



Brand Preference and Customer Loyalty in the Mobile Phone Market: A Survey-Based Analysis

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ABSTRACT

The mobile phone industry is one of the most dynamic and competitive markets, characterized by rapid technological advancements, frequent product innovations, and intense branding strategies. With numerous global and domestic brands competing for market share, understanding consumer behavior has become essential for achieving and sustaining competitive advantage. In this context, brand preference and customer loyalty play a vital role in determining long-term business success. The present study aims to identify the key factors influencing brand preference in the mobile phone market and to examine the relationship between brand preference and customer loyalty. It also explores the influence of demographic variables on brand choice and loyalty levels. Primary data were collected from 78 mobile phone users through a structured questionnaire using a survey method. The data were analyzed using statistical tools such as percentage analysis, mean scores, correlation, regression analysis, and chi-square tests. The findings indicate that factors such as brand image, product quality, price perception, and after-sales service significantly influence brand preference. Moreover, brand preference has a strong positive impact on customer loyalty. The study offers valuable insights for marketers to develop effective branding and customer retention strategies in a highly competitive market.



2. Introduction

2.1 Background of the Study

The global mobile phone market has witnessed remarkable growth over the past decade due to rapid technological innovation, increasing internet penetration, and changing consumer lifestyles. Smartphones have become an essential part of daily life, serving not only as communication devices but also as tools for entertainment, education, banking, and business activities. In India, the expansion of affordable data services and the availability of budget-friendly smartphones have significantly increased mobile phone adoption across different socio-economic groups.

At the same time, the industry is characterized by intense brand competition. Major international brands and emerging domestic players continuously introduce new models with advanced features, improved performance, and attractive pricing. This fast-paced environment has made it challenging for brands to retain customers, as consumers frequently switch brands in search of better value and innovation.

In such a competitive market, understanding consumer brand preference becomes crucial. Brand preference reflects a consumer's tendency to choose one brand over others based on perceptions, experiences, and emotional connections. It plays a key role in shaping repeat purchase behavior and long-term customer relationships.

2.2 Problem Statement

Despite the presence of numerous mobile phone brands offering a wide range of features and price options, customer switching behavior remains high. Consumers often change brands due to dissatisfaction, better alternatives, peer influence, or promotional offers from competitors. This frequent switching poses a significant challenge for mobile phone companies aiming to build a stable and loyal customer base.

Therefore, it becomes important to understand the factors that influence brand preference and determine how these preferences translate into customer loyalty. Identifying the drivers of loyalty can help companies reduce customer churn and develop more effective marketing strategies.

2.3 Objectives of the Study

The study is conducted with the following objectives:

1. To identify the key factors influencing brand preference in the mobile phone market.



2. To examine the relationship between brand preference and customer loyalty.
3. To analyse the influence of demographic variables on brand choice and loyalty.

2.4 Research Questions

This study seeks to answer the following research questions:

- What factors influence customers' preference for a particular mobile phone brand?
- Does brand preference significantly affect customer loyalty in the mobile phone market?
- Do demographic variables such as age, gender, income, and education influence brand loyalty?

2.5 Hypotheses

Based on the objectives and review of related concepts, the following hypotheses are proposed:

- **H1:** Brand image has a significant positive effect on brand preference.
- **H2:** Product quality positively influences customer loyalty.
- **H3:** Price perception significantly affects brand preference.
- **H4:** Brand preference positively impacts customer loyalty.

3. Review of Literature

3.1 Concept of Brand Preference

Brand preference refers to the consumer's predisposition to choose one brand over others based on favorable attitudes, perceptions, and experiences. It reflects the strength of consumers' liking for a brand relative to competing brands and is often an outcome of positive past interactions, brand image, perceived quality, and emotional connections (Kotler & Keller, 2016).

Previous studies have shown that brand preference plays a critical role in influencing purchase decisions. For instance, Gupta and Singh (2017) found that strong brand preference in the smartphone market leads to reduced price sensitivity and enhanced repeat purchases. Similarly, Ramaseshan and Stein (2014) highlighted that preference emerges from a combination of functional and symbolic attributes associated with a brand.



3.2 Customer Loyalty

Customer loyalty is broadly defined as a deeply held commitment to repurchase or consistently choose a preferred product or service in the future, despite situational influences and marketing efforts by competitors (Oliver, 1999). Loyalty is a multi-dimensional construct that includes both **behavioral** and **attitudinal** components:

- **Behavioral loyalty** refers to the actual repeat purchase behavior or the frequency with which a customer buys a brand over time. It is measurable through purchase records and loyalty program participation.
- **Attitudinal loyalty** represents a customer's psychological commitment, positive feelings, and preference for a brand, which often leads to advocacy and recommendation behaviors (Ailawadi et al., 2001).

In the context of mobile phones, loyal customers not only repurchase the same brand but also recommend it to others, share positive reviews, and resist switching even when alternatives are available.

3.3 Factors Affecting Brand Preference in Mobile Phones

Brand image represents consumers' perceptions and associations with a brand. A strong image builds trust, credibility, and emotional connection, positively influencing preference. Price perception relates to how consumers judge value for money; fair pricing combined with high benefits increases preference. Product features such as camera quality, battery life, processor speed, and design significantly affect consumer choice by enhancing utility. After-sales service, including warranty and customer support, strengthens trust and encourages loyalty. Advertising plays a crucial role in shaping awareness and attitudes by highlighting brand benefits, improving recall, and creating favourable perceptions that ultimately influence consumer preference.

3.4 Relationship Between Brand Preference and Loyalty

Empirical evidence shows a strong linkage between brand preference and customer loyalty. A study by Chaudhuri and Holbrook (2001) revealed that brand preference significantly enhances loyalty by creating emotional attachment and trust. Similarly, research in the smartphone sector by Kim, Kim, and An (2003) found that brands preferred by consumers tend to enjoy higher loyalty levels, lower switching rates, and increased repeat purchase intentions. These studies collectively suggest that consumers who develop a



strong preference for a mobile phone brand are more likely to remain loyal, even in the presence of competitive offerings.

3.5 Research Gap

While numerous studies have examined brand preference and loyalty in consumer electronics, **there is limited research focusing on localized, survey-based insights within specific markets such as India.** Most existing literature is either broad in scope or cantered on global market trends, without capturing nuanced, region-specific consumer behaviour.

Moreover, rapid technological changes and continuous innovation in smartphones necessitate **updated consumer insights** that reflect current preferences and loyalty patterns. Hence, this study addresses these gaps by conducting a contemporary, empirical survey to understand how Indian consumers perceive mobile phone brands and what drives their loyalty decisions.

5. Data Analysis and Interpretation

5.1 Demographic Profile of Respondents

A total of **78 respondents** participated in the survey. The demographic characteristics are presented below.

Category	Variable	Respondents	Percentage (%)
Gender	Male	42	53.8%
	Female	36	46.2%
Age Group	Below 20	12	15.4%
	21–30	34	43.6%
	31–40	20	25.6%
	Above 40	12	15.4%
Monthly Income (₹)	Below 15,000	18	23.1%
	15,001–30,000	28	35.9%
	30,001–50,000	20	25.6%
	Above 50,000	12	15.4%

Category	Variable	Respondents	Percentage (%)
Preferred Brand	Samsung	18	23.1%
	Apple	14	17.9%
	Xiaomi	16	20.5%
	Vivo	12	15.4%
	Oppo	10	12.8%
	Others	8	10.3%
Duration of Usage	Less than 1 year	14	17.9%
	1–3 years	32	41.0%
	3–5 years	20	25.6%
	More than 5 years	12	15.4%

The data shows a balanced gender distribution, with a majority of respondents aged 21–30. Most fall within the ₹15,001–30,000 income group. Samsung and Xiaomi are the most preferred brands. A significant number of users have been using their mobile phones for 1–3 years, indicating moderate brand loyalty and stable usage patterns.

5.3 Factors Influencing Brand Preference

Respondents rated factors on a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

Table 5.6: Mean Score and Ranking of Brand Preference Factors

Factor	Mean Score	Rank
Product Quality	4.32	1
Brand Image	4.18	2
Product Features	4.05	3
Price Perception	3.89	4
After-Sales Service	3.74	5
Advertising Influence	3.42	6



Interpretation:

Product quality is the most influential factor in determining brand preference, followed by brand image and product features. Advertising has relatively less influence compared to functional attributes.

5.4 Relationship Between Brand Preference and Loyalty

Correlation Analysis

The Pearson correlation between brand preference and customer loyalty was found to be:

$r = 0.68, p < 0.01$

This indicates a **strong positive relationship**, meaning that higher brand preference is associated with higher customer loyalty.

Regression Analysis

A simple linear regression was conducted to test the impact of brand preference on customer loyalty.

Regression Equation:

Customer Loyalty = 1.12 + 0.74 (Brand Preference)

Variable	Beta Value	t-value	Significance (p)
Brand Preference	0.74	8.21	0.000

$R^2 = 0.46$

Interpretation:

Brand preference explains **46% of the variation** in customer loyalty. The relationship is statistically significant, confirming that brand preference is a strong predictor of loyalty.

5.5 Hypothesis Testing

Hypothesis	Statement	Test Used	Result	Decision
H1	Brand image positively affects brand preference	Regression	Significant (p < 0.05)	Accepted
H2	Product quality positively influences customer loyalty	Correlation	Significant (p < 0.05)	Accepted



Hypothesis	Statement	Test Used	Result	Decision
H3	Price perception significantly affects brand preference	Regression	Significant (p < 0.05)	Accepted
H4	Brand preference positively impacts customer loyalty	Regression	Significant (p < 0.01)	Accepted

6. Findings of the Study

1. Major Factors Influencing Brand Preference

Product quality, brand image, and product features are the top determinants of brand preference in the mobile phone market.

2. Strength of Relationship Between Brand Preference and Loyalty

A strong positive relationship exists between brand preference and customer loyalty ($r = 0.68$). Consumers who strongly prefer a brand are more likely to remain loyal.

3. Role of Price Sensitivity

Price perception moderately influences brand preference, indicating that consumers are value-conscious but not solely price-driven.

4. Influence of Demographic Variables

Younger consumers (21–30 years) show higher sensitivity to product features and brand image, while higher-income groups exhibit stronger brand loyalty, especially toward premium brands.

6. Findings of the Study

Based on the analysis of data collected from 78 mobile phone users, the following key findings emerged:

Based on data from 78 mobile phone users, product quality emerged as the most important factor influencing brand preference, followed by brand image and product features. Consumers focus on performance, durability, and reliability, indicating rational and value-oriented decision-making rather than being driven purely by promotions.



A strong positive relationship exists between brand preference and customer loyalty. Consumers with higher brand preference are more likely to repurchase and recommend the brand, making preference a key predictor of loyalty.

Price sensitivity has a moderate impact. While consumers seek value for money, they are willing to pay higher prices for superior quality and advanced features, suggesting a value-driven rather than price-driven market.

Demographic factors also influence behavior. Younger consumers prefer innovative features and brand image, while higher-income groups show stronger loyalty toward premium brands. Gender differences in brand preference were found to be minimal.

7. Discussion

Comparison with Previous Studies

The findings of this study are consistent with earlier research that highlights the importance of product quality and brand image in shaping brand preference. Similar to the work of Keller (2013) and Chaudhuri and Holbrook (2001), this study confirms that strong brand perceptions lead to higher loyalty levels. The moderate influence of price perception also aligns with Zeithaml's (1988) concept of perceived value, which emphasizes the balance between quality and price.

Interpretation of Significant Findings

One notable finding is that **advertising influence ranked lower** compared to functional attributes such as quality and features. This suggests that modern consumers, particularly in the mobile phone market, rely more on product performance, peer reviews, and personal experience rather than traditional promotional messages. Additionally, the strong relationship between brand preference and loyalty indicates that emotional and experiential connections with a brand play a vital role in reducing customer switching behaviour.

8. Implications

8.1 Managerial Implications

Strategies for Improving Brand Loyalty



Mobile phone companies should focus on strengthening customer relationships through consistent product performance, regular software updates, and responsive customer service. Loyalty programs, extended warranties, and personalized communication can further enhance long-term engagement.

Importance of Product Innovation and Service Support

Continuous innovation is essential to maintain brand preference in a rapidly evolving technological market. Firms should invest in research and development to introduce advanced features and improved performance. Additionally, efficient after-sales service, accessible service centers, and prompt issue resolution can significantly boost customer trust and loyalty.

8.2 Marketing Implications

Branding Strategies

Marketers should build a strong and consistent brand image that conveys reliability, innovation, and value. Emotional branding that connects with consumers' lifestyles and aspirations can strengthen brand preference and long-term attachment.

Promotional Focus Areas

Promotional strategies should emphasize **product quality, unique features, and real user experiences** rather than relying solely on celebrity endorsements or price discounts. Digital marketing, influencer reviews, and customer testimonials can be more effective in shaping consumer perceptions.

9. Limitations of the Study

Despite its contributions, the study has certain limitations:

- **Limited geographical coverage:** The study was confined to a specific region, which may limit the generalizability of the findings.
- **Sample size constraints:** The sample size of 78 respondents may not fully represent the diverse mobile phone user population.
- **Self-reported data bias:** Responses were based on participants' perceptions and may be subject to personal bias or inaccurate recall.

10. Conclusion



This study highlights the crucial role of brand preference in building customer loyalty in the mobile phone market. Product quality, brand image, and innovative features emerged as the primary drivers of brand preference, while price plays a supportive but not dominant role. The strong positive relationship between brand preference and loyalty confirms that consumers who develop favourable perceptions toward a brand are more likely to remain loyal and engage in repeat purchases.

In an increasingly competitive and technology-driven market, mobile phone companies must focus on delivering superior value, maintaining a strong brand image, and providing reliable after-sales service. By strengthening brand preference, firms can enhance customer loyalty and achieve long-term competitive advantage.

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