

NEAR EAST UNIVERSITY FACULTY OF ECONOMICS AND ADMINISTRATIVE SCIENCES BUSINESS ADMINISTRATIONS DEPARTMENT

GRADUATION PROJECT (MAN - 400)

CONSUMER BUYING BEHAVIOR OF MOBILE PHONE
"THE CASE OF N.E.U. STUDENTS"

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EXECUTIVE SUMMARY

A key factor in successfully marketing new/existing products or implementing a product extension is a thorough understanding of the consumer decision process, which is a process that a consumer uses to make purchase decisions, as well as to use and dispose of purchased goods or services which consists of 5 stages:

- 1. Problem recognition
- 2. Information search
- 3. Alternative evaluation
- 4. Purchase decision
- 5. Post -purchase behavior

Problem recognition: Is simply the awareness of a need. Problems are recognized when people sense a difference between an actual state and some desired state. The problem recognition process occurs every time consumers decide they need something.

Information Search: Is the process where consumers gather information on a product.

Information search may be a survey of internal information stored in memory and past experiences or may be based upon information externally such as; friends, family, the media and the company.

Alternative evaluation: Is the process where consumers determine what features they would prefer. Consumers evaluate and assign a value to various product features and

attributes. Criterion for evaluation compares product attributes of the alternatives against degrees of importance each attribute has in meeting needs, beliefs about the product or brand's ability and utility, and an evaluation procedure that ranks the alternatives by preference forms an intention to buy.

Purchase decision: Occurs when the consumer actually makes the purchase. It includes the product, method of payment, package, location of purchase and all other factors that are associated with purchasing the product.

Post-purchase behavior: At this stage, the consumer determines their level of satisfaction with the product and questions themselves as to whether they have made the right purchase decision (cognitive dissonance). This involves comparing the expected performance of the product against the perceived performance received.

The following list provides the four types of purchasing behavior which are ranked according to the amount of research or information required in the purchase decision.

- Impulse decision making purchases: Generally occurs suddenly without conscious
 planning. Impulse purchases only involve the first step of the purchasing behavior
 process problem recognition or a "need". Consumers realize they have some real or
 perceived need for a product and make a purchase.
- Routine decision making purchases: Involve purchasing frequently-bought items (i.e., soft drinks) and are purchased almost automatically. These products are

generally considered to be low-cost items and require little involvement, where consumers are not strong brand loyalty. Routine purchases do not require lots of research and involve the first, and to a degree, the second step of the purchasing behavior process.

- Limited decision making purchases: Are thought of as items that are purchased occasionally. Where the consumer is highly involved in a purchase but sees little difference in brands. The high involvement is based on the fact that the purchase is expensive, infrequent, and risky. These types of purchases may require a moderate amount of research and information gathering prior to making a purchase decision, steps one through three.
- Extensive decision making purchases: Require large amounts of information gathering and research. Consumers involved in an extensive decision making purchase go through all five of the abovementioned purchasing behavior steps. Where the buyer develops beliefs, attitudes about the product and then makes a thoughtful choice. Consumers engage in this type of purchases when they are highly involved in a purchase and aware of significant differences among brands.

Purpose and objective of the research

The purpose of the research is to investigate the impact of demographic factors on the student's decision making process of purchasing mobile phones, to what extent the students are involved with their purchases, and if they understands their purchasing options.

The objective of this research is to assist marketers and managers of the mobile phone industry to better understand how the students purchase their mobile phones, so they can conduct good strategies, and segment their products according to the student's behaviors, which may increase its sales and improve its competitive advantages regarding to the other competitors.

Conclusion

Companies are better able to market their products to the students if they have a good understanding of the consumers and the basic purchase decision process. By understanding the students and the type of purchasing behavior associated with different products, marketers are more likely to create a marketing campaign that positively impacts the student's purchasing decision.

According to the results of this survey, it was obvious that Nokia was the most popular mobile phone among the students, where it is the leader in its industry. It was noticed that most females conduct information regarding their mobile purchases from their families, while males conduct it from their friends, whereas both genders evaluate and purchase their mobile phone regarding to price, style and design, quality, color, technology, and accessories criteria.

Regarding to the conducted findings, word of mouth communications were very important for both gender, where they (1) recommend their purchase to others, (2) warn their reference groups and friends about their dissatisfied purchases, and (3) they search, collect, and take advice regarding their mobile purchases from their friends and relatives.

ABSTRACT

This research has been written during twelve weeks in the spring term of 2005. The work has provided knowledge of student's buying behavior when purchasing mobile phone in specific, as well as consumer buying behavior in general.

While mobile phone purchase is rather an examined genre in academic literature, this descriptive study attempted to investigate the demographic factors of university students purchase behavior of mobile phones. The review that follows included many aspects and theories used to attempt to better understand this concept, but because the students are all inherently different demographically, the various constructs are difficult to measure, yet, are very important areas to continue research in hopes of understanding student purchase behavior. Also, in this research the steps of consumer buying behavior process, and the relationship between consumer behavior and marketing are explained.

Literature researches as well as a practical survey consisting of questionnaires and personal interviews were carried out in order to best serve the purpose of this study.

Key words: Consumer buying behavior, consumer decision process, mobile phone purchase, students, north Cyprus, Near East University.

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Near East University

Lefkoşa, July 4th 2005

Michael Batmani

VIII

In The Memory of My Grandfather Sulieman S. Nijmeh

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CHAPTER 1

INTRODUCTION

1.1 Understanding the consumer

The term Consumer Behavior can be defined as the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products, services, and ideas, which they expect will satisfy their needs—it follows that consumer behavior is an integral part of human behavior and cannot be separated from it except by arbitrary and largely meaningless distinctions (Runyon, 1980, p.48).

The study of consumer behavior is the study of how individuals make decisions to spend their available resources (money, time, and effort) on consumption-related items.

1.1.1 Types of consumers

The term Consumer is often used to describe two different kinds of consuming entities:

- Personal consumer: Is the individual who buys goods and services for his or her own use, for the use of the household, for just one member of the household, or as a gift for a friend. In all the contexts, the goods are bought for final use by the individuals, who referred to as "end users" or "ultimate consumers" (Engel, Blackwell, and Kollat, 1968b, p. 6).
- Organizational consumer: Which include private business, government agencies, and institutions, where they must buy products, equipments, and services in order to run their organizations—whether for profit or non-profit.

1.1.2 Customer behavior vs. Consumer behavior

- Customer behavior is the process through which consumers and business-tobusiness buyers makes purchase decisions which includes both individual consumers who buy goods and services for their own use and organizational buyers who purchase business products (Mkt 171 chap 9).
- Consumer behavior is the process through which the ultimate buyer makes purchase decisions, where study builds on an understanding of human behavior in general.

1.1.3 Buyer behavior vs. Consumer behavior

Buyer behavior and consumer behavior are similar to each other with a slight difference, where both terms are defined as behavior involved in planning, purchasing, and using economic good and services. But the Differentiate between the both is:

- Buyer behavior: Focus on the behavior of the particular individual who purchases the product, even thought that person may not be involved in either planning or using it (Runyon, 1980, p. 48).
- Consumer behavior: Focus on the behavior of the particular individual who purchases, use, dispose, and may share the product with others.

Similarly, the person who makes the actual purchase is not always the consumer. Nor is the purchaser necessarily the person who makes the product decision (Schiffman, and Kanuk, 1983, p. 7).

1.1.4 Why study consumer behavior?

The study of consumer behavior is concerned not only with how consumers behave but with why they behave as they do. It is important for the consumers to study consumer behavior so that they may gain greater insight into their own consumer-related decisions: what they but, why they buy, and how they buy. The study of consumer behavior enables the consumers to analyze their own consumption decisions and makes them aware of the influences that convince them to make the product purchase they do.

It is important for the marketers to be sufficiently well versed in the field of consumer behavior so that they can make significant contributions to the development of marketing strategy when they enter their chosen profession.

Marketers who do understand consumer behavior have a great competitive advantage in the marketplace (Schiffman, & Kanuk, 1983, p. 9).

1.1.5 How study consumer behavior?

Since consumer behavior is only a part of human behavior, it is obvious that those individuals who theorize about and examine human behavior would possess the most useful tools and approaches for a study of consumer behavior. Those individuals could be broadly classed as sociologists, psychologists, and economists, what they must do are seeking out and recognize the factors that influence consumer behavior and develop an understanding of them. This will help them to predict the consumer behavior when these factors are operating (McNeal, 1965, p. 14).

1.2 An overview of consumer decision process

1.2.1 Consumer decision process

Consumer decision process begins with problem or opportunity recognition and proceeds through four other stages: (1) information search; internal and external search, (2) alternative evaluation, (3) purchase decision, and (4) post-purchase behavior, which is illustrated in Figure 1.1, and each stage is extensively explained in the next chapter.

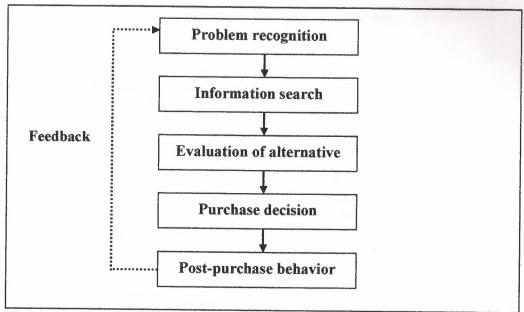


Figure 1.1: Consumer Decision Process
Source: J. Paul Peter, and Jerry C. Olson, Consumer Behavior: Marketing Strategy Perspectives,
Irwin/McGraw-hill/Home Wood, (1987), p. 235.

1.2.2 The nature of consumer decision process

1.2.2.1 The level of involvement

The consumer involvement can be separated to two degrees, high involvement and low involvement:

High involvement purchase: Occasions can be expensive, have serious personal
consequences, and/or reflect one's social image. These occasions typically
involve extensive information search, consideration of several product attributes

and brands, the formation of attitudes, and word-of-mouth communication. An example would be the purchase of an automobile or stereo system.

• Low involvement purchase: Occasions typically involve little information search or consideration of various brands, except on the basis of price. They usually don't involve any personal consequences. They tend to be privately consumed. An example would be the purchase of soap or toothpaste.

1.2.2.2 Types of buying decision behavior

There are four types of consumer buying decision behavior, Figure 1.2 illustrates them.

	High involvement	Low involvement
Significant differences between brands	Complex buying behavior	Variety-seeking buying behavior
Few differences between brands	Dissonance- reducing buying behavior	Habitual buying behavior

Figure 1.2: Types of Buying Behavior

Source: Henry Assael, Consumer Behavior and Marketing Action, USA: Kent Publishing Company, a division of Wadsworth, (1987), p. 87.

Complex buying behavior: Also called extensive problem solving, where consumers undertake this type of behavior when they are highly involved in a purchase and perceive differences among brands. Involvement increases with the product is expensive, infrequently purchased, risky, and highly self-expressive (Kotler, 2003, p.201).

- Dissonance-reducing buying behavior: Also called limited problem solving, where consumers engage in this behavior when they are highly involved with an expensive, infrequent, or risky purchase, but see little difference among brands. Without objective differentiation to confirm the purchase, buyers often seeks support to reduce post-purchase dissonance the feeling they may have made the wrong decision.
- Habitual buying behavior: Also called routine problem solving, this behavior
 occurs under conditions of low consumer involvement and little significant brand
 differences. Consumers do not search extensively for information about brands.
 Brand familiarity aids in promoting products under essentially passive learning
 conditions.
- Variety-seeking buying behavior: Where consumers may seek variety when involvement is low and there are significant perceived differences among brands.
 Differences may be product features new taste, improvements, extra ingredients or promotional benefits such as coupons, rebates, and price reductions.

Each buying behavior have different characteristics in each stage of the consumer buying decision behavior, Figure 1.3 shows the differences between each one.

Automatic Minimal	Semiautomatic	High involvement Complex
		Complex
Minimal		
1411111111111	Limited	Extensive
onvenience	Mixed	Shopping
Yery limited Habit	Limited Inertia to repurchase Brand switching if	Complex Loyalty if satisfied Complaint if
		Habit Inertia to repurchase

Figure 1.3: Characteristics of Consumer Problem-Solving Approaches Source: David L. Loudon, and Albert J. Della Bitta, Consumer Behavior, USA: McGraw-Hill, 4th ed., (1993), p. 486.

1.3 Marketing and consumer behavior

To operate successfully, marketers must have a thorough understanding of what makes consumers buy. They have to know why they buy, what needs they are trying to fulfill, and what outside influences affect their product choice (Schiffman, & Kanuk, 1983, p. 9). An elementary marketing concept states that organizations exist to satisfy the consumer's wants and needs.

Thus, knowledge about consumers in incorporated into virtually every part of a successful marketing plan. Data about consumer helps marketers to define the market and to identify threats and opportunities in their own and different countries that will affect consumer's receptivity to the product (Soloman, 1992, p.6).

Knowledge of consumer behavior serves as a strong basis for the development of marketing strategies. However, not only does consumer behavior affect marketing strategy, it also serves to reflect marketing strategies. A careful monitoring of consumer behavior in the marketplace enables the marketers to measure the success or failure of a specific marketing strategy.

Marketers also use knowledge of consumer behavior to segment their markets; the strategy that most marketers have developed to handle their vast potential market is to divide it up into segments regarding to some characteristics that are relevant to the purchase or usage of the product or product category, which is called market segmentation.

In sum, marketers use their knowledge of consumer behavior to design marketing strategies, to measure marketing performance, and to segment markets.

1.4 The plan of the research

This research covers many topics of consumer behavior, and many of the research perspective briefly described in this chapter will be highlighted in the next chapter. This research consists of five chapters; where in chapter 2 expand the consumer decision behavior area with an extensive highlighting of the five stages of consumer buying decision process; chapter 3 explain the research objective, methodology, and the theoretical framework of this research; in chapter 4 it analysis the findings of the questionnaire in appendix B, and finally chapter 5 discuss the conclusion, recommendations, and limitations of this research.

CHAPTER 2

CONSUMER DECISION PROCESS

In this chapter, the consumer decision process steps will be defined, without the four influencing factors; marketing mix factors, sociocultural factors, situational factors, and psychological factors, for simplicity.

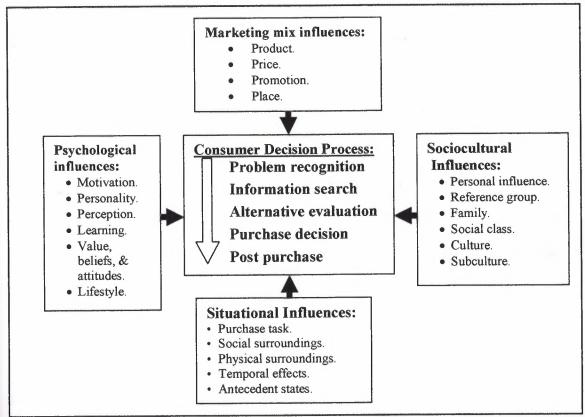


Figure 2.1: Influences on the Consumer Decision Process

Source: Roger A. Kerin, Eric N. Berkowitz, Steven W. Hartley, William Rudelius, Marketing, 6th edition, Irwin/McGraw-hill, 2000, USA, p. 154.

2.1 Problem recognition

It is simply the awareness of a need. The need may be perceived or real. The problem recognition process occurs every time consumers decide they need something whether it

is chocolate bar or a new home. May occur when the consumer receives information from advertising or from conversation with friends that causes awareness of a need, or when the consumer reevaluates the current situation and perceives an area of void or dissatisfaction.

This is the first and most basic step in the purchase decision process. Marketers can effectively initiate consumers' awareness of a need with the right advertising campaign. For instance, the concession advertising prior to the start of a feature movie is geared toward making movie goers aware that they "need" a drink and a snack.

2.1.1 The process of problem recognition

As shown in Figure 2.3, the problem recognition occurs when there is discrepancy between a desired state and an actual state or at anytime the desired state is perceived as being greater than or less than the actual state. But when there is no difference between the actual and desired state or at anytime the desired state is equal to the actual state there is no problem recognition, and without problem recognition, there is no need for a consumer decision.

As in the case of the smoker running out of cigarettes, the consumer's actual state move downward (need recognition), but in the case of a person who craves a newer model, fashion car, the consumer's desired state can move upward (opportunity recognition), as shown in Figure 2.2.

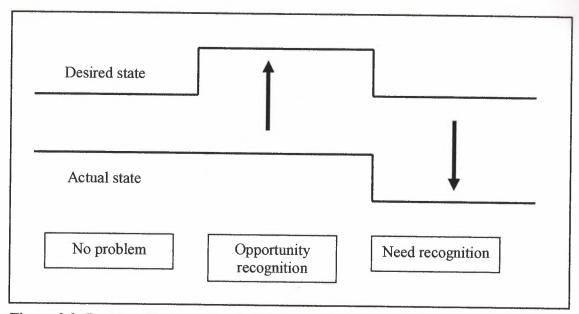


Figure 2.2: Problem Recognition: Shifts In Actual or Desired States Source: Michael R. Solomon, Consumer Behavior, 3rd edition, Prentice Hall, 1996, USA, p. 272.

Both the actual and desired state influence by some factors, for example, the actual state is influenced by;

- Past decisions.
- Normal depletion.
- Product/brand performance.
- Individual development.
- Emotions.
- Government/consumer groups.
- Availability of products.
- Current situation.

While the desired state is commonly influenced by;

- Culture/subculture.
- Social status.
- Reference group.
- Household characteristics.
- Financial status/expectations.
- Previous decision.
- Individual development.
- Motives.
- Emotions.
- Current situation.

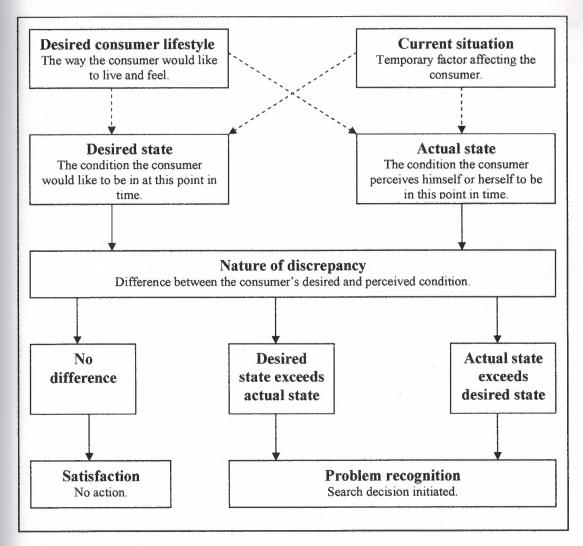


Figure 2.3: The Process of Problem Recognition

Source: Del I. Hawkins, Roger J. Best, and Kenneth A. Coney, Consumer Behavior: Implications for Marketing Strategy, 6th edition, Irwin, 1995, USA, p.427.

2.1.2 Sources of problem recognition

The number and variety of situations that give rise to problem recognition are almost infinite; however some of the major sources are:

 Assortment depletion: Exhausting items normally inventoried is probably the most common cause of problem recognition, for example the smoker runs out of cigarettes.

- Assortment inadequacies: An action that is taken to solve a problem in the past
 may become unsatisfactory from some reason. Sometimes this comes as a result
 of a product's wearing out. For example, the rising of gasoline may lead one to
 perceive a large automobile.
- Changing needs: Perceived needs change in a variety of ways that give rise to the recognition of new problem. For example, marriage, having children.
- Changing environmental circumstances: Consumers sometimes encounter
 changes in their environmental circumstances. One of the most significant of
 these situations is the family's changing characteristics; different life-cycle stages
 produce needs for different products.
- The influence of reference groups: As we identify with different reference groups, their standards are likely to influence our consumption patterns. For example; the code of dress among a collage student's fraternity or sorority group may cause that student to recognize a problem with his or her current wardrobe, several items of new clothing may be purchased so that the person fits in with this reference group (Loudon & Bitta, 1993, p.492).
- Changing financial status: Changing financial status arising from salary increases, bonuses, tax refunds. These increased possibilities lead to the recognition of additional problems.
- Marketing efforts: Marketing efforts including advertising, personal selling are
 often designed to create dissatisfaction with the consumer's present state. To the
 extent that these efforts are successful, consumers may be led to recognize new
 problems.

2.1.3 Marketing strategy and problem recognition

Marketing activities play a relatively minor role in generation problem recognition.

Certain marketing efforts, such as advertising, personal selling, and product demonstration, may influence problem recognition by emphasizing the difference between what the consumer owns and what is available. The advertisement does not create the need; it merely illustrates how an existing need can be satisfied.

Marketing managers have four concerns related to problem recognition. First, they need to know what problems consumers are facing. Second, mangers must know how to develop the marketing mix to solve consumer problems. Third, they occasionally want to cause consumers to recognize problems. Fourth, there are times when managers desire to suppress problem recognition among consumers (Hawkins, Best, and Coney, 1995, p.429).

2.1.3.1 Measuring problem recognition

Before marketing managers can affect problem recognition, they must be able to measure it. This may involve qualitative market research techniques such as:

- Activity analysis: This technique focuses on a particular activity taken by a survey
 or focus group, such as a desire for healthy, tasty and quick-to-prepare meals has
 provided an opportunity to market instant meals for busy people.
- Product analysis: This is also taken by a survey or a focus group, but consumers
 are asked about the purchase and/or the use of a particular product or brand, thus
 the survey or focus group attempts to determine what are the problems involving
 that product.

- Problem analysis: This technique is completely different than the activity or
 product analysis, which is dealt with problems of using the product or brand, such
 as sealing, packaging, safety of that product, for example: VCRs that are difficult
 to tune or packages that are difficult to open.
- Human factors research: It attempts to determine human capabilities in areas such as vision, strength, response time, flexibility, and fatigue and the effect on these capabilities of lighting, temperature, and sound. This research can be particularly useful in identifying functional problems that consumers are unaware of, for example: it can be used in the design of such products as vacuum cleaners, suit users and computers to minimize user fatigue (Hawkins, Best, and Coney, 1995, p. 430). And it involves observations, such as supermarket shoppers queuing at the checkout, when queues get too long they become very frustrated and may choose another store.
- *Emotion research:* It could involve focus groups or the interviewers to discover how consumers feel about a certain brand or product emotionally.

2.1.3.2 Reacting to problem recognition

Once marketing managers are aware of problem recognition patterns among their target market, they react by designing the marketing mix to solve the recognized problem. This may involve product development or alteration, a change in store hours, a different price, a host of other marketing strategies, or modifying channels of distribution. As an example, when air-conditions where first produced, it was a one unit, expensive price, noisy, spends a lot of electricity to work, and there was a low demand for it, when the air-

conditions manufacturers realized those problems, they produced a split unit airconditions, cheap price, silent, and it spend less electricity, and then there was a high demand for the product.

2.1.3.3 Activating problem recognition

Marketing managers often want to influence problem recognition rather than react to it. They may desire to generate generic problem recognition; a discrepancy which a variety of brands within a product category can reduce, for example, the dairy industry may want to raise the problem of osteoporosis in women, and provide information about the high calcium content of dairy foods. All dairy products will solve the generic problem. Generally, a firm will attempt to influence generic problem recognition when the problem is latent or of low importance; or they may induce selective problem recognition; a discrepancy which only one brand in the product category can solve the problem, for example, Volume tablets, or Centrum vitamins.

2.1.3.4 Suppressing problem recognition

Marketing managers attempts to minimize or suppress problem recognition by current users of their brands. While some non-profit organization, competition, and governmental agencies occasionally provide information in the marketplace that occurs problem recognition which particular marketers would prefer to avoid it. As an example: alcohol industries try to minimize consumer recognition of the health problems associated with alcohol drinking.

Marketers and makers of brands do not want their current customers to recognize problems with their brands and may desire to suppress any problems, especially if habitual buyers or limited decision purchases are likely to start searching for other brands or product categories. Product attributes or quality, rather than prices, may need to be brought to the attention of regular consumers. Effective quality control, distribution, packages and package inserts that assure the consumer of wisdom of the purchase are important in these circumstances.

2.1.3.5 The timing of problem recognition

Marketing managers attempt to influence the timing of problem recognition by making consumers aware of potential problems before they arise. For example: medical industries as Panadol or Snip tablets advertise their cold medicines before winter season starts. Unfortunately, consumers often recognize problems at times when purchasing a solution is difficult or impossible, such as consumers become aware of the need of insurance after an accident happens.

2.2 Information search

Once the problem recognition has occurred, the consumers have to engage in a search for potential problem satisfiers. Information search is the motivated activation of knowledge stored in memory or acquisition of information from the surrounded environment.

Information search may be categorized as prepurchase or ongoing (based on the purpose of the search) and as internal or external search (based on the search sources).

2.2.1 Types of consumer information search:

- Ongoing search: Or exploratory research, this is characterized as search activities
 independent of specific needs or decision; which it does not occur in order to
 solve a recognized and immediate purchase problem. For example: if a consumer
 were searching with an interest for a new television, but with no demand for it
 (Hawkins, Best, and Coney, 1995, p. 444).
- Prepurchase search: This is the typical form of search that consumers associate
 within the purchasing context. For example: if a consumer has recognized a
 problem, then prepurchase search would be engaged in (Engel, Blackwell, and
 Miniard, 1993, p.513).

These two search purposes are different but they involve the same activities, for example: ongoing search for cars may include regularly reading car's magazines, where as, prepurchase search might involve use the same car's magazine, but only reading them every few years when a new car purchase is about to be obtained..

In the following Figure 2.4, offers a summary of the similarities and differences between these two purposes in term of determinants, motives, and outcomes.

	Prepurchase search	Ongoing search
Determinants	Involvement in the purchase.Market environment.Situational factors.	 Involvement with the product. Market environment. Situational factors.
Motives	 To make better purchase decision. 	Build a bank of information for future use.Experience, fun, and pleasure.
Outcomes	 Increased product and market knowledge. Better purchase decision. Increased satisfaction with the purchase outcome. 	 Increased product and market knowledge leading to: Future buying efficiencies. Personal influence. Increase impulse buying. Increased satisfaction from search, and other outcomes.

Figure 2.4: A Framework for Consumer Information Search Purposes Source: Peter H. Bloch, Daniel L. Sherrell, and Nancy M. Ridgway, "Consumer Search: An Extended Framework", Journal of Consumer Research, Vol. 13, June 1986, p. 120.

2.2.2 Sources of consumer information search:

Internal search: Search of an internal nature first occurs following the problem recognition, which the consumer may simply recall from retention stored information from past experiences related to a particular problem and use this information to solve the problem. The degree of satisfaction with prior purchase will determine the consumer's reliance on internal search. In Figure 2.5 displays the internal search process. If the consumer has been satisfied with the results of previous purchase action, then internal search may suffice, for example, when the consumers remember to buy the same brand as their last purchase. But if the internal search failed to satisfy the consumer's demand or the internal search may not suffice when the present problem is perceived to be different from those in the

past, then the consumers' starts to collect external information (Hawkins, Coney, and Best, 1980, p. 412).

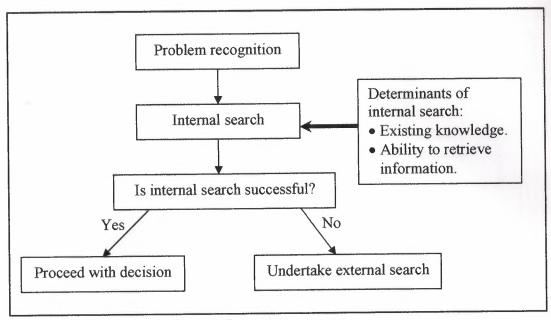


Figure 2.5: The Internal Search Process Source: James F. Engel, Roger D. Blackwell, Paul W. Miniard, Consumer Behavior, 7th edition, 1993, Harcourt Brace Jovanovich College Publishers, USA, p. 513.

evaluation of stored information, there is a need to collect additional external information (Engel, Blackwell, and Miniard, 1986, p.68). Such external information can include the opinion and attitudes of friends, neighbors, and relatives; professional information provided in articles and books; or marketergenerated information presented in advertisements and displays and sales personnel.

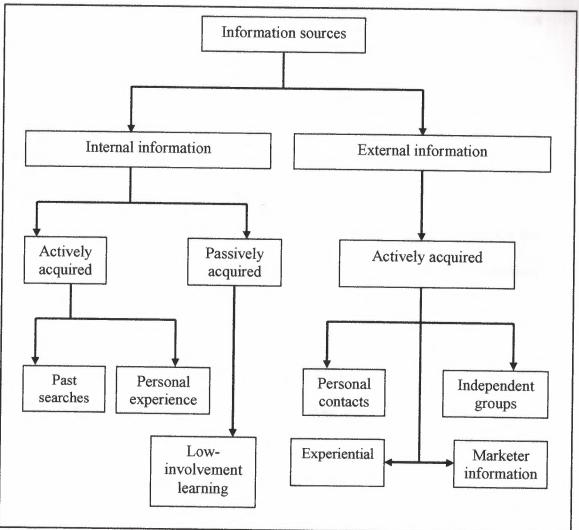


Figure 2.6: Information Sources for a Purchase Decision
Source: Adapted from H. Beales, M. B. Jagis, S. C. Salop and R. Staelin, "Consumer Search and Public Policy", Journal of Consumer Research, June 1981, p.12-20.

2.2.3 Variables affecting the amount of search

The amount of searching is generally a function of the perceived value of the search minus the perceived cost of the search, with both value and cost being defined in subjective terms. Where the value of the search is high and the cost is low, a consumer will undertake extensive search activity. Where the value of the search is low and the cost is high, low involvement search activity occurs.

- Cost of search: Refers to the time, effort, psychological discomfort, and financial cost that may incur in search activity. Further, the longer the search process, the longer the consumer is deprived of the benefits of owning the product to be purchased. All searching involves some cost, because time spent in search activity means giving up some other desired activity (Runyon, 1980, p. 349).
- Value of search: The value or the benefits of external information search can be tangible, such as a lower price, a preferred style, or higher quality product. Or the benefits can be intangible in terms of reduced risk, greater confidence in the purchase, or even providing enjoyment (Westbrook and Black, 1985, p. 78-103). Perceptions of these benefits are likely to vary with the consumer's experience in the market, media habits, and the extent to which the consumer interacts with others or belongs to differing reference groups (Hawkins, Best, and Coney, 1995, p.452).

2.2.4 Marketing and the information search

Marketers can significantly impact the decision process by providing product information. Detailed product information, available product features/attributes and benefits may satisfy potential consumers need for information. Marketing at this step allows companies to "toot their own horn" to a degree and explain the advantages of their product. In some instances, companies compare their product to competing products to help the consumer realize that their product is clearly superior to its competitors. One consideration is that comparison information may be misinterpreted or may confuse potential consumers. If this happens, the potential consumer might mistake the competing product as having the advantage over the product being marketed.

2.3 Alternative evaluation

After acquiring information during the information search stage the consumer moves to alternative evaluation. At this stage the consumer compares the various brands and services they have identified as being capable of solving the consumption problem and satisfying the needs or motives that initiated the decision process. For example an automobile, there are numerous features that can be added or removed from an automobile, the consumer decides on what features they desire, because there is generally a cost associated with the various features, consumers have to rank the features and decide which ones are most important to them. If the consumer is not satisfied with the evaluation of the product criteria, they will return back to the information search process.

2.3.1 The nature of alternative evaluation

When evaluating potential alternatives, consumers tend to use two types on information:

1. Evoked set: Known also as consideration set, the evoked set refers to the specific brands a consumer considers in making a purchase within a particular product category. The evoked set consists of small number of brands the consumer is familiar with, remembers, and find acceptable. If the consumers do not have an evoked set for the product, or lack confidence that their evoked set is adequate, then they would engage in external search to learn about additional alternatives. But if the consumers are satisfied with their evoked set, information search will be focused on the evaluative criteria. The inert set refers to the brands that the consumers are indifferent to because they are perceived as not having any particular advantage (Schiffman and Kanuk, 2003, p. 559), and would only consider as a back-up brand if the preferred brands are not available.

The inept set refers to the brands that the consumers exclude from purchase consideration because they are felt to be unacceptable, or poor qualities, or poor attributes, or inappropriate positioning in either adverting or product characteristics and they are avoided, Figure 2.7 shows the differences between each one.

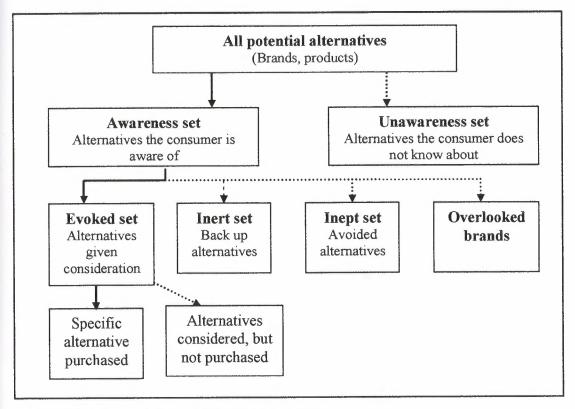


Figure 2.7: Categories of Decision Alternatives
Source: Del I. Hawkins, Roger J. Best, and Kenneth A. Coney, Consumer Behavior: Implications for Marketing Strategy, 6th edition, Irwin, 1995, USA, p.427.

Unawareness set refers to the brands that may be unknown because of the consumer's selective exposure to advertising media and selective perception of advertising campaign. The not purchased brands refers to the brands that may not be selected because they are perceived by consumers as unable to satisfy perceived needs as fully as the brand that is chosen. Brands maybe overlooked because they have not been clearly positioned or sharply targeted at the consumer market segment under study.

- 2. Criteria used for evaluating brands: The evaluative criteria that consumers use to evaluate the alternative products that constitute their evoked sets are expressed in terms of important product attributes. The characteristics of evaluative criteria can differ in type, number and importance (Salience), (Hawkins, Best, and Coney, 1995, p.469), such:
 - The type of evaluation criteria a consumer uses in a decision varies from objectively specified cost and performance type criteria to subjective criteria based on factors related to suitability such as style, colour, prestige, brand, and retailer image, and product origins.
 - The number of evaluative criteria used in consumer decision is generally less than six (Engel, Blackwell, and Kollat, 1968, p. 430), but the criteria could be higher or fewer than six, depending on the purchasing involvement, for example; for simple product such as soap the number of evaluative criteria is few, while durable product such as cars and houses the number of evaluative criteria is higher.
 - The concept of salience reflects the notion that evaluative criteria often differ in their influence on consumer's product selections. Salience refers to the potential influence each criterion may exert during the comparison process and is often measured in terms of importance (Engel, Blackwell, and Miniard, 1986, p.96).

2.3.2 The alternative evaluation process

During and after the time that consumers gather information about various alternative solutions to a recognized problem, they evaluate the alternatives within the evoked set, evaluative criteria and its importance. When consumers judge alternative brands on several evaluative criteria, they must have some method to select one brand from the various choices, decision rules serve this function, after the decision rules are applied and the alternatives are reduced, the consumer can select the best alternative, as Figure 2.8 explain the alternative evaluation process.

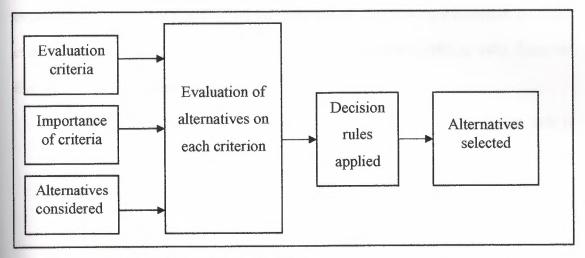


Figure 2.8: The Alternative Evaluation Process
Source: Del I. Hawkins, Roger J. Best, and Kenneth A. Coney, Consumer Behavior: Implications for Marketing Strategy, 6th edition, Irwin, 1995, USA, p. 467.

2.3.3 Consumer decision rules

The final element of the alternative evaluation process is the decision rule. Decision rules represent the strategies consumers use to make a selection from the choice alternatives. These rules reduce the burden of making complex decisions by providing guidelines or routines that make the process less taxing. These rules can range from very simplistic procedures that require little time and effort such if the choice is habituated, to very complex ones that involve considerably more time and processing effort such if the choices are viewed as relatively high in importance or involvement.

Consumer decision rules have been classified in two major categories: compensatory and non-compensatory decision rules.

2.3.3.1 Non-compensatory decision rules

The non-compensatory decision rules are characterized when good performance on one evaluative criterion does not offset or compensate for poor performance on other evaluative criterion of the brand (Engel, Blackwell, and Miniard, 1993, p. 546). There are five types of non-compensatory decision rules:

- The simplistic decision rule: When the choice is habituated, the decision rule is very simple: "buy the same brand as last time", but even when the choice is not habituated, consumers may employ simplistic decision rules such as "buy the cheapest". This is because consumers make trade-offs between the quality of their choice and the amount of time and effort necessary to reach a decision. The simplistic decision rules are more likely to occur for repetitive product choices that are viewed as relatively low in importance or involvement (Hoyer, 1984, p.822-829).
- Conjunctive decision rule: The consumer establishes a separate, minimally acceptable level as a cut-off point for each attribute. If any particular brand falls bellow the cut-off point on any one attribute, the brand is eliminated from further consideration. The conjunctive rule is particularly useful in quickly reducing the number of alternatives to be considered, but because the conjunctive rule can

result in several acceptable alternatives, the consumer can then apply other, more refined decision rule to arrive to the final choice.

- Disjunctive decision rule: The consumer establishes separate, minimum acceptable performance standards which each brand must meet. Any brand will be acceptable if it exceeds the minimum standard on any criterion. Also the disjunctive rule is particularly useful in quickly reducing the number of alternatives to be considered, but because the disjunctive rule can result in several acceptable alternatives, the decision rule will then be to select the brand that exceeds the others by the greatest amount on the criterion selected.
- Lexicographic decision rule: The consumers under this decision rule rank and then select the criteria in order of important attribute. If two or more brands have the same attribute, they are evaluated on the second most important attribute. This continues through the attributed until one brand outperforms the others.
- in terms of their importance and establish a cut-off point for each criterion. All brands are first considered on the most important criterion. Those that do not surpass the cut-off point are dropped from the consideration. If more than one brand passes the cut-off point, the process is repeated on those brands for the second most important criterion, this continue until only one brand remains. By using the elimination by aspects rule the consumer ends up with a choice that has

all the desired features of all the other brands in addition to an extra attribute that other brands do not have.

The elimination by aspects rule is very similar to the lexicographic rule; the difference is that the lexicographic rule seeks maximum performance at each stage while the elimination by aspects rule seeks satisfactory performance at each stage (Hawkins, Best, and Coney, 1995, p. 479).

2.3.3.2 Compensatory decision rules

The compensatory decision rules are divided to two types:

- Simple additive: The consumer simply counts or adds the number of times each alternative is judged favourably in terms of the set of salient evaluative criteria.

 The alternative having the largest number of positive attributes is chosen.
- Weighted additive: The consumer evaluates brand options in terms of each relevant attribute and computes a weighted or summated score for each brand. Consumers may wish to average out some very good features with some less attractive features of a product in determining overall brand preference in a choice decision (Hawkins, Coney, and Best, 1980, p. 456).

Under a weighted compensatory strategy, a perceived weakness of one attribute may be offset or compensated for by a perceived strength of another attribute (Engel, Blackwell, and Miniard, 1993, p.548). Therefore the compensatory decision rule states that the brand that rates highest on the sum of the consumer's judgments of the relevant evaluative criteria will be chosen. Symbolically, the

weighted compensatory model (Hawkins, Best, and Coney, 1995, p.480) can be expressed as:

$$R_b = \sum_{n=1}^n W_i B_{ib}$$

Where:

 R_b = Overall rating of brand b.

 W_i = Importance or weight attached to evaluative criterion.

 B_{ib} = Evaluation of brand b on evaluative criterion i.

n = Number of evaluative criteria considered relevant.

2.3.4 Marketing and the alternative evaluation

An understanding of which decision rules consumers apply in selecting a particular product or service is useful to marketers concerned with formulating a promotional program. A marketer familiar with the current decision rule can prepare a promotional message in a format that would help consumer information processing and their evaluations. For instance, advertising based on a conjunctive decision rule would carry information on all the relevant attributes, while advertisements based on a lexicographic rule would stress the most important attributes and advertisements based (Hawkins, Coney, and Best, 1980, p. 459). Elimination by aspects decision rule is concerned on the unique attribute that other brands do not have.

It is beneficial for the marketer to determine whether the consumer is aware about his brand, and if it is perceived as being the consumer's evoked set, inert, or inept set. If marketer determines that a large share of the market is unaware of his brand, this would indicate the need for an intensified advertising campaign. The marketers can understand

the reasons for brand's position within the consumer's awareness set by assessing information on their evaluative beliefs regarding the brand. This information may help to explain why certain brands are in the evoked set while others are in the inept set.

In order for the marketer to develop a successful marketing mix, there must be an understanding of what criteria are used by consumers in making a purchase decision for this product, as well as how important each criterion is, and how the consumer rates each brand on the various criteria.

Marketers recognize and utilize differing consumer preferences for evaluative criteria within the same product category. This is the underlying basis of all segmentation strategies; this utilization of evaluative criteria is most obvious in benefit segmentation, which involves segmenting the market for a given product based on the primary or most important evaluative criterion used by groups of consumers.

2.4 Purchase decision

Purchase decision occurs when the consumer actually makes the purchase. It includes the product, method of payment, package, location of purchase and all other factors that are associated with purchasing the product. The purchase process encompasses decisions on where to buy (in a retail store, at home) and how to buy (cash or credit). Traditionally, the purchase involves giving cash to acquire the rights to the products or services (Hawkins, Best, and Coney, 1995, p. 506).

Generally, the consumer's purchase decision will be to buy the most preferred brand, but two factors can come between the purchase intention and the purchase decision. The first factor is the attitude of others, for instance, a husband my affect the decision of his wife. The second factor is unexpected situational factors; the consumer may form a purchase intention based on factors such as expected income, expected price, and expected product benefits. However, unexpected events may change the purchase intentions, for instance, a competitor may drop its price, or the consumer's friend may report being disappointed in their preferred brands.

2.4.1 The purchase process

As the following Figure 2.9, shows the purchase is a function of four determinants (1) buying intentions, (2) individual characteristics such as motives, values, life style, perception, beliefs, and personality, (3) social influences such as culture, reference group, social class, income, and family, and (4) situational influences, but this research has isolated buying intentions and situational influences as being the dominant considerations for simplicity.

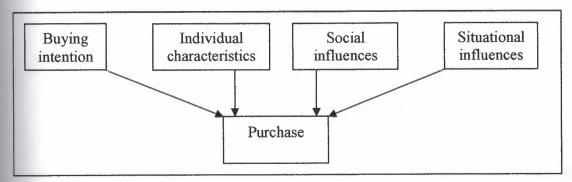


Figure 2.9: The Variables Which Affect the Purchase Process Source: Adopted from James F. Engel, Roger D. Blackwell, Paul W. Miniard, Consumer Behavior, 5th edition, 1986, Dryden Press, USA, p. 146.

2.4.1.1 The buying intentions

Once a purchase intention has been made and an intention formed, the consumer must still implement it and make the actual purchase (Engel, Blackwell, and Miniard, 1993, p.560). The intentions in-store purchases are categories into three types:

- Fully planned purchase: Where product and brand are chosen before the store visit.
- *Unplanned purchase*: Where both the product and brand are chosen in the store, this is often referred to as the impulse purchase.
- Partially planned purchase: Where there is an intention to buy the product only, but the brand is still not chosen until visiting the store.

Thus, the buying intentions of the consumers can mainly define in five categories:

- Product and brand: Before entering the store the consumers knows both the
 product and the brand of the product to be purchased.
- **Product only:** Before entering the store the shoppers knows which product they wants, but still has not decided on the brand, for example, a need to buy a new washing machine but not a particular brand.
- Product class only: Before entering the store the shoppers knows the class of
 product that they intends to purchase but still has not decided on a product in that
 class or on a brand, for example, the intention to buy dairy but must decide on
 milk or yoghurt and which brand.

- **Problem recognized:** Before entering the store the consumer recognize the existing problem but has not decided which product class, product, or brand to purchase, for example, a need to purchase something for a friend's birthday.
- **Problem not recognized:** Before entering the store the consumer does not recognize the existence of a problem, or the problem is hidden until evoked by instore stimuli.

2.4.1.2 Situational influences

The choice behavior cannot be fully understood just through use of attitudinal data; it must also take situational influence into account (Bearden and Woodside, 1976, p.764-769). A situation in this context has been defined as factors particular to a time and place that cannot be predicted from either the characteristics of the consumer or the attributes of a product but that wield an observable effect on behavior (Belk, 1974, p.156-163).

Russell Belk used five dimensions to describe the situations: (1) physical surroundings such as noise, light, temperature; (2) social surroundings; (3) task definition such as reasons for shopping and the goals of the process; (4) temporal perspective such as time of day, time pressures; and (5) antecedent conditions such as having cash on hand, and moods.

The basic theory of the situational analysis is that, at the time of purchase, circumstances or situations tend to arise that could not be anticipated in advance. For instance, many situational factors, such as weather and temporary unemployment, are beyond the influence of the marketer or retailer, but marketers have direct control over display, product promotion, price reductions, store atmosphere, and out-of-stock conditions.

2.4.2 The level of purchase involvement of consumers

Time spent in purchase process is a function of level of involvement; the consumer involvement can be separated to two degrees, high involvement and low involvement.

- High involvement purchase: Occasions can be expensive, have serious personal consequences, and/or reflect one's social image. These occasions typically involve extensive information search, consideration of several product attributes and brands, the formation of attitudes, and word-of-mouth communication. An example would be the purchase of an automobile or stereo system.
- Low involvement purchase: Occasions typically involve little information search or consideration of various brands, except on the basis of price. They usually don't involve any personal consequences. They tend to be privately consumed. An example would be the purchase of soap or toothpaste.

2.4.3 Forms of purchase involvement

There are four forms of consumer purchase behavior, related to the level of purchase involvement. These forms are impulse, routine, limited, and extensive purchase.

- Impulse purchasing: Generally occurs spontaneously without conscious planning.
 Impulse purchases generally only involve the first step of the purchasing behavior process- problem recognition or a "need" Consumers realizes they have some real or perceived need for a product and make a purchase.
- Routine purchases: Involves purchasing frequently-bought items (e.g., paper towels, soft drinks, milk) and are purchased almost automatically. These products

are generally considered to be low-cost items and require very little research and decision effort. Routine purchases do not require lots of thought or research and involve the first, and to a degree, the second step of the purchasing behavior process. Again, these purchases are almost automatic and require little thought.

- Limited purchases: Are thought of as items that are purchased occasionally. The purchase of these items may require a limited amount of research if the purchase involves an unfamiliar brand or product category. These types of purchases may require a moderate amount of research and information gathering prior to making a purchase decision steps one through three. Examples include cloths—know product class but not the brand.
- Extensive purchases: Require large amounts of information gathering and research. The purchase of a "big-ticket item" like electronic products, automobiles or homes would be and extensive decision making purchase. It includes a high degree of economic/ performance/ psychological risk. Consumers involved in an extensive decision making purchase go through all the five steps of purchasing behavior.

Figure 2.10 shows the difference between each one; extended purchase, limited purchase, and routine purchase, within the most important differences, such as the number of brand examined, number of seller concerned, number of product attributed evaluated, number of external information sources used, and time spent searching for each purchase.

	Consumer Involven High		Low	
Characteristics of purchase decision process	Extended purchase	Limited purchase	Routine purchase	
Number of brands examined	Many	Several	One	
Number of sellers concerned	Many	Several	Few	
Number of product attributes evaluated	Many	Moderate	One	
Number of external information sources used	Many	Few	None	
Time spent searching	Considerable	Little	Minimal	

Figure 2.10: Comparison of Purchase Decision Variations Source: J. Paul Peter, Jerry C. Olson, Consumer Behavior: Marketing Strategy Perspectives, 1987, Irwin/McGraw-Hill, USA, p. 255.

2.4.4 Marketing and the purchase decision

This step is directly influenced by marketers. If the marketing campaign was effective, consumers purchase the product. Marketers have an impact on this portion of the process by their interaction with consumers. Advertising directly impacts the purchase decision by stimulating consumers' awareness of a need, providing relevant product information and helping them evaluate the product and derive that this is their best purchase option (Moriarity, 1985, p.27-47).

2.5 Post-purchase behavior

2.5.1 The nature of post-purchase behavior

The consumer decision process does not end once the product or service has been purchased. This final phase of the decision process is concerned with the satisfaction and the disposition of the product.

Following some purchases, consumers experiences some doubts or anxiety about the wisdom of the purchase may occur shortly after the purchase of a product when the buyers question whether or not they made the right decision in purchasing the product, which is known as cognitive dissonance, which describes the tendency to emphasize benefits and downplay shortcomings.

After using a product or service the consumer compares the expected performance of the product against the perceived performance received. There are three possible outcomes of these evaluations: (1) the actual performance matches expectation, leading to a neutral feelings known as simple confirmation, (2) the performance exceeds expectations, causing what is knows as positive disconfirmation of expectation which leads to satisfaction, and (3) the performance is below expectations, causing negative disconfirmation of expectations which leads to dissatisfaction (Schiffman, and Kanuk, 2003, p.570).

Disposition of the product or the product's package may occur before, during, and after product use (Hawkins, Best, and Coney, 1995, p.517). For any product categories, a physical product continues to exist even through it may no longer meet a consumer's needs. A product may no longer function physically (instrumental function) in a manner desired by a consumer, for example a car that no longer runs. Or, it may no longer

provide the symbolic meaning (symbolic function) desired by the consumer, for example a car whose owner decides it is out of style.

In this case, once a replacement purchase is made (or even before the purchase) a disposition decision must be made. Also, consumers concerns about recycling the product or the product's package. Figure 2.11 illustrate the various alternatives for disposing of a product.

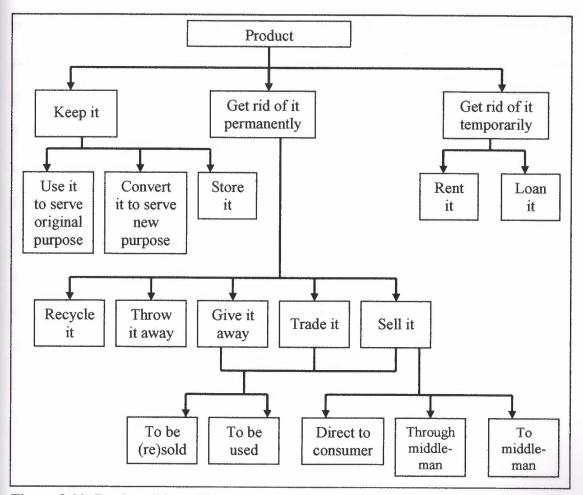


Figure 2.11: Product Disposition Alternatives

Source: Jacob Jacoby, Carol K. Berning, and Thomas F. Dietvorst, "What About Disposition?" Journal of Marketing, Vol. 41, published by the American Marketing Association, April 1977, p.23.

The situational variables such as the availability of storage space, the current needs of friends, and the availability of recycling or charitable organizations may be the primary determinant of disposition behavior.

2.5.2 The post-purchase process

After a purchase, the consumer sometimes experiences doubt or worry about the wisdom of the purchase. This doubt may occur before the product is used and is referred to as post-purchase dissonance. In Figure 2.12 which illustrates the post-purchase behavior process, not all purchases lead to post-purchase dissonance, because most purchases are followed directly by product use. The product usage is often followed by the disposition of the product or some parts of the product's container or package (Hawkins, Coney, and Best, 1980, p.493). In addition, the disposition of the product or its package can influence the evaluation of the product. Evaluation is also influenced by post-purchase dissonance, and product use. Favorable evaluation (product satisfaction) is also the determinant of repurchase motivation, committed customers, increased use, and brand switching. An unfavorable evaluation (product dissatisfaction) can lead to complaint behavior.

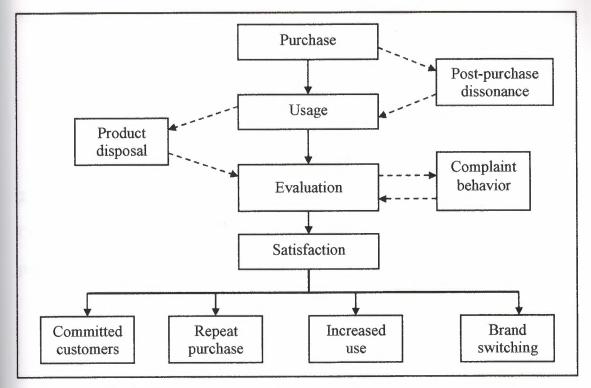


Figure 2.12: The Post-Purchase Process

Source: Del I. Hawkins, Roger J. Best, and Kenneth A. Coney, Consumer Behavior, Implications for Marketing Strategy, 6th edition, 1995, IRWIN, printed in USA, p. 514.

2.5.3 Cognitive dissonance

Cognitive dissonance most likely to occur (1) among individuals with a tendency to experience anxiety, (2) after an irrevocable purchase, (3) when the purchase was important to the consumer, and (4) when it involved a difficult choice between two or more alternatives. Consumers will attempt to reduce this feeling of doubt in a number of ways:

- Ignoring information that undermines their choice.
- Paying more attention to information that supports their choice.

Marketers can minimize cognitive dissonance is a number of ways:

- o Ensuring advertising does not exaggerate the product features (over-promise).
- O Providing reassurance through advertising and after-sales support.
- Allowing consumers to sample or test the goods prior to purchase.

2.5.3.1 Consumer satisfaction

Consumers become satisfied from their products purchases when the product performance exceeds consumer expectations. Product satisfaction has several outcomes:

- Increased use: If the current consumer are satisfied with the product they
 purchased, then their demand will increase, and the consumption of that product
 will increase.
- Repeat purchase: It involve the frequent repurchase of the same brand, simply
 because of the consumer's habits or because it is readily available where they
 shop, or it has the lowest price. Marketers are spending considerable effort to
 keep repeated purchasers, simply because they are more profitable than new
 customers.
- Brand loyalty: It is also known as committed customers, where it has an emotional or psychological attachment to the brand or the firm.
- Brand switching: It involves attracting new users to the product category, and
 capture competitor's current customers, which require the marketer to convince
 potential customers that the marketer's brand will provide superior value to not
 using the product or to using another brand.

Satisfaction data can be helpful for marketers and they can use it:

- As an indicator of marketing performance.
- For forecasting retention.
- To identify weaknesses in competitors' customer bases.
- As ammo for advertising.
- As an employee evaluation tool.

2.5.3.2 Consumer dissatisfaction

Consumers become dissatisfied from their products purchases when the product performance is below than the consumer expectations, causing a negative confirmation, which involves a negative word-of-mouth communications.

Dissatisfied consumers tend to express their dissatisfaction to their friends; dissatisfaction may cause the product's firm to lose future sales to the unhappy consumers and their friends. When a consumer is dissatisfied, the most favorable consequence is for the consumer to communicate this dissatisfaction to the firm but to no one else. This alerts the firm to the problem, enables it to make amends where necessary, and minimize negative word-of-mouth communications. Unfortunately, consumers who have more education, income, self-confidence, and independence tend to complain to other areas than the product's firm.

Consumer dissatisfaction can be reduced by warranties, after sales communication, advertisement, establishing and promoting "consumer hot line", which is a tool-free numbers that consumers can use to contact a representative of the firm when they have a complaint (Hawkins, Best, and Coney, 1995, p.524).

Product dissatisfaction has several complaint behaviors, which illustrate in Figure 2.13.

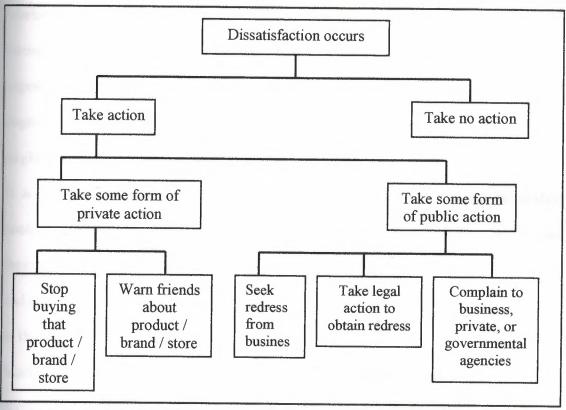


Figure 2.13: Actions Taken By Consumers in Response to Product Dissatisfactions Source: R. Day, "Extending the Concept of Consumer Satisfaction" in Advances in Consumer Research IV, ed., W. D. Perreault, Jr. (Association for Consumer Research, 1977), p. 153.

By taking no action, the consumer decides to "live with" the dissatisfied product. This decision is a function of the importance of the purchase to the consumer, the ease of taking action, and the characteristics of the consumer involved. By taking no action, the consumer is likely to have a less favorable attitude toward the brand or the store.

Consumers, who take action in response to dissatisfaction, generally follow two state natures, private actions in nature, such as switching brands, product or stores, or warning friends about the product (Hawkins, Coney, and Best, 1980, p.508). Their action could be public also such as demanding redress from the firm involved, complaining to the firm or some other organization, or taking legal action against the firm.

2.5.4 Marketing and post-purchase behavior

Marketers need to satisfied consumer expectations by creating reasonable expectations through promotional effort and maintaining consistent quality so the reasonable expectations are fulfilled. In the meanwhile, marketers have to reduce the consumer cognitive dissonance by providing favorable information about their product, which might make the consumers pleased with their purchases.

It is impossible to please all the people all the time, that's why some dissatisfied consumers exists (Hawkins, Best, and Coney, 1995, p.524). Marketers attempt to reduce their product problems by establishing and promoting "consumer hot lines". Hot lines and other procedures increase the ease with which the consumers can express a complaint to the firm only.

Marketing mangers must concern the disposition of a product, because the disposition decisions affect the purchase decisions of both the individual making the disposition and other individuals in the market for that product category. Disposition can affect the firm's marketing strategy in three ways (Hawkins, Coney, and Best, 1980, p.503):

- Disposition must sometimes occur before acquisition of a replacement because of
 physical space or financial limitations. For instance, a consumer living in an
 apartment may find it necessary to dispose of an existing bedroom set before
 acquiring a new one because of a lack of storage space.
- Frequent decisions by consumers to sell, trade, or give away used products may
 result in a large used product market which can reduce the market for new
 products. The manufacturer may want to enter a market by buying used products
 or taking trade-ins and repairing them for the rebuilt market.

Most consumers are not completely throw-away individuals, consumers are very concerned with waste and how their purchase decisions affect waste. For instance, individuals might be willing to purchase new washing machine, if they are confident that the old one would be rebuilt or resold. Thus, manufacturers and retailers could take steps to ensure that their products are reused. Such steps could increase the demand for new products while meeting the needs of consumers needing less-expensive versions of the product.

CHAPTER 3

RESEARCH OBJECTIVE, METHODOLOGY, AND THEORETICAL FRAMEWORK

This chapter describes the steps and methods that are used during the investigation of the proposed study. The first step in doing this research was the formulation of the problem and the creation of the research design, and finally the theoretical framework.

3.1 Broad problem area

Consumer's purchasing decision behavior of mobile phones.

3.2 Problem statement

How do N.E.U. students make their purchasing decisions of mobile phone?

3.3 Purpose and objective

The primary purpose of this research is to investigate the impact of demographic factors on decision buying behavior of mobile phones, to determine how easily students understand their purchase options, to see whether the way information is presented to them (especially search information) facilitates or complicates the purchasing process.

The objective of this study is to continue to assist marketers, industry managers, and academia by conducting research regarding the impact of demographic factors on consumer purchasing behavior. Also, increase the mobile manufacturer's sales and

improve its competitive advantage. And understand what are the constructs that affect the mobile purchases.

3.4 Methodology

Methodology describes the steps and methods that are to be used during the investigation of the proposed study.

3.4.1 Proposed design

This research is a descriptive investigation, where logically relationships between the variables are examined and an answer to the research question has been obtained. Here, establishing a cause-and-effect relationship is needed by manipulating certain independent variable so as to study the effects of such manipulation on the dependent variable and its impact on individual; students of N.E.U. in a field experiment, where data of the research would be gathered just once between March and June 2005.

As a result, the descriptive investigation is a must validating the research, and helps to find differentials between traditional consumer purchasing behavior and consumer purchasing behavior when buying a mobile phone.

A questionnaire should be done to identify the students buying behavior of mobile phones, and group them as their demographic segments, and their mobile purchases.

In the first step, 40 students were selected to fill up the important criteria that are important for their mobile phone purchase which is shown in appendix A, in that way all the important criteria were written for question number 10 in the questionnaire.

Later on, the questionnaire about consumer purchase decision was created, based on the knowledge of the theoretical research; mainly was a combination of a nominal scale, ordinal scale and interval scale. At this time, writing the research report also started. Thereby, several decisions such as the form of the questions, the language used in the questionnaire, as well as the procedure in performing the main questionnaire has to be made.

The questionnaires were given the students, and were collected and analyzing the data started. These results were used for carrying out interviews with several students in different faculties in order to get a deeper understanding of the questionnaire results affected by the demographic factors specially the gender, nationality, family's income, and class standing. After carrying out the interviews, a period of writing down the results of the main questionnaire and interviews in connection with the theoretical framework followed within some graphs for the independent variables. During the entire time between determining the methodology and the end of writing down the analysis the frames of reference was created. Finally, the research report was completed by adding the conclusion and the closing comments.

3.4.2 Data collection

The collection of data represents a prerequisite for carrying out a research and can be derived from a number of different sources. These sources are classified into secondary and primary data (Sekaran, 2003, p.219). To achieve the data necessary to accomplish the purpose of this research are both primary and secondary data used.

3.4.2.1 Secondary data

Secondary data, in comparison with primary data holds the advantage that it is an inexpensive way of receiving information, and most of the time easy to access. Problems can however occur, as it can be difficult to find relevant material. It can also be difficult to value the quality and usefulness of the found material. According to the literature, the researcher should first focus on secondary data in the process of data collection (Sekaran, 2003, p. 222).

Several forms of secondary data had been used in this research. These include books, articles from journals, course literature with useful information for this study and several websites from the internet. Thereby, the researcher has not received only an indication of the content as well as an idea of their quality, but he also gained a deeper understanding of the presented research problem. This secondary data was used for writing the theoretical framework, the background, and the questionnaire.

3.4.2.2 Primary data

Once secondary data has been examined, primary data can be selected by communication such as personal interviews; telephone interviews; questionnaires; and focus groups or observation (Sekaran, 2003, p.256), which means that the researcher observes particular situations in order to record facts, actions, or behaviours that may be of interest for solving the research problem. The selection of primary data by communication is faster and cheaper than observation, and holds the advantage of adaptability. Observational data is more objective and accurate due to the fact that the collected information is not

influenced by a person's memory, mood, or reluctance to provide the desired data (Zikmund, 2003, p. 184). The combination of several methods allows the researcher to consider the units under study from several directions and to enhance the understanding.

For this research the use of a questionnaire and sample interviews were chosen as the main source for evidence. The questionnaire was composed of central questions and concepts based on theories on which had been collected from the secondary data. The use of observations was not considered since the extent to which consumers purchase their mobile phone and the usage of it may be difficult to observe, particularly, in such a short time duration that was available to accomplish this study.

3.4.3 Questionnaire about consumer purchase decision behaviour

3.4.3.1 Introduction to the questionnaire

The primary advantage of questionnaires is the opportunity to reach a high number of respondents. Moreover, there is no interviewer bias and the costs are relatively low. In addition, respondents may be more willing to provide information about certain issues, have time to answer questions, and may answer the questions at times that are convenient. On the other hand, it may consume a lot of time when waiting for answers, non response rates may be high, existing bias due to non response, especially where response is slow, and certain types of questions cannot be asked. Furthermore, misinterpretations and misrepresentations are common with questionnaires (Zikmund, 2003, p. 254).

However, the survey is carried out properly; the results are reliable, and valid.



3.4.3.2 Questionnaire analysis

The cover page of the questionnaire provided the respondent with information about the content and the general procedures. In addition, it included among others the remark that the answers will be kept confidential.

Where, question 1 is asked to determine the mobile phone's brands owned by the respondent. Question 2 is asked to understand the situations that affect the prospective students in recognizing the problem to purchase a mobile phone. Question 3 is related to the areas that the student collect their mobile phone information from. Questions 4 and 11 are concerned to obtain the places where students purchasing their mobile phone and the duration of purchase. Questions 5 to 8 are considered the student's in-store behaviour, such as the number of stores they visit before the mobile phone purchase, and if they know the mobile phone brand and model before entering the store. Questions 9 and 10 are asked to conduct if the students evaluate the phone before the pre-purchase and to identify the salient criteria they use for selecting their mobile phones. Questions 12 is designed to identify the student post purchase behaviour as if they are satisfied or dissatisfied with their mobile phone purchase or usage. Question 13 is designed to understand the student's cognitive dissonance. Question 14 asked to the students to rate from strongly disagree to strongly agree) the viewed questions in a scale form their contribution of the information search, purchase behaviour and post-purchase behaviour. Questions 15 and 16 are designed to obtain information about the mobile phones prices that students considered and the price of mobile phone that they actually purchased. Questions 17 to 20 are concerned with the demographic factors of the students such as gender, martial status, nationality and their class standing. Question 21 is dedicated to gather general information about the student's family monthly income. Finally, question 22 allowed the respondents the opportunity to write down additional information that could be helpful for the researcher.

In order to minimize misinterpretations and misrepresentations, the questions as well as the instructions have been designed in a clear and precise way so students would not interpret them difficultly. Only a limited amount of open ended questions allowed the respondents to answer in their own words.

The entire procedure, as well as the fact that no names and codes were written on the questionnaire, was designed to give the respondents an increased feeling of trust and to persuade them that the answers will be kept anonymously.

3.5 Sample selection

The sample took place in different departments in Near East University; cause of the large population of the university, and examination period, a convenience sample was taken, and the questionnaires were distributed to 60 students of the university, between the age of 17 and 26, in order to ensure a good quality of the data in terms of representation and size of the sample.

3.6 Theoretical framework

The dependant variable consumer purchase process; which include need recognition, information search, evaluation of alternative, purchase decision and post purchase behavior is influenced by the independent variable, the demographic factors such as; age,

gender, income, education, occupation, and nationality. The consumer purchase is affected by the two moderate variables, the experience of previous purchase of that product, or brand, and the product price.

The variables and their relationships that will be the basis of this study are defined and illustrated as bellow:

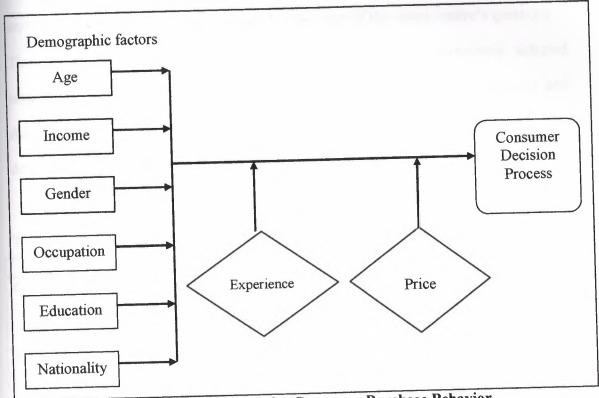


Figure 3.1: A Theoretical Framework for Consumer Purchase Behavior

CHAPTER 4

RESEARCH ANALYSIS AND FINDINGS

In this chapter, the questionnaires which distributed to the respondent will be analyzed and the research findings will be presented as the order of the questionnaire's questions.

The field study was conducted in NEU campus on 60 conveniently selected undergraduate students. The respondents are mainly from Faculty of Economics and Administrative Sciences, Faculty of Engineering, and Faculty of Architecture. The demographic characteristics profile of the respondents is presented in Table 1.

Table 1: Demographic Characteristics Profile of the Respondents

	Frequency (n)	Percentage
Gender		
Male	32	53.3 %
Female	28	46.7 %
Martial status		0.1.7.0
Single	55	91.7 %
married	5	8.3 %
Nationality		
Turkish Cypriot	22	36.7 %
Turkish	24	40 %
Others	14	23.3 %
Family income		
Less than \$499	4	6.7 %
\$500-\$999	11	18.2 %
\$1000-\$1499	13	21.7 %
\$1500 - 1999	19	31.7 %
More than \$2000	13	21.7 %

Based on all the respondents (n = 60).

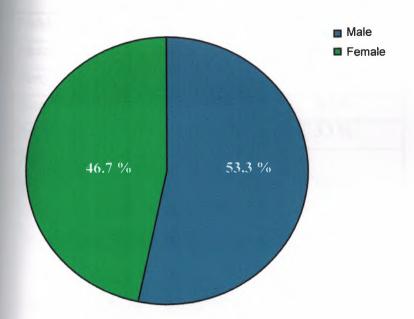


Figure 4.1: Gender Distribution of the Respondents

Based on the 60 respondents, 32 respondents (53.3 %) are males, and 28 respondents (46.7%) are females. Where 55 students (91.7 %) are single and 5 students (8.3 %) are married.

Among the respondents, 22 students (36.7 %) are Turkish Cypriots, 24 students (40 %) are Turkish, and 14 students (23.3 %) are Jordanians, Palestinians, Syrians, Russians, British, and Chinese.

Mostly (75% of the students) their family incomes are in the range of \$1000 - more than \$2000.

According to Kolmogorov – Smirnov Z Test, test distribution was found to be normal. This gives the opportunity to use parametric analysis techniques.

Table 2: The Mobile Phone Brand

Brand	Frequency (n)	Percent
Nokia	47	78.3 %
Motorola	4	6.7 %
Sony Ericsson	3	5 %
Siemens	4	6.7 %
Samsung	2	3.3 %
Alcatel	-	-
Total	60	100 %

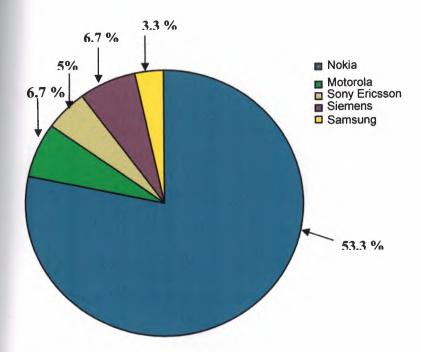


Figure 4.2: Mobile Phone Brand Obtained

As shown in Table 2 and Figure 4.2, out of 60 respondents 47 (78.3 %) of them owns Nokia mobile phones. From the above findings, it can be concluded that Nokia is the most popular phone among young people.

Table 3: Reasons of the Mobile Phone Purchase

Reasons of purchase	Frequency (n)	Percent
First mobile phone.	8	13.3 %
Old mobile was broken	10	16.7 %
Old mobile was out of date	11	18.3 %
Need of new brand	22	36.7 %
Need of second mobile phone	9	15 %

Based on all the respondents (n = 60).

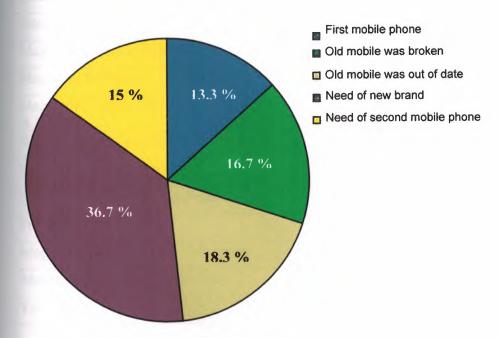


Figure 4.3: Reasons of Mobile Phone Purchases

The majority of the students purchased their mobile phone because they needed a new brand or model of a high developed mobile phone. Where 22 students (36.7 %) bought their mobile phone because the need of a new brand or model, 11 students (18.3 %) bought their mobile phone because their mobiles were out of date, 10 students (16.7 %) because their mobile phone was broken, 9 students (15 %) because the need of a second mobile phone, and 8 students (13.3 %) because it was their first mobile phone.

Table 4: The Areas of Obtaining Information Search

Information search areas	Frequency (n)	Percent
Newspaper	2	3.3 %
Magazine	2	3.3 %
Television	5	8.3 %
Internet	2	3.3 %
Catalog	5	8.3 %
Friend	18	30 %
Family	5	8.3 %
Retailer	2	3.3 %
Store display	6	10 %
Magazine, Catalog, Friend, & Family	1	1.7 %
Magazine & Friend	3	5 %
Magazine, Friend, Radio, Direct mail, & Family	1	1.7 %
Retailer & Store display	1	1.7 %
Friend, Family & Retailer	1	1.7 %
Newspaper, Television, & Friend	3	5 %
Friend & Family	1	1.7 %
Magazine, Direct mail, & Television	1	1.7 %
Magazine, Catalog, & Television	1	1.7 %
Total	60	100 %

As noticed from the table above the respondents collects information from their friends mainly according to 18 students (30 %), 6 students (10 %) from store display, and 5 students (8.3 %) from family, catalog and television each.

By using the gender cross tabulation to determine from where males and female search for information regarding their mobile phone, it was determined that both gender have a similar searching approaches, except that there was a small differences between them. For instance males collect and search for information from their friends more than females do, while females obtain information from their families and catalogs mostly.

Table 5: Mobile Phone Purchasing Places

Places	Frequency (n)	Percent
Retailer shop	15	25 %
Stores	25	41.7 %
Individuals	1	1.7 %
Second hand	7	11.6 %
Friends	10	16.7 %
Magazine or Catalog	2	3.3 %
Total	60	100 %

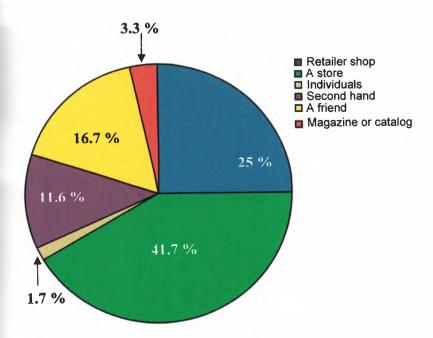


Figure 4.4: Mobile Phone Buying Places

About 25 students (41.7 %) mostly bought their mobile phones from stores, 15 students (25 %) bought from retailer shops, 10 students (16.7 %) bought from their friends, and 7 students (11.7 %) bought second hand mobile phone.

Table 6: Number of Retailers the Students Search In

Number of retailer	Frequency (n)	Percent
One shop	12	29.2 %
2-3 shops	15	36.6 %
More than 4 shops	9	22 %
Do not remember	5	12.2 %
Total	41	100 %

Based on 41 students, who bought their mobile phones from stores and retailer shops.

As shown in Table 6, about 15 students (36.6 %) searched for information from 2 or 3 shops, before they buy their mobile phone, 12 students (29.3 %) searched in one shop, 9 students (22 %) searched in more than 4 shops, where as 5 students (12.2 %) they did not remember, simply because they may bought their mobile phone long time ago.

Mainly students search in one shop only because of some reasons, such as; the store or the retailer shop is their friend, or they always deal with that store, or the store is next to their living locations, or simply as they did not have the time to search in information for more than one shop.

Table 7: Knowing the Mobile Phone Brand Before Entering the Store

	Frequency (n)	Percent
No	7	17.1 %
Yes	28	68.3 %
Not sure	6	14.6 %
Total	41	100 %

Based on 41 students, who bought their mobile phones from stores and retailer shops.

Regarding to Table 7, about 28 students out of 41 (68.3 %) knew which mobile phone brand they considered to buy before entering the shop, and 7 students (17.1 %) who they did not know, where 6 students (14.6 %) are not sure simply because they may bought their mobile phone long time ago.

Table 8: Knowing the Mobile Phone Model before Entering the Store

	Frequency (n)	Percent
No	9	22 %
Yes	27	65.8 %
Not sure	5	12.2 %
Total	41	100 %

Based on 41 students, who bought their mobile phones from stores and retailer shops.

Regarding to Table 8, about 27 students out of 41 (65.8 %) knew which mobile phone model they considered to buy before entering the shop, and 9 students (22 %) who they did not know, where 5 students (12.2 %) are not sure simply because they may bought their mobile phone long time ago.

As conducted from Table 7 and 8, most students knew which mobile phone brand and model, they wanted and considered to buy, and that's could happen because they

collected information from their friends, relatives, reference groups before they entered the stores and shops.

Table 9: Comparing the Mobile Phone's Brand before Purchasing

	Frequency (n)	Percent
No	12	20 %
Yes	42	70 %
Do not remember	6	10 %

Based on all the 60 respondents.

Out of 60 students, 42 students (70 %) compared their mobile phone brands with others, 12 students (20 %) did not compare their mobile phone brand with other brands, while 6 students (10 %) did not remember, maybe because they bought their mobile phones long time ago.

Mainly the students who compared their mobile phone brands, they compare between 2 and 3 brands, for instance; Nokia, Motorola, and Samsung mobile phones, but they finally had chosen to buy Nokia mobile phones because of its features, and technology.

The Most Important Five Criteria for Each Student:

In question number 10 in the questionnaire, the respondents were asked to tick the most important five criteria and rank them as 1 was the most important and 5 was the least important criteria. And their answers are shown in Tables 10: A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, and Q.

As there was 60 respondents, and each one had to tick 5 criteria only, that means the sum of ticks would be 300 (60 respondents x 5 criteria answered).

Table 10 - A: Accessories Criteria

	Frequency (n)	Percent
Ranked 1st	5	8.3 %
Ranked 2 nd	5	8.3 %
Ranked 3 rd	1	1.8 %
Ranked 4 th	5	8.3 %
Ranked 5 th	5	8.3 %
Total	21	35 %

Table 10 - B: After-Sale-Service Criteria

	Frequency (n)	Percent
Ranked 1 st	1	1.7 %
Ranked 2 nd	-	-
Ranked 3 rd	3	5 %
Ranked 4 th	2	3.3 %
Ranked 5 th	1	1.7 %
Total	7	11.7 %

Table 10 - C: Color Criteria

	Frequency (n)	Percent
Ranked 1 st	7	11.7 %
Ranked 2 nd	2	3.3 %
Ranked 3 rd	3	5 %
Ranked 4 th	9	15 %
Ranked 5 th	5	8.3 %
Total	26	43.3 %

Table 10 - D: Durability Criteria

	Frequency (n)	Percent
Ranked 1st	3	5 %
Ranked 2 nd	3	5 %
Ranked 3 rd	1	1.7 %
Ranked 4 th	-	-
Ranked 5 th	1	1.7 %
Total	8	13.4 %

Table 10 - E: Efficiency of Operating System and Easy Function Criteria

	Frequency (n)	Percent
Ranked 1 st	2	3.3 %
Ranked 2 nd	4	6.7 %
Ranked 3 rd	8	13.3 %
Ranked 4 th	2	3.3 %
Ranked 5 th	4	6.7 %
Total	20	33.3 %

Table 10 - F: Maintenance Expense Criteria

	Frequency (n)	Percent
Ranked 1st	-	-
Ranked 2 nd	-	-
Ranked 3 rd	2	3.3 %
Ranked 4 th	1	1.7 %
Ranked 5 th	5	8.3 %
Total	8	13.3 %

Table 10 - G: Manufacturer Image and Reputation Criteria

	Frequency (n)	Percent
Ranked 1st	1	1.7 %
Ranked 2 nd	-	•
Ranked 3 rd	3	5 %
Ranked 4 th	3	5 %
Ranked 5 th	1	1.7 %
Total	8	13.4 %

Table 10 - H: Multi-Functions and Technology Criteria

	Frequency (n)	Percent
Ranked 1 st	6	10 %
Ranked 2 nd	6	10 %
Ranked 3 rd	4	6.7 %
Ranked 4 th	7	11.7 %
Ranked 5 th	3	5 %
Total	26	43.4 %

Table 10 - I: Prestige Criteria

	Frequency (n)	Percent
Ranked 1st	2	3.3 %
Ranked 2 nd	3	5 %
Ranked 3 rd	4	6.7 %
Ranked 4th	3	5 %
Ranked 5 th	4	6.7 %
Total	16	26.7 %

Table 10 - J: Price Criteria

	Frequency (n)	Percent
Ranked 1 st	15	25 %
Ranked 2 nd	13	21.7 %
Ranked 3 rd	6	10 %
Ranked 4 th	2	3.3 %
Ranked 5 th	7	11.7 %
Total	43	71.7 %

Table 10 - K: Product Origins Criteria

	Frequency (n)	Percent
Ranked 1 st	-	-
Ranked 2 nd	1	1.7 %
Ranked 3 rd	1	1.7 %
Ranked 4 th	3	5 %
Ranked 5 th	3	5 %
Total	8	13.4 %

Table 10 - L: Product Size Criteria

	Frequency (n)	Percent
Ranked 1st	2	3.3 %
Ranked 2 nd	2	3.3 %
Ranked 3 rd	4	6.7 %
Ranked 4 th	5	8.3 %
Ranked 5 th	2	3.3 %
Total	15	24.9 %

Table 10 - M: Product Warranty Criteria

	Frequency (n)	Percent
Ranked 1st	1	1.7 %
Ranked 2 nd	-	-
Ranked 3 rd	1	1.7 %
Ranked 4 th	1	1.7 %
Ranked 5 th	1	1.7 %
Total	4	6.8 %

Table 10 - N: Product Weight Criteria

	Frequency (n)	Percent
Ranked 1 st	1	1.7 %
Ranked 2 nd	2	3.3 %
Ranked 3 rd	1	1.7 %
Ranked 4 th	2	3.3 %
Ranked 5 th	3	5 %
Total	9	15 %

Table 10 - O: Quality Criteria

	Frequency (n)	Percent
Ranked 1st	11	18.3 %
Ranked 2 nd	8	13.3 %
Ranked 3 rd	7	11.7 %
Ranked 4 th	4	6.7 %
Ranked 5 th	7	11.7 %
Total	37	61.7 %

Table 10 - P: Resell Value Criteria

	Frequency (n)	Percent
Ranked 1st	•••	-
Ranked 2 nd	2	3.3 %
Ranked 3 rd	-	-
Ranked 4 th	2	3.3 %
Ranked 5 th	1	1.7 %
Total	5	8.3 %

Table 10- Q: Style, Fashion, Design, and Appearance

	Frequency (n)	Percent
Ranked 1 st	3	5 %
Ranked 2 nd	10	16.7 %
Ranked 3 rd	12	20 %
Ranked 4 th	8	13.3 %
Ranked 5 th	6	10 %
Total	39	65 %

For simplicity, the most 5 criteria ticked are selected, as 21 ticks (35%) will be a cut off point. Out of 300 ticks, the respondents mostly ticked price 43 times (71.7 %), style 39 times (65 %), quality 37 times (61.7 %), color 26 times (43.4 %), multi-functions and technology 26 times (43.3 %), and accessories 21 times (35%) respectively.

These criteria are executively discussed and analyzed in the figures below, regarding to the gender (male, female), as the differences between the male and female, and to what extent criteria was important for each of them.

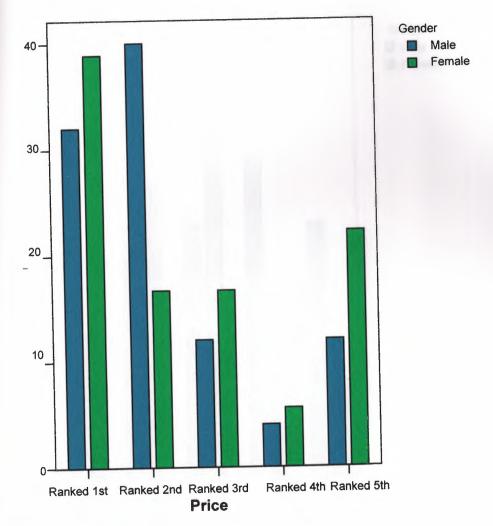


Figure 4.5: Price Criteria

As shown in Figure 4.5, price importance was similar for females and males together, even that the female were the majority ranked price as very important, but for males it was ranked as second important.

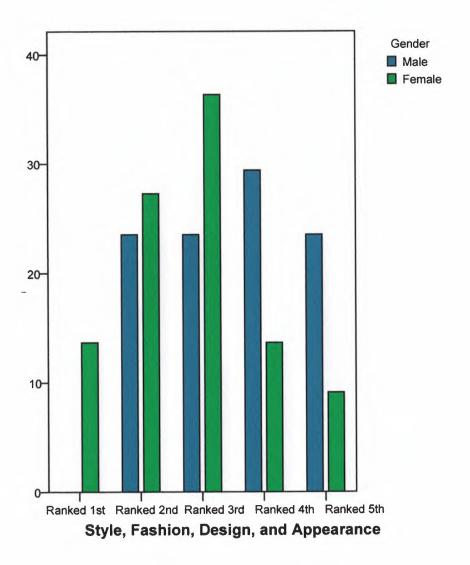


Figure 4.6: Style, Fashion, Design, and Appearance Criteria

As shown in 4.6, females were more likely to buy their mobile phones for the Style, fashion, design, and appearance of the mobile phone. According to the Figure, no male ranked style, fashion, design and appearance as the most important criteria.

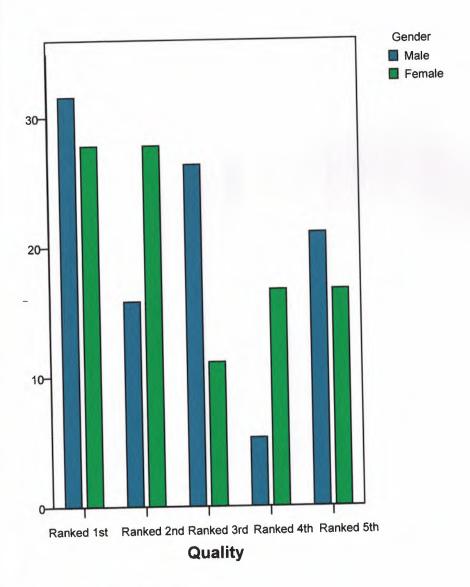


Figure 4.7: Quality Criteria

Mobile phone quality was more important for males than females in general, that's why they bought Nokia mobile phones; they perceived it as higher quality than the other brands. Where, males ranked quality as the first, the third, and the fifth important for them.

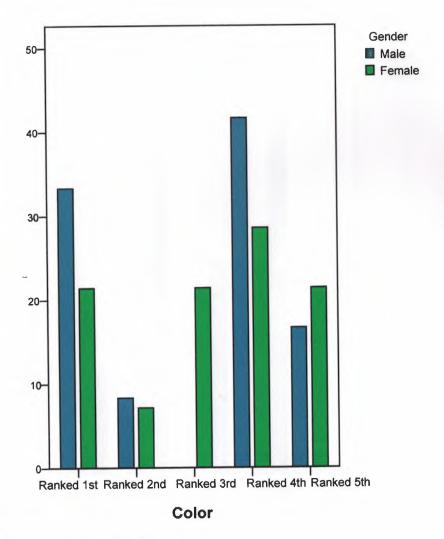


Figure 4.8: Color Criteria

In general, males ranked color as more important than female did, as the minority (females) ranked color the third important for them alone. That's could happen because males like to show up themselves between the others, and because of their prestige, as they are moving towards a universal fashion.

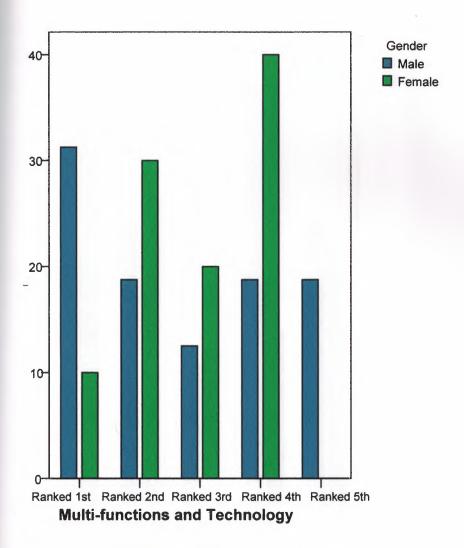


Figure 4.9: Multi-Functions and Technology Criteria

Regarding to Multi-functions and technology, males were more likely to rank it as the most important for them, where, female ranked it as the second, third, and fourth important for them. University students like to be more technological advanced than others, because they are more educated, with the advantages provided within the new technology of the mobile phones as SMS (short message service), WAP (wireless application protocol), MMS (multimedia messaging service), ring tones, Bluetooth, camera, application services offered via mobile devices, and others.

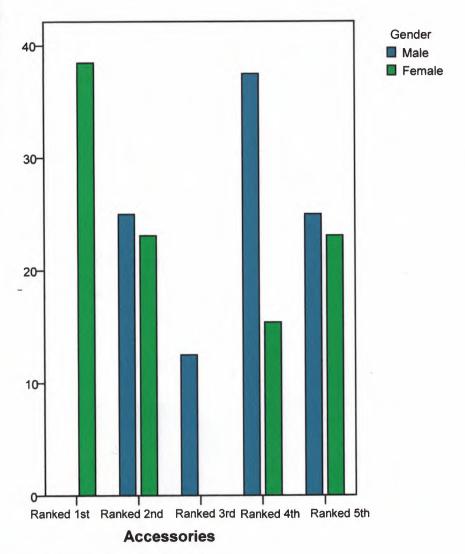


Figure 4.10: Accessories Criteria

Accessories are important for females than males, as females ranked it the most important criteria. Even those males ranked accessories as fourth important criteria for them.

Accessories are different for each of the genders. For example, accessories for females could be a new animal or a famous cartoon shaped covers. While for males accessories could be an external camera, headset, and a car kit.

Table 11: Duration of Mobile Phone Purchases

	Frequency (n)	Percent
Last 1-5 months	13	21.7 %
Last 6-12 months	26	43.3 %
Last 2-3 years	10	16.7 %
Longer than 3 years	4	6.7 %
Do not remember	7	11.7 %

Based on all the respondents (60 students).

As shown in Table 11, most respondents bought their current mobile phone within the last year (12 months).

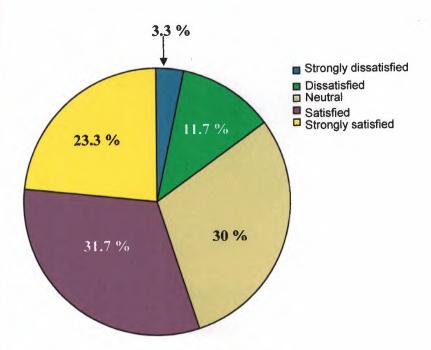


Figure 4.11: Mobile Phone Satisfaction

As shown in Figure 4.11, in general 33 students (61.7%) are satisfied with there mobile phone. However 18 students (30%) are neutral, that means in their next mobile phone purchase they may switch to other brands.

Table 12: Reasons of Cognitive Dissonance

	Frequency (n)	Percent
Had a bad experience with earlier purchase	11	18.3 %
The purchase was an unchangeable one	10	16.7 %
The purchase was very important	23	38.3 %
Had a difficult choice between two or more alternatives	16	26.7 %
Total	60	100 %

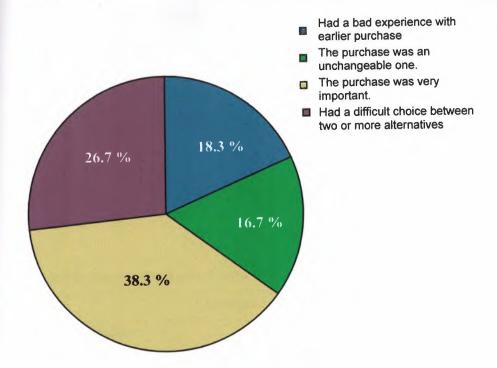


Figure 4.12: Reasons of Cognitive Dissonance

Out of 60 students, 23 students (38.3%) felt that they had some doubts about the wisdom of the mobile purchase because the purchase was very important for them, where 16 students (26.7%) felt that because they had a difficult choice between two or more brands, 11 students (18.3%) felt uncomforted because they had bad experience with their earlier mobile purchase, and 10 students (16.7%) stated that their mobile purchase was

unchangeable one, for instance, when ever they felt dissatisfied from the purchase they couldn't change the mobile phone.

Table 13: Purchasing Mobile Phones Because Of its Features

	Frequency (n)	Percent
Strongly disagree	2	3.3 %
Disagree	8	13.3 %
Neutral	17	28.4 %
Agree	28	46.7 %
Strongly agree	5	8.3 %
Total	60	100 %

Out of 60 respondents, 33 students (55%) agreed that they are more likely to purchase mobile phone because of its features such as ring tones, applications, camera, games, and appearance, about 17 students (28.4%) were neutral, and 10 students (16.6%) disagreed.

Table 14: Buying the Same Brand with Different Model Again

	Frequency (n)	Percent
Strongly disagree	-	gas
Disagree	15	25 %
Neutral	12	20 %
Agree	20	33.3 %
Strongly agree	13	21.7 %
Total	60	100 %

Regarding to 33 students (55%) stated that they might buy the same brand with a new model of their phone that means they are brand loyal; where as 15 students (25%) might switch to other to other brands, and 12 students (20%) were neutral.

Table 15: Buying Experience Affect the Choice of Mobile Phone Brands

	Frequency (n)	Percent
Strongly disagree	3	5 %
Disagree	7	11.7 %
Neutral	17	28.3 %
Agree	23	38.3 %
Strongly agree	10	16.7 %
Total	60	100 %

As shown in Table 15, about 33 students (55%) agreed that their buying experience of a previous mobile purchase might affect their choice of the current mobile purchase, 17 students (28.3%) were neutral, and about 10 students (16.7%) disagreed.

Table 16: Buying Any Mobile Phone Brand on Sale

Frequency (n)	Percent
9	15 %
16	26.7 %
17	28.3 %
12	20 %
6	10 %
60	100 %
	9 16 17 12 6

About 25 students (41.7%) disagreed to purchase their phones if it was on sales, 18 respondents (30%) agreed, and 17 respondents (28.3%) were neutral. The majority students disagreed because they thought that the reasons of cutting-off the mobile prices were because of the reduction of the production quality, or because some stores were selling replica products.

Table 17: Recommending the Current Mobile to Someone Else

	Frequency (n)	Percent
Strongly disagree	3	5 %
Disagree	15	25 %
Neutral	18	30 %
Agree	18	30 %
Strongly agree	6	10 %
Total	60	100 %

Out of 60 students 24 of them (40%) stated that they might recommend their current mobile phone to their friends, families, and relatives.

Table 18: Collecting Information about the Mobile's Brand before Buying It

	Frequency (n)	Percent
Strongly disagree	2	3.3 %
Disagree	5	8.3 %
Neutral	17	28.4 %
Agree	24	40 %
Strongly agree	12	20 %
Total	60	100 %

As shown in Table 18, about 36 students (60%) search for information about the desired mobile phone before they purchase, internally and externally. They seek mostly for the information from friends, family and catalogs as shown in Table 4. Where, 17 students (28.4%) might seek for information, and 2 students (3.3%) disagreed because they trusted the retailer shop.

Table 19: Seeking Information from the Friends before the Stores and Retailers

	Frequency (n)	Percent
Strongly disagree	4	6.7 %
Disagree	4	6.7 %
Neutral	14	23.3 %
Agree	20	33.3 %
Strongly agree	18	30 %
Total	60	100 %

Regarding to Table 19, about 38 students (63.3%) agreed that they seek for information from friends before they seek from retailer and stores. Which makes friends the most important area to collect information, and that's also shown in Table 4, because friends are more trustable than others, and they do recommend each other for the mobile phone purchasing choice, 14 students (23.3%) were neutral, and 8 students (13.4%) disagree; maybe because they purchased their mobile phone at the first opportunity while they were shopping for other products.

Table 20: Spending Lot of Time Searching For the Right Brand

	Frequency (n)	Percent
Strongly disagree	6	10 %
Disagree	13	21.7 %
Neutral	20	33.3 %
Agree	14	23.3 %
Strongly agree	7	11.7 %
Total	60	100 %

There is a small difference between the students toward if they spent a lot of time searching for the right mobile phone brand. Where, 21 students (35%) agreed, 20 students

(33.3%) were neutral, and 19 students (31.7%) disagree maybe because they collected information from their friends, and no need to search again.

Table 21: Mobile Phone Satisfaction

	Frequency (n)	Percent
Strongly disagree	4	6.7 %
Disagree	5	8.3 %
Neutral	15	25 %
Agree	23	38.3 %
Strongly agree	13	21.7 %
Total	60	100 %

Out of 60 students, 35 students (60%) are satisfied from their mobile phone purchase, 15 students (25%) are neutral, that means there is a chance that they may switch to other brands or buy other mobile model in the future, and 9 students (15%) are dissatisfied, which means they may change their mobile phone as the next opportunity.

Table 22: Changing the Mobile Phone on the Next Opportunity

	Frequency (n)	Percent
Strongly disagree	3	5 %
Disagree	14	23.3 %
Neutral	13	21.7 %
Agree	19	31.7 %
Strongly agree	11	18.3 %
Total	60	100 %

Regarding to Table 22, about 30 students (50%) stated that they may change their mobile phone on next opportunity, even if they are satisfied with their mobile phone purchase,

they might demand for a newer mobile phone model, or they might change their mobile because of prestige, and the development of the mobile phone technology, about 17 students (28.3%) stated that they will not change their mobile phone, simply because they are very satisfied with their purchase, and 13 students (21.7%) were natural.

Table 23: Warning Friends If Not Satisfied From the Mobile Phone Purchase

	Frequency (n)	Percent
Strongly disagree	1	1.7 %
Disagree	8	13.3 %
Neutral	9	15 %
Agree	27	45 %
Strongly agree	15	25 %
Total	60	100 %

As shown in Table 23, the majority of students warn their friends and reference groups if they felt dissatisfied from their mobile phone purchase. Where 42 students (70%) agreed that they don't want their friends to have the bad experience they had before.

Table 24: Stop Buying The Same Brand If Dissatisfied From The Mobile Purchase

	Frequency (n)	Percent
Strongly disagree	10	16.7 %
Disagree	14	23.3 %
Neutral	16	26.7 %
Agree	12	20 %
Strongly agree	8	13.3 %
Total	60	100 %

As seen in Table 24, about 24 students (40%) disagree to stop their mobile purchases from the same brand if they are not satisfied, simply because they are brand loyal.

Table 25: Descriptive Statistics Regarding To the Mobile Phone Purchase

	N	Mean	Std. Deviation
Purchasing mobile phones because of its features.	60	3.43	± .945
Buying the same brand with different model again.	60	3.52	± 1.097
Buying experience affect the choice of mobile phone brands.	60	3.50	± 1.066
Buying any mobile phone brand on sale.	60	2.83	± 1.210
Recommending the current mobile to someone else.	60	3.15	± 1.071
Collecting several information about the mobile's brand before buying it.	60	3.65	± 1.005
Seeking information from the friends before the stores and retailers.	60	3.73	± 1.163
Spending lot of time searching for the right brand.	60	3.05	± 1.156
Mobile phone satisfaction.	60	3.60	± 1.123
Changing the mobile phone on the next opportunity.	60	3.35	± 1.176
Warning the friends if not satisfied from the mobile phone.	60	3.78	± 1.027
Stop buying from the same brand if not satisfied from the mobile phone.	60	2.90	± 1.285

Regarding Table 25, the mean values of buying the same brand with different model again (3.52); buying experience affect the choice of mobile brands (3.50); collecting several information about the mobile phone's brand before buying it (3.65); seeking information from friends before the stores and retailer (3.73); mobile phone satisfaction (3.60); changing the mobile phone on the next opportunity (3.35); and warning friends if not satisfied from mobile phone (3.78); are approaching to 4 (agree side).

In sum, from the descriptive statistics table it is conducted that most students might buy the same brand with a different new model on the next opportunity even that the majority of the students were satisfied from their mobile purchases, that's because the students keep demanding on a newer and modern mobile phone for prestige, fashion, and technology reasons. As noticed, most students are brand loyal to their mobile manufacturers, that's means if they are dissatisfied from their purchases they still might buy the same brand with different models. Most students evaluated their current mobile phone purchase based on previous related consumption experiences.

Most students agreed that word of mouth communications is very important for them, where they recommend and warn their reference groups, and friends about their current purchases and experiences, and they search, collect information, and take advice regarding their mobile purchases from their close friends before asking stores and retailers.

The results of the T-test analysis showed that there isn't a significant difference between males and females for any of the items regarding their mobile phone purchase.

Table 26: The Average Afforded to Purchase Mobile Phone

	Frequency (n)	Percent
\$100- \$199	11	18.3 %
\$200- \$299	21	35 %
\$300- \$399	10	16.7 %
\$400- \$499	7	11.7 %
\$500- \$599	7	11.7 %
More than \$600	4	6.7 %
Total	60	100 %

Table 27: Mobile Phone Purchasing Price

	Frequency (n)	Percent
\$100- \$199	26	43.3 %
\$200- \$299	6	10 %
\$300- \$399	8	13.3 %
\$400- \$499	10	16.7 %
\$500- \$599	5	8.3 %
More than \$600	5	8.3 %
Total	60	100 %

Regarding to Table 13 and 14, students estimated that they can buy mobile which exceeds \$200, but the actual purchases occurred were less than \$200, that could be because of the Turkish inflation and the economy of North Cyprus. Also their purchases mostly depend on their family's income, simply because most of the students do not work and they largely depend on their families to afford money for their living expenses and daily purchases.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This descriptive study was conducted to increase the current understanding of mobile phone market among students in North Cyprus in general, and analyze student's decision making in particular. The results indicated that mobile phones were widely used among the university students who participated in this survey.

As concluded before, Nokia was the most popular mobile phone brand among the students, also it is the leader in the mobile phone industry; that's because Nokia's strategy to develop a new mobile phone model each quarter of the year, with a new technology and services. The factors behind the mobile phone purchase were found because the need of a new mobile phone model, regarding to the technology, style, accessories and the prestige of the mobile phone obtained.

The places where students searching for information regarding the mobile phone were significantly the same among both genders, but it was noticed that females obtain information from catalogs and their families mostly, while males search for information from their friends more than females. The study dedicated that the students bought their mobiles from stores mostly rather than the other places, simply because of the scarcity of mobile's retailers in North Cyprus, and the huge number of mobile phone shops.

Students evaluated their mobile phones regarding to some criteria, such as price, style and design, quality, color, technology, and accessories mostly, and these criteria were the most determinants of their mobile phone purchases.

The conducted findings of this research stated that students bought their mobile because of its features, and they might buy the same brand with a different new model on the next opportunity even that the majority of the students were satisfied from their mobile purchases, that's because the mobile industry keep changing and developing rapidly and still in the maturity stage in it's life cycle, where the students keep demanding on a newer and modern mobile phone. Most students are brand loyal to Nokia products, that's means if they are dissatisfied from their purchases they still might buy the same brand with different models. Students evaluated their current mobile phone purchase based on previous related consumption experiences, habits, and expectation.

Word of mouth communications is very important for the respondents, where they recommend and warn their reference groups, and friends about their current purchases and experiences, and they search, collect information, and take advice regarding their mobile purchases from their close friends as trusted mediators.

A large number of students disagreed to purchase their phones if it was on sales, the majority students disagreed maybe because they thought that the reasons of cutting-off the mobile prices were due to the reduction of the production quality, or because stores were selling replica products, for example: Chinese or German products rather than Finnish Nokia mobile phone origins, where the respondents demanded for an original, long lasting, and guarantied phones.

Students estimated that they can buy mobile phone which exceeds \$200, but the actual purchases occurred were less than \$200, that could be because of the Turkish inflation and the economy of Cyprus. Also their purchases mostly depend on their family's

income, simply because most of the students do not work and they largely depend on their families to afford money for their living expenses and daily purchases.

The findings of the questionnaires and interviews conducted with the university students support the theoretical framework.

5.2 Recommendations

In the majority of developed countries mobile phones purchases are steadily on the increase. The mobile phone survey will thus soon become a compulsory alternative for general population survey.

Although price was found an important variable affecting students choice, this research conducted that most students (between the age of 17-25) depends on their families to provide them the money to do their purchases, because most of them do not work, so it might be a good idea that the mobile phones manufacturers reduce their mobile prices, so that most students can acquire mobile phones.

As for marketers and mobile phone manufacturers, who do understand consumer behavior have a great competitive advantage in the marketplace, and may have a large market share in the industry. Marketers have to use their knowledge of consumer behavior to design marketing strategies, to measure marketing performance, to segment markets as their consumer's needs and wants, and minimize the negative word of mouth communications between their consumers, by providing more satisfied products, even that satisfying all the consumers is impossible. Marketers have to minimize the consumer's cognitive dissonance by providing warranties through advertisements and after sales support or allow the consumers to test their goods prior to the purchase.

As for the other mobile phone manufacturers, it is recommended to better understand their consumers and have more mobile phone models that would serve their consumers needs, and provide some other models for the niches segments. Also, they have to increase their advertising campaigns; because advertisements directly impact the purchase decision by stimulating consumers' awareness of a need. Also, by providing relevant product information, and helping their consumers to evaluate their products and feel that this is their best purchase option which makes them better off if not satisfied.

For mangers these results provide interesting aspects of mobile choice regarding to the student's gender, where there was a slight difference between males and females regarding to the criteria used to evaluate their mobile purchases. These differences may help the manufacturers to better understand their consumer's behaviors and attitudes.

In sum, the findings of the study may offer important managerial implications as they may guide marketers to understand the mobile phone users' needs and behavioral tendencies for decision making purposes.

5.3 Research limitations

Convenience sampling always represent a certain limitation, where the sample was the first limitation of the study, so the findings can not be generalized. However this particular sampling technique is suitable for a descriptive research approach and form a common research practice in the consumer buying behavior of mobile phones. Also the small sample size was a problem, where a detailed or more sophisticated statistical analysis could not be done — e.g., ANOVA (analysis of variances); this approach has the advantage that both the variance as well as the differences in means between the multiple groups can be assessed (Sekaran, 2003, p.404).

As consumer purchasing decision process is a large study field, some theories and approaches were been omitted, for example, the influencing factors; marketing mix factors; sociocultural factors; situational factors; and psychological factors of the consumer decision process had been omitted for simplicity.

The students are all inherently different demographically; the various variables were difficult to measure, at the meanwhile the respondents were students between the age 17 and 25 years old, which means this research was conducted to analyze and understand student's behavior only.

5.4 Suggestions for future researches

Mobile phones surveys are becoming a serious challenge to the survey industry. Although this study has sampling limitations, the findings can be useful for further investigations. Future research can further investigate for larger sample size within more demographic characteristics differences such as nationality, occupations, income, and age. The replication of the survey is encouraged in other regional areas. Moreover, the population can also be extended, for example, to working people.

Further researches are recommended to identify the symbolic factors that influence the consumer decision process and in a more detailed manner the relationship between mobile phone purchase and its usage; it would also be interesting to examine all the evaluative criteria used for purchasing mobile phone between the two genders and their information search areas that may affect the mobile phone advertisements and promotions.

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APPENDIX A

Conducting the Mobile Phone Criteria

Dear students;

This is a pre-survey for my graduation project (MAN400) for the year 2004-2005 in Near East University. Your answers will determine the mobile purchase factors (criteria), and it will be generally stated in my research questionnaire. Please take a moment to fill in the table bellow.

Thank you very much for your co-operation. Sincerely yours,

Michael J. Batmani Business Administration Department, NEU **Dr. Figen Yeşilada**Assistant Professor of Marketing, NEU

What are the most important factors (criteria) that you thought about before purchasing your mobile phone, or you usually use in comparing mobile phones between each other? Please list them starting with the important factors (criteria).

1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

11.	
12.	
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15.	
16.	
17.	
18.	
19.	
20.	

Thank you for your co-operation. Michael J. Batmani

Pateran Time

APPENDIX B

A Questionnaire about Student's Mobile Phone Purchase

Dear students;

This is a survey for my graduation project (MAN400) for the year 2004-2005 in Near East University. The purpose of this survey is to measure your buying behavior of mobile phones.

All your answers will be kept confidential and will be used only for statistical analysis. Please take a moment to complete this survey.

Thank you very much for your co-operation.

O Individuals.

Sincerely yours,	potation
Michael J. Batmani Business Administration Department, NE	Dr. Figen Yeşilada Assistant Professor of Marketing, NEU
1. What is your mobile phone brane O Nokia. O Motorola. O Sony Ericsson. O Siemens. O Samsung. O Alcatel. O Other:	d?
 2. Why did you buy your current m O This is my first mobile phon O My old mobile was broken. O My mobile was very old (out O I wanted a new brand / mod O I needed a second mobile phon 	nt of date). el of mobile phone.
3. Before you purchased your curr about it from?	ent mobile phone, where did you get information
 □ Newspaper. □ Magazine. □ Direct mail. □ Television. □ Radio. □ Others: 	 □ Catalog. □ A friend. □ My family. □ Retailer. □ Store display.
4. Where did you buy your mobile	phone from?
O Retailer shop.O A store.	O Second hand. O A friend.

O Magazine or catalog.

our answer in the previous question was <u>retailer shop</u> or a <u>store</u> , please proceed; otherwise please go directly to question number 9.
How many retailer shops or stores did you visit (search in) before you bought your mobile phone?
O One shop. O 2-3 shops.
O More than 4 shops.
O I don't remember.
f you visited only one shop before buying your mobile phone, please tell why?
Turning Line (1986)
Before entering the retailer shop, did you know which mobile brand you would consider to buy? O Yes. O No. O Not sure.
Before entering the retailer shop, did you know which mobile phone model you'd consider to buy?
O Yes.
O No.
O Not sure.
Before purchasing a mobile phone, did you compare the mobile phone brands with each other?
O Yes. O No.
O I don't remember.
If so, how many brands did you compare?

			portan	ι.		
Accessorie	es.			Prestige.		
After-sale-	-service.			Price.		
Color.				Product origins		
Durability				Product size.		
Efficiency easy fund	of operating systion.	stem and		Product warran	-	
	nce expense.			Product weight	•	
	rer image and re	enutation		Quality.		
		-		Resell value.		
	ctions and technoring tone).	ology		Style, fashion, appearance.	desig	gn and
O Last 1-5 m O Last 6-12 r O Last 2-3 ye	months.					
O Last 6-12 r	nonths. ears. n 3 years.					
O Last 6-12 r O Last 2-3 ye O Longer tha	months. ears. n 3 years. ember.	th your cur O Neutra		obile phone p	0	ase? Strongly Dissatisfied

14. Regarding to my mobile phone purchases...

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I am more likely to purchase a mobile phone because of its features.	0	0	0	0	0
I might buy the same brand with different model again.	0	0	0	0	0
My buying experience influences my choice on mobile phone brands.	0	0	0	0	0
I would buy any brand of mobile phone which is on sale.	0	0	0	0	0
I am very likely to recommend my mobile phone brand to someone else.	0	0	0	0	0
I would collect several information about the brand before I buy it.	0	0	0	0	
I seek information from my friends before I ask the retailers and stores.	0	0	0	0	0
I spend a lot of time searching for the right brand.	0	0	0	0	0
I am very satisfied with my mobile phone purchase.	0	0	0	0	0
I might change my mobile phone on the next opportunity.	0	0	0	0	0
If I am not satisfied with my mobile phone, I might warn my friends about my experience.	0	0	0	0	0
If I am not satisfied with my mobile phone, I might stop buying from the mobile manufacturer.	0	0	0	0	0

15. What is the average of your n	nobile phone that you	can afford to buy?
-----------------------------------	-----------------------	--------------------

- O \$100-\$199
- O \$200-\$299
- O \$300-\$399
- O \$400 -\$499
- O \$500-\$599
- O More than \$600

16. How	much did you spe	end on your current mobile phone?
0	\$100-\$199	
0	\$200- \$299	
0	\$300-\$399	
0	\$400 -\$499	
0	\$500-\$599	
	More than \$600	
17. Ger	ider:	
0	Male.	O Female.
18. Mar	tial status:	
0	Single.	O Married.
19. Nati	onality:	
	Turkish-Cypriot.	
Õ	Turkish.	
0	Other:	
20. Wha	at is your faculty?	
0	English Preparato	ry School.
0	Faculty of Archite	ecture.
0	Faculty of Arts ar	nd Sciences.
0	Faculty of Comm	unication.
0	Faculty of Econor	mics and Administrative Sciences.
0	Faculty of Engine	eering.
0	Faculty of Law.	
0	Faculty of Maritin	me Studies.
0	School of Physica	al Education and Sports.
0	School of Tourisi	m and Hotel Management.
21. Hov	v much is your fai	nily's monthly income?
0	Less than \$499	
0	\$500-\$999	
0	\$1000-\$1499	
0	\$1500 - 1999	
0	More than \$2000	
22. Any	comments that y	ou would like to share with me and you assume it could be
	oful for my survey	
I		

Thank you again for your pleasant co-operation.

Michael J. Batmani