

# Influences of Price And Quality On Consumer Purchase Of Mobile Phone In The Kumasi Metropolis In Ghana A Comparative Study

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## ABSTRACT

The study focused on the consumers of the selected mobile phones in Kumasi Metropolis in Ghana. The study use both primary data and secondary data. Questionnaires, personal interviews and price list of the selected mobile phones were used. The study use non probability sample method. This study is descriptive research which tries to describe how consumers are been influence by Price and Quality when buying mobile phone. Interviews and questionnaires were the main instrument used for collecting data in this study. The outcome of the study was that Price and quality has influence on the consumer buying decision and that consumers consider both price and quality in their buying situation.

**Key words:** Mobile phones, buying decision, Price, Quality, Consumers, Quality.

## 1. Background of Study

As competition and other environmental influences increase globally, it is obvious that there are growing emphases on quality improvement and cost reduction in order to achieve customer satisfaction and enhancing organizational value (Iwarere, 2010). Many companies and organizations have now acknowledged the critical importance of being customer-oriented and customer-driven in all their activities. Kotler (1997) asserts that it is not enough to be product-driven or technology-driven, without bringing the power of customer into the centre of the business.

In marketing economy, customers are the lifeblood of every organization, and without customers no organization can be in its existence. Customers are important because they determine survival of an organization according to Kotler (1997).

In mobile phone industry, price and quality may be among the factors that consumers consider when making purchase decision. Therefore, it is important for mobile phone organization to understand how customers compare price and quality when making purchase in mobile phone industry. This will help organization to strategize in order to meet the needs of customer. Customers are not only influenced by price and quality, they are influence by variety of factors but for the purpose of this study price and quality will be considered.

In today marketing environment, price and quality of product is central issue, but not only in consumer decision making process and the outcomes of their overall satisfaction but decision making and marketing strategy of the producer. The concept of quality take a particularly special emphasis when there is juxtapose against price that consumer is able to pay.

According to Robert (1995), price is the manager biggest marketing headache, and it's where they feel the most pressure to perform and the least certain that they are doing a good job.

Pricing decision should consider customer and competitor reactions. In formal uses, customer will generally perceived price as an indicator of product or service quality and will normally evaluate the cost in terms of perceived benefit derived from the consumption of the offering. In most cases, customers have the opportunity to choose from a variety of offering and thus price will be one of the comparative indicators upon which their buying decision will be based, (Brian and Karen). The major determinant of prices, of course, is what the consumer is prepared to pay, which is in turn related to a number of other factors including quality.

Price is one element of marketing mix. It can change very easily as compared to other element of marketing mix. The marketer can decide to lower or raise a price more frequently.

According to Kotler and Armstrong (1990), price is the only element in the marketing mix which produces revenue and that all the other element represent cost. Price is the amount for which product, service or idea is exchanged, or offered for sale regardless of its worth or value to potential.

The meaning of quality differs depending upon circumstances and perceptions. For example, quality is a different concept when focusing on tangible products versus the perception of a quality service. The meaning of quality is also time-based or situational. According to Kotler and Keller (1997), satisfaction will also depend on product and service. American society for Quality Control's definition for quality is the totality of features and characteristics of a product or service that bear ability to satisfy stated or implied needs.

Quality is how the recipient of the product or service views the product or service: before buying, upon delivery, and after the delivery-and use. In other words, quality is satisfying the customer and it is defines by customer. Quality is exceeding the customer expectations and the extent to which the customers or users believe the product or service surpasses their needs and expectations. Product quality in a broad sense, is defined as "superiority or excellence" of a product Zeithaml, Dawar, (1999). Two major problems can be reported on this definition: the first is that, this definition neglects the fact that a product's state of quality has a wide range of degrees, starting from "poor and unacceptance" and ending with "superior". The second problem was the intrinsic element of subjectivity which can determine where the quality of the product lies, within what range, and how it is oriented. There are drivers of quality according to customers: in a customer-driven organization, quality is established with a focus on satisfying or exceeding the requirements, expectations, needs, and preferences of customers. Customer-driven quality is a common culture within many organizations. Also another driven of quality is products or services: a culture of product or service-driven quality was popular in the early stages of quality improvement. Conformance to requirements and zero defect concepts have roots in producing a product or service that meets stated or documented requirements. In some cases, product or service requirements originate from customer requirements, thereby creating a common link to customer-driven quality, but the focus of the culture is on the quality of the product or service. If the customer requirements is accurately stated and designed into the production or service delivery process, then as long as the product or service meets the requirements, the customer should be satisfied.

According to Churchill and Patter (1994), the way consumer decides whether and what to buy depends partly on the significance of the purchase. Consumer purchase decision specifically refers to the activities consumer take when deciding what to buy and when making the actual purchase. Consumer research about price can show how to communicate price most effectively. Research indicates that, the ending of the price affect how consumer perceives quality of the product.

It is not an exaggeration that every consumer want to use a product that is of high quality and at the same time at high price. This has lead to academic uncertainty that, it is price that influences consumer to purchase mobile phone and others are saying that it is quality that influences consumer to purchase mobile phone but not price, that is why there is the need to investigate whether consumer select a product by using price as indicator or quality.

### **1.1 Research Objective**

The general objective of the study is to make a comparative analysis of price and quality and how they influence consumer purchase of mobile phone. These specific objectives are as fellows;

- To access how price influence the purchase of mobile phone.
- To determine how quality influence the purchase of mobile phone.
- To compare price and quality influence in the consumer buying decision of mobile phone.

## 1.2 Research Questions

The study will be undertaken under the following research questions;

- 1). How does price influence consumer purchase of mobile phone?
- 2). How does quality influence consumer purchase of mobile?
- 3). How can price and quality be described in the purchase decision of mobile phone?

## 2. Literature Review

From marketing perspective, consumer choice behavior can be studied through the classical five step (need–information search–evaluation of alternatives–purchase–post-purchase evaluation) problem solving paradigm or through the progression of consumer choice from a product class to brand choice (Dorsch, Grove, and Darden, 2000). The five-step model is usually suitable for decision making that assumes rational problem solving behavior and, in most cases, complex decision making.

Factors that influence consumer's decision- making to purchase or select a product or service vary with the type of perception each and every individual may have about the product at hand.

### 2.1 Concept of Price in Marketing

According to Kotler (2003), no matter how a product is, some people will be unable to pay more than a certain price. Others may be able to afford it but believe that another way of that spending sum of money would give them greater satisfaction. Conversely, simple being cheap is not enough; the product must come up to some level of expected performance. In some situations, (luxury goods), a high price may even make the product more desirable than a lower price. Price is only one of the several costs faced by consumers. Other purchase related costs include the time spent, displacement cost and emotional costs. However, price is the cost that consumer can best determine, and thus plays an important role in their decision. For example, in recent study of consumer selection of a product at which to make a purchase, price was consistently stated as a major influencing factor (GfK, Shopping Monitor). Such a finding is consistent with the feelings of retailers themselves, who indicate price is an importance selection criterion for consumer (Agardi and Bauer).

Price knowledge is not high even seconds after selecting the product, with research such as that of Dickson and Sawyers' (1995) indicating only between 54% and 60% of the consumer or customer look at the price tag at all. It appears that, once consumer or customer turn their attention to another product, they forget the price of the item just purchased. This may explain why price knowledge immediately after the selection is higher than upon asking the same question at the cash desk. Among those who, while not knowing the exact or even the approximate price, adopted a subjective reference price, a higher number of customers can properly recall whether the given product is more expensive, cheaper or of equal price than the general price of the category. Price awareness has also been found to vary from one customer group to other. According to Zeithanel (1985) certain demographic groups such as women, married couple, elderly people, and home workers are more liable to search for, and use, price information consciously.

Dickson and sawyer (1990) noted that consumer giving price estimate made mistake of such magnitude that the difference compared to the actual price was greater in the majority of the cases than the price spread of products within the same category. That is, consumer did not demonstrate poor price recall, the price they gave was lower (or higher) than the price of any product in the category.

Even when a product was being promoted, only 50% of the consumers remembered correctly, and could recall whether they had purchased a special priced product. This leads one to question the effectiveness of promotions. One implication is that, it may be in the shared interest of both retailers and manufacturers to spend more on in –store than on the (price) promotion. The tendency to overestimate the reduction in price suggests that, it is the special price status itself that is attraction for consumers. Thus there may well be a minimum rate of reduction that make consumers evaluate the offer as being a good bargain, that is a 'real' reduction. It is easily apparent that many special price tags only really offer a very small price reduction. In course of interviews conducted by Dickson and sawyer, consumer not frequently reported negative feelings with regards promotions that were simply 'bait'. Thus,

while clearly exists consumers who are promotion sensitive, and will buy anything that is labeled special-priced, there is another group, let us call them ‘promotion skeptics’ who do not look just at the special-price status but rather at the actual price (and other features) of the product when making purchase decisions.

### **2.1.1 Consumer Perception of Price**

Price is one of the marketing mix elements. The elements of marketing mix include price, promotion, product and place. Price can change very easily as compared to the other three elements. The marketer can decide to lower or raise a price more frequently.

According to Taylor and Wills (2000), psychology places a strong and large part in pricing a product. Consumers facing any risk in their purchasing decision feel safer with a price. The fact that a high price is an indicator of quality of a product is the consumer’s perception.

Kotler (2009), explain that many consumers use price as an indicator for quality. Image pricing is especially effective with ego (self) sensitive product such as perfumes and expensive cars. A study of the relationship between price and quality of car found that, the relationship to the operating in reciprocal manner.

According to the chartered institute of Marketing (1997), consumers perceive price to be related to quality and it has even been shown that consumer may evaluate different price stages. The institute mentions further that price acts as replacement indicator of quality. There is a positive quality perception; some products are therefore priced deliberately high to position them as ‘premium’ or ‘quality’ brands. Consumers may be suspicious of such products or brands.

People are made likely using price as an indicator of quality for relatively expensive product. According to Olson (1997) stated further that, as the price level increase, the risk of an incorrect assessment increase and consumer often become less familiar with the product of infrequently of purchase .

According to Rao and Monroe (1988), they argued that strong manipulations are likely to produce large effect thereby enhancing the chance of statically significant effect.

According to them, when buyers do assume a positive relationship between prices of a product against another prices, and the actual price is perceived as significantly different from the reference price, the prices option is likely to be perceived as being of higher quality. Their research revealed that the greater the ratio between the highest and lowest experimental price, the greater would be the price perceives quality association.

Attention to price is likely to be greater for higher prices packaged goods, durable goods and service than lower price product. Monetary price is not only sacrifice perceive by the consumers. Scitoasky (1995), who suggested that consumers or people may judge quality by price further pointed out that such behavior is not always the case. It simply reflects a believe that the forces of supply and demand would lead to a strong “Natural” orderly of products on a price scale leading to strong relationship between price and quality.

According to Ahtola (1984) the definition of price is similar against monetary price as a lower level attribute in multi-attribute models because price is a “give” component of the model, rather than a “get” component with conceptualization by other pricing research (Chapman 1986, Manzumdor1980).

According to Krishnan, et al (1991), market price is objectively and collectively determined by the equilibrium of market force; individual consumers may or may not agree with the fact that general and standard assessment of the market at any point in time, and for any specific product. Perceived price therefore becomes the consumer’s own judgment of the magnitude of specific and its worthiness in comparison to what would be gained.

Consumers perceive the price of a product from two perspectives, as a monetary cost in terms of the cedi amount paid, and as an opportunity cost measured by the forgone alternative in terms of what that cedi amount could buy. It is noteworthy to say here that consumers may not always be knowledgeable or keen in their comparison when they encode prices in a day to day basis. They just do it in ways that are meaningful to them (Zeithaml, 1983; Dickson& Sawyer, 1985).

### **2.1.2 Concept of Product Quality in Marketing**

According Kotler and Armstrong (2010), in market offering, a product is the key element that brings value to the customer. Products are more than just tangible objects but inclusive of service features, design, performance quality

brand name and packaging. A product's quality has a significant impact towards the product or service performance, thus it is linked to a customer's and satisfaction (Kotler and Armstrong 2010). It is also vital for marketer's product positioning tools. Consumers today are demanding high quality goods that save time, energy and often calories. The rank that consumers in united State placed for product quality are as follows; Reliability, Durability, Easy maintenance, Ease of use, A trusted brand name and Low price (McDaniel, Lamb and Hair, 2011).

Consumers are seeking reliable product that suit the purpose and able to stand the intended functions. With the increase of customer purchasing power supported by multiple and flexible financing scheme, customers find themselves surround with many options to choose. Changes in the competitive environment and increasing customers' expectation regarding product quality and customers satisfaction are driving manufacturers to place a greater amount of emphasis on understanding customer's attitude and behavior in order to maintain and grow market share and profitability.

Product quality is derived from the difference between actual products and the alternative products that could be made available or provided by the particular industry (Hardie and Walsh, 1994). It can also be determined by the way customers perceive quality in the market (Wankhade and Dabade. 2006).

Product quality is the most important factor for the selection of each mobile phone brand especially in the market environment where the level of competition is intense and price-competition (Shaharudin et al, 2010). However, it is difficult to meet the customers' expectation on quality since their understanding is varied and inconsistent. The differences of quality perspectives are pertinent in economic, technology, social and cultural achievements (Wankhade and Dabade, 2006). For a better perspective of a product quality, it is necessary to study on the quality perception and to understand on quality gaps between 'how things ought to be' and 'how things are' from a customer's point of view. This is because of the nature of quality perception itself which is a complex phenomenon involving social, cultural, economic and technical aspects (Wankhade and Dabade, 2006). The result can subsequently be used to benchmark the 'actual performance 'against the perceived requirement' so that the discrepancies or difference discovered can be channeled for immediate improvement. However, less attention is being placed for studies that link between the perceived product quality with other marketing variable such as product involvement, consumer satisfaction and purchase decisions (Tsiotsou, 2005).

Global competition that exists has made it essential for companies to focus on quality improvement. The Chartered Institute of Management Accountants Official Terminology notes that there is no universally accepted definition of quality, which may be assessed on a number of bases, such as conformance to specification, ability to satisfy wants, inclusion of attractive

Performance/aesthetic attributes, or offering value for money. Iwarere (2009) describes that "Quality management is considered as a competitive weapon. Generally, a high product quality attracts a high price. Product quality has considerable influence in the determination of the firm profit. The relationship is such that:

- An improved product quality results in increasing both production and product reliability.
- An increase in productivity lowers product cost while an increase in product reliability leads to the achievement of charging a higher price.

The outcome of both higher product price and low product cost leads to higher profit because of large difference established between the high price charged to the customers and the low cost incurred in bringing out the product". Even though quality is a relative term as perceived by different categories of consumers and operations manager, the operations' manager should base quality of production on the specifications that aim to meet the specific market segment which the firm is targeting. A poor quality product affects an organization's performance in many ways. Part of which include: loss of reputation, loss of revenue, loss of profit, rework costs, repair costs, warranty costs, and replacement costs (Iwarere 2010). Thus, the increasing importance attached to quality and cost internationally, coupled with the dynamic economic climates and increased global competitiveness, have more than ever, revitalized the urge in firms to put more efforts on issues relating to their customers satisfactions, if their major reason of existence (profitability) is to be achieved (MacDonald & Piggott, 1990). Therefore, business organizations, small or big, must realize that their continuous existence and survival should rest solely on satisfying and fulfilling the expectations of their customers. This was also confirmed by Akpeiyi (1996), who asserted that the pattern and depth of an organization's responses to quality pressures tends to determine its present and future state of affairs.

Business firm are interested in product quality due to its potential to expand market share, lower costs of production, improve productivity and ultimately increased profits. Garvin (1984) suggests that firms do not need to excel on all

dimensions of quality in order to be successful; pursuing a quality niche can lead to a better firm performance, especially if the dimension singled out is one that other firms have not targeted (Focker et al, 1996).

### 2.1.3 Consumer Perception of Quality

Quality of a product can be explained as the consumer's judgment about the superiority or the degree of excellence of a product. Perceived quality which may not exist because all quality is perceived by someone, be it consumer or manager.

With reference to several past studies on consumer perceptions and their automobile purchasing behavior (Haublet al1996), some studies claimed that the buyers of automobiles strive mainly for product characteristic attributes, such as functional, tangible, visible characteristic, or utilitarian needs.

Bauer and Harrman (1995) mentioned that the subjective perceptions are in a better position to determine the consumers purchasing choices as compared to the objective determinants themselves. The author even put an example that if consumers consider that basic features (product characteristics attributes, such as function) of the automobile are important for their needs, then such product characteristics attributed as maximum speed, horsepower, and gas consumption of a car become very important. As a result, it is assumed that product characteristic attributes, either functional or technical, are associated with consumers' evaluation of product quality.

According to Olshosky (1985), the concrete attribute that signal quality differ across product higher level abstract dimensions of quality can be generalized to categories of product. As the attribute become more abstract they become common to more alternatives.

Harris in his practical approaches to consumers found that, consumers want the product they purchase to be durable and functional until the consumer wants to replace them. The requirement of quality mandates that manufacturers and distributors produce products that live up to the consumer's expectation of durability. Research has identified key lower level attributes used by consumers to infer quality in only a few product categories. This lower may include price. (Olson 1997). Maynes (1976) claims that, quality evaluations are made within 'the set of goods which would in the consumer's judgment serve the same general purpose for some outlay maximization. On the basis of qualitative study consistent with Maynes contribution to the set of products used in comparing quality is evaluated as high or low depending on its relative excellence or superiority among products or services that are viewed as substitutes by the consumer.

According to Monore (1988), conceptually, it has been argued that the hypothesis of people using price as an indicator of quality is studied best by an idiosyncrasy approach that is repeated measure over several prices as the experimental situation created is analogous to real world situation of examining several different choices at different prices.

### 2.1.4 Dimension of Product Quality

There are many different definitions and dimensions of quality to be found in the book and academic literature. One of the most respected definitions of quality is developed by David Garvin of Harvard Business School (1984). Garvin (as cited in Waller and Ahire, 1996) has proposed the following eight contributors/dimensions.

- Performance: a product's primary operating characteristics.
- Feature: the additional features or the 'bell and whistles' of the product.
- Conformance: the extent to which a product's design and operating characteristics meet established standard.
- Reliability: the probability that a product will operate properly over a specific period of time under stated conditions of use.
- Durability: the amount of use the customer gets from the product before it deteriorates physically or until replacement is preferable.



- Serviceability: the speed, competence, and courtesy of repair.
- Aesthetics: how a product appeals to our five senses.
- Customer perceived quality: customers' perceptions of a product quality based on the reputation of the firm.

### **2.1.5 Consumer Decision Making**

According to Churchill and Patten (1994), the way a consumer decides whether and what to buy depends partly on the significance of the purchase. In general, consumers undertake a more formal and lengthy decision-making process when the following conditions exist;

- The product's price is high.
- The product has innovative features that are complex or new.
- There are many brands to choose from.

Thus, a consumer spends more time in buying a certain product, for example, an industrial product than a consumable product such as a mobile phone. This process includes five steps: need recognition, information search, purchase decision, evaluation of alternatives, and post-purchase evaluation.

According to Berkowitz et al (1997), a decision is a conscious choice from among two or more alternatives. All consumers make many of such decisions daily. The stage through which a buyer passes in making a choice among alternative products or services is known as the consumer decision-making process.

In the consumer decision-making process, post-purchase behavior is a very crucial stage. During this stage, a consumer's value consumption is important. In the post-purchase stage, the salesperson's role is important.

In fact, the more personal contact after the sale, the more the consumer thinks that the right purchase was made. Advertising and personal selling help to reduce the consumer's post-purchase anxiety. Sales promotion in the form of coupons can help to encourage. According to Courtland and Bevee (1995), they concluded that some buyer perceptions, learning, and decisions can be more easily understood by placing them in a purchasing model as they conclude.

Blechet et al (2000) observed that a purchase decision is not the same as an actual purchase. Once a consumer chooses which brand to buy, he or she must still implement the decision and make an actual purchase. As a consumer makes up his mind to purchase a product, an additional decision may be needed, such as when to buy, where to buy, and how much money to spend, and even the lapse between the formation of a purchase intention or decision and actual purchase. Maintaining a consumer's brand loyalty, as they say, is not easy. Competitors use many techniques to encourage consumers for non-durable convenience items. Sometimes they take place in the store almost simultaneously with the purchase. It has been observed that price and quality also influence the consumer decision-making process to purchase or select a product.

### **2.1.6 Relationship between Price and Quality in Purchasing Decision-Making of Consumers.**

Measurement (Court 1999, Griliches, 1997) maintains that price is the best measure of product quality. Olson (2000), in his research, has shown that consumers use price to mean quality when it is the only available cue. When price is combined with other cues, the evidence is less convincing. Consumers may evaluate quality at the point of consumption. At the point of purchase, consumers cannot always evaluate relevant essential attributes of a product.

## **3.0 Data Collection and Research Methodology**

The study use both primary data and secondary data. Questionnaires and personal interviews and price list of the selected mobile phones price was used. The study focused on the consumers of the selected mobile phones in Adum. The study use non probability sample method. This study is descriptive research which tries to describe how consumers are been influence by Price and Quality when buying mobile phone. The data analyze quantitatively by using frequency table, and illustrated further with bar chat and pie chart. Interviews and questionnaires were the main instrument used for collecting data in this study.

## 5. CONCLUSION AND RECOMMENDATION

### 5.1 Conclusion

Based on the findings, the following conclusion was drawn by the researcher; Price and quality has influence on the consumer buying decision. The fact remains that consumer consider both price and quality in their buying situation. The observation shows that customers feel reluctant to buy low quality and high price phone means quality and it shows that price cannot used as indicator of quality.

#### 5.1.1 Recommendations

Based on the findings and conclusion the researchers made the following recommendations:

- Mobile phone dealers ought to take into consideration the quality and price of their mobile phone in order to ensure customer satisfaction and loyalty to gain competitive advantage.
- Mobile phone dealers and distributors prices should be reasonable.
- Mobile phone dealers must understand the criteria that consumer used in selecting product and make it to reflect in their production of good so as to increase consumers satisfaction.
- Phone dealers should sell more of their products in the open market rather than in the shop because open market is the place of choice for most customers.

It is important to suggest that other factors influencing purchase decisions such as product value, company's image, advertisements etc should not be neglected, but should serve as accomplices in the maintenance of customer's loyalty and confidence in the industry.

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#### **4.0 Data Analysis Presentation and Interpretation**

Data was analyzed quantitatively and edited in order to check mistakes and consistencies. Data was first analyzed using frequency tables and illustrated further with bar chart, pie chart and percentages. Responses from the main study example (Gender, age, education etc.) were carefully noted. The outcome was sample and expressed as percentage of the total number of respondents in the sample who was interviewed. Statistical package for social science (SPSS) was used to tabulate the data and derived the frequency tables and charts for the interpretation and generalization of the responses. The data collected from the respondents in the area of Kumasi metropolis is concerned with the analysis and interpretation of relevant data of the responses, which are grouped and shown pie chart, frequency table and percentage. Each of these is followed by discussion and elaboration as pertaining to the table or chart and is well explain in a simple term for the understanding of any person who is going to read this work.

#### **4.1 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS**

##### **4.1.1 Gender of respondents**

Considering the gender of customers who purchase mobile phone in Kumasi metropolis. The table 1 below shows the data collected in respect of gender distribution of customer.

**Table 1: A frequency table showing the gender of respondents**

Characterist	X	Frequency (122	Percentage (%)	Mean	Std. Deviation	Variance
Gender				1.48	.518	.268
Male	1	66	54.1			
Female	2	56	45.9			

**Source: The researcher’s field survey (June 2012)**

From the table 1 it clearly shows that, out of the 122 customers sampled, 66(54.1%) constituted male and 56 (45.9%) female, indicating a high proportion of males in customers sampled. The information obtained above with regards to gender distribution indicates that, males purchase mobile phone than females. It can conclude that average male buying mobile than female (1.48)

#### 4.1.2 Age distribution of Respondents

The age distribution shows the ages of the respondents who response to our questionnaires and it indicates how age influence customers when purchasing mobile phone in the Kumasi metropolis.

**Table 2: A frequency table showing the age of respondents**

Age	X	Frequency (122)	Percentage (%)	Mean	Std deviation	variance
18 – 24 years	1	28	23.0	3.45	2.041	4.167
25 – 29 years	2	22	18.0			
30 – 34 years	3	18	14.8			
35 – 39 years	4	13	10.7			
40 – 44 years	5	14	11.5			
45 – 49 years	6	13	10.7			

50+ years	7	14	11.5			
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**Source: The researcher’s field survey (June 2012)**

Table 2 indicates that 28 of the respondents fall within the ages of 18-24 years, 22 respondents’ falls within 25-29 years, 18 respondents’ falls within 30-34 years, 13respondents’ falls within 35-39 years, 14 respondents’ falls within 40-44years, while 13 respondents’ falls within 45-49 years and 14 respondents’ falls above 50 years. Therefore, it indicates greater number of respondent falls within 18 to 24 years which represents 23% and fellow by 25 to 29 years which represent 18%. It is assumed that majority of the respondent fall within the working force since the youth are also part of the force. This will help manufacturer of mobile phone to know age category customer purchase mobile phone. And also the mean of the respondent age was 3.45 it shows also that average age of respondent is 3.45 and the mode of the age of respondent was between 18 and 24age. The standard deviation of their age was 4.167, variance was 4.167

**4.1.3 Educational level of Respondents**

It is also necessary to take role the educational background of customers to ensure a successful implementation or action by manufacturer. This will assist manufacturer of mobile phone to identify the type of products that consumer want. This because the needs and expectations of customer differ in relation to educational background. Data collected are summarized in the frequency table below.

**4.1.4 Employment status of Respondents**

This area is of importance which needs maximum concentration for dealers to determine and assess the kind of customers who actively purchase their mobile phone. Dealers of mobile phone need to know the occupational status of customer so as to determine the group of customer to be targeted.

**Table 5: A frequency table showing Employment Status of respondents**

Employment Status	X	Frequency (122)	Percentage (%)
Employed	1	72	59.0
Unemployed	2	50	41.0

**Source: The researcher’s field survey (June 2012)**

From table 5 above, 72 respondents representing 59.0% were employed, were unemployed and 50 of the respondents representing 41% were employed. The data derived from the above table shows that customer who have employed has ability to purchase mobile phone.

**4.1.6 Income level of Respondents**

This study also seeks to find out information concerning the income level of the respondents. To know how consumer makes decision to purchase, it is important to consider their income level whether it influence customer or not.

**Table 6: A frequency table showing the income level of respondents**

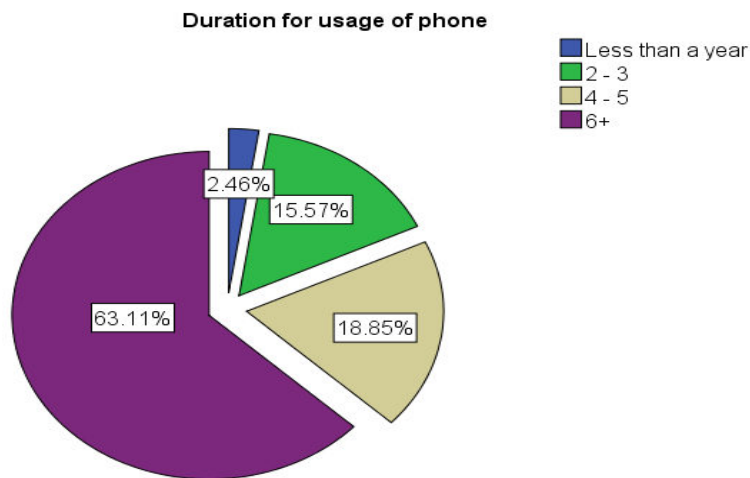
Income Level	X	Frequency (122)	Percentage (%)	Mean	Std deviation	variance
Below 100	1	23	18.9	3.88	1.973	3.894
100 – 200	2	21	17.2			
200 – 300	3	9	7.4			
300 – 400	4	14	11.5			
400 – 500	5	21	17.2			
500 and above	6	34	27.9			

**Source: The researcher’s field survey (June 2012)**

The data above shows that, twenty-three (23) of the respondents earns income below GHC100 which represents 18.9%, it shows that 21 of the respondents earns income between GHC100-200 which represents 17.2%, 9 out of 122 respondents earns income between GHC200-300 which represents 7.4%, 14 of the respondents earns income between GHC300-400 which represents 11.5%, 21 of the respondents earns income between GHC400-500 which represents 17.2%, while 34 of the respondents earns income above GHC500 which represents 27.9%. This means that management or manufacturers should know this information in order to set price policies or pricing strategies for their products as to whether increase the price or decrease the price. The average income of the respondent was 3.88 representing GHC280 and most occurring income was above GHC500.

#### **4.1.7 Period of usage of mobile phone**

Duration of the usage of mobile phone is very significant to this study and has influence on how consumer purchase their phone, this is because consumer experience gain on a particular product affect their buying decision making.

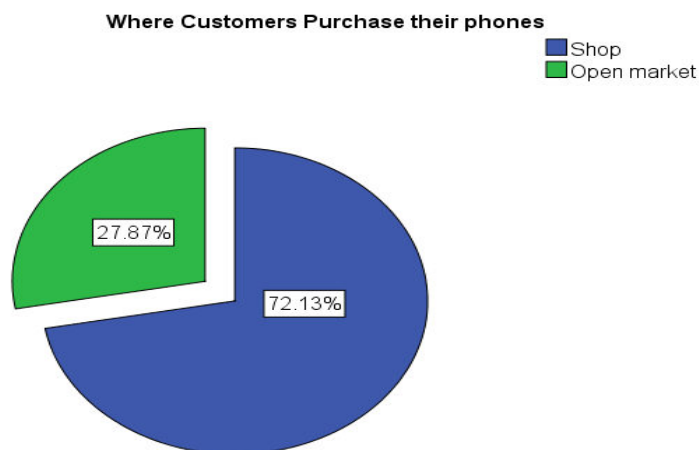


**Figure 1 Source: The researcher's field survey (June 2012)**

The chart shows that 2.4% of respondents have used mobile phone less than a year, 15.57% of respondents have used mobile phone for two to three years (2-3), 18.8% of respondents have also used mobile phone for four to five (4-5), and 63.11% of respondents have used mobile phone for above six year.

#### 4.1.8 Place of Buying Mobile Phone

The researcher collected data on the place where respondents normally purchase mobile phone from being the open market and shop. Data collected on these are summarized below.



**Figure2 Source: The researcher's field survey (June 2012)**

The data shows that 27.87% of respondents purchase from shop and 72.13% of respondents purchase from open market. This clearly shows that majority of customer purchase from open market.

#### 4.1.8 Consumer's Criteria in Selecting a Mobile Phone

Hundred and twenty two consumers asked whether there is a criteria used in selecting a mobile phone. Data collected was between prices, quality and price both qualities.

**Table 7: A table showing the utmost Consideration before Purchase of Phone**

criteria	N	Minimum	Maximum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Utmost Consideration before Purchase of Phone	122	1	3	2.27	.082	.909	.827
Valid N (listwise)	122						

From the above table

The sample mean  $\bar{x} = 2.27$ ,

The standard deviation = 0.909

Based on the table the average responds is around 2.27 and it indicates that customer compare both price and quality in their buying situation.

**Table 8: A frequency table showing utmost Consideration before Purchase of Phone**

Attribute	X	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Quality	1	38	31.1	31.1	31.1
Price	2	13	10.7	10.7	41.8
both price and quality	3	71	58.2	58.2	100.0
Total		122	100.0	100.0	

**Source: The researcher's field survey (June 2012)**

The table shows that thirty- eight (38) respondents used quality as criteria of selecting products which represent 31.1%. Thirteen (13) respondents used price as criteria of selecting a products which represent 10.7% and seventy-one (71) used both price and quality as criteria of selecting a products which represent 58.2% of consumer. It is clearly shows that majority used price and quality as criteria of selecting a products



#### 4.4 Price is the Most Important Factor in Buying Mobile Phone(s)

The study seeks to collect data that shows whether price is the most important factor to consider when buying a product (mobile phone)

**Table 9: A table showing Price as most importance factor in buying mobile phone (s)**

Criteria	N	Minimum	Maximum	Mean	Std. Deviation
Price is the most importance factor in buying mobile phone (s)	122	1	5	2.62	1.319
Valid N (listwise)	122				

From the above table

The sample mean  $\bar{x} = 2.62$

The standard deviation =  $\pm 1.319$

Based on the table the average responds is around 2.62 and it indicates that customer agree that price is most factor in buying mobile phone.

**Table 10: A frequency table showing Price is the most importance factor in buying phone**

Attribute	X	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	1	28	23.0	23.0	23.0
Agree	2	38	31.1	31.1	54.1
Neutral	3	23	18.9	18.9	73.0
Disagree	4	18	14.8	14.8	87.7
strongly disagree	5	15	12.3	12.3	100.0
Total		122	100.0	100.0	

**Figure 3 Source: The researcher's field survey (June 2012)**

The table shows that 28 of respondents which represent 23% strongly agree that price is the most important factor in purchasing of mobile phone, 38 of respondents which represent 31.1% agree consumer consider price when buying mobile phone, 23 of respondents which represent 18.9% neutral agree that price is the most important factor in purchasing of mobile phone, 18 of respondents which represent 14.8% disagree that price is the most important factor in purchasing of mobile phone and 15 of respondents which represent 12.30% strongly disagree that price is the most important factor in purchasing of mobile phone.

#### 4.1.2 Quality is The Most Important Factor in Buying Mobile phone(s)

The study seeks to collect data that shows whether quality is the most important factor to consider when buying a product (mobile phone).

**Table 11 Quality is the most important factor in buying mobile phone (s)**

Criteria	N	Minimum	Maximum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Stati stic	Std. Error	Statistic	Statistic
Quality is the most important factor in buying mobile phone (s)	122	1	5	1.47	.076	.845	.714
Valid N (listwise)	122						

From the above table

The sample mean  $\bar{x} = 1.47$

The standard deviation = 0.845

Based on the table the average responds is around 1.47 and it indicates that customer agree that quality is most factor in buying mobile phone.

**Table 12: A frequency table showing quality is the most importance factor in buying phone**

Attribute	X	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	1	84	68.9	68.9	68.9
agree	2	27	22.1	22.1	91.0
neutral	3	4	3.3	3.3	94.3
disagree	4	6	4.9	4.9	99.2
strongly disgrace	5	1	.8	.8	100.0
Total		122	100.0	100.0	

**Figure 4 Source: The researcher's field survey (June 2012)**

The table shows that 84 of respondents which represent 68.9% strongly agree that quality is the most important factor in purchasing of mobile phone, 27 of respondents which represent 22.1% agree consumer consider quality when buying mobile phone, 4 of respondents which represent 3.3% neutral agree that quality is the most important factor in purchasing of mobile phone, 6 of respondents which represent 4.9% disagree that quality is the most important factor in purchasing of mobile phone and 1 of the respondents which represent 0.8% strongly disagree that quality is the most important factor in purchasing of mobile phone. Therefore it can be concluded that quality is most important factor in consumer decision making.

#### 4.2.1 Consumer Reaction towards Price

The researcher collected data on how customer feels reluctant to purchase a high price phone; the data obtained from the respondents are summarized

**Table 13: A table showing how Customer feels reluctant to buy high price phone**

	N	Minimum	Maximum	Mean		Std. Deviation	Variance
Criteria	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Customer feels reluctant to buy high price phone	122	1	5	2.43	.107	1.185	1.405
Valid N (listwise)	122						

From the above table

The sample mean  $\bar{x} = 2.43$

The standard deviation =  $\pm 1.185$

Based on the table the average responds is around 2.43 and it indicates that customer agree that they feels reluctant to buy high price phone.

**Table 14: A frequency table showing Customer feels reluctant to buy high price phone**

Attribute	X	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	1	25	20.5	20.5	20.5
agree	2	53	43.4	43.4	63.9
neutral	3	21	17.2	17.2	81.1
disagree	4	12	9.8	9.8	91.0
strongly disagree		11	9.0	9.0	100.0
Total		122	100.0	100.0	

The frequency table show that twenty- five (25) of respondent are strongly agree, fifty-three(53) of respondents are agree, twenty-one(21) of respondent also neutrally agree, twelve(12) and eleven( 11) respondents disagree and strongly disagree respectively that customer feels reluctant to high price mobile phone.

#### 4.7 Price as an Indicator of Quality

The researcher seeks to identify that whether price is an indicator of quality base on the customer perception, the data obtained from the respondents are summarized below;

**Table 15: Correlations analysis**

Criteria		Price is the most importance factor in buying mobile phone (s)	Quality is the most important factor in buying mobile phone (s)
Spearman's rho	Price is the most importance factor in buying mobile phone (s)	1.000	-.082
	Correlation Coefficient	.	.185
	Sig. (1-tailed)	122	122
	N		
	Quality is the most important factor in buying mobile phone (s)	-.082	1.000
	Correlation Coefficient	.185	.
	Sig. (1-tailed)	122	122
	N		

**Figure 5 Source: The researcher's field survey (June2012)**

The coefficient of the above correlation analysis which is -0.82 shows that there are strong negative correlations between price and quality. We can conclude that there is weak evidence that price cannot be use as indicator of quality.

#### 4.2.2 Factors used to Assess Quality of Mobile Phone

Data were collected on what customer used to assess quality of mobile phone

**Table16: A frequency table showing factors customer used to assess quality mobile phone**

Criteria	X	Frequency	Percent
Durability	1	45	36.9
Functionality	2	16	13.1
Reasonable price	3	18	14.8
Performance	4	43	35.2
Total		122	100.0

**Source: The researcher's field survey (June 2012)**

The table shows that 45 of respondents which represent 36.9% assess quality of phone by durability, 16 of respondents which represent 13.1% also assess quality phone by using functionality buying, 18 of respondents which represent 14.8% assess quality of phone by using reasonable price of mobile, while 43 of respondents which represent 35.2% assess quality by using performance of the phone.

#### 4.2.3 Customer Reaction towards Low Quality Phones

The researcher collected data on how customer feels reluctant to purchase a low quality phone; the data obtained from the respondents are summarized below;

**Table 17: The frequency table shows how Customer feels reluctant to buy low quality phone**

Attribute		X	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	1	34	27.9	27.9	27.9
	Agree	2	28	23.0	23.0	50.8
	Neutral	3	9	7.4	7.4	58.2
	Disagree	4	21	17.2	17.2	75.4
	Strongly disagree	5	30	24.6	24.6	100.0
	Total		122	100.0	100.0	

**Source: The researcher's field survey (June 2012)**

From the table, 27.9% of respondents of the total respondent strongly agree that customer feels reluctant to buy low quality phone, 23% of respondents are agree that customer do not want to buy a low quality mobile phone, 7.4% of respondents neutral agree that customer feels reluctant to buy low quality of mobile phone, 17.21% of

respondents disagree that customer feels reluctant to purchased low quality mobile phone and 24.6% of respondents strongly disagree that customer feel reluctant to buy low quality phone.

**Table 18: A table showing how Customer feels reluctant to buy high price phone**

Criteria	N	Minimum	Maximum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Customer feels reluctant to buy low quality phones	122	1	5	2.90	.141	1.561	2.437
Valid N (listwise)	122						

**Source: The researcher’s field survey (June 2012)**

The sample mean  $\bar{x} = 2.90$

The standard deviation = 1.561

Based on the table the average responds is around 2.90 and it indicates that customer agree that they feels reluctant to buy low price phone.



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