

## A STUDY OF CONSUMER PERCEPTION WHILE PURCHASING APPLE PRODUCTS WITH SPECIAL REFERENCE TO MALWA REGION (PUNJAB)

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### **ABSTRACT**

Consumers often buy products not because of their attributes per se but rather because of the ultimate benefits that these attributes provide, in turn leading to the satisfaction of ultimate values. And Apple is a type of company which understand their customers & future aspects of innovation in a way that no other companies do. That's the reason that apple is at no. 1 place in Top 50 Most innovative companies. This paper endeavors to recognize the consumer perception towards the Apple products and what is Apple's ideology. In this paper I have listed down 12 variables which affect the consumer behavior most while purchasing Apple products. I take 100 sample sizes to make this paper and this study is being done in Malwa region. To prepare the factors, I have used Factor analysis test.

**Keywords:** Apple products, Factor affecting consumer perception,

### **1. Introduction**

Apple Inc belongs to the technology industry, which is the most valuable and growing industry in global market. The technology industry has two major sectors: hardware and software. On one hand, Dell, Lenovo, Samsung, Intel, Sony, and Xiaomi are the representatives of the hardware. Their business includes the personal computer, mobile phone, tablet, music player, and other electronic devices. On the other hand, IBM, Microsoft, and Android are participating in the software sector. Besides, some other companies like

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Institution of Engineers, Chandigarh, India

(ICMR-2018)



8<sup>th</sup> December 2018

www.conferenceworld.in

ISBN:978-93-87793-60-6

Apple Inc and Google are playing the important role in the both sectors. In the technology industry, every large successful company has some similar strategies in quality, price, innovation, globalization, and consumer spending area. By the development of the science, an increasing number of companies invest in the technology industry. And the competition is becoming fiercer between the companies in the maturity markets and emerging markets. Apple Inc was created by Steve Jobs and Steve Wozniak in 1976. At the beginning, Apple Inc only produced easy-to-use computer to the PC market. Due to the special designing and revolutionary concepts, Apple Inc became the industry leader since 1980. At the same year, Apple Inc launched a successful IPO. Nowadays, Apple Inc is the most valuable company in the history of the world. Apple Inc created a lot of revolutionary products like Macintosh, iPod, iPhone, iPad, and Apple watch. This company also brought some great applications and system, like iOS and Apple Pay to consumers as well. In the future, Apple Inc is going to challenge the unfamiliar industries such as car and cable. After the death of founder Jobs, Apple Inc is trying to creating the new legendary stories under the lead of new CEO Tim Cook.

## **Apple's Corporate Mission Statement**

Apple Inc.'s corporate mission has changed over time. The company considers the changing business landscape, which influences the possibilities of what the business can do. The company recognizes the changing market and industry environment. Apple's current mission statement is as follows:

“Apple designs Macs, the best personal computers in the world, along with OS X, iLife, iWork and professional software. Apple leads the digital music revolution with its iPods and iTunes online store. Apple has reinvented the mobile phone with its revolutionary iPhone and App store, and is defining the future of mobile media and computing devices with iPad.”

## **Apple's Corporate Vision Statement**

Apple Inc.'s corporate vision influences strategic management in terms of the decisions that the company's managers make to reach a future of leadership in the various industries where the business operates. Apple introduced a new vision statement under the leadership of Tim Cook, who stated the following:

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(ICMR-2018)



8<sup>th</sup> December 2018

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“We believe that we are on the face of the earth to make great products and that’s not changing. We are constantly focusing on innovating. We believe in the simple not the complex. We believe that we need to own and control the primary technologies behind the products that we make, and participate only in markets where we can make a significant contribution. We believe in saying no to thousands of projects, so that we can really focus on the few that are truly important and meaningful to us. We believe in deep collaboration and cross-pollination of our groups, which allow us to innovate in a way that others cannot. And frankly, we don’t settle for anything less than excellence in every group in the company, and we have the self-honesty to admit when we’re wrong and the courage to change. And I think regardless of who is in what job those values are so embedded in this company that Apple will do extremely well.”

## **Apple Products**

Listing down all the Apple products is a very difficult task, but here are the few, major ones:

1. iPhone, Air Pods
2. Mac including iMac, Mac Pro, MacBook Air, MacBook Pro, Mac mini.
3. iPod - touch, nano, shuffle, classic.
4. iPad
5. Apple Watch
6. Apple TV

And a huge number of softwares, mostly for the Mac OSX and iOS, including keynote, pages, numbers, iMovie, iPhoto, iTunes, Logic Pro, etc.

## **Innovation and Apple’s Ideology**

Apple’s ideology is to make a product which gives people the ability to do things that they couldn’t do before. Take iPhone X, The portrait portrait-lighting feature. This is something that you had to be a professional photographer with a certain setup to do in the past. But with iPhone X, it has become so easy to do a professional photography. And an iPhone X does more than just take pictures. There are so many parts. With ARKit, we created something that essentially took the heavy lifting with [augmented reality] and put it in the operating system, which empowers thousands of developers eventually to be able to build AR into their apps. Some will be very profound, life changing. There is no doubt about that in my mind.

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Apple had implemented something in iOS 11 where it detects if you're in a car and will shut off your messages and notifications. That isn't us playing Big Brother. That's apple giving us a tool to help us do the right thing. You can override it; you may be a passenger instead of the driver, and that's okay. But apple would like to try as many of those as possible so that they can help people do the right thing. Apple inc. is a group of people who are trying to change the world for the better.

Apple CEO Tim Cook said in the Bloomberg that, "We run a very different company. We're just not making products to sell. That doesn't get me up in the morning. I get up in the morning like many of our people to Change Things. We are not like other companies where the objective is to become a 40 billion dollar company. But employees don't get excited about that. This isn't something you wake up every morning But Changing the World. These are the things that people work for. This pushes people to go on extra mile and to create something different."

For us, technology is a background thing. We don't want people to have to focus on bits and bytes and feeds and speeds. We don't want people to have to go to multiple [systems] or live with a device that's not integrated. We do the hardware and the software, and some of the key services as well, to provide a whole system. We do that in such a way that we infuse humanity into it. We take our values very seriously, and we want to make sure all of our products reflect those values. There are things like making sure that we're running our [U.S.] operations on 100% renewable energy, because we don't want to leave the earth worse than we found it. We make sure that we treat well all the people who are in our supply chain. We have incredible diversity, not as good as we want, but great diversity, and it's that diversity that yields products like this."

## **What makes them unique?**

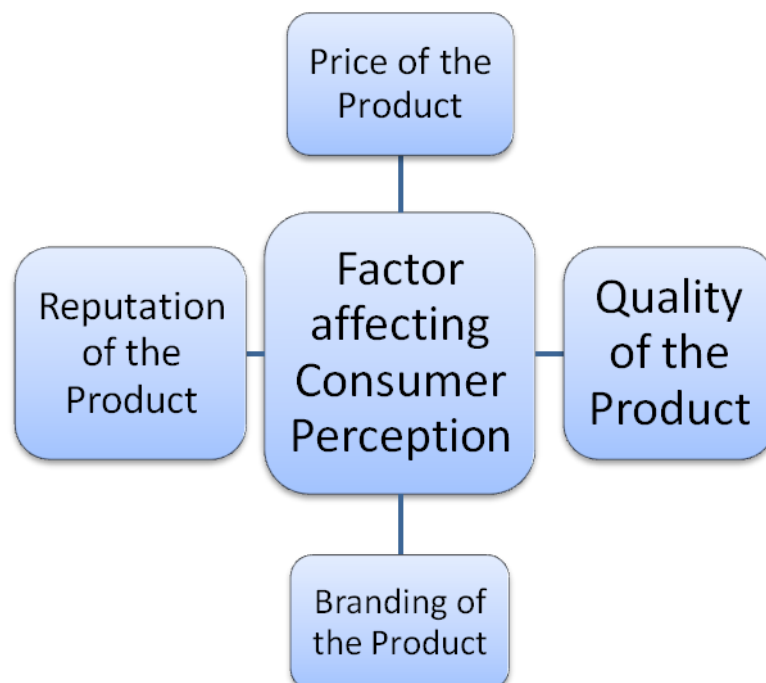
1. The OS and hardware built together, marrying them perfectly, making them a breeze to use. E.g. Though the iPhone runs only a dual core processor, its performance is comparable to an octa core in a similar android phone.
2. The ecosystem, the key to Apple's success. With features like Continuity, Handoff, AirDrop, AirPlay, AirPrint, Apple aims to attract people to buy products to create an ecosystem of devices. And obviously, you will now start to use SMS on your Mac!

3. Design and build quality. Apple uses precision tools and advanced, lightweight materials in the construction of their devices. It gives the owner a reputation that's worth all the money you've spent. And yeah, no plastic.
4. The after service. Though most Apple products barely need service, Apple has an amazing system for service. Apple store genius bars, for example, an excellent way to explain this. And if you don't have apple stores around, you can always call em up. Plus they have a huge support portal where other Apple users can answer all your questions.

## Consumer Perception

Customer perception refers to the process by which a customer selects, organizes, and interprets information/stimuli inputs to create a meaningful picture of the brand or the product. It is a three stage process that translates raw stimuli into meaningful information. Each individual interprets the meaning of stimulus in a manner consistent with his/her own unique biases, needs and expectations.

### Factor affecting Consumer Perception



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- ✓ **Price** – customers have a high probability of favoring a product or service that is economically priced
- ✓ **Quality** – if the product completely satisfies a customer then it enhances his/her perception towards it.
- ✓ **Packaging and branding** – these significantly affect customer perceptions depending on how the product is presented during purchasing. Attractiveness and display quality increases perceptions.
- ✓ **Reputation** – reputation of products develops over time and depends on the experience with the product and intensive marketing campaigns that raise the status and brand identity. This determines customer's product perceptions.

## 2. Literature Review

It is worth noting that consumer buying behavior is studied as a part of the marketing and its main objective is to learn the way how the individuals, groups or organizations choose, buy use and dispose the goods and the factors such as their previous experience, taste, price and branding on which the consumers base their purchasing decisions (**Kotler and Keller, 2012**). **Lee (2005)** carried out study to learn the five stages of consumer decision making process in the example of China. The researcher focuses on the factors that affect the consumer decision making process on purchasing imported health food products, in particular demographic effects such as gender, education, income and marital status. The author employed questionnaire method in order to reach the objectives of the research. Analysis of five stages of consumer decision making process indicate that impact of family members on the consumer decision making process of purchasing imported health food products was significant.

**Lakshmi and Akhila (2009)** this research paper is based on a survey in a direct selling organization. It envisages the need to study the factors that influence the quality of work life of employees in the Company. The primary data was collected from the salesmen of this organization, using a questionnaire. Non-probability convenience sampling technique was adopted to select the respondents. The study reveals a number of factors which influenced the quality of work life, which could form the vital inputs for retention strategies. The findings



reveal that sales force face some challenges, including the need to convince the customer, inadequate time to spend with the family, not supported to meet the targeted customer visits and lack of customized training.

### 3. Research Methodology

#### Research Objective

A.To study the Factor affecting the consumer perception towards the apple products.

#### 1. Research Design

This project involves descriptive research design as my project is questionnaire based. Descriptive research includes survey and fact- finding enquiries kinds. The major purpose of descriptive research is description of the state of affairs, as it exists at present.

#### 2. Sample Design

A.Sampling Techniques

The sampling technique used is the convenience and judgmental sampling.

B.Sample Size

For this study the Sample Size are 100 people

C.Sources of Data

The research may be based on primary or secondary data or on both. In this report I have used the information gathered through secondary data and primary data. Primary data collect from the questionnaire and secondary data collect from the website, Journal and books.

#### 4. Data Analysis & Interpretation

The data had been processed and analyzed by tabulation interpretation so that findings can be communicated and can be easily understood. The findings were presented in the best possible way. Tables and graphs had been used for illustration of findings of the research.

#### Demographic Data Analysis

Demographics	No. of Respondents	Percentage of Respondents
<b>Age Group</b>		
Below 18 Years	7	7
19 to 23 Years	75	75
23 to 27 Years	10	10

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Above 27 Years	8	8
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Gender</b>		
Male	81	81
Female	19	19
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Profession</b>		
Students	63	63
Employee	16	16
Business Man	15	15
Other	6	6
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Education Level</b>		
Graduation	72	72
Post- Graduation	26	26
Doctorate	2	2
<b>Total</b>	<b>100</b>	<b>100</b>

## Interpretation:

- The above table shows that 7% of respondent's age is Below 18, 75% of respondents are of 19-23 years, and 10% of 23-27 years and 8% of respondents are above 27 years.
- It also reveals that 81% of respondents are Male and 19 % are Female.
- 63% of respondents are Students, 16 % Employees, 15% Businessmen and 6% other.
- Education level of 72% of respondents is Graduate, 26% are Post Graduates and 2% are Doctorates.

## Factor affecting the Consumer Perception while Purchasing the Apple Products

The main purpose behind this question was to know the perception of the consumer regarding various variables which effect the decision of consumer while purchasing the Apple's Product.



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## Analysis:-

For the analysis and interpretation of this question I have use the techniques of factor analysis. This technique has been particular used as the purpose of the study is to extract the minimum number of factor that will explain the maximum amount of variance in the collect date.

A sample of 100 respondents was used. The sampling method used was basically convenience sampling. The respondents were asked to express their degree of perception regarding the following statements, on a 5-point scale. (1=Highly Disagree, 5= Highly Agree).

## Variables:-

V1:- Apple product is status symbol product

V2:- Apple launches every year new products with great Innovation & Creativity

V3:- Apple's all products provide good features & quality to customers

V4:- Operating systems of the Apple products are easy to use

V5:- Apple Products are Durable

V6:- Apple products are easily available in Malwa region outlets

V7:- Apple products have good resale value in the market

V8:- Apple has good After Sale service

V9:- Apple products are eye catchy

V10:- Apple has good data security in their product

V11:- Apple products are easily affordable

V12:- Apple Produce a High Performing Product

**KMO (Kaiser-Mayer-Olkin)** is a measure of sampling adequacy. A value of KMO close to 1 indicates pattern of correlation are relatively compact and so factor analysis should yield distinct reliable factor. The KMO statics value various between 0 to 1. Kaiser (1947) recommends accepting value greater than 0.5 is acceptable. So as in this test here the value is .814 it means the variable which has been collected are sufficient and adequate.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.814
Bartlett's Test of Sphericity	Approx. Chi-Square	319.524
	Df	66
	Sig.	.000

The following hypotheses have been proposed

Null hypothesis (Ho):- Variable does not affect the perception of Consumer.

Alternative Hypothesis (H1):- Variable affects the perception of Consumer.

**BARTLETT'S Test** measure tests the null hypothesis that the original correlation matrix is an identity matrix. The large value of Bartlett's tests of sphericity at 319.524 favors the rejection of null hypothesis and it automatically leads to acceptance of alternative hypothesis. Hence, factor analysis is appropriate technique in the case.

Communalities		
	Initial	Extraction
Apple product is status symbol product	1.000	.354
Apple launches every year new products with great Innovation & Creativity	1.000	.511
Apple's all products provide good features & quality to customers	1.000	.693
Operating system of the Apple products are easy to use	1.000	.540
Apple Products are Durable	1.000	.625
Apple products are easily available in Malwa region outlets	1.000	.617

Apple products have good resale value in the market	1.000	.642
Apple have good After Sale service	1.000	.645
Apple products are eye catchy	1.000	.673
Apple have good data security in their product	1.000	.705
Apple products are easily affordable	1.000	.725
Apple Produce a High Performing Product	1.000	.744
Extraction Method: Principal Component Analysis.		

**Communalities** - This is the proportion of each variable's variance that can be explained by the factors.

Initial communalities are estimates of the variance in each variable accounted for by all components or factors.

Extraction communalities are estimates of the variance in each variable accounted for by the factors (or components) in the factor solution. Small values (bold) indicate variables that do not fit well with the factor solution, and should possibly be dropped from the analysis.

### **Analysis and interpretation:**

The rotated component matrix indicates that variables V3, V4, V7, V10, and V12 are associated closely with factor 1. Variables V5 and V11 are associated with factor 2. Variable V2, V6, and V8 are associated with factor 3. And V1, V9 are associated with factor 4.

**Naming of the factors:** on the basis of my findings, the four factors are named as

Factor1:- Apple Product is a high quality product with good resale value.

Factor2:- Apple products are easily affordable with good durability.

Factor3:- Apple has inventive products with good after sale service in malwa region.

Factor4:- Apple products are very striking.

The variables are divided into four major factors as follows

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ISBN:978-93-87793-60-6

Component Matrix<sup>a</sup>

	Component			
	1	2	3	4
Apple product is status symbol product	.138	-.152	-.126	.544
Apple launches every year new products with great Innovation & Creativity	.551	-.028	.363	.275
Apple's all products provide good features & quality to customers	.831	.042	.016	.028
Operating system of the Apple products are easy to use	.671	-.067	.086	.278
Apple Products are Durable	.086	.629	-.081	-.464
Apple products are easily available in Malwa region outlets	.488	-.170	.533	.256
Apple products have good resale value in the market	.631	-.104	.084	-.474
Apple have good After Sale service	.154	-.093	.667	-.410
Apple products are eye catchy	.337	-.674	-.207	.250
Apple have good data security in their product	.498	.074	-.618	.263
Apple products are easily affordable	.276	.744	.195	.241
Apple Produce a High Performing Product	.707	.353	-.345	.031
Extraction Method: Principal Component Analysis.				
a. 4 components extracted.				

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8<sup>th</sup> December 2018

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Factor Label (% Variance Explained)	Statements	Factor Loading
Apple Product is a high quality product with good resale value. (47.23%)	V3. Apple's all products provide good features & quality to customers	.831
	V4. Operating system of the Apple products are easy to use	.671
	V7. Apple products have good resale value in the market	.631
	V10. Apple have good data security in their product	.498
	V12. Apple Produce a High Performing Product	.707
Apple products are easily affordable with good durability. (19.43%)	V5. Apple Products are Durable	.629
	V11. Apple products are easily affordable	.744
Apple has inventive products with good after sale service in malwa region. (22.12%)	V2. Apple launches every year new products with great Innovation & Creativity	.363
	V6. Apple products are easily available in Malwa region outlets	.533
	V8. Apple have good After Sale service	.667
Apple products are very striking (11.20%)	V1. Apple product is status symbol product	.544
	V9. Apple products are eye catchy	.250

## Analysis and Interpretation: -

In the above table I give a name to each factor these four factors shows the entire twelve variables and their factor loading. In first factor the percentage of loading is 47.23 and second factor loading is 19.43 and their factor loading is 22.12 and the last factor loading is 11.20.

## 5. Conclusion

In this modern era, Apple is at number 1<sup>st</sup> place in World's most Innovative companies. Apple is type of company who always bring something new to the table rather than just following his competitors. When it come to marketing strategy, Apple is very strong in

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ISBN:978-93-87793-60-6

creating it for their products very effectively. Apple understand their customer and know what they really want. Consumer buying behavior was never simple, yet understanding it is an essential task of marketing management and the one who is able to do it successfully, comes out as the winner. That's why they are so able to sell their highly expensive products easily in this modern-day market.

The above study shows that the apple made very high-quality products with good resale value. Apple products are easily affordable with good durability. The life span of apple products is longer than any other company's products. Being such a creative and innovative company, it also provides remarkable after sale service. If the defect arises in an apple product, it changes the whole product and provide you a new one. This is the type of after sale service consumer want from companies and apple is providing it to them. Moreover, apple is mostly preferred by youth because apple products allow them to do something creative and it is also enriching their lives.

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