AWARENESS AND PREFERENCE FOR MOBILE PHONE LOANS

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ABSTRACT

Mobile phone loan now has become the new coil on catastrophe cash as it is a more flexible way to borrow emergency cash with complete avoidance of costly bank overdraft fees payday loans. Nowadays companies are providing flexible payment option with no hidden fees or repayment penalties and the credit is easily available without a credit card too. The aim of the research conducted was to gauge perception of people towards the loan offerings of various mobile phone companies. Through regression analysis the hypothesized conditions shoed great dependence of the awareness about mobile phone loans on the salary bands of people and People who want to buy Apple phones next. Thus brand image is also playing a crucial role in availing the loans offerings. The study was further conducted to analyze if there is a relation between the awareness about mobile phone loans among not earning customers with the brand of mobile Customer wants to buy and customer not having credit cards or not, and the result computed showed clear dependence on the latter aspect.

KEYWORDS- *Loans, Credit Card, Brand Image, Consumer Perception*

INTRODUCTION

In today's time Smartphone have become very vital to our daily lives because of their efficiency. The speed and communication facility is almost unparalleled. Since the inception of phones we have observed constant up-gradation from land line phones to smart phones now. Mobile phone has become a very important part of human life. Every individual chooses his phone as per its usage for him and also considering his income. Now the recent financial world is offering a lot of lending alternatives such as instalment loans i.e. EMI at 0% interest rates and short-term loans from different lenders as well the companies themselves. Credit card's EMI option is popular among buyers these days. As a new alternative for buyers some companies are also offering loans for buying smart phones which is a new concept and people are preferring it over credit card EMI due to 0% interest rate on loans on different brands and 1% PM interest rates on Apple phones.

These loan companies in market operate their business by charging a fixed percentage on the sale of different brands. Representatives of the loan companies are present at sale outlets to cater the loan needs of the customers. Thus the research bases its predictions on the survey which was done to study the awareness about the loans among different age groups and salary bands.

DATA SAMPLING AND RESEARCH METHODOLOGY

As this is a new concept and people preferences of these loans depend on their awareness of it, a survey was done on a sample size of 120 people belonging to different age groups and different salary bands.

- Sampling method was convenience sampling and scales used for the survey were ratio scale, Likert scale and nominal scale.
- Research methodology used is Regression analysis computed using SPSS tool of statistical analysis.

RESULTS AND OBSERVATIONS

The survey done on 120 people of which the larger population was between 21 to 40 years of age.

Age Group of Respondants
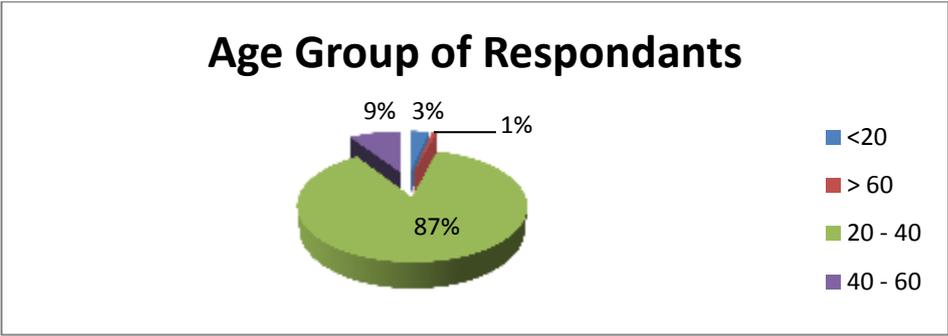
The salary group distribution of the respondents was a bit inclined towards 34% sample population falling under "Not Earning Category"

Salary Group of Respondants
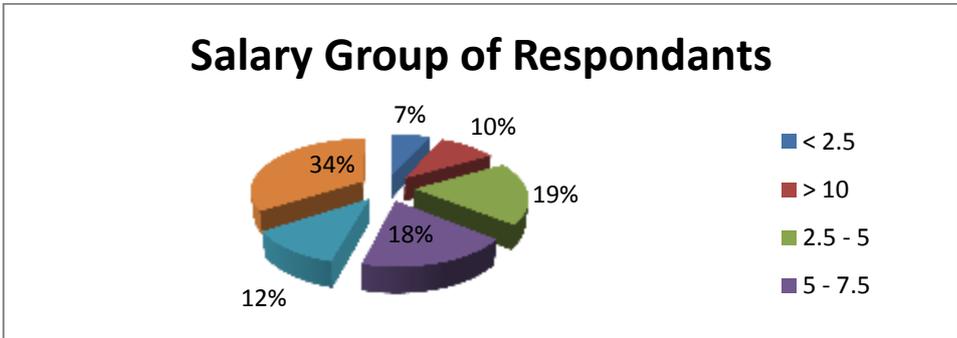
As the result of the survey 75% of the sample population was found aware about the Mobile Phone Loans.

Loan Awareness (All age Groups)
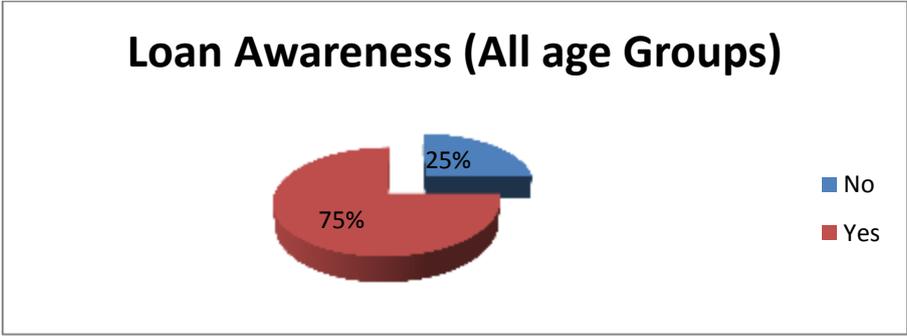
The most popular mobile among the sample population which the respondents are currently using is Xiomi followed by Samsung and Apple.

Brand of Mobile Phones Currently Using
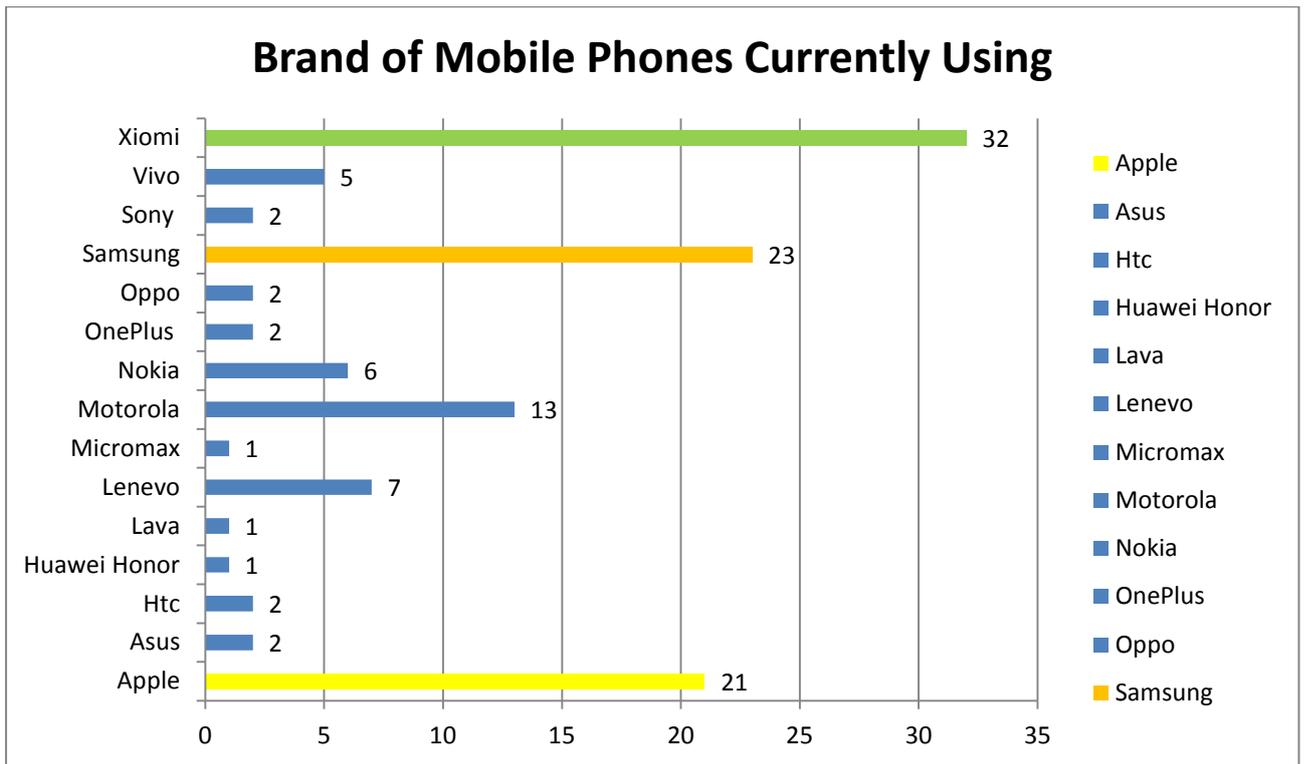
Among the respondents the mobile phones which they aspire to buy next, Apple was found to be the most popular of all followed by Samsung.

Brand of mobile phone want to buy next
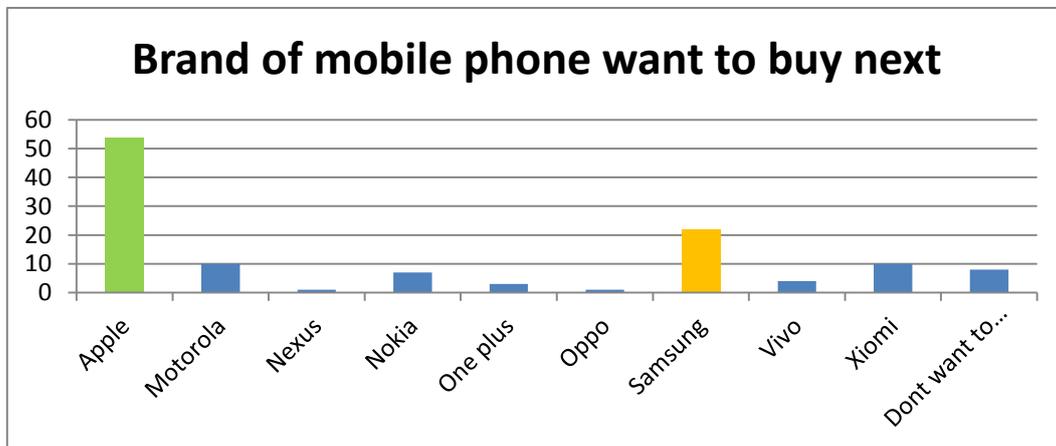
HYPOTHESIS
There are two hypothesis analyzed by this survey:
Hypothesis #1:
Ho: There is no relation between the awareness about mobile phone loans and the salary bands of people and People who want to buy Apple phones next.
H1: There is relation between the awareness about mobile phone loans and the salary bands of people and People who want to buy Apple phones next.
To study the hypothesis the sample population was divided in salary following salary groups:
- Not Earning

- Earning Less Than 2.5 Lacs per annum.
- Earning between 2.5 Lacs to 5 Lacs per annum
- Earning between 5 Lacs and 7.5 Lacs per annum
- Earning between 7.5 Lacs and 10 Lacs per annum
- Earning more than 10 Lacs per annum

SPSS was used for performing linear regression and result observed was as follows.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.989a	.977	.962	1.24639
a. Predictors: (Constant), WantToBuyApple, CountOfPeopleInDifferentSalaryGroups				

As R Square value is 0.977 which denotes that Awareness about these loans depends highly on the salary bands of people and also on people who want to buy Apple as their next phone brand.

ANOVAb						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	200.173	2	100.086	64.427	.003a
	Residual	4.660	3	1.553		
	Total	204.833	5			
a. Predictors: (Constant), WantToBuyApple, CountOfPeopleInDifferentSalaryGroups						
b. Dependent Variable: AwareAboutMobilePhoneLoans						

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.307	1.075		2.147	.121
	CountOfPeopleInDifferentSalaryGroups	.388	.114	.717	3.420	.042
	WantToBuyApple	.306	.221	.290	1.385	.260
a. Dependent Variable: AwareAboutMobilePhoneLoans						

The coefficient part of the result shows that beta for variables "Count of people in different salary groups" and count of people who "Want to buy Apple phone" comes out to be .717 and .290 respectively which shows for 1 unit change in "Count of people in different salary groups", "Awareness about mobile phone loans" changes by .717 and same changes by .290 if change is 1 unit in variable "Want to buy Apple phone". This shows the awareness is dependent highly on salary of people and also the mobile phone loan is less popular among people who want to buy Apple phone which may be due to 1% per month interest on loans for Apple phones or also due to preference for Apple among mainly high income group people who can afford the phone without the loan.

Hypothesis #2:
Ho: There is no relation between the awareness about mobile phone loans among not earning customers with the brand of mobile Customer wants to buy and customer not having credit cards.

H1: There is relation between the awareness about mobile phone loans among not earning customers with the brand of mobile Customer wants to buy and customer not having credit cards.

To study the hypothesis the sample population of not earning group was divided in brand of mobile phones they want to buy:
1. Apple
2. Motorola
3. Nokia
4. One plus
5. Oppo
6. Samsung
7. Vivo
8. Xiomi
9. Dont want to change the brand

SPSS was used for performing linear regression and result observed was as follows.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.988a	.977	.953	1.07216
a. Predictors: (Constant), BrandWantToBuy, NotHavingCreditCard				

As R Square value is 0.977 which denotes that Awareness about these loans depends highly on the brands of the phones not earning people want to buy and also on non availability of credit cards with them.

ANOVAb						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	96.501	2	48.250	41.974	.023a
	Residual	2.299	2	1.150		
	Total	98.800	4			
a. Predictors: (Constant), BrandWantToBuy, NotHavingCreditCard						
b. Dependent Variable: LoanAwareness						

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.150	1.031		-.145	.898
	NotHavingCreditCard	.495	3.478	.706	.142	.900
	BrandWantToBuy	.187	3.284	.282	.057	.960
a. Dependent Variable: LoanAwareness						

The coefficient part of the result shows that beta for variables "Count of people not having Credit card" and count of people who "Want to buy Apple phone" comes out to be .706 and .282 respectively which shows for 1 unit change in "Count of people not having Credit card", "Awareness about mobile phone loans" changes by .706 and same changes by .282 if change is 1 unit in variable "Want to buy Apple phone". This shows the awareness is dependent highly on people with no credit card and also the mobile phone loan is less popular among people who want to buy Apple phone which may be due to 1% per month interest on loans for Apple phones or also due to preference for Apple among mainly high income group people who can afford the phone without the loan.

CONCLUSION

The aim of the research conducted was to gauge perception of people towards the loan offerings of various mobile phone companies. The sample for study consisted of people of different age groups and with varying salary bands. The study denotes that Awareness about these loans depends highly on the salary bands of people and also on people who want to buy Apple as their next phone brand. The regression analysis conducted shows that the awareness is dependent highly on salary of people and also the mobile phone loan is less popular among people who want to buy Apple phone which may be due to 1% per month interest on loans for Apple phones or also due to preference for Apple among mainly high income group people who can afford the phone without the loan. Also the second part of the study denotes that Awareness about these loans depends highly on the brands of the phones not earning people want to buy and also on non availability of credit cards with them. The regression analysis conducted shows the awareness is dependent highly on people with no credit card and also the mobile phone loan is less popular among people who want to buy Apple phone which may be due to 1% per month interest on loans for Apple phones or also due to preference for Apple among mainly high income group people who can afford the phone without the loan. Thus it can be inferred that this new concept of providing loans for buying commodities is gaining high interest among consumers and the preferences varies significantly depending upon the age groups of the consumers and the salary bands of the consumers.

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