

The Impact of Brand Rivalries on Consumer Behavior in the Indian Smartphone Market

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Overview of the Presentation

01

Introduction

02

Methodology

03

Result Analysis

04

Discussion

05

Conclusion

06

References

Introduction: Comparative Advertising

- *Comparative advertising* is a brand's way to fetch the audience's attention by drawing comparisons between different attributes of a product in an attempt to showcase their product as being better than other competitors.
- Two categories:
 - *Direct*: involves mentioning the rival brand's name openly in public
 - *Indirect*: discreetly highlights the rival brand through signs, symbols, or cynical remarks

Introduction: Indian Consumer Market

- The Indian smartphone market is highly competitive, with brands fighting for consumer loyalty.
- **Consumer Behavior:** Likely to purchase products from companies that resonate better with their ideals and cultural identities, thus driven more by cultural values and intuition (Batra et al, 2000).
- In a country like India where brand loyalty plays a significant role, non-comparative advertising helps to develop long-term brand building and leaves a positive impact on the people.

Objective of the Research

- To investigate how smartphone brand rivalries influence Indian consumers' decision-making, brand loyalty, and product preferences.
 - To evaluate if comparative advertising in the smartphone market shaped consumer perceptions of technological superiority, influencing brand loyalty based on featured attributes.
 - To evaluate if comparative advertising either strengthened or weakened consumer loyalty, depending on how consumers perceived the fairness and credibility of the comparison.
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Hypotheses

Hypothesis 1 (H1): Comparative advertising within the smartphone market affects consumer perceptions of technological superiority, contingent upon the showcased attributes and pricing, as influenced by consumers' evaluations of the fairness and credibility of the comparison.

Hypothesis 2 (H2): Comparative advertising influences consumer's brand loyalty, and its effectiveness is determined by how consumers perceive the fairness and credibility of the comparison.

Methodology

- *Cross-sectional survey*: Captured consumer attitudes to official YouTube video advertisements, billboard ads, and tweets by companies.
 - *Sample*: 113 respondents from the Northern region of India with a balanced demographic of smartphone users.
 - *Data Analysis*:
 - Descriptive Statistics: a general overview of the demographic characteristics of the sample and addresses any unusual similarities or differences
 - T-test: the results are assessed for each advertisement with a judgment question through a two-sample unequal variance test using a two-tailed distribution between two groups (fair v/s unfair).
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Example Question: A Tweet about C-type Charging

- **Question 1:** To what extent does this ad influence your decision to buy a specific phone based on its charging features? (**Scale:** 1 -5)
- **Question 2:** In your judgment, how fair is this comparison between the brands? (**Scale:** 1 -5, from very unfair to very fair)
- **Question 3:** How likely is it that an ad like this would impact your brand loyalty toward a product? (**Scale:** 1 -5, from very unlikely to very likely)





Result Analysis

Descriptive Statistics

- Based on the central tendencies for each question, most people were neutral towards the fairness of the advertisements or believed that they were fair. Yet, the advertisements **didn't waver their brand loyalty** ($\bar{x} = 2.58$ to 3.08 , $\tilde{x} = 3$).
 - A noticeable feature is that despite the mean and median being almost constant throughout the questionnaire, the mode varies a lot from 1 to 3 to 4, implying that **some ads were unsuccessful, yet some were partially successful** for the same set of audiences.
 - **Nor did the ads change their perception of the product** ($\bar{x} = 2.43$ to 3.51). In this case, both \tilde{x} and M_o were varied, the former ranged from 2 to 3 to 4, and the latter ranged from 1 to 3 to 4, implying that the data is not symmetrically distributed.
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T-test: Brand Loyalty

- Comparative ads focused on **innovative features** like the flip phone demonstrated a statistically significant impact on brand loyalty.
 - **Example:**
 - The p -value (0.00004) for the **flip phone feature** suggests that ads highlighting unique, cutting-edge innovations create the strongest shifts in consumer loyalty.
 - Ads on common features, like the **C-type charger**, showed no significant impact on loyalty (p -value = 0.863), reinforcing that mundane features do little to sway customer brand preferences.
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T-test: Brand Loyalty

Brand Loyalty			
Advertisement	Mean value of those who believed the ad was unfair	Mean value of those who believed the ad was fair	<i>p</i> -value
Video 1	2.050	3.000	0.012
Video 2	2.200	2.960	0.027
Image 1 + Image 2: C type charger	2.545	2.605	0.863
Image 7 + Image 8: Flip Feature	2.605	2.364	0.00004
Text 10 & Text 11: Accessories	3.129	4.132	0.0005

Table 4. T-test: Brand Loyalty

T-test: Perception

- Perceptions changed in only those ads that talked about **significant features that the consumers think about and prioritize** before finalizing the brand that they're going to purchase.
 - **Example:**
 - Consumers' perception was more easily influenced by **privacy and camera** features in ads, with a p -value (0.005) for privacy and a p -value (0.012) for the camera, showing a significant shift in how consumers viewed these brands.
 - Ads with **common features like charging ports** showed no significant change in consumer perception (p -value = 0.676), highlighting that consumers need innovation to reconsider their brand perceptions.
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T-test: Perception

Perception			
Advertisement	Mean value of those who believed the ad was unfair	Mean value of those who believed the ad was fair	<i>p</i> -value
Video 1	2.450	2.595	0.676
Image 1 + Image 2: C type charger	2.364	2.907	0.098
Image 3: Camera	2.143	3.164	0.005
Image 4 + Image 5: Privacy	2.857	4.042	0.005
Image 7 + Image 8: Flip Feature	1.960	2.983	0.001
Image 9: Photos & Videos Quality	2.250	3.115	0.012

Table 5. T-test: Perception

Discussion

Brand Loyalty vs. Perception:

- **Brand Loyalty:** Harder to shift, requiring consistent innovation. Consumers stay loyal unless presented with a game-changing feature.
- **Perception:** More easily influenced by feature-based ads, especially those highlighting cutting-edge innovations like flip phones or privacy enhancements.

Impact of Innovation:

- Ads featuring unique technologies significantly impacted both loyalty and perception.
 - Common features (e.g., charging ports) had little effect on consumer behavior.
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Conclusion

- **Innovation Drives Impact:** Ads highlighting **innovative features** (e.g., flip phones, privacy) had the strongest influence on both **perception** and **brand loyalty**.
 - **Fairness Matters: Fair comparisons** in advertising are critical to gaining consumer trust and shaping preferences, particularly in culturally intuitive markets like India.
 - **Strategic Insight:** To win in competitive markets, brands must focus on novelty and ensure their ads are perceived as **credible and fair**.
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Thank You!

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