

# The Psychology and Trend Behind Buying Expensive Smartphones

Manash Kumar

MBA

Under The Guidance of Prof. Dr. Ashish Kumar Singh

School Of Business

Galgotias University

Greater Noida

## ABSTRACT

**Purpose** - This article explores the psychological factors and social trends that drive people to invest in high-end smartphones in the fast-changing world of technology. The decision to buy an expensive smartphone goes beyond mere functionality and is deeply rooted in psychology and general tendencies. The objective of this research is to find out what exactly is the psychology behind the aspiration or a purchase of an expensive smartphones. Perhaps one would notice around themselves that there is a trend of buying expensive smartphones, so is this observation really substantial is also a question that we are dealing with. To know if smartphone is the “new aspirational commodity.”

**Design** - This research employ a mixed-methods approach to capture both quantitative and qualitative data. Also the use of both primary and historic secondary data helped in the design.

**Findings** - Key aspects include the symbolic value of premium smartphones as status symbols that reflect social and economic status. The appeal, sophisticated design, and enhanced features of luxury brands contribute to the desire for social recognition, encouraging consumers to pay more for the prestige associated with famous brands. The psychological appeal of staying ahead of the technological race motivates people to invest in expensive devices, even if incremental improvements do not meet real needs. Social influence, especially peer pressure and social media influence, are important factors in deciding to purchase a smartphone. Fear of Missing Out (FOMO) in response to trends and social expectations drives consumers to purchase expensive smartphones. Purchase decisions are also influenced by the emotional connection and brand loyalty built by smartphone manufacturers. Because loyalty goes beyond rational considerations, consumers are willing to pay more for devices from brands they trust and feel an emotional connection with. Therefore, the psychology of purchasing an expensive smartphone is multifaceted, including symbolic value, technological appeal, social influence, and emotional connection. Factors such as need for status, sense of superiority, adherence to social trends, and brand loyalty combine to determine consumers' decisions to invest in luxury devices.

**Originality/value** - It is important for manufacturers and marketers to understand these psychological aspects when formulating strategies to address the complex motivations that underlie consumer choices. As technology advances and smartphones become increasingly integrated into everyday life, the interplay of psychological factors and social trends will continue to shape the landscape of high-end smartphones.

## CHAPTER - 1

### Introduction

In the rapidly changing world of technology, smartphones have become an essential part of our daily lives. As technology advances, the prices of the latest smartphones are also increasing. The decision to buy an expensive smartphone is not just a functional decision. It has deep roots in psychology and is influenced by general trends. The purpose of this research is to explore the psychological factors and social trends that motivate people to invest in high-end smartphones.

#### The symbolic value of expensive smartphones

One of the key aspects of the psychology behind buying expensive smartphones is the symbolic value attached to these devices. Owning a premium smartphone is often considered a status symbol, reflecting social and economic status. Stylish design, premium materials, and advanced features aren't just practical. They serve as indicators of fame and success. The desire to demonstrate one's prosperity and sophistication through high-end smartphones is deeply ingrained in consumer behavior. The appeal of luxury brands further enhances this symbolic value. Many expensive smartphones bear the logos of famous tech giants or luxury brands, evoking a certain lifestyle and exclusivity. Driven by the need for social recognition, consumers are willing to pay more for the prestige that comes from owning devices from well-known brands. Expensive smartphones have important symbolic meaning in various contexts. On the surface, it acts as a powerful status indicator of wealth and social status. Certain brands or models are associated with luxury and wealth. High prices also imply superior quality, craftsmanship, and exclusivity, which contribute to the perception of prestige. These devices are a product of technology that represents sophistication and innovation in terms of advanced features and reliable hardware. Besides practicality, owning an expensive smartphone is also a way to express one's individuality by reflecting one's taste and lifestyle. Moreover, they are promoted as part of an aspirational lifestyle, leveraging their association with luxury experiences and celebrity endorsements. These devices are useful in terms of socialization, improving one's ability to make friends and engage in conversation. People who buy them often see them as long-term investments that offer greater value than budget options. As time goes by, expensive smartphones go beyond practicality and have a huge impact on modern society.

#### Technological Advancements and Perceived Superiority

Another important factor that influences the purchase of expensive smartphones is the constant flow of technological advancements. Each new model promises improved performance, advanced features, and a superior user experience. The psychological appeal of the latest technology is driving consumers to upgrade their smartphones regularly, continuing the trend of purchasing expensive devices. Feeling superior is a powerful motivator. Consumers believe that high-end smartphones offer advanced technology that is superior to cheaper smartphones. The desire to stay ahead of the technological race and experience the best in the industry is driving people to invest in expensive smartphones, even if incremental improvements don't always meet real needs. Technological advancements in smartphones often create a sense of superiority among users. As these devices evolve to include cutting-edge features like faster processors, improved camera systems, and innovative software features, they inherently gain superiority over older models and competing brands. Users can own the latest and greatest smartphone and feel proud and satisfied that they are leaders in technology. Additionally, the marketing strategies used by smartphone manufacturers often highlight the superiority of their products by emphasizing technical specifications, performance metrics, and user experience improvements. These marketing narratives further reinforce the perception of superiority associated with newer, better smartphones. As a result, people who own or aspire to own such devices may perceive themselves as part of an elite group with access to the best and most advanced technology. This perceived superiority goes beyond mere functionality and affects social status, self-esteem, and consumer behavior in the ever-evolving world of smartphone technology.

### Social Influence and Peer Pressure

Humans are social animals by nature, and the influence of peer pressure and social trends cannot be overlooked when it comes to smartphone purchases. The proliferation of social media has further amplified this influence, creating a culture where people constantly compare themselves to others. Fear of Missing Out (FOMO) about the latest trends and developments can motivate consumers to buy expensive smartphones to meet society's expectations and the standards of their peers. Moreover, the culture of sharing information on social media platforms increases the need for people to display their possessions. People need to share their experiences within their networks, and having the latest smartphone is a way to attract attention and admiration. The psychological impact of social acceptance and the fear of being perceived as outdated are largely contributing to the trend of purchasing high-end smartphones.

Social influence and peer pressure play an important role in the acceptance and perception of expensive smartphones. In social circles, people often seek recognition and acceptance, which leads them to imitate the behavior and preferences of their peers. When powerful figures within a group display or endorse a particular expensive smartphone model, others may feel pressured to follow suit to maintain social acceptance or conform to perceived norms of status and success. Additionally, the desire to fit in or keep up with colleagues can motivate people to invest in expensive smartphones, even if it is financially burdensome. The visibility of these devices in social interactions, whether through social media posts, face-to-face interactions, or discussions among peers, further strengthens their influence and increases the pressure to own such devices. As a result, social influence and peer pressure contribute significantly to the demand for high-end smartphones, shaping consumer preferences, purchasing decisions, and social dynamics within communities.

### Emotional Connection and Brand Loyalty

Building an emotional connection with consumers is a powerful marketing strategy used by smartphone manufacturers. Building a corporate identity and emotional connection with users increases brand loyalty. People often form attachments to specific brands, associating them with positive emotions, trust, and reliability. This emotional connection plays an important role in the decision to purchase an expensive smartphone. Consumers are willing to pay more for devices from brands they trust and feel an emotional connection with. Loyalty goes beyond rational considerations, and people are more likely to invest in a high-end smartphone from a brand they feel aligns with their values and preferences.

The psychology and tendency to purchase expensive smartphones is multifaceted, including symbolic value, technological appeal, social influence, and emotional connection. The need for status, a sense of superiority, social trends, and brand loyalty combine to drive consumers' decisions to invest in luxury devices. Understanding these psychological factors is important for both manufacturers and marketers as they develop strategies to address the complex motivations that underlie consumer choices. As technology continues to advance and smartphones become an increasingly part of our daily lives, a complex interplay of psychological factors and social trends will continue to shape the purchasing landscape for expensive smartphones. Emotional connection and brand loyalty play a significant role in the popularity and adoption of premium smartphones. Through effective branding, marketing campaigns, and product interactions, smartphone manufacturers build emotional connections with consumers and foster trust, admiration, and intimacy with their brands. These emotional connections go beyond simple functional attributes and influence deeper aspirations, values, and lifestyle preferences. When people develop a strong attachment to a particular brand or product, they are more likely to remain loyal to that brand or product even in the face of competition or alternative options. Expensive smartphones, often positioned as symbols of luxury, innovation, and status, leverage this emotional connection to foster brand loyalty among consumers. We further strengthen these connections and encourage repeat purchases through ongoing engagement initiatives such as exclusive events, loyalty programs, and personalized customer service. As a result, brand loyalty is a driving force behind continued demand for premium

smartphones as consumers prioritize the emotional satisfaction and sense of belonging associated with their favorite brands.

Take for instance Apple's iPhone which costs a fortune for a common man. The assertion that more individuals are eager for aspirational products like iPhones could however be a subjective claim that depends on various cultural, social, and economic factors. iPhones have undoubtedly amassed a substantial following globally owing to their blend of cutting-edge technology, sleek design, and aspirational branding. Apple, the company behind iPhones, has effectively cultivated an image synonymous with innovation, luxury, and exclusivity, often portraying its products as integral components of a desirable lifestyle. Additionally, the widespread adoption of iPhones by celebrities, influencers, and opinion leaders further contributes to their aspirational appeal, as their usage is often seen as a mark of status and trendiness. Moreover, the meticulous craftsmanship, premium materials, and advanced features associated with iPhones accentuate their allure as aspirational objects. However, it's important to acknowledge that individual aspirations and preferences are diverse and multifaceted. While iPhones may represent aspirational products for many, there are also individuals who prioritize different brands, features, or economic considerations in their smartphone choices. Thus, while iPhones may hold significant appeal for a substantial segment of the population, the extent to which people are "desperate" for them can vary widely based on personal circumstances and perspectives.

### Research Objective

- The objective of this research is to find out what exactly is the psychology behind the aspiration or a purchase of an expensive smartphones.
- Perhaps one would notice around themselves that there is a trend of buying expensive smartphones, so is this observation really substantial is also a question that we are dealing with.
- If smartphone is the "new aspirational commodity."

**Justification for this research** – The reason why I am doing this is because it is important for me as a student of marketing and as a future manager to tap on to consumer behavior and psyche, to understand the aspirations that are ever evolving, and to gain insights from it so that I can contribute my share of knowledge to the world and being someone resourceful.

### Research Hypothesis

There is a real trend seen that people are increasingly buying premium smartphones specially in India, and the psychology being our smartphones becoming an aspirational product.

### Research Questions

- Is there a trend of buying expensive smartphones, is the observation really substantial?
- Is smartphone a new aspirational commodity?
- What is the psychology behind the aspiration or a purchase of an expensive smartphones?
- What are the most loved aspirational brands for consumers?
- Are people willing to spend beyond their budget to get a premium smartphone?
- Is peer pressure or status a thing when it comes to buying a product like smartphone and how exactly are smartphone manufacturing brands capitalizing on that factor?

## Literature Review

### **Nagarkoti, B. (2014). Factors influencing consumer behavior of Smartphone users.**

This study examines whether smartphone users purchase smartphones for their own needs, reasons for purchasing expensive smartphones, how social and personal factors influence purchase decisions, for what purposes smartphones are used, and the length of the day. The focus was on identifying and location changes in computer use due to smartphones, and how expensive phone bills become after using smartphones.

### **Ullah, M. A., Hassan, M., Siddique, H. M. A., & Mehar, R. (2020). A Quantitative Research: Exploring Factors Influencing Purchase Intention for Expensive Smart Phones. International Journal of Accounting Research, 5(1), 27-36.**

The study found strong evidence that many customers are still unaware of advances in mobile phone technology, even though it is advancing at a rapid pace. Those who experience cutting-edge mobile phones are only a certain class. Buyers of high-priced mobile phones have the intention to purchase high-priced brands considering various factors. When a buyer goes to the market to purchase an expensive product, he or she first perceives the price of the product or gets an idea about the price of the product. There is a significant relationship between price and purchase intention, as consumers assume that expensive smartphones are technologically more advanced than lower-priced smartphones. Considering that every customer is rational, customers can easily evaluate the quality at a specified price or at a given price. (Farhat Abbas, etc.). Social influence is one of the most important factors in high-value mobile purchases. People make high-price purchase decisions because of their status-seeking approach. Friends and community also play an important role here. The results of the study showed that social influence had a positive and significant effect on the intention to purchase expensive smartphones. Some people want their personality to impress others. They need expensive cell phones. Some people care about what other people buy. They follow others to make purchasing decisions. Our study also found a positive relationship between status symbols and purchase intentions. Donner (2009) criticizes proposals that assert excessive burden on mobile phone purchases while ignoring the value of social calling in estimating demand-driven demand. There are two interrelated problems here. Social benefits of purchasing a mobile phone, perceived value, social benefits, and the ambiguity of “blurry” social and business communication (Biljon & Kotze, 2008; Zainudeen et al, 2006; Donner, 2009).

### **Kasriel-Alexander, D. (2016). Top 10 global consumer trends for 2015 (pp. 18-21). Euromonitor International.**

This article noted that by 2025, most of today's psychology undergraduates will be in their 30s, and more than 5 billion people in the world will use ultra-wideband, sensor-rich smartphones with features far beyond the capabilities of modern iPhones, Androids, and blackberries. Although smartphones are not designed for psychological research, they can easily and quickly collect large amounts of ecologically valid data from large samples around the world. If participants download the right “psych app,” smartphones can record where they are, what they do, what they see and hear, and enable conversations by tapping on screens and wireless connections. Control, try and experience nearby screens, headsets, biosensors. and other peripherals. This article reviews past behavioral research using mobile electronics, provides an overview of what smartphones can do now and what they could do in the future, and explains how smartphone research can make a difference with current technology (e.g., studying the effects of the ovulation cycle on men's mothers). Discuss some of the limitations and challenges of smartphone research and compare smartphones to other research methods. Smartphone research will require new skills in app development and data analysis and raise new ethical questions; But smartphones can change psychological states more than personal computers and brains.

**Some more literature that was studied and reviewed while working on this research are -**

**Miller, G. (2012). The smartphone psychology manifesto. Perspectives on psychological science, 7(3), 221-237.**

**Mohan, A. (2014). Consumer behaviour towards smartphone industry in Indian market (Doctoral dissertation, Dublin Business School).**

## RESEARCH METHODOLOGY

This research employ a mixed-methods approach to capture both quantitative and qualitative data. It began with a comprehensive literature review to understand existing theories and findings related to consumer psychology and smartphone trends. Subsequently, the use of surveys and interviews to gather quantitative and qualitative insights from smartphone users.

Both primary and secondary data have been extensively used in the research.

The research would be concluded by synthesizing the findings and providing insights into the psychological underpinnings and trends driving the purchase of expensive smartphones, and implications for smartphone manufacturers, marketers, and future research directions.

Secondary sources have been used more extensively which covers a range of various sources like Research Articles, magazines, surveys, newspapers and visual media.

The research also contains various observations done on my part that would be emphasized through qualitative data.

### Sampling Technique

Would implement a random sampling technique to ensure representation from diverse demographic groups. The sample should include participants of various ages, income levels, occupations, and geographical locations. This diversity will help in obtaining a holistic understanding of the psychology and trends associated with buying expensive smartphones.

### Data Collection

Developing a structured questionnaire to collect quantitative data. Questions would focus on factors influencing smartphone purchases, such as brand perception, features, social influences, and emotional connections.

### Data Analysis

Utilizing statistical tools to analyze survey data. Employing descriptive statistics to summarize demographic information and conduct inferential analyses (correlation, regression) to identify relationships between variables.



## CHAPTER 2

### DIGITAL ERA AND THE UTILITY OF SMARTPHONE IN THIS MODERN ERA

The digital age has brought about changes in the way we interact, communicate and navigate the world, and smartphones play an important role in enabling and facilitating these changes. Today, the smartphone has become a communication tool and an essential tool for increasing productivity, connectivity and access to information.

One of the most important aspects of using a smartphone in the digital age is the ability to instantly connect with people around the world. With text messaging, social media platforms, and video conferencing applications available on smartphones, people can easily communicate with friends, family, colleagues, and distant communities. This connection fosters collaboration, improves relationships, and allows for the sharing of ideas and information on a previously unimaginable scale. Additionally, smartphones are a powerful source of accessing and consuming digital content. Users can access more information, entertainment and education anytime and anywhere through web browsers, streaming services and mobile apps. From news updates to online courses, music to movies and e-books, smartphones provide a gateway to a vast ecosystem that improves users' lives and broadens their horizons. In addition to consumption, smartphones make it easier for people to create and share content. Smart cameras, video recorders, and editing tools built into smartphones allow users to capture moments, express themselves creatively, and share ideas with the world, responding through photos, videos, blogs, and social media posts. The freedom to create content empowers people to become influencers, storytellers and advocates, to speak out and drive cultural change and engagement.

Moreover, smartphones have revolutionized every aspect of daily life, from work and shopping to navigation and health management. Mobile banking apps allow users to manage their finances on the go, while e-commerce platforms enable seamless online transactions. GPS navigation services help users navigate unfamiliar terrain, health and fitness apps track exercise habits, monitor vital signs and promote health.

Overall, in today's era defined by connectivity and mobility, the smartphone is an essential tool to empower people, foster innovation and achieve social development. Their uses extend beyond communication to include education, entertainment, creativity, productivity and everyday convenience, making them essential travel companions in the digital age.

#### Smartphones replacing traditional gadgets and tools

Smartphones have changed the way we interact with technology, replacing many gadgets and devices by condensing their functionality into a portable device. These versatile devices are replacing standalone devices such as cameras, calculators, alarm clocks, flashlights, GPS devices and even body maps. With their great cameras and advanced photo editing software, smartphones have become tools for capturing and sharing memories, eliminating the need for a separate camera. There's also a built-in calculator for math needs, and the alarm and reminder function merely replaces the clock and planner. The flashlight function provides illumination in the dark, while the GPS function provides navigation services provided by autonomous devices. In addition, smartphones have become the source of mobile entertainment, replacing MP3 players, portable game consoles and e-readers, providing music, games and e-books from a variety of applications. Additionally, messaging apps have transformed mobile phones and even desktop computers into multiple devices, allowing phone calls, video calls, messaging, and social networking on a single device. Overall, the convenience, versatility and connectivity provided by smartphones condenses many features into one large device, making many tools and devices obsolete.

#### In context of Camera

Smartphones have changed the course of photography, replacing personal cameras for many consumers. The integration of the best cameras, optics, and advanced image processing into smartphones allows users to capture beautiful images with ease. With the rapid rise of social media platforms and photo-sharing apps, smartphones have become indispensable tools for capturing and sharing creative moments. The mobility and neatness of smartphones allow users to take advantage of the opportunity to take photos without the need to carry a separate

camera. Smartphones also have many customization options that allow users to enhance and edit their photos right on the device. Additionally, the seamless integration of smartphone cameras with other features such as GPS, accelerometer, and augmented reality enhances photography through the idea of content, geotagging, and usability. While professional photographers may rely on dedicated cameras to accomplish certain tasks, for most users smartphones are increasingly replacing traditional cameras in photography, preserving memories and becoming long-term tools.

#### In Context of Calculator

Smartphones have replaced calculators due to their convenience, versatility and affordability. With the built-in calculator app, users can perform many math tasks quickly and efficiently without needing a separate device. These calculator programs offer simple math, science, and graphs, making them suitable for a wide range of math problems, from simple numbers to complex equations. Additionally, smartphone calculators often have user-friendly interfaces, intuitive controls, and the ability to store and recall previous calculations, thus increasing efficiency and making it easier. The portability of smartphones means users can use their calculators whenever they want, at home, at school, at work or on the go. Moreover, some applications of the calculator on the smartphone, along with command and typing capabilities, expand their usefulness and usefulness to meet the preferences and needs of different users. Overall, the breadth and functionality of the smartphone calculator has made a single calculator impractical for many users by packing math functions into a single device.

#### In Context of Alarms

Smartphones have become alarm clocks for many people; They have effectively replaced traditional alarm clocks due to their convenience, options, and versatility. Thanks to the built-in alarm function, users can easily set multiple alarms on their smartphones to suit their time and preferences. These alarms have many customization options, including different sounds, volume, and delay, allowing users to personalize their waking experience. Additionally, smartphone notifications can be combined with daily events, reminders, and other apps to deliver real-time solutions. The portability of smartphones allows users to access the alarm from anywhere, eliminating the need for an alarm clock at home or while traveling. Additionally, the growth of smartphones means users are more likely to forget or miss important calls. As a result, the convenience, versatility and reliability of smartphone alarm clocks have made them a must-have accessory for many people, effectively replacing the alarm clock in everyday life.

#### In context of flashlights

Smartphones have replaced traditional flashlights because they are convenient, portable and versatile. By connecting a powerful LED light to a smartphone, users can get instant light whenever they need it. The built-in flashlight eliminates the need to carry a separate flashlight, making the smartphone a useful tool in a variety of situations such as lightning, outdoor work, and emergency. Additionally, smartphone lights often feature adjustable brightness and flash modes, providing versatility for a variety of lighting needs. The presence of smart lights on the smartphone allows users to illuminate the house at any time, indoors and outdoors. In addition, the size and lightness of smartphones allow them to be easily used as flashlights in situations where normal lighting is not suitable or available. Overall, the integration of flashlight functions into smartphones has transformed many people's use of standalone flashlights, turning them into versatile tools for everyday tasks and emergencies.

#### In context of GPS devices

Smartphones are replacing many standalone GPS devices, giving users a simple and versatile option for navigation and location assistance. Integrating GPS (Global Positioning System) technology into smartphones allows users to obtain accurate location information and real-time navigation without requiring special GPS equipment.



Smartphones provide navigation, updates and optimization with map apps and navigation services, making it useful for travelers, hikers and outdoor enthusiasts. Additionally, smartphone navigation apps often have additional features such as points of interest, offline maps, and voice navigation to improve user experience and flexibility. The mobility of smartphones allows users to access navigation services anytime and anywhere, without the need to carry and maintain a separate GPS device. Additionally, the integration of GPS technology with other smartphone features such as camera, calendar, and location services improves the overall user experience and usability. In general, smartphones have become the first choice for navigation and location services due to their simplicity, ease of use and integration into daily life, effectively replacing the standalone GPS device for many users.

#### Making MP3 players obsolete

Smartphones have replaced MP3 players, giving consumers a variety of devices for music, communications and more. Smartphones offer music player applications with multiple storage options, allowing users to store, organize and enjoy their music libraries on the device they use for calls, texts and the Internet. There are also streaming services on smartphones that allow users to find and listen to a variety of songs on demand. The ability to play music on a device the user already owns eliminates the need to carry a separate MP3 player. Moreover, smartphones often provide good sound quality and adjust the balance to improve the user's listening experience. In addition to listening to music, the convenience of smartphones allows users to do many things while listening to music, such as accessing the internet, checking their emails, or using other applications. In general, the evolution of music player functionality on smartphones has made standalone MP3 players obsolete for many users, as smartphones offer more convenience, variety and music solutions for entertainment.

#### Gaming

Smartphones have certainly played an important role in the development of the gaming industry, contributing to its growth and development in many ways. The growth of mobile games will be driven by many factors such as the proliferation of smartphones, technological advances and the existence of mobile application stores.

First, the widespread use of smartphones has brought the challenges of gaming to a wider audience than traditional games. With millions of smartphones in use worldwide, people of all ages and backgrounds can play games more easily, leading to a more diverse and inclusive gaming community. Technology advances in smartphone hardware and software have led to the growth of mobile gaming. Today's smartphones have powerful processors, high resolutions, and powerful resources that allow developers to create gaming experiences that are more immersive and useful than traditional games.

The emergence of mobile application stores such as the Apple App Store and Google Play Store has allowed free distribution of games, allowing developers and game companies to reach a wider audience with their games worldwide. The low barrier to access to gaming ads on this platform has led to a proliferation of new and innovative gaming experiences resulting in a variety of interests and preferences. Additionally, the freemium model (a model where the game is downloadable but with in-app purchases and ads) exists in the mobile gaming industry. This model has proven to be very useful for developers and has enabled many games to reach a wide audience around the world. Social media and smartphones have also changed the gaming experience; multiplayer and social features are becoming increasingly common in games on the phone. Players can connect directly with friends from their smartphones, compete with others, and join online communities to foster mutual understanding and appreciation. In general, smartphones are gaming freedom, making gaming easier, more diverse and inclusive. As traditional games like consoles and PCs continue to evolve, smartphones are becoming a major force in the gaming industry, driving innovation and shaping the future of gaming knowledge.

#### How smartphones are revolutionizing our lives

The smartphone revolution is nothing short of seismic. Mobile devices have transformed the way we connect, from sending instant messages around the world to fostering understanding of the global community through social media. With e-commerce, shopping capabilities are at your fingertips and GPS features making things such as getting lost a thing of the past. Nowadays, content consumption is in high demand due to smartphones with large cameras, recording music and books. Even the way we share information has changed, with smartphones allowing people to become citizen journalists. Mobile Banking's impact goes beyond convenience as it expands education and accounting through education. Even though we ignore screens, it is undeniable that smartphones have become a part of our lives and have changed the way we interact with the world around us.

#### Netflix and Chill

Smartphones have revolutionized video content. Viewers are no longer tied to TVs or computers and can now enjoy projects and short films anytime and anywhere. This accessibility leads to an increase in video viewing rate. Platforms designed specifically for smartphones, such as YouTube and TikTok, provide short, engaging content that is perfect for viewing on mobile devices. In addition, smartphones equipped with good cameras and editing apps allow anyone to become a content creator, resulting in a variety of videos. Live streaming platforms can deliver experiences and foster a sense of community; while social networks can encourage virality and influencer marketing. In short, smartphones have changed not only the way we watch movies but also the content itself.

#### E Books

Smartphones gave life to platforms such as e-books and Kindle. In the past, e-readers had limited mobility and options. But smartphones have become ubiquitous, and with the rise of e-book reading apps, entire libraries can now fit in your pocket. This convenience increased the popularity of e-books. Platforms like Kindle have adapted by offering apps that allow users to switch between devices while managing the reading process. Smartphones have not only made e-books more accessible, but also provided the freedom to create books. Self-publishing has become easier, allowing more voices and stories to be shared.

#### E-Learning

The rise of smartphones has ushered in a new era in e-learning with the emergence of edtech giants like Byju's and Unacademy. These on-demand courses take advantage of the accessibility and mobility of smartphones. Students can now access quality video lessons, interactive sessions and self-study materials anytime and anywhere. Gone are the days of geographical restrictions; Students in remote villages can now receive education from the best teachers across the country. Education technology applications also support different types of learning with features like games and progression to keep students engaged. This, combined with the affordability of traditional learning-related platforms, makes learning better than ever before.

The outbreak of COVID-19 and the necessity of social distancing have made smartphones a way to learn. While traditional classroom learning has been put on hold, e-learning platforms have come to the rescue, perfectly adapting to the shift from mobile phones to smartphones. Byju's and Unacademy's educational apps provide students with a flexible transition. High-quality video lessons, interactive sessions, and downloadable materials can be accessed from students' mobile devices, making learning seamless. This portability has proven invaluable, allowing students to study anywhere there is an Internet connection. E-learning on smartphones not only makes continuing education possible in the era of COVID-19, but also demonstrates the potential of mobile devices to make free education universal.

#### Online meetings

Smartphones have become the ultimate facilitator of online communication; It has transformed communication in the workplace and in your personal life. Gone are the days of restricted spaces or rigid schedules. Video

conferencing apps available on smartphones allow colleagues, clients, and even friends and family to connect face-to-face, regardless of location or time zone. This change makes collaboration easier, improves communication efficiency, and saves on travel costs. Whether it's chatting with a villager, a doctor's appointment, or meeting loved ones abroad, smartphones have made online meetings a part of our daily conversations.

### Social Media

Smartphones have revolutionized social interaction, transforming it from a desktop function to a portable companion in our pocket. This constant connection leads to a dynamic online world where we foster relationships through instant messaging and sharing photos on platforms like Facebook and Instagram. We become a powerhouse of knowledge by capturing life's moments and sharing them instantly, fostering a sense of community and connection. Social media has become a major source of news, with platforms such as Twitter providing constant information and sparking discussions about current events. Promote a sense of belonging in groups and meetings and it's easier than ever to find like-minded people. Smartphones are helping everyone become a creator, and beauty tools and platforms like TikTok allow users to build a following and express themselves. This has spurred the rise of influencers who collaborate with brands for marketing. But constant socialization has its drawbacks because issues like cyberbullying and social comparison can cause mental damage. It's important to find the right balance between online connection and the real world. In the digital age, it is undeniable that smartphones integrate social media into our lives, providing powerful tools to connect, share and consume information.

### Banking and UPI

Smartphones have become a game changer in traditional banking by enabling easy, convenient and efficient transactions through mobile banking apps and Unified Payments Interface (UPI). These mobile branches have brought many benefits by changing the way we manage our finances. Forget limited bank opening hours or long queues. Mobile banking apps allow users to check balances, transfer money, pay bills and even deposit checks anytime, anywhere. This saves time and effort by eliminating the need to visit the bank.

Mobile banking apps provide a better view of your financial health. Users can track expenses, split transactions, and set budgets all in one app. This allows people to make informed financial decisions and gain control over their money.

This is the day to write the check and send the invoice. Mobile Banking allows users to schedule and pay bills, rent, credit card and other bills. This ensures payments are made on time and eliminates the impact of late fees or due dates.

Having to send cash to the person or having to wait days for the transfer should now be a thing of the past. UPI integrates with most mobile banking providers to enable peer-to-peer (P2P) transactions simply by using a virtual ID or phone number. This eliminates the need to provide complex account details and enables rapid reconciliation even between accounts at different banks.

Mobile banking apps and UPI transactions are robust with strong security features like multi-factor authentication and authentication. This protects users from unauthorized access and fraud, giving users peace of mind when managing their finances online.

Smartphones are accelerating the transition to a cashless lifestyle. Thanks to mobile banking and Unified Payment Interface, users can pay for everything from food and movie tickets to online shopping and taxi fares without needing cash. This not only increases convenience but also promotes financial inclusion, especially for those who cannot access traditional banking services.

The rise of mobile banking applications has accelerated the growth of mobile wallets. These virtual wallets allow users to securely store their bank and credit card information and make seamless payments in stores using near field communication (NFC) technology. This simplifies the payment process by eliminating the need to carry a

physical card. But with the convenience of mobile banking and UPI comes the responsibility of users to be wary of security risks such as phishing scams and malware. Using strong passwords, being careful when clicking links, and keeping bank accounts up to date are crucial to ensuring safe and secure transactions.

In conclusion, smartphones have changed the way we manage our finances. Mobile banking apps and the Unified Payments Interface (UPI) have transformed banking from a chore into a simple and easy-to-use process, allowing people to manage their finances in the digital age.

### Internet of Things

Smartphones have become the brains and power of the Internet of Things (IoT) revolution, acting as powerhouses for connecting and managing large networks of smart devices. This change goes far beyond just controlling a light or thermostat; It is the change through which we interact with our environment and create a continuous world. Let's take a deeper look at how smartphones can expand the potential of IoT.

Smartphones have the ability to combine Wi-Fi, Bluetooth and mobile data to become a global meeting point for IoT devices. From smart speakers to health monitors, these devices can connect directly to smartphones without the need for a separate hub or controller. This simplifies setup and management of the device, allowing users to control everything via connectivity information.

Sensors embedded in countless IoT devices are constantly collecting data on everything from room temperature to air quality, from energy consumption to exercise measurements. Smartphones can act as data centers with their functionality and storage, collecting information from various devices. This information may be analyzed by applications or third-party services designed to provide better insight into our daily lives, health, and home security. Consider a smartphone app that analyzes sleep patterns based on data from a smart bed or monitors energy use based on smart readings.

The magic of combining smartphones and the Internet of Things in remote access. With just a few clicks, users can control their smart home devices from anywhere with an internet connection. Consider adjusting the thermostat before you get home, turning on the lights to ward off burglars when you're on vacation, or even running the washing machine to make sure the laundry is done when you arrive. This level of remote control allows users to control their environment, providing comfort, security and efficiency.

Smartphones, when combined with smart assistants such as Siri or Google Assistant, can become central to the creation of personal business processes. Imagine waking up in a bedroom softly lit by simulated sunlight or your coffee maker automatically starting brewing as a morning routine synced between your smartphone and smart coffee maker. These automated actions, triggered by data collected from various IoT devices, can simplify and enrich the user experience.

IoT devices equipped with audio sensors and cameras can be used with smartphones to improve home security. Smartphones can be instantly alerted to unwanted activity, allowing users to monitor their homes remotely and even call emergency services if necessary. Additionally, smart doorbells with built-in cameras allow users to see and interact with guests even when they are away, providing additional security and peace of mind.

The rise of health trackers and smart medical devices has created new opportunities for smartphone health management. This device continuously monitors vital signs, sleep patterns, and activity levels and sends data directly to a smartphone app. This allows users to track their health, identify potential problems, and also share this information with doctors for monitoring and diagnosis.

But security issues are still a major challenge in the implementation of smartphone IoT. Strong encryption protocols and user authentication are essential to protect sensitive data from multiple devices. Additionally, the potential for data overload and privacy violations requires consumers and device manufacturers to implement data management systems.

In short, smartphones have become the basis of the IoT revolution as gateways, control centers and data analysis centers. This powerful combination is changing the way we interact with our environment, providing greater

comfort, self-awareness and greater security. As the IoT ecosystem continues to evolve, smartphones will undoubtedly be at the forefront, creating a future where our devices will work together and connect to create a smarter world.

#### A network of utility-based apps

Smartphones have become similar to the knife that is used in the Swiss Army, not only for communication but also for a large and expanding network of applications that help us with all our needs. These on-demand services have changed the way we live, turning routine tasks into arduous tasks. Imagine a world where food satisfaction is just a tap away. Gone are the days of scrolling through menus or waiting for delivery. Food apps like Zomato and Swiggy connect you to a seemingly endless number of restaurants, allowing you to order your favorite meal in just a few clicks. Track your order instantly, pay securely via the app, and enjoy a great restaurant without leaving your couch.

Easy to complete. Who needs a dedicated mechanic anyway? Service delivery apps like UrbanClap and TaskRabbit connect you with a network of professionals for services ranging from plumbing and installation to furniture assembly and deep cleaning. Book an appointment from your smartphone, compare quotes and pay securely when the job is done in the app.

Transportation becomes problem-free. Taking a taxi or driving is a thing of the past. Ride-hailing apps like Uber and Ola have revolutionized transportation. Just enter your destination, select your preferred vehicle type and instantly see your driver's ETA. Track your trip on the map, make electronic payments and enjoy safe and comfortable travel.

Entertainment is at your fingertips. Smartphones are the power of entertainment. Streaming services like Netflix and Disney+ offer a wide variety of movies, TV shows, and documentaries on-demand. Music streaming apps like Spotify and Apple Music provide personalized music for your life with millions of songs and curated playlists. Even the boredom of commuting has become a distant memory with countless mobile games and reading apps to keep you entertained.

Purchasing goes beyond the physical store. Gone are the days of limited selection and crowded stores. E-commerce applications such as Amazon and Flipkart bring many products to your fingertips. Browse millions of countless products, compare prices, read reviews and benefit from hassle-free delivery to your door. Track the progress of your order and receive updates directly from your smartphone.

Travel planning is now easier. Travel apps like Booking.com and Airbnb let you plan your dream vacation from your smartphone. Search for hotels and resorts, compare prices and amenities, and book your stay directly from the app. Discover attractions, book tours and activities, and visit unknown cities with comprehensive maps and local recommendations from your trusted partner.

Exercise is over. Your smartphone is your pocket trainer. Fitness apps like Strava and Nike Run Club provide daily workouts, track your progress, and provide motivation to help you reach your fitness goals. Connect with the health community, participate in virtual challenges, and monitor your heart rate and other vital statistics; Do all this with the help of your smartphone and physical exercise devices.

The list goes on and on. From mobile banking and finance apps to healthcare and education platforms, the app ecosystem on smartphones is constantly growing. However, with this convenience comes the responsibility of managing screen time and striking a healthy balance between the digital world and real-life interactions. However, it cannot be denied that smartphones integrate the network of applications into our daily lives, providing unparalleled conveniences, desirable services and endless possibilities at our fingertips.

Emergence of AI and its impact on the significance of smartphone on a common user



The rise of artificial intelligence (AI) will change the way we interact with our smartphones, transforming them from simple communication tools into powerful personal assistants. This AI-driven future promises to improve our daily lives in many ways.

Think about the smartphone you've been waiting for. Artificial intelligence will allow apps to learn about your daily activities, interests, and habits. Need a route during rush hour? Your phone will show the fastest route based on real-time traffic information. Are you running out of food? Your phone will suggest nearby stores, items on your shopping list, and even pre-fill your order based on past purchases. This program will make daily tasks easier and save you time and energy.

Artificial intelligence voice assistants such as Siri and Google Assistant have made the use of smartphones easier. Imagine controlling your phone entirely with your voice, from making calls to sending messages, setting reminders and playing music. This is especially useful for users with visual impairments or physical limitations, making it easier for them to interact with their phones.

Here are the days of final scrolling and data overload. AI will personalize your smartphone experience, filtering the News Feed, recommending videos, and finding goodies based on your interests and past behavior. Consider a news app that displays articles about your job or hobbies, or a streaming service that curates playlists based on your interests and what you've recently listened to. This personalization will save you time searching for content and ensure you receive information and entertainment that is relevant to you.

Artificial intelligence will completely change the way we search for information on our smartphones. Imagine asking your phone a complex question and receiving not just a list of web pages, but an AI-generated answer that combines information from multiple sources. This will reverse research and information gathering on the road, allowing you to find the answer you need quickly and efficiently.

Artificial intelligence can play an important role in protecting our smartphones and personal data. Consider AI-powered security features that understand your normal usage patterns and can detect suspicious activity such as unauthorized access or malware. This will give you peace of mind and provide additional protection against cyber threats.

Artificial intelligence is changing the way we shop from smartphones. Consider using your phone's camera to scan items in a physical store and get instant information about prices, reviews, and similar products available online. AI-powered chatbots can provide personalized shopping recommendations and instantly answer questions about products, making shopping smarter and easier.

Artificial Intelligence-supported language translation tools destroy communication. Imagine instantly chatting with someone who speaks a different language and getting a flawless translation from your smartphone. This will open up a world of opportunities for travel, communication and cultural exchange.

However, the integration of artificial intelligence and smartphones also caused concern. Potential biases in AI algorithms and data privacy issues must be addressed. Transparency and user control over how data is collected and used are critical to building trust in AI capabilities.

In short, the emergence of artificial intelligence should turn our smartphones into smart friends that improve our daily lives. From support and self-awareness to improved security and communication, AI promises to make our smartphones more powerful and versatile. One thing is important as technology advances: Its impact on the way we interact with our smartphones will change.

How embedded has a smartphone become in our daily lives?

Smartphones have become integrated into our daily lives and become an integral part of us. Imagine a day without it. It's an incredibly nerve-wrecking thought for many people. The average person will have a very difficult time separating themselves from this digital technology and the vast world it opens up. Isolating oneself from smartphone is like isolating oneself from the world today. The simplicity of these devices, their access to

information and the relationship between them are undeniable. Although health management is important. Detox days and phone-free spaces can help us navigate our normally connected world without the distractions of real life. From guiding our daily lives to connections and experiences, these digital friends offer a world of possibilities. While we acknowledge the negative effects of excessive screen time, there's no denying that smartphones have changed the way we live, work and connect in the digital age. They have become an extension of our daily lives, our sense of self and important tools in solving the complexities of people today. Its small size and mobility ensure that it is always available and ready to meet our many needs and desires. So for the average person, the idea of not connecting to a smartphone and the digital ecosystem it allows access to is not only daunting, but almost unexpected; This underlines the role of a revolutionary gadget in shaping and reshaping the impact on our lives.

## CHAPTER 3 FINDINGS

The data that has been gathered is through a variety of sources that includes both primary and secondary data. All the data and literature that I have studied has been taken up as secondary data in this research work. Let us now delve into primary data.

### Primary Data

I made a questionnaire consisting of a few questions the link of which I am attaching below-  
[https://docs.google.com/forms/d/e/1FAIpQLSf1ym7hIvv4dbBZCbf0e1F6OlkwMzd8-CVPfRolnnpDb0YIg/viewform?usp=sf\\_link](https://docs.google.com/forms/d/e/1FAIpQLSf1ym7hIvv4dbBZCbf0e1F6OlkwMzd8-CVPfRolnnpDb0YIg/viewform?usp=sf_link)

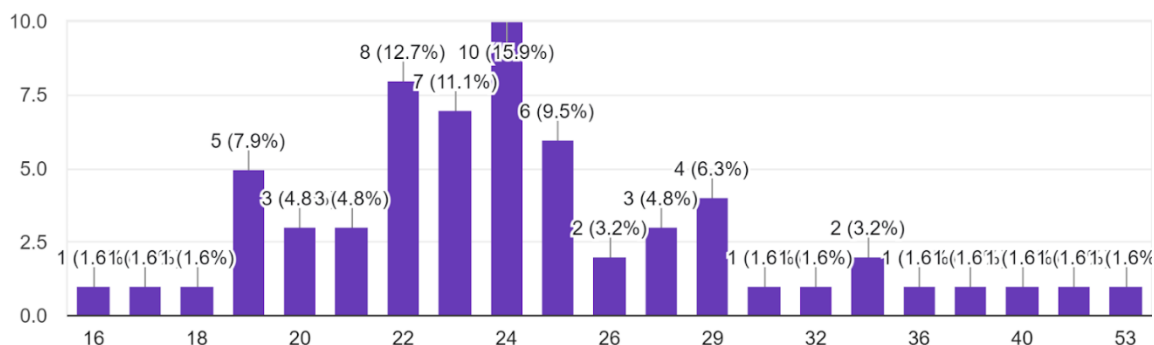
In this questionnaire which I made with the help of Google forms helped me a lot in saving my time and resources. The questions I asked were as follows :-

- I asked the respondents their names.
- I asked respondents their age.
- I asked respondents their gender.
- I enquired them about their occupation whether they are working, studying or self employed.
- What smartphone are you currently using?
- Price at which you bought the smartphone.
- How embedded is a smartphone into your everyday life?
- Do you think purchasing expensive smartphones is a real trend in India and worldwide these days?
- What is your budget for an ideal smartphone that you want to buy?
- Which smartphone would you have bought if there was no budget restrictions on your end? (Fav. smartphone)
- Do you think Apple's Iphone is more of a status symbol these days?
- Is Apple's Iphone an aspirational product?
- Would you ever fancy buying an Iphone?

So these were few of the questions that I thought were relevant to ask. I will explain to you on why I asked these questions and how this is important to the relevance of the data in context with the overall research. I will also give you the context of each and every question and the data derived out of responses that I got on that particular question.

### Age

63 responses

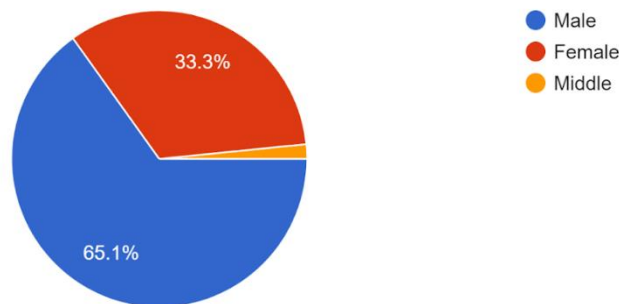


This is the age of the participants that took part in the survey. Most of the responses I have got is from my friends, family and acquaintance. From this data we can extrapolate a few insights which are as follows :-

- 8 respondents are such who were below the age of 20.
- Around 47 respondents are between the age of 20-30.
- 6 respondents are between the age group of 30-40.
- Only 3 respondents are of age group 50 and above.

#### Gender

63 responses

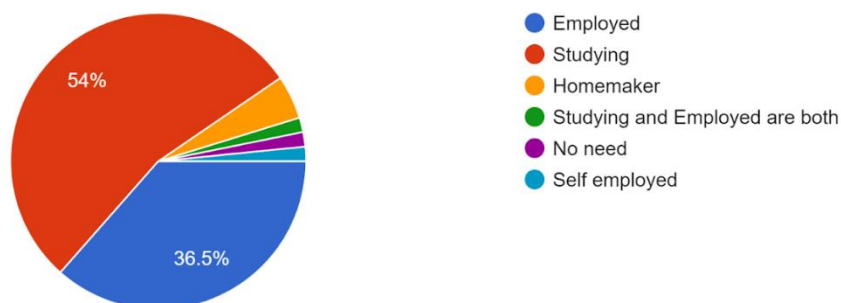


This is the gender distribution of the participants that took part in this survey. From this data we can extrapolate these insights :-

- 65.1% participants are men in this survey, which means most of the participants being men.
- 33.3% were women who participated. The number of women are lesser as compared to men in this survey, so this could be one of the few limitations.
- The survey however has no bias in selecting a specific gender as such. The questionnaire was distributed randomly to anybody who receives the link of it through various groups and acquaintances.

#### Occupation Status

63 responses

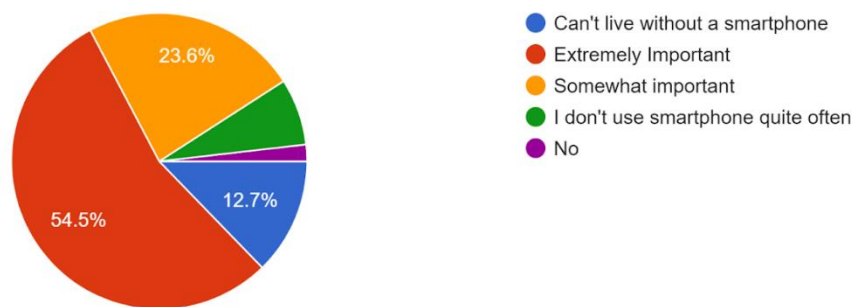


I asked participants about their occupation status, desiring to know their background which in turn could reflect on their purchasing power as well. So this data reflects many insights which I am listing down below:-

- Around 54% of the participants were students pertaining to the fact that many of the people who participated are my friends, acquaintance and friends of friends studying at various universities across India.
- Around 36.5% of the people who participated are employed in some kind of a job, relating to service sector majorly.
- Rest 9.5% people who participated can be ascribed to people who are self employed, mothers who are homemakers, some people who are studying and are employed at the same time.
- Most of the participants participating in this survey are coming from a middle class background hailing from both urban and rural areas. Most of the participants are coming from a middle class background or hail from higher income families in context of India.

How embedded is a smartphone into your everyday life?

55 responses



I asked participants this question so as to know how embedded is a smartphone in the everyday life of a common user. And these were the insights derived out of the responses :-

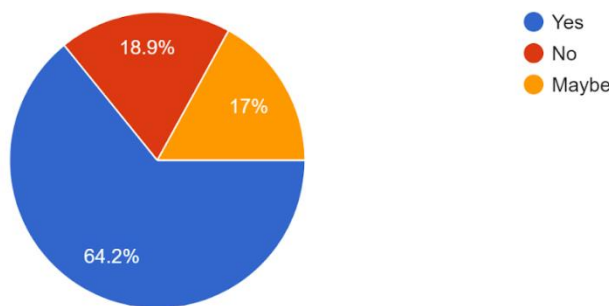
- Around 12.7% of participants emphasized on the fact that their life is incomplete without a smartphone so much so that they cannot function without in context to their requirements and occupation.
- Around 54.5% participants emphasized on the fact that a smartphone is extremely important in their daily lives.
- 12.7% participants believed that smartphones were somewhat important in their daily lives.
- Only around 20% participants believed that smartphones were not an integral part of their lives.
- This data reflects on the fact that most people believed that a smartphone has indeed become an integral part of their lives. We reflected on that in the last chapter as well.
- This data and question is relevant because the obvious thing being that the greater the importance we attach to a commodity, and the extent to which we use that product, the amount of hours we spend using it, the screen time for instance would in turn make it more appealing for an average consumer to be more durable, with better specs.
- In context of a smartphone it could mean-
  1. Better Battery so that it lasts a whole full day.
  2. Good screen so that content consumption could be more fun or is relaxing to the eyes.



3. Better design so that one could look stylish and trendy. It might give an appearance of your extended personality to other people, no matter how superficial that sounds.
4. Better performance for smooth gaming & zero lag plus optimized software experience.
  - People would obviously prefer an aspirational product that offers absolutely the best high end experience if they have the budget for that.

Do you think purchasing expensive smartphones is a real trend in India and worldwide these days?

53 responses



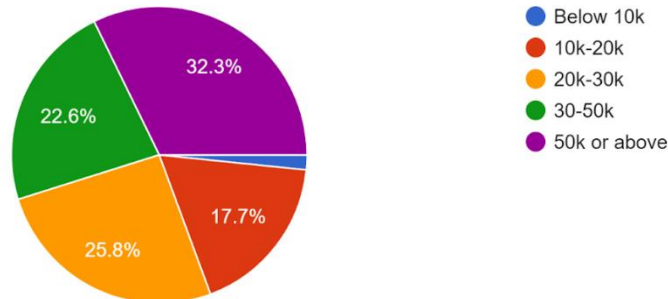
In this question I asked the participants to tell about their observation and experience so as to get a direct and an objective opinion/view on whether buying expensive smartphones is a real trend in India and worldwide these days, this is perhaps the most relevant question pertaining to this research.

As we also seek to find the same answer, So the insights we found out are as follows:-

- Around 64.2% participants believe that there is a real trend when it comes to people purchasing expensive smartphones.
- Only around 19% participants believe that there is no such trend.
- Around 17% participants are not so sure whether this is a real trend, whether people are actually wanting to purchase high end expensive smartphones.
- This basically verifies my initial hypothesis wherein I hypothesized that the trend is actually real when it comes to people desiring high end expensive smartphones.
- Although I'll use more data to prove my points and hypothesis further.
- But this gave us a general consensus on what actually people feel these days on the purchasing patterns of common man.

What is your budget for an ideal smartphone that you want to buy?

62 responses



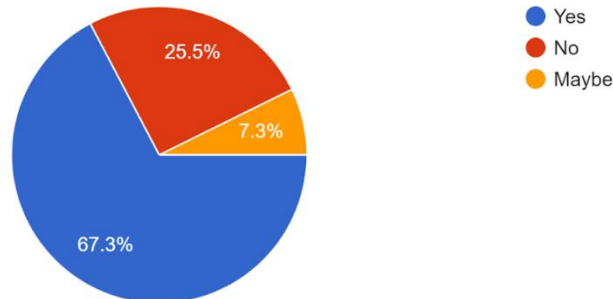
The next question in the questionnaire intended to ask the participants that what would be their budget for purchasing an ideal smartphone. However, there could be some doubts on the interpretation of the question by the participant, he might interpret it according to his purchasing capacity as of now, or one might interpret it as his ideal smartphone choice's price.

The insights that we can extrapolate from this information is as follows:-

- Around 17.7% participants believe that their ideal budget is between Rs. 10,000 to 20,000. Key point here is to note that these participants most probably are the ones who are answering this question, keeping in mind their purchasing capacity and budget. There could be exceptions though, including those people who actually believe that they do not need to cross this budget range for an ideal smartphone and that it'd be sufficient.
- Around 25.8% participants believe that their ideal smartphone purchase would cost them around Rs. 20,000 to 30,000 bracket. Important thing to note here is also the limitation as mentioned in the above point and the two assumptions made in terms of interpretation on the participants' end.
- Around 22.6% participants believe that their ideal smartphone purchase would cost them around Rs. 30,000 to 50,000 bracket. Important thing to note here is also the limitation as mentioned in the above point and the two assumptions made in terms of interpretation on the participants' end.
- Around 32.3% participants believe that their ideal smartphone purchase would cost them around Rs. 50,000 or above. Important thing to note here is also the limitation as mentioned in the above point and the two assumptions made in terms of interpretation on the participants' end.

Do you think Apple's Iphone is more of a status symbol these days?

55 responses



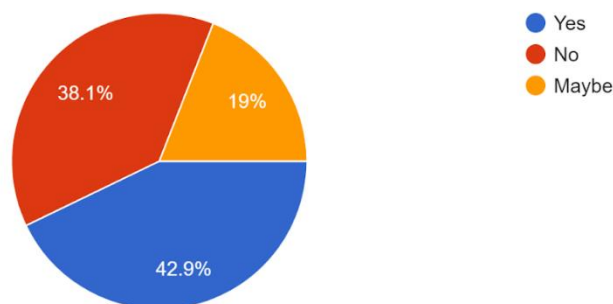
First of all anyone reading this thesis paper might wonder why this question suddenly pertaining to a particular brand's phone. This question stems out of my observation on the fact that most of the people buying high end expensive smartphones want Apple's I phone in their hands. I phones have become synonymous to professionalism, luxury, class and premium outlook that appeals to a large number of smartphone using consumers.

So this question and the responses gathered help us have these insights:-

- A whopping 67.3% participants believe that I phones are synonymous to high status, as most of these I phones cost above Rs. 50,000 and offer high end premium specs and design like no other brand.
- 7.3% participants are not so sure if Apple I phones are a status symbol these days.
- Only 25.5% people believe that I phones do not necessarily a status symbol these days.

Is Apple's Iphone an aspirational product?

63 responses



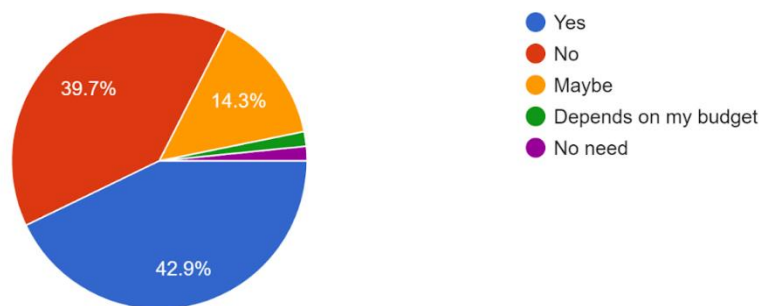
This question also stems out of my observation on the fact that most of the people buying high end expensive smartphones want Apple's I phone in their hands. I phones have become synonymous to professionalism, luxury, class and premium outlook that appeals to a large number of smartphone using consumers.

So this question and the responses gathered help us have these insights:-

- 42.9% participants believe that I phone is an aspirational product that people want to purchase as most of these I phones cost above Rs. 50,000 and offer high end premium specs and design like no other brand and the perceived status it offers to the consumers with obvious high end features.
- Around 19% participants are not so sure if Apple's I phone is an aspirational product for people to buy.
- 38.1% people believe that I phones do not necessarily give out the vibe of an aspirational product. The reason of this relatively higher number might be because even the people who cannot afford to buy one, are able to buy these phones on an EMI. And so because everybody can get their hands on it nowadays might have lead to loss of aspirational value and the kind of special product positioning in the minds of an average consumer.

Would you ever fancy buying an Iphone?

63 responses



This question also stems out of my observation on the fact that most of the people buying high end expensive smartphones want Apple's I phone in their hands. I phones have become synonymous to professionalism, luxury, class and premium outlook that appeals to a large number of smartphone using consumers.

So this question and the responses gathered help us have these insights:-

- Around 42.9% participants want to purchase these high end I phones as most of these I phones cost above Rs. 50,000 and offer high end premium specs and design like no other brand and the perceived status it offers to the consumers with obvious high end features.
- Around 39.7% participants are not so keen on buying these phones. This could mean two things. One interpretation of the response could mean that people are not into expensive smartphones. The other could be that they would fancy getting a high end expensive smartphone but that does not necessarily has to be an Apple I phone.
- Around 17% people are not so sure, some say that if they have the budget they'd go for it.

I also asked the respondents the question as what phone they were using. And around 7 out of 48 of the respondents were using I phones. The trend can also be noticed and verified through the secondary data available over the internet.

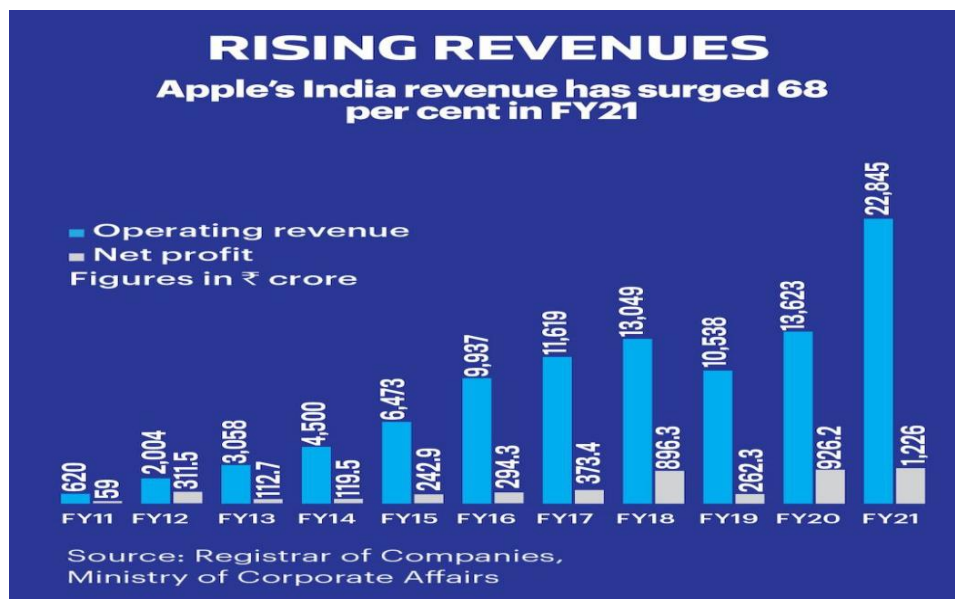
## Secondary Data

“Apple India expects revenue of 70,000 billion rupees in the fiscal year ending March, making it the second electronics giant after South Korean rival Samsung to achieve this in a significant way. Apple India surpassed February's \$8 billion sales mark (Rs 66,000 crore), according to two industry executives. They say this will give the iPhone maker a second consecutive year of sales growth of over 40%.” (Writankar Mukherjee, ET Bureau, March 4, 2024).

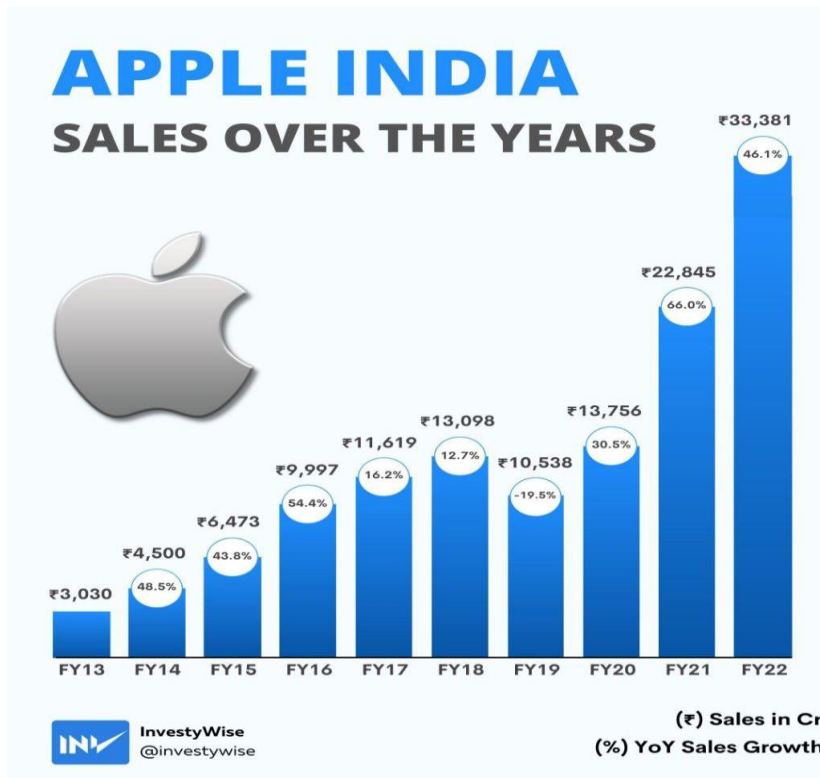
“Apple's market share gains come after consecutive quarters of revenue gains from iPhone sales in India. On Nov. 4, Mint reported that Apple released its sixth consecutive quarter of earnings data in its September financial report, with stock sales up over 6% for the first time. Pathak said Apple will become India's sixth most popular brand, accounting for 6.6% of the market in terms of shipments by the end of 2023.” (Shouvik Das, LiveMint, January 31, 2024)

“The demand for iPhones in India is expected to grow further in the near future due to various financing options, associated discounts and strong sales programs offered by Resellers. Industry experts expect Apple's double-digit growth to continue for another three years before tapering off.” (Shouvik Das, LiveMint, January 31, 2024)

“Apple's average selling price in 2023 is \$981, which is about \$700 higher than the average of the Indian market, while the high-end (more than Rs 30,000) reported a growth of 64% in 2023. By 2023, one in every three smartphones has been purchased through Apple's payment method.” said Singh. (Subhrojit Mallick, ETtech, Feb1 2024).







**Source: Investiwise (From their social media handle on X)**

“The overall smartphone market remains flat at 152 million units shipped in 2023 as a difficult first half and slow demand lead to a surge in sales, according to the research firm.

Samsung will be the market leader with 18% market share in sales in 2023, followed by Vivo with 17% market share. Xiaomi fell to third place, but with its cheap 5G phones and offline expansion, it will take the top spot in the 4th quarter of 2023 ranked next. Counterpoint said Realme and Oppo were equally in the top five with 12% and 10% share respectively.” (Subhrojit Mallick, ETtech, Feb1 2024).

“iQOO India CEO Nipun Marya recently said that India's Rs 50-60,000 smartphone market has seen explosive growth in the last 12 to 24 months. Other brands have seen a similar pattern, which explains the interest in launching more phones within a year. But what is the reason for this change? You can compare this growth with the demand for compact SUV cars in the country. While demand in the entry segment remains steady, sales of SUVs have touched millions and people are now willing to spend more on better smartphones, taking them from buying Rs 20,000 Direct device to spending more than Rs 50,000 (money is planned in handy with the help of easy finance options) to buy your next smartphone.” (S Aadeetya, News18.com, December 27, 2022)

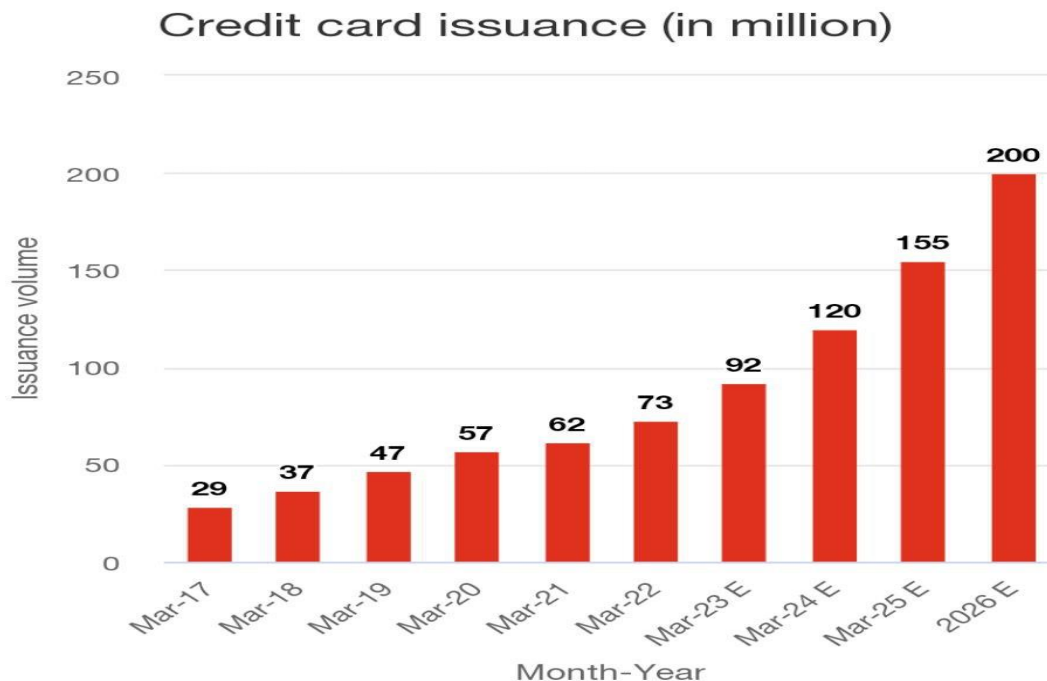
“According to Counterpoint Research, while the sales of the Galaxy S23 series were better than the previous S22 generation, now the sales of the Galaxy S24 series are even better. It all started with strong pre-orders, and this strength continued until the start of public sales. Samsung raised its shipment target for the first quarter of 2024 to 13 million units (higher than the original forecast of 12 million units).

The Galaxy S24 series was sold 8% more than the S23 model in the same period (January 28 - February 17) worldwide. This may not seem like much, but the increase in some areas is more significant. Sales of the S24 phone increased by 28%, driven by strong sales in Western Europe, especially in the UK, Germany and France. Sales of our flagship products in South Korea increased by 22%. In the United States, the figure is 14% higher.” (Peter, Counterpoint 11 March 2024)

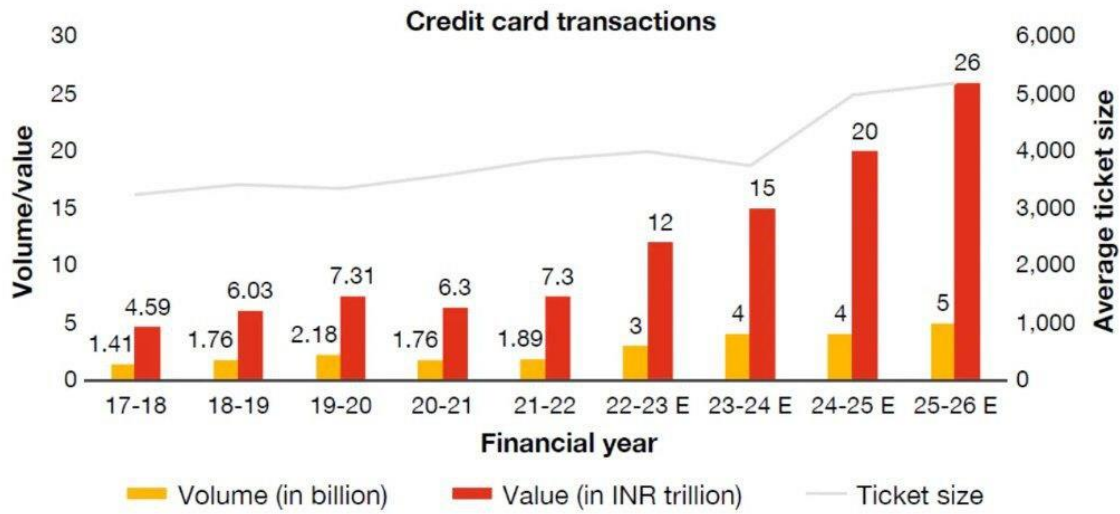
“Now borrowers take out small loans to meet their personal needs; One of the most popular among low-income families is choosing to borrow less than Rs 50,000. A report by CRIF India said loan disbursements below Rs 50,000 have increased fivefold in the last two financial years. As of March 2020, half of microloans are R5,000 or less. It is this group of young, low-income but tech-savvy consumers that fintech lenders target. Often this group is ineligible for loans from traditional lenders because they have little or no credit history. Because such customers are considered high risk, lenders often release them. Demand here is mainly driven by borrowers aged 18 to 30 and millennials.” (Dr Samir Kapur in Voices, India, TOI, March 19, 2021)

“E-commerce giants like Amazon, Myntra, Flipkart, MakeMyTrip, Decathlon and Paytm saw significant growth in online sales last year due to EMI financing schemes. Of course, EMI adoption increased by more than 84% in tier-1 cities, 140% in tier-2 villages and 145% in tier-3 villages in 2019. Unlike increased EMI adoption, it has thus fostered a strong financial ecosystem that has led to business. growth for many new age organizations.

Shifting spending through small loans is good for business and people. The first is that it helps recover faster after a fall. Secondly, because it reflects the desires and thoughts of the new generation who believe in achieving their dreams now rather than in the future.” (Dr Samir Kapur in Voices, India, TOI, March 19, 2021)



Source: RBI data and PwC payments handbook 2021–22



Source: RBI data and PwC payments handbook 2021–22

## CHAPTER 4

### CONCLUSION

The psychology and tendency to purchase expensive smartphones is multifaceted, including symbolic value, technological appeal, social influence, and emotional connection. The need for status, a sense of superiority, social trends, and brand loyalty combine to drive consumers' decisions to invest in luxury devices. Understanding these psychological factors is important for both manufacturers and marketers as they develop strategies to address the complex motivations that underlie consumer choices. As technology continues to advance and smartphones become an increasingly part of our daily lives, a complex interplay of psychological factors and social trends will continue to shape the purchasing landscape for expensive smartphones.

The decision to buy an expensive smartphone goes beyond mere functionality and is deeply rooted in psychology and general tendencies. Key aspects include the symbolic value of premium smartphones as status symbols that reflect social and economic status. The appeal, sophisticated design, and enhanced features of luxury brands contribute to the desire for social recognition, encouraging consumers to pay more for the prestige associated with famous brands. Technological advancements play an important role as constant promises of improved performance and superior user experience drive regular smartphone updates.

The psychological appeal of staying ahead of the technological race motivates people to invest in expensive devices, even if incremental improvements do not meet real needs. Social influence, especially peer pressure and social media influence, are important factors in deciding to purchase a smartphone. Fear of Missing Out (FOMO) in response to trends and social expectations drives consumers to purchase expensive smartphones. The culture of sharing possessions on social media reinforces the need to showcase the latest smartphone to attract attention and admiration. Purchase decisions are also influenced by the emotional connection and brand loyalty built by smartphone manufacturers. Because loyalty goes beyond rational considerations, consumers are willing to pay more for devices from brands they trust and feel an emotional connection with.

Smartphones are now an integral part of our lives, most of our attention span is captured by this device only. So what people fancy is a great smartphone that bails them out in every facet of life and its utility makes it special aspiration when it is a premium device. Companies like Meta, Google are trying to retain one's attention for as long as possible on their apps, we are their products. Their revenue models are based on retaining our attention, so that they could mortgage that attention to companies that want to sell their products to us. Modern smartphones are a hub when it comes to serving us "free" entertainment, everybody fancies an OLED screen with a 4k resolution and that runs at 120 frames per second while simultaneously displaying bright vibrant colours being as natural as possible at the same time. All of these requirements with a very good battery that could last as long as a day or two so that one could stream content all day long requiring fewer charges.

On top of that smartphone companies have gone wild when it comes to charging speeds, they tapped onto the idea of making people wait less to get back on their smartphones. From 12 watts it went to 25 and to now even 120 watts fast charging. The list of demands does not stop there, people want smartphones with maximum 5G bands, good network reception and WIFI 6, the latest Bluetooth version. On the software side people using Android phones expect latest android version, on the IOS side the latest IOS version, plus maximum years of guaranteed software and security updates and patches. On the performance side people expect maximum clock speed, great RAM, more storage, great gaming performance, smooth user interface. Then comes the need of a great camera, good sensors. All in all the crux is that people want the absolute best smartphone. And that thing costs fortune.

The psychological appeal of the latest technology is driving consumers to upgrade their smartphones regularly, continuing the trend of purchasing expensive devices. Feeling superior is a powerful motivator. Consumers believe that high-end smartphones offer advanced technology that is superior to cheaper smartphones. The desire to stay ahead

of the technological race and experience the best in the industry is driving people to invest in expensive smartphones, even if incremental improvements don't always meet real needs. Technological advancements in smartphones often create a sense of superiority among users. As these devices evolve to include cutting-edge features like faster processors, improved camera systems, and innovative software features, they inherently gain superiority over older models and competing brands.

In my research I found out through the secondary data that with the rise in purchasing power specially in a developing country like India, a few people are able to afford premium smartphones and those who are not able to afford are taking advantage out of credit schemes and zero cost EMI options. In the primary research I found out that participants are fancying buying aspirational premium smartphones as the likes of Apple's I Phone. They view premium products like I phone as a status symbol. In the findings there is another important inference that most participants believed that people are increasingly wanting to switch to expensive smartphones.

This also can be observed around the affluent section of Indian society, when one travels in the metros, in universities and at workplaces. I took the example of I phone just because in my personal experience it is the most used premium smartphone in the category. Apple's I phones dominate the premium smartphone segment and has the largest market share, so I took that particular product as a representative of premium smartphones. Apple's I phone, Samsung's S series, Google's Pixels are some of the high end premium smartphones having major popularity.

The desire to demonstrate one's prosperity and sophistication through high-end smartphones is deeply ingrained in consumer behavior. The appeal of luxury brands further enhances this symbolic value. Many expensive smartphones bear the logos of famous tech giants or luxury brands, evoking a certain lifestyle and exclusivity. Driven by the need for social recognition, consumers are willing to pay more for the prestige that comes from owning devices from well-known brands. Expensive smartphones have important symbolic meaning in various contexts. On the surface, it acts as a powerful status indicator of wealth and social status. Certain brands or models are associated with luxury and wealth.

High prices also imply superior quality, craftsmanship, and exclusivity, which contribute to the perception of prestige. These devices are a product of technology that represents sophistication and innovation in terms of advanced features and reliable hardware. Besides practicality, owning an expensive smartphone is also a way to express one's individuality by reflecting one's taste and lifestyle.

Building an emotional connection with consumers is a powerful marketing strategy used by smartphone manufacturers. Building a corporate identity and emotional connection with users increases brand loyalty. People often form attachments to specific brands, associating them with positive emotions, trust, and reliability. This emotional connection plays an important role in the decision to purchase an expensive smartphone. Consumers are willing to pay more for devices from brands they trust and feel an emotional connection with. Loyalty goes beyond rational considerations, and people are more likely to invest in a high-end smartphone from a brand they feel aligns with their values and preferences.

The psychology and tendency to purchase expensive smartphones is multifaceted, including symbolic value, technological appeal, social influence, and emotional connection. The need for status, a sense of superiority, social trends, and brand loyalty combine to drive consumers' decisions to invest in luxury devices. Understanding these psychological factors is important for both manufacturers and marketers as they develop strategies to address the complex motivations that underlie consumer choices. As technology continues to advance and smartphones become an increasingly part of our daily lives, a complex interplay of psychological factors and social trends will continue to shape the purchasing landscape for expensive smartphones.



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