

A STUDY ON CUSTOMER SATISFACTION WITH SAMSUNG MOBILE PHONES WITH SPECIAL REFERENCE TO INDORE CITY

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ABSTRACT

Recent years have seen an explosion in Mobile Brands and their innovations in terms of features, performance, aesthetics and price Mobile companies are springing up to offer their best. The number of mobile subscribers in India has grown rapid in last four years expected to show rapid growth over next two years. Samsung India is a known electronic brand across the globe. After selling the maximum units in 2011 it has been the largest manufacturer in the world. Samsung India Phones has been named as the world's largest vendor of Smartphones in the year 2011. These phones come in all ranges and provide good services. One can get mobiles from lowest range to the highest ones. Samsung has pretty much single-handedly grown Android by an immense amount over the last couple of years, though now scenario is changing. There are some exclusive pieces that are real masterpieces by the Samsung phones. Many of the Samsung cell phones bring the world of communication to one's feet. Owning a Samsung phone has become a sign of pride in today's competitive world. They have captured the entire market in a very less time. It has not only captured the market but made a special place in the hearts of many as it features are exclusive and out of the world. Thus other mobile brands also could not afford to ignore this huge and potential total addressable market and giving tough competition to Samsung. The present paper is an attempt to study the consumer satisfaction with Samsung mobile phones in Indore city based on primary data.

KEYWORDS: Mobile Phones, Customer Satisfaction

INTRODUCTION

Samsung Electronics Co., Ltd. is a global leader in semi-conductor, telecommunication, digital media and digital convergence technologies with 2011 consolidated sales of US\$143.1 billion. Employing approximately 222,000 people in 205 offices across 71 countries, the company operates two separate organizations to coordinate its nine independent business units: Digital Media & Communications, comprising Visual Display, Mobile Communications, Tele-communication Systems, Digital Appliances, IT Solutions, and Digital Imaging; and Device Solutions, consisting of Memory, System LSI and LCD. Recognized for its industry-leading performance across a range of economic, environmental and social criteria, Samsung Electronics was named the world's most sustainable technology company in the 2011 Dow Jones Sustainability Index.

Mobile Phone Business

In particular, one should focus his/her attention on the company's emerging mobile phone business, which has achieved some of the most outstanding gains of any of Samsung's business lines. The objective of this study is to gain helpful insights into how a late-comer to an industry can overcome certain disadvantages and successfully position itself as a widely respected and successful brand. Hardly anyone would deny the claim that Samsung mobile has achieved notable

success in the global market. As such, it could be worthwhile to take a closer look to find out which factors have contributed most to its success. The survey attributed Samsung's rise in Indian market to its rich product portfolio catering to customers of all budget categories.

"Samsung handset prices range from Rs. 1,500 to Rs. 55,000 and come in varied screen sizes. These two factors helped the company grab customer's attention, besides the product quality and new features," Cutting edge technologies like 3G Wireless, Broadband, Intelligent Appliances for Home Networking, Multimedia, Networking mobile operating system have been some of the focus areas for the company. During this period of about 7 years, the organization has grown in strength in terms of numbers as well as in terms of the expertise that it possesses in certain key technology domains.

One of the success factors of Samsung mobile phones is their innovative designs and functionality. The company developed unique but user-friendly designs that were closely integrated with innovative product concepts, allowing it to launch many *first-in-the-world* mobile phones. Samsung has pretty much single-handedly grown Android by an immense amount over the last couple of years. Before the Galaxy S2 and Note line came along, Samsung was just like any other OEM, carrying on much like Motorola and LG, with Apple way out in front in terms of global market share. There was simply nothing to compete against the giant. Jump to Q3 of 2013, and Samsung has shipped 130.1 million devices in a single quarter, beating out phone manufacturers like Apple, Nokia, and LG combined.

Rationale of the Study

The study will help to know the awareness among customers about various models of Samsung, which other mobile brands they have used. Factors that influence the customer to purchase the mobile phone and it will also help to know the necessary change in product features and customer feeling about the Samsung smart phones. From this study, the performance and problems of the customer can be analyzed. The study will be useful for the company to make necessary changes in price, designs, apps, etc.

OBJECTIVES OF THE STUDY

- To study the major competitors & market share of the Samsung smart phones.
- To know the awareness level towards Samsung smart phones in terms of features, applications and services etc.
- To study the factors considered while buying the Samsung smart phones.
- To know the satisfaction level of customers' towards Samsung smart phones.

Market Share of Various Brands

With 6% of the overall smartphone market, Phablets (which IDC defines as smart phones with a screen size of 5.5 inches - 6.99 inches) are observed to be hitting a plateau. Smartphones with screen sizes between 4.5 inches and 5.5 inches are seen as the sweet spot for consumer preference. However, consumers need larger screen sizes to enjoy media content and with the 4G rollout expected in CY2015, hence Phablets segment is expected to pick up again.

In 2010, HTC was the world's biggest maker of smartphones that used Google's Android operating system. Now it has joined two other former titans, Nokia and BlackBerry, in a desperate search for profit and growth. Samsung and Apple's seemingly unassailable lead over their rivals. According to a recently released report from *Strategy Analytics*, Samsung captured 29% of the globe's phone market, with a 7% jump in shipments over last year's Q3. Somewhat

surprisingly, Nokia captured second place with 15.5%, while Apple came in at 8% and LG with 4.4% of the global market. Huawei came in 5th, and unfortunately, HTC was placed in the “other” category.

As Nokia [ADR] has launched the new smart phones of Lumia series – majority of which running on Windows Phone 8 OS – the troubled handset maker is betting big time over its aggressive advertisement approach. In spite of all such efforts, sales results are failing to reach market expectations and the Finnish handset maker is finding itself in rough-surface to regain its lost glory. It’s been more than 2 years for Nokia’s much hyped marriage with Microsoft. At the time industry analysts were divided over move as many believed that could overshadow Nokia’s left over changes to bounce-back. Later, with the decision to ‘kill’ Symbian Nokia got itself cordoned off by Microsoft and left on the mercy of the success of Windows Phone 8 OS.

Nokia’s Aggravated Marketing Proving Fatal

In November last year, Nokia introduced Lumia series powered by Windows Phone 8. Every smartphone from the series holds different hardware configuration, though, the OS remains same. Unfortunately, Nokia hasn’t got much say from OS prospective, resulting in acting more or less like a hardware maker of a phone unlike Samsung-Android which goes hand-on-hand in terms of customization flexibility for each smartphone.

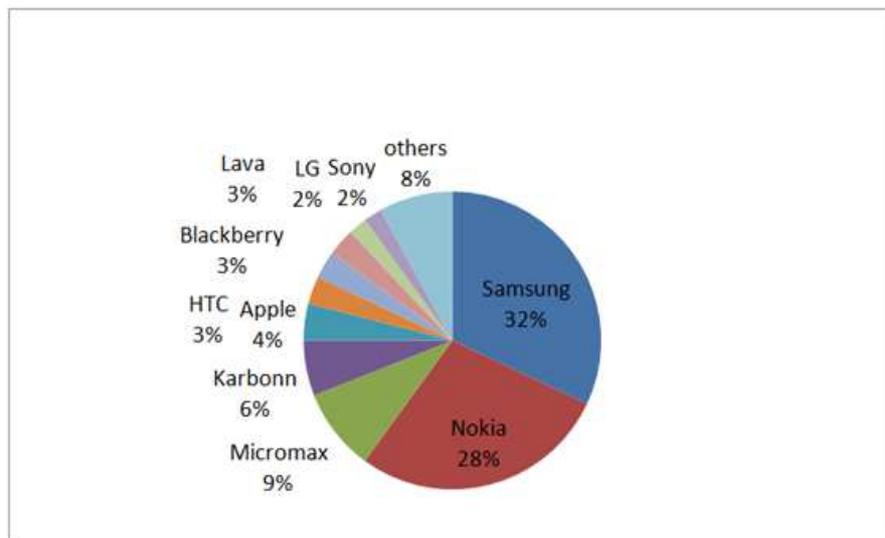
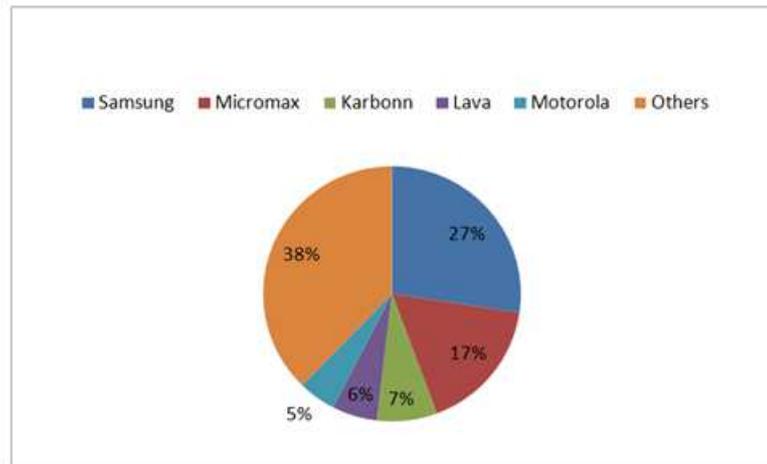


Figure 1: Market Share of Mobile Phone in India

At the same time this fact cannot be denied that Micromax surpassed Samsung Electronics Co. to become the top mobile phone supplier in India in the second quarter of 2014, capturing 17% of the market, up from 13% in Q1, according to a report by Counterpoint research. Micromax also overtook Nokia Corp. in the quarter to become the leading feature phone supplier and closed in on Samsung to become the second largest smartphone vendor.



Source: IDC Asia Pacific Quarterly Mobile Phone Tracker

Figure 2: Overall Phone-Market Share-4Q13

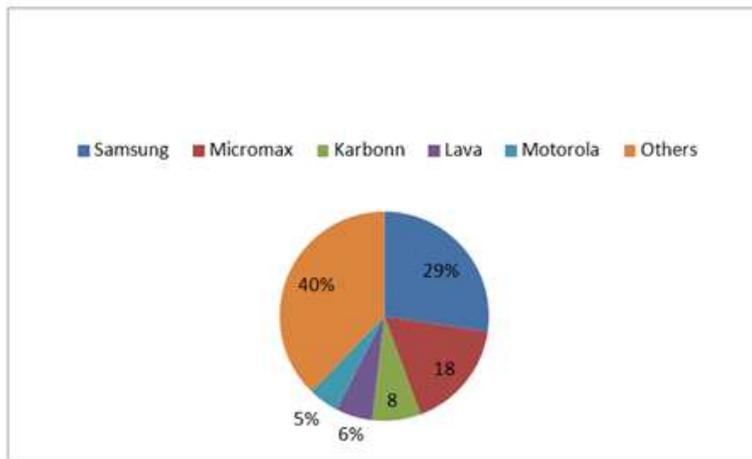


Figure 3: Smartphone Vendor Share in India Q214

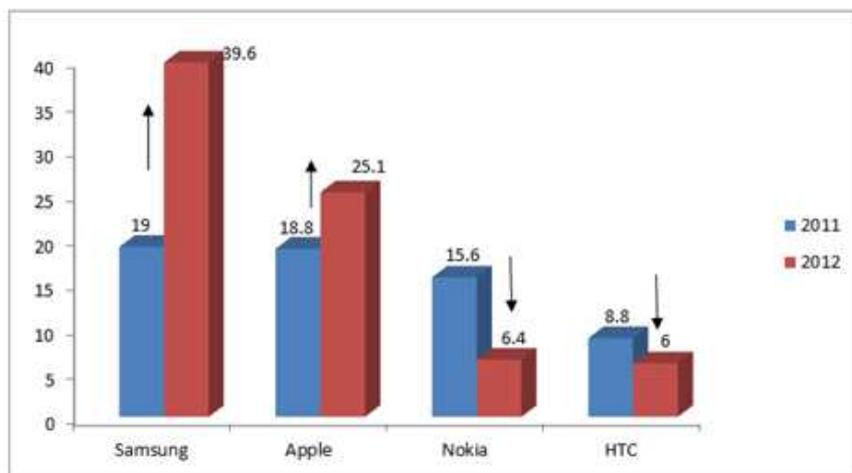


Figure 4: Smartphone Vendors Market Share for the year 2011 & 2012

Buoyed by high demand for smart phones, the mobile handset market in India is estimated to have grown by

14.7% in 2012-13 to touch Rs. 35,946 crore, according to a Voice Data Survey. The market grew from Rs. 31,330 crore in FY'12 with Korean electronics maker Samsung dethroning Nokia from the top position this year, the survey said.

The 18th annual survey 'V&D 100' covered over 30 mobile handset companies doing business in India across categories like feature phones, multimedia phones, enterprise phones and smart phones. The survey attributed Samsung's rise in Indian market to its rich product portfolio catering to customers of all budget categories. "Samsung handset prices range from Rs. 1,500 to Rs. 50,000 and come in varied screen sizes. These two factors helped the company grab customer's attention, besides the product quality and new features," it added. The survey said Samsung ended the year with revenues of Rs. 11,328 crore in 2012-13 as compared to Rs. 7,891 crore in FY'12, a growth of 43.6%. It also became the market leader with 31.5% market share.

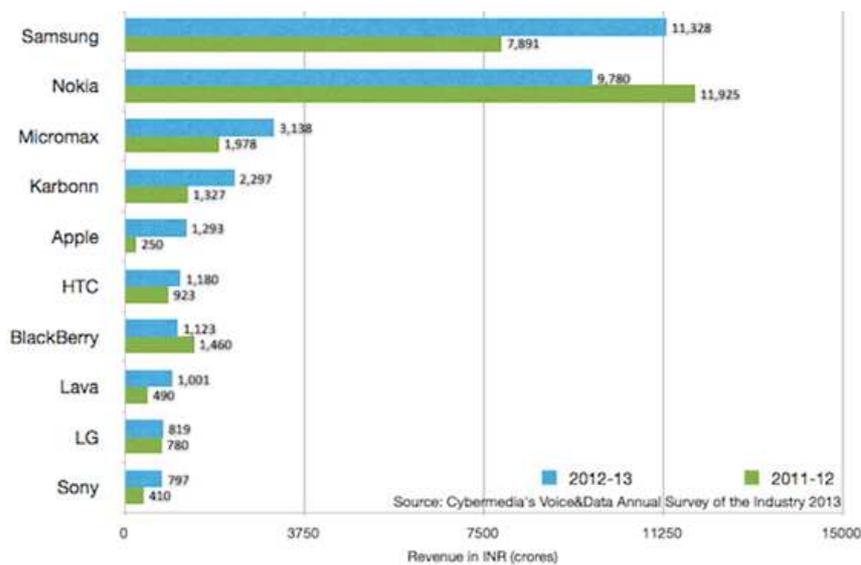
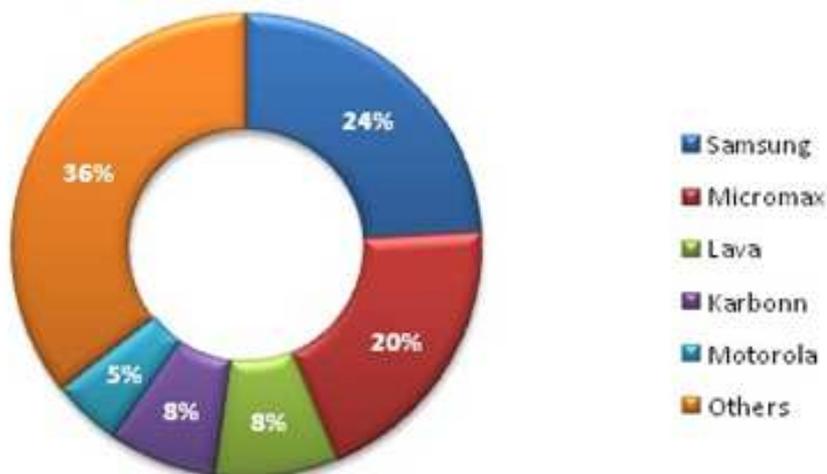


Figure 5: India Revenue



Source: IDC Asia Pacific Quarterly Mobile Phone Tracker, Q3 2014

Figure 6: Smartphone Vendor Share in India Q3 2014

The Q3 2014, results revealed the second consecutive quarter of more than 80% year-on-year shipment growth for smart phones, reflecting robust end-user demand for the category in the devices market in India. The share of smart phones in the overall mobile phone market stood at 32% in Q3 2014, which is a considerable increase over 19% in the same period a year ago.

RESEARCH METHODOLOGY

- **Research Type:** Exploratory research
- **Sampling Unit:** College students and youth in the age group of 18-28 at Indore (M.P.) region
- **Sampling Technique:** Non probability Convenience Sampling method was used
- **Sample Location:** Indore City
- **Period of the study:** 2011-2013
- **Sample Size:** 70

DATA ANALYSIS AND INTERPRETATION

After gathering necessary data, they were analyzed with the help of charts in Excel

Personal Profile of Respondents

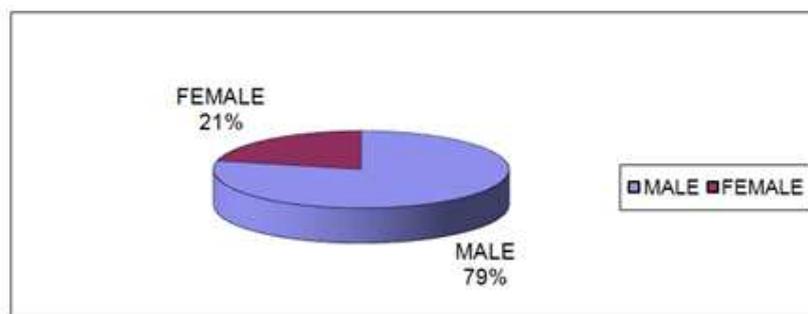


Figure 7: Gender

Out of 70 respondents, 79% of the respondents were male and 21% were female.

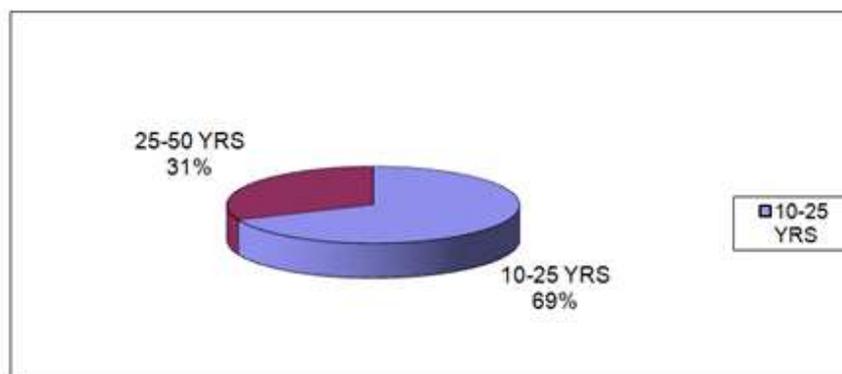


Figure 8: Age

Out of 70 respondents 69 % of the respondents were of 10-25yrs. of age and 31% were in the category of 25-50yrs.

Respondents' Feedback for Samsung

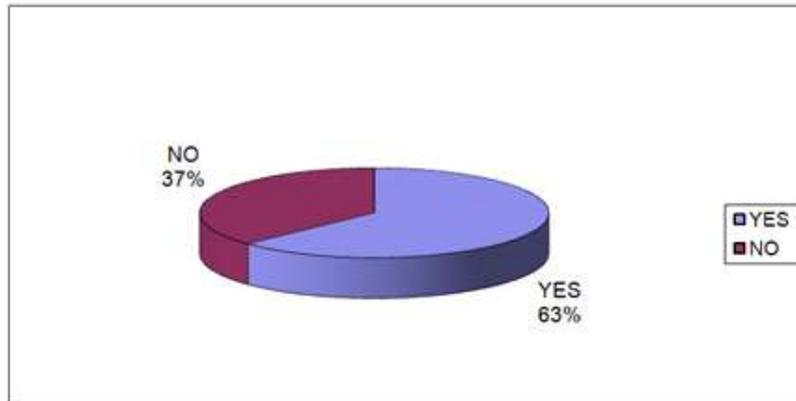


Figure 9: Q.1 Are you using Samsung Mobile Phone?

Out of 70 respondents 63% of respondents were using Samsung mobile phones and 37% were not using Samsung mobile phones.

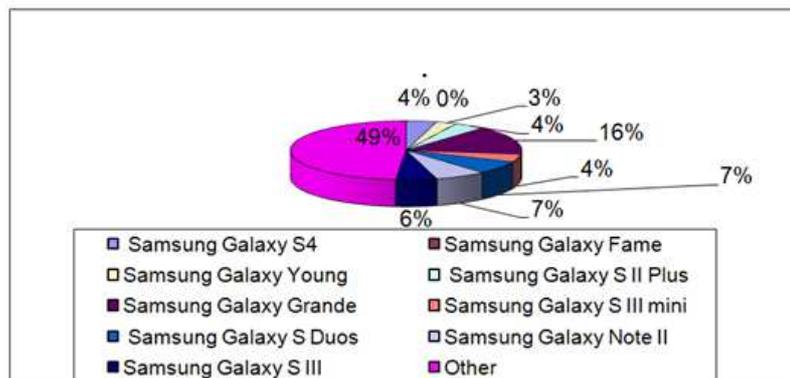


Figure 10: Q.2 Please Select the Model of your Samsung Mobile Phone

Out of 70 respondents, 4% were using Samsung Galaxy S 4, 3% were using Samsung Galaxy Fame, 0% were using Samsung Galaxy Young, 4% were using Samsung Galaxy SII plus, 16% were using Samsung Galaxy Grande, 4% were using Samsung Galaxy S III Mini, 7% were using Samsung Galaxy S Duos, 7% were using Samsung Galaxy Note II, 6% were using Samsung Galaxy SIII, and 49% respondents were using other.

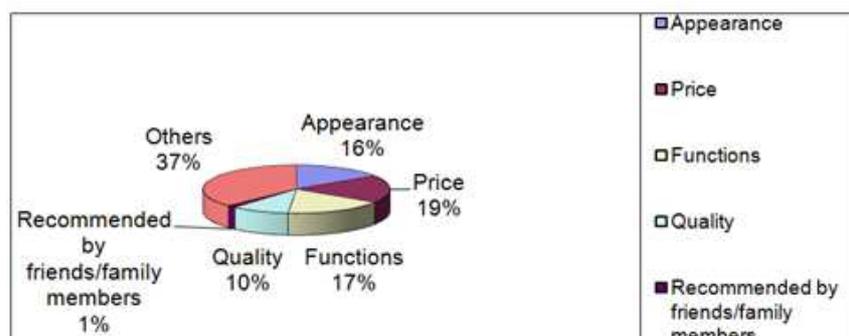


Figure 11: Q.3 what are the reasons for using above Mentioned Model?

Out of 70 respondents 16% of the respondents were of the opinion that appearance made them to purchase that model, 19% of respondents purchased particular Samsung model looking towards price, 17% purchased Samsung because of its functionality, 10% purchased Samsung because of quality, 1% preferred Samsung because their family recommended.

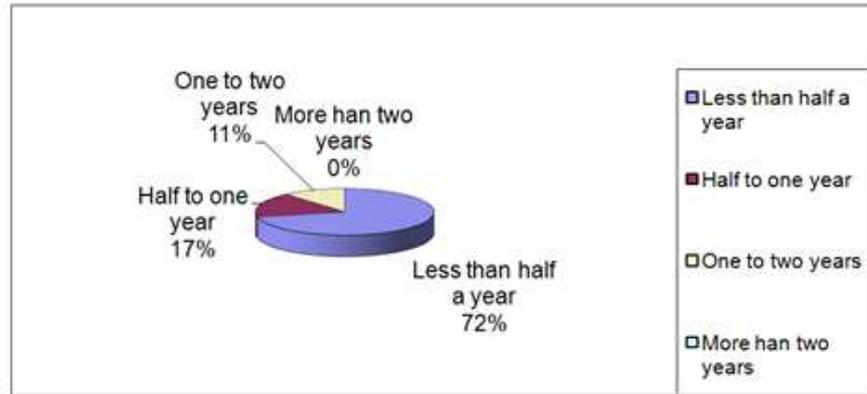


Figure 12: Q.4 How long you have been using it?

Out of 70 respondents 72% of respondents were using less than 6 months, 17% were using for 6-12 months, 11% of respondents were using Samsung for 1-2 years and not a single respondent was found using it for more than two years.

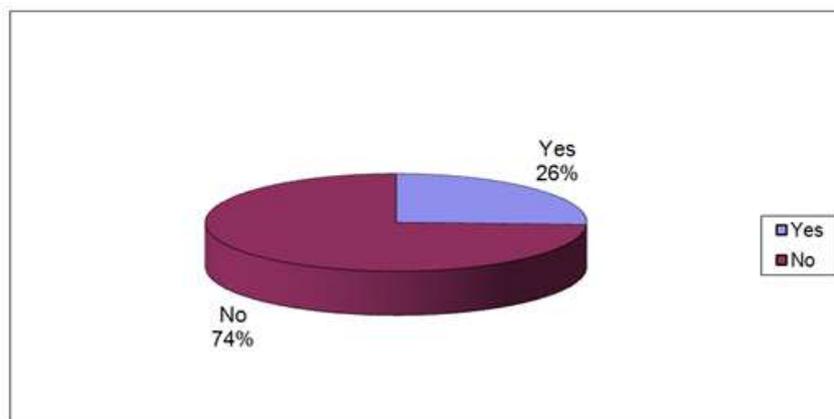


Figure 13: Q.5 Did you use other Samsung mobile phone model before?

Out of 70 respondents 74% of respondents did not use other Samsung Mobile Phones model what they are using at present, but 26% used other Samsung Mobile Phone model as well.

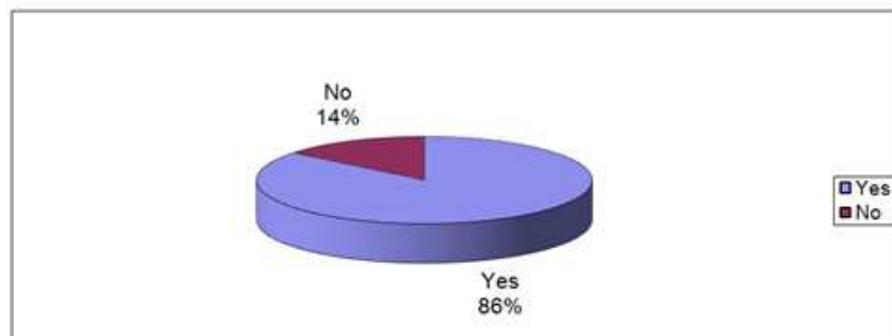


Figure 14: Q.6 did you use any other Mobile Phone Brand before?

Out of 70 respondents 86% of respondents did use other Mobile Phone brand but 14% used only Samsung Mobile Phone.

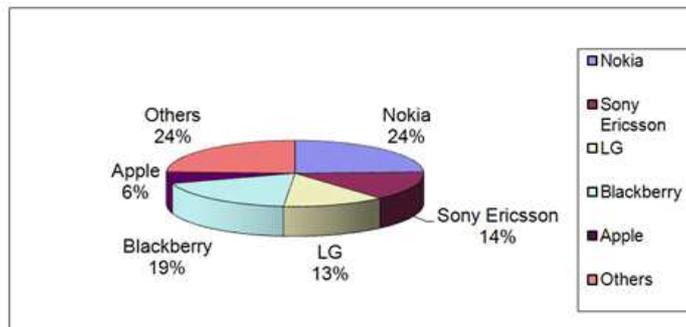


Figure 15: Q.7 which other Brand did you use?

When respondents were asked which other mobile phone brand they were using, out of 70 respondents 24% of respondents were using Nokia, 14% were using Sony Ericsson, 13% were using LG, 19% were using blackberry, 6% were using Apple and 24% were using other brand.

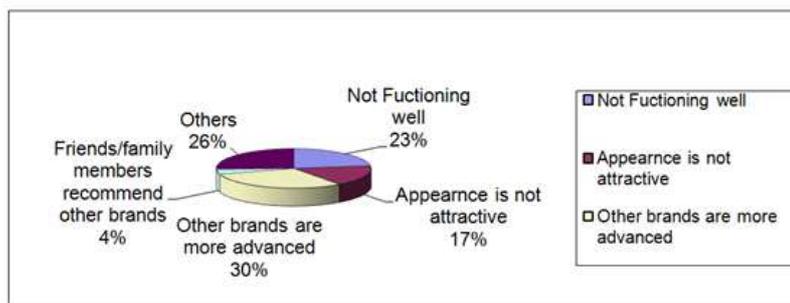


Figure 16: Q.8 what made you give up the previous brand?

Out of 70 respondents 23% of respondents switched to Samsung because their previous mobile brand was not functioning well, 17% switched to Samsung because of appearance, 30% switched to Samsung because they found it more advanced, 4% switched to Samsung because friends/family members recommended and 26% had other reasons than this.

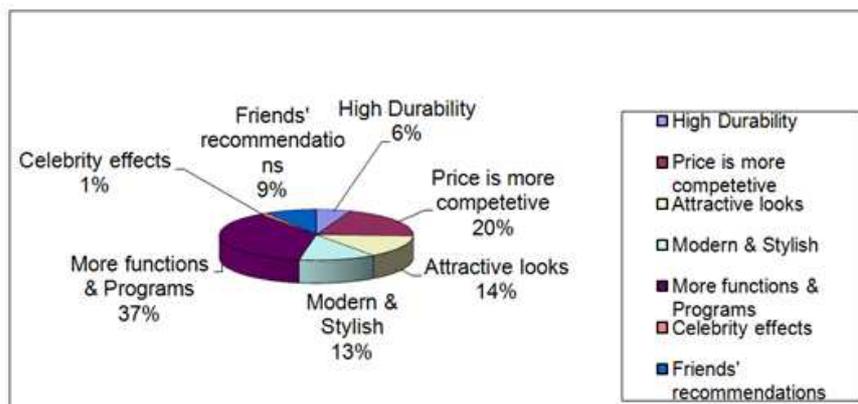


Figure 17: Q.9 which the following Reasons will make you Choose Samsung Mobile Phone again?

Out of 70 respondents 6% of the respondents will again go for Samsung because of high durability, 20% would like to purchase it again for price competitiveness, 14% of respondents would like to have this brand again because of its aesthetics, 13% respondents find it stylish and modern, 37% find it more functional, 9% would like to go for it again because of friends' recommendation and 1% would like to go for it because of celebrity effect.

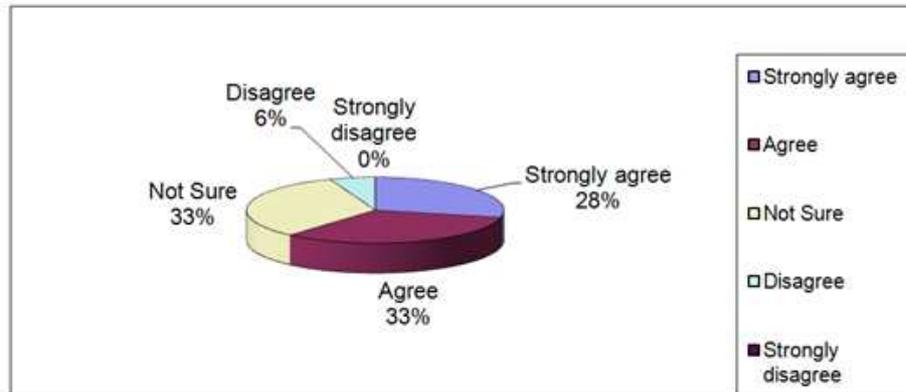


Figure 18: Q.10 Samsung has done Improvements over the Past Years

When respondents were asked their opinion about the improvements Samsung has done in Mobile Phones, out of 70 respondents 28% strongly agreed to it, 33% agreed to it, 33% were not sure, 6% disagreed to it, and 0% strongly disagreed.

CONCLUSIONS

While the mobile phone market in India grew only a modest 2% over the last year, the smartphone segment grew 68%. The Samsung soon captured this opportunity and built a strong base in high-volume India smartphone market, entering the top rankings surpassing Nokia, Apple, Sony, Blackberry, HTC and others. Samsung Android smartphones have a huge share as Samsung sells more Android phones than many other Android OEMs combined," as the base of Android users has grown as mushrooms.. By utilizing its global qualities and substantial market knowledge, Samsung has developed three distinct marketing strategies to launch three equally high-tech, but different, products. Through successful, diverse approaches to individual markets it has maintained its corporate philosophy, to devote its human resources and technology to the development of a global society through ever better products and services.

From the study it was found that most of the respondents used other brand then Samsung before, 23% of respondents switched to Samsung because their previous mobile brand was not functioning well, 37% were satisfied with its functioning and many agreed that because of price and durability they are using Samsung, 6% of the respondents will again go for Samsung because of high durability, 20% would like to purchase it again for price competitiveness, 14% of respondents would like to have this brand again because of its aesthetics, 13% respondents find it stylish and modern, 37% find it more functional, 9% would like to go for it again because of friends' recommendation and 1% would like to go for it because of celebrity effect.

SUGGESTIONS

Innovation is crucial to every business and looking towards fast changing customer expectation specially for mobile phones, it becomes must for the mobile Industry. Though Samsung responds to the highly uncertain business

environment and the increasingly competitive marketplace through their commitment to R&D and. As new technologies are being constantly introduced to the market, speed is essential to remain competitive in today's digital era, but new markets have to be pioneered continuously. Through the interplay of creative, imaginative people, a global R&D network, an organisation that encourages collaboration and cooperation among business partners all along the supply chain, and a strong commitment to ongoing investment, Samsung has to put more R&D at the heart of everything. The company should continue to work on the Strategy of T.Q.M (Total Quality Management). Consumers do not get satisfied with the promotional policies of the companies. New techniques of promotion is required to create awareness about the entire range of company's products.

On the smartphone side of things, the following is a list of some of the alternative design options Apple felt Samsung should have looked into further:

- Front surface that isn't black.
- Overall shape that isn't rectangular, or doesn't have rounded corners.
- Display screens that aren't centered on the front face and have substantial lateral borders.
- Non-horizontal speaker slots.
- Front surfaces with substantial adornment.
- No front bezel at all.

LIMITATIONS OF THE STUDY

- The survey was limited to limited region of Indore only, so results cannot be generalized to entire Indore and other cities.
- The samples size was limited to 70 customers only.
- Period of the study is one of the major constraints as innovation is very rampant in smart
- Phones and other competitor like Gionee also emerged which could not be studied.

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