Chapter 81
Factors Influencing Dependency on Smartphone and the Impact on Purchase Behaviour:
An Empirical Research

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ABSTRACT

The purpose of this study is to investigate the relationships among social needs, social influence, convenience, product features, brand name, dependency on smartphone, and purchase behaviour. A sample of 259 university students is used to test the hypotheses by using structural equation modeling. The results indicate that social needs, social influence, convenience and brand name positively affect dependency on smartphones, and dependency positively affects purchase behaviour. This research implies smartphone manufacturers to employ different marketing strategies and marketing mix to attract young consumers in Indian market. This study contributes to the body of smartphone literature by extending the context of the study to a developing nation where smartphone has penetrated profoundly in recent years.

INTRODUCTION

Smartphone adoption is flourishing in consumer markets all over the world in recent years (Andreev, Pliskin and Rafaeli, 2012). In business market, smartphone era has begun with the name called 'IBM Simon' in 1993. IBM Simon has features like Internet and Camera (Niccolai and Gohring, 2010). Subsequently, in consumer market, smartphone era has commenced with Apple incorporation's iPhone. Apple iphone has extra facilities like social website integration, audio/video and the like with a view of fulfilling customer needs (Costello, 2012; Prigg, 2012). Currently, smartphone as a product has developed to encompass many add-ons such as enhanced display technology, increase in camera quality,

powerful-long lasting batteries and much more. As a result, many popular mobile operating systems are planning to bring stirring features to this platform (Querashi, 2012).

Smartphone provides integrated services for communication; voice notes; messaging; personal information management applications; and wireless communication capability (Zheng and Ni, 2006). It is equipped with vast multi-tasking abilities and built-in apps beyond traditional functionalities like making phone calls and sending text messages (Nishiyama and Mizoguchi, 2014). The increased functionality in smartphone leads to an increase in demand (Park and Chen, 2007). Due to its ubiquitous nature and social acceptance, smartphone has penetrated across the globe and has attracted all categories of users (Jacob and Isaac, 2008).

Specifically, in India, smartphones have become the prime choice for about 900 million users (Singh, 2013). Being a gadget commanding luxury and superiority, smartphone has become a sophisticated phenomenon in the Indian mobile phone market (Malviya et al., 2013). India will become the second largest market for smartphones in early 2017. Indian consumers hold more than 50 per cent of the market share in smartphone purchase. The main factor behind this growth rate is due to increased 3G/4G usage and adoption (Malhotra, 2014; Velmurugan and Velmurugan, 2014).

In India, there are 150 million youths. Smartphone adoption is very high among these young consumers (Rohm, 2012; Halaweh and Al Qaisi, 2016, Wang et al., 2016). Among youths, students use smartphone heavily to interact with their friends, instant message to their parents and share information among their batch mates (Singh, 2012). On the other side, in India, smartphone market has stringent competition as every new brand is coming out with unique features such as discounted pricing, enhanced battery quality, and more random access memory (RAM). Hence, it is significant to understand which factors influence students in buying smartphones (Robinson et al., 2013). This would highly benefit smartphone manufacturers to employ different marketing strategies and marketing mix to attract young consumers in Indian market.

Review of literature reveals that variables like social needs, convenience, brand name, price, product features, and social influence play a vital role in affecting dependency on smartphones. In particular, social influence and brand name affect student's dependency on smartphones (Suki, 2013). Numerous studies have empirically examined the relationships between influencing factors such as social needs, social influence, convenience, and brand name, dependency on smartphones, and purchase behaviour. However, very few authors have examined the relationship among all the variables. It is necessary to fill this research gap as cultural differences affect customer's intention to purchase a product (Walsh, Nurkka and Walsh, 2010). Therefore, the objective of this paper is to examine the relationships between all variables. Specifically, this paper aims to test the relationships between social needs, convenience, brand name, product features, social influence, dependency on smartphones, and purchase behaviour.

We divide the rest of the paper as follows. Firstly, we review literature on smartphone and develop hypotheses. Secondly, we present research methodology and analysis. In the final section, we provide discussion, implications and future research directions.

REVIEW OF LITERATURE

People use smartphones to communicate while relaxing and travelling (Genova, 2010). Nevertheless, at present, customers use smartphones as they have a strong propensity for continuous usage (Tian et al., 2009; Zhang and Mao, 2012). Specifically, students depend on smartphones to check emails, social

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