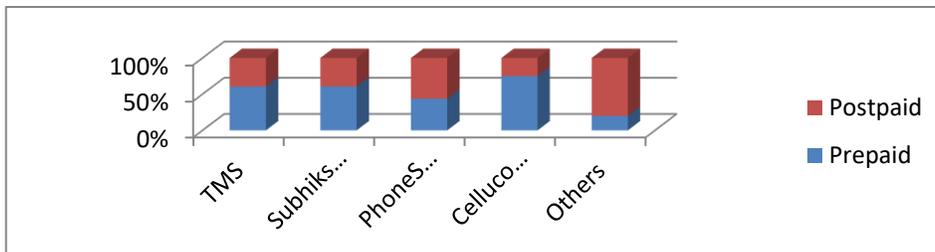
This relationship explains as to what type of people prefer which type of stores for their telecom needs. The major findings, as shown in the graph below are:

- Service class people prefer The Mobile Store & Subhiksha Mobile.
- TMS is also very popular amongst Businessmen & students.



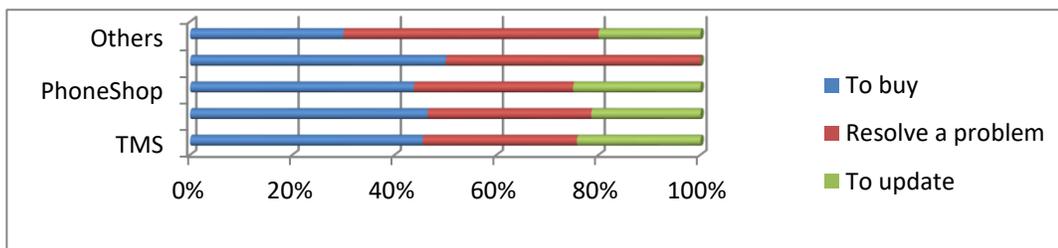
Prepaid Versus Postpaid

This parameter shows which store has what percentage of prepaid & what percentage of postpaid.



Majority of the stores have maximum prepaid customers except PhoneShop.

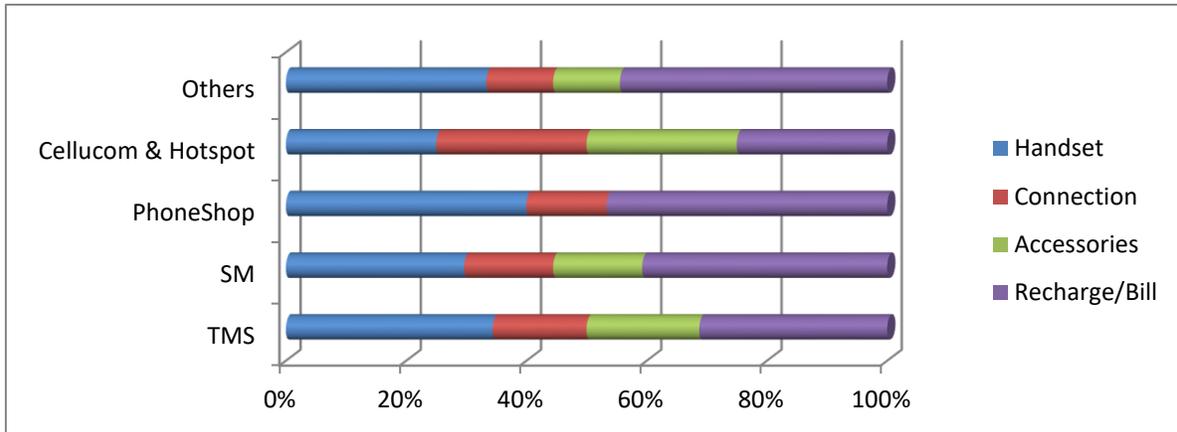
Customer Buying Preferences



- *Purpose:*

In The Mobile Store, Subhiksha Mobile & PhoneShop about 40% of the customers come to buy something. There is a major chunk (approx. 20%) who come just to update themselves.

- *What do they buy?*



Buying behavior in TMS & Subhiksha Mobile is similar. In PhoneShop, about 40% of the customers who want to buy something buy handsets. Accessories are rarely sold in PhoneShop. Maximum connections are sold in TMS.

Preferences for Mobile Stores:

What do customers, who come to modern trade outlets, look for? The respondents were asked to rate the following factors as to what they look for in such outlets:

- Authenticity
- Better service
- Wider options
- Assurance of After sales
- Customer experience
- Good Advertisements

The scores obtained were as follows:

| Preferences/Store | TMS | Subhiksha | PhoneShop | Cellucom & Hotspot | Others |
|-------------------|------|-----------|-----------|--------------------|--------|
| Authenticity | 3.1 | 2.68 | 3.1 | 3.2 | 3.5 |
| Better Service | 3.45 | 3.25 | 3.1 | 3 | 3.2 |

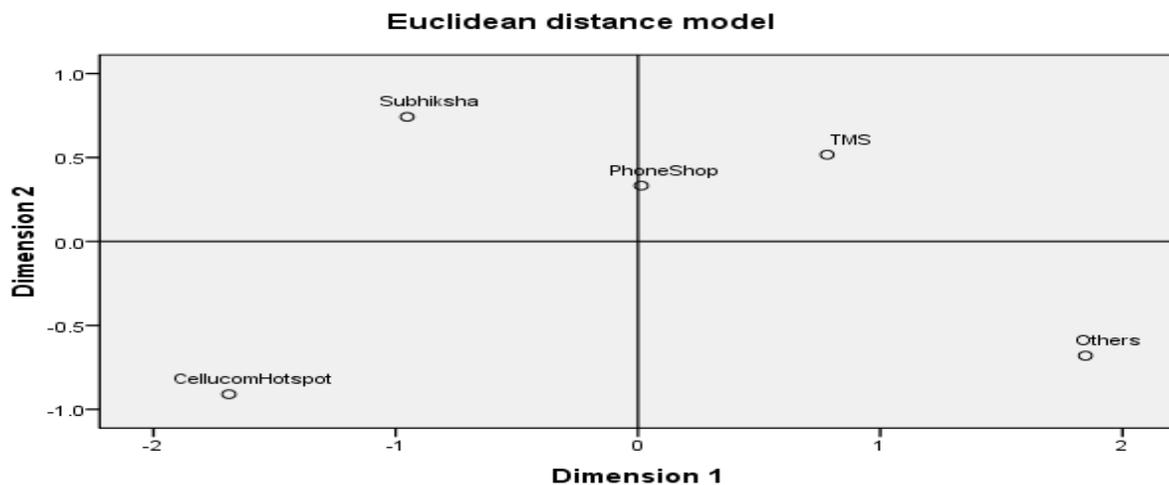
| | | | | | |
|---------------------|------|------|-----|------|-----|
| Wider Options | 3.9 | 3.65 | 3.6 | 3.75 | 4.3 |
| After sales | 3.4 | 3.25 | 3.4 | 3.25 | 3.8 |
| Customer Experience | 3.3 | 2.82 | 3.2 | 2.5 | 3.3 |
| Advertisement | 2.21 | 2.5 | 2.4 | 3 | 2.1 |

Based on these scores, a perception mapping was done to know how is each store perceived by the customers. The following perception map was obtained. The two dimensions on which, each store chain has been mapped are:

Dimension1: Options available

Dimension 2: Customer Service

Derived Stimulus Configuration



The perception of these retail chains is as follows:

The Mobile Store: above average on both, customer service & options available

Subhiksha Mobile: low on options available, average high on customer service

PhoneShop: Average on options available, high on customer service

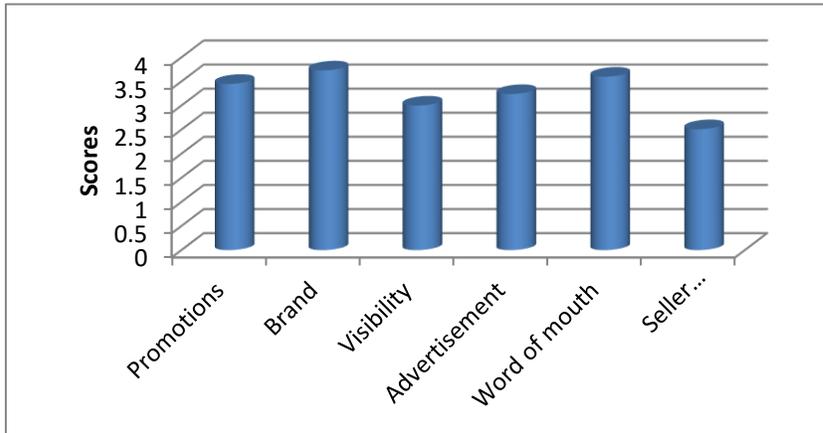
Cellucom & Hotspot: low on both, customer service & options available

Others: high on options available, low on customer service

Operator Preferences

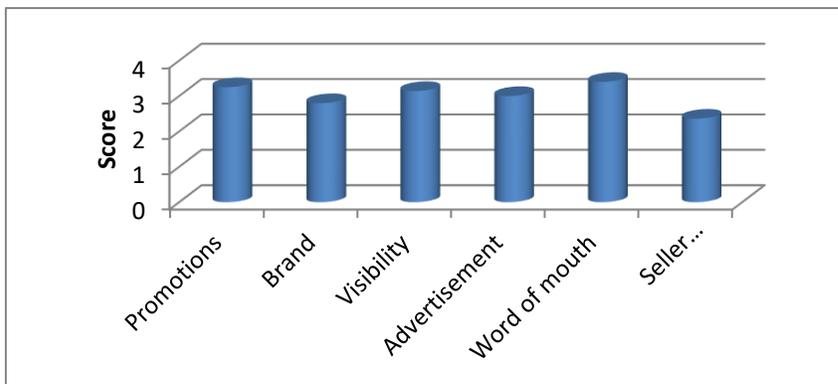
These preferences basically throw light on the factors that the customers look for in a service provider.

- The Mobile Store



TMS customers are more brand conscious & are affected by promotions & advertisements.

- Subhiksha Mobile:



SM Customers are typically affected most by word of mouth & are not as brand conscious as TMS customers

- PhoneShop: PhoneShop customers are brand conscious & rely very less on seller recommendation
- Cellucom & Others: These customers rely heavily on word of mouth & are not very brand conscious.

Conclusion:

The Mobile Store has the maximum sales and also % of sales via connections is maximum. TMS stores in Western Suburbs sell the most. Subhiksha Mobile sells more in new Bombay. No. of footfalls, though is maximum in Western Suburbs. The Mobile Store advertises a lot locally. This might be other reasons as to why they have high footfalls & max sales Personal preference is a very imp factor for promotion in The Mobile Store & Cellucom hotspot. In The Mobile Store, promotional material is displayed on the discretion of the store manager & 60% of them also prefer a personal relationship with the operator. The study revealed the following inferences:

- Western Suburbs: This are consist more of youth & higher middle class. Therefore, need:
 - Better connectivity, no call dropping & congestion
 - Value added services: GPRS & games & music downloads
 - Better credit facility
- South Bombay: This zone consists more of high network youth.
 - Most of the mentioned
 - More Kiosks
 - Free Group SMS
 - Itemized & simple billing
 - VAS: GPRS & caller tunes
 - Cheap Roaming
- In areas like New Bombay & Thane, network coverage is very weak. Hence, customers give maximum importance to the network coverage of the service provider.

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