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UTEM STUDENT BRAND PREFERENCES TOWARDS SMARTPHONE PURCHASING

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Project Paper Submitted in Partial Fulfilment of the Requirement for the Degree of Bachelor of Technopreneurship

Faculty of Technology Management and Technopreneurship
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JUNE 2014

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APPROVAL

" I declare this thesis entitled "UTeM Students Brand Preferences in Smartphone Purchasing" is my own work except the summary and excepts of each of which I have mentioned the source"

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DEDICATION

I would like to dedicate the appreciation for my beloved families, lecturers and friends

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Giving my full commitment toward this project really takes determination, planning and sacrifices that were a self-challenging and if I were able to write, it is full with joys and tears. With a piece of chance here, I would like to thank to all who have directly and indirectly aided me in completing this research. A big appreciation and respect to Mr Isma Addi bin Jumbri, for being my supervisor, advisor and also supporter for me to finish this research. Thank you for all of his patience, time and energy that he has spent on me and without this, I may not be able to undertake this research in a right and be on time. His advice and his leadership really put me on a path to finish this research with flying colours to appreciate him.

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ABSTRACT

As the modernisation world is grow bigger, the users nowadays already become informative and knowledgeable. By implementing the information and knowledge in their lesson for a daily routine, it will solute faster than usual. The present of smartphone makes the information faster and accurate. The usage of smartphone already widening and not only intended for communication but also for socializes activity. The purpose of this study is to get the ideas, and the knowledge not only toward the brand preferences but also toward the usage of the products. Nowadays, technology is rapidly growing, this is the main cause of the over product in the market. Brand preferences are important in deciding the right smartphone for the buyer. This research investigates the brand preferences relationship that may affect the purchase of smartphone among the Universiti Teknikal Malaysia Melaka students. This study was conducted to give the student view and information regarding the product and also to make them clearer regarding the brand itself.. This study is using quantitative as research methodology. Questionnaires were distributed towards the UTeM students randomly. The data gathered for this research are primary and secondary data. The primary data are collected from the questionnaire that was distributed, the analysis of the data will give this study the primary data type. While for the secondary data, it was gathered from the past research and had published it. the primary resource of this type of data are the UTeM library and also the internet source other than the from the chamber of journal, bibliography and trade association research. This is a causal research where it aims to find the relationship between the brand preferences drivers and to show the effect of it toward the purchasing behaviour. Consequently, the finding of this research gives the students new knowledge and knows on how to make a decision on purchasing a smartphone with an additional knowledge where the youth become aware about the brand itself. Brand preferences give marketing department benefits in marketing their products.

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ABSTRAK

Selari dengan dunia pemodenan yang semakin berkembang, pengguna hari ini menjadi lebih bermaklumat dan berpengetahuan. Dengan mengimplementasikan maklumat dan ilmu pengetahuan dalam rutin harian, proses memahami lebih cepat daripada biasa. Kini, dengan adanya telefon pintar, ia menjadikan proses mendapatkan maklumat lebih cepat dan tepat. Penggunaan telefon pintar sudah semakin meluas dan tidak hanya bertujuan untuk komunikasi tetapi juga untuk aktiviti sosial. Tujuan kajian ini adalah untuk mendapatkan idea-idea, dan pengetahuan bukan sahaja ke arah pilihan jenama tetapi juga ke arah penggunaan produk. Teknologi yang berkembang pesat pada masa kini adalah punca utama produk berlebihan di pasaran. Pilihan jenama adalah penting dalam membuat keputusan telefon pintar yang sesuai bagi pembeli. Kajian ini menyiasat hubungan keutamaan jenama yang boleh memberi kesan pembelian telefon pintar di kalangan pelajar Universiti Teknikal Malaysia Melaka. Kajian ini dijalankan untuk memberi gambaran dan maklumat mengenai produk dan juga untuk memberi mereka penjelasan yang lebih nyata mengenai jenama itu sendiri . Selain itu, kajian ini menggunakan kuantitatif sebagai kaedah penyelidikan di mana borang soal selidik telah diedarkan kepada pelajar UTeM secara rawak. Maklumat yang diperolehi untuk kajian ini adalah data primer dan sekunder. Data utama dikumpul daripada soal selidik yang diedarkan, dan analisis data akan memberikan kajian ini jenis data utama. Manakala bagi data sekunder, ia maklumat dalam kajian yang lepas dan telah diterbitkan. Sumber utama bagi pengumpulan data jenis ini adalah data perpustakaan UTeM dan juga sumber internet selain dari dewan jurnal, penyelidikan, bibliografi dan persatuan perdagangan. Kajian ini berbentuk sebab dan akibat di mana ia bertujuan untuk mencari hubungan antara pemacu pilihan jenama dan untuk menunjukkan kesan ia ke arah tingkah laku pembelian. Oleh itu, dapatan kajian ini memberi pelajar pengetahuan baru dan mengetahui bagaimana untuk membuat keputusan semasa membeli sebuah telefon pintar dengan pengetahuan tambahan di mana belia menyedari tentang jenama itu sendiri.

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CHAPTER 1

INTRODUCTION

This chapter describes a concise background of this study. It consists of the problem statements, research question of the study, and objective of the study and will include the scope of the study and also significance of the study.

1.1 Background of the Study

Nowadays, most the people will have at least one phone to keep them communicate with others. A mobile phone is a device that can connect between two or more people and involve them in a conversation. Most of the mobile phones now are addressed to smartphone. Smartphone is an advance device that provides the users an advance usage and it may deliver a various functionalities compared to present mobile phone and also computer. Smartphone has dramatically become one of a life tool for people around the world, especially for the youngsters and the adult.

Apart from all the usage stated in above statement, smartphone has the ability to provides, obtain and shares personal and social information. From all of the features, people can create visual form of communication method, and interacted with each other anytime and anywhere.

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In Malaysia the latest smartphone that have been launched recently are the Samsung Galaxy Note 3 and Apple Iphone 5s. These two types of brand are the most popular brand that the user knows and use their gadgets. For every the smartphone launched, they provide the consumers with comparative advantage with others. This shows us that the technologies are getting broader and global. Apart of providing the consumers with basic needs such as voice call, video call, SMS and MMS, smartphone now has become a medium for the consumers to get latest information and knowledge worldwide by providing them with a application and software use to surf the internet.

Smartphone comes with complete set of organizer, documents software, GPS, and more function available. It also can be used to managing time schedule, as a diary and many other applications. Smartphone functionality has improves and keep expanding. With the users awareness and knowledge they have, users are spending more time with their smartphone. Utilization of smartphone now are not only in the area of communication, time by time, many organization or other area tries to utilize the use of smartphone such as in education, entertainment and in other area. Utilization of smartphones in wide area not only benefits the user but also towards the provider of the service.

The penetration of smartphone in Asia-Pacific region market is booming. In fact, penetration in a number of markets in this region is approaching the saturation point and this situation is at the best level where the smartphone penetration level in United States and Europe has decrease and keep going down. Back in time, the Malaysians' smartphone penetration rate has increase about 27 percent (%) in first quarter of 2012. Meanwhile, for the second quarter of 2012, about 58% user were upgrading their mobile phone and there is like 79% of it are planning to buy a smartphone. This statistic is provided by International Telecommunication Union on ICT Statistic Newslog.

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Among 42 countries to be ranked in order of the smartphone penetration rate percentage per capita, Malaysia is on the rank 26, tied with Poland with 19% per capita. As a developed country in Asia, Malaysia hold the second largest smartphone penetration after Australia with 20% compared to 25%. This shows that the smartphone demand in Malaysia is high and the users are gadget and IT literate.

According to The Sun, Malaysia's smartphone penetration has increase by 16% makes the new data is 63% from 47% in 2012. From the research that has been done before. They had prove that in Southeast Asia dated on June 2013, the smartphone users spent average three hours and above per day on their smartphone. Most of the times spent were spent on chatting application, social network, and entertainments. In global, according to Portio Research, out of five people, one of them is using applications. As in Asia-Pacific, the most used application and software are games apps, social networking and also the multimedia entertainment.

The increase of smartphone usage had paving the way for other people to connect with the users such as the advertiser. A smartphone purchase related with many aspects and some of it are the users intend to be connected to the internet and also to keep in touch with others. They also were aspired to upgrade their mobile phone to smartphone because of the surrounding and peer courage.

By using this medium as information transfer, many agencies and advertiser can deliver their message towards the users. In fact, the mobile advertisements are being accepted and growing although mobile advertising is still very new in the Asia. They most near to us is the advertisement while surfing with YouTube, the advertisement that support the free content without disrupting the users are the most accepted advertisement by the advertisers.

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1.2 Problem Statement

The penetration of smartphone market condition in Malaysia has become larger time by time. The development of the new brand in the market that try to compete with the establish brand getting increase. This condition leads the user or the consumer focus group; the youth confused to makes a choice. The users often change their mind and them unable to make a right decision for themselves. This is because they felt if they buy the specific brand of smartphone, they were unable to get the other's brand of smartphone offerings.

Each brand now has to come out with a full consumer need features and also need to parallel with the globalisation where all users can connect all over the world. All of these attributes will then analyze by the user when purchasing the smartphone. It will lead the user to buy a specific brand with a specific feature and specifications. Purchasing without concern will lead them to dissatisfaction.

The users usually lack of information and knowledge about the brand or the product. They did not aware of the current issues related with the brand or the product. Lack of awareness on smartphone matters will give them a hard time while choosing the best smartphone. The knowledge and information of this matter should be taken seriously especially for those that keep upgrading their smartphone or mobile phone. Without all of these, the user is not aware of the current issues or problem. The issues may lead them to a right choice too. Without their concerned about this, the users might have buy problems product or non-quality product. Fraud also may happen if they users did not aware about the brand or product because they did not know how much should they pay for certain product. They only will aware of it when they go to another shop or from the advertisement.

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1.3. Purpose of the Study

The purpose of this study is to investigate the relationship between the brand preferences and students' smartphone purchasing behaviour at Universiti Teknikal Malaysia Melaka (UTeM). Other than that, this study is to determine the brand preference's drivers that may affect the students' purchasing of smartphone.

1.4. Research Question

Generally, this research aim to study about the brand preferences that the student will consider in purchasing the smartphone and the drivers of the brand preferences besides answering the research questions.

1. What are the drivers of brand preferences in purchasing smartphone among youth?
2. What are the factors of brand equity effect smartphone purchasing?
3. How brand identities relate to the smartphone purchase?

1.5 . Research Objective

Based on the purpose and the stated research questions, this study has several research objectives to be achieved.

1 To identify the brand preferences drivers;
2 To describe the characteristic of brand equity from most to least while purchasing a smartphone and
3 To describe the relation of brand identity toward smartphone purchasing.

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1.6. Scope of Study

The scope of this study is to get clearer information regarding the relationship and effect of the brand preferences and students. It focuses towards the brand preferences drivers; brand equity, brand identity and brand marketing. Other than that, this study will also focuses on the characteristic of the brand preferences drivers that are the brand equity and brand identity characteristic.

For this study, it focuses toward the UTeM students at Faculty of Technology Management and Technopreneurship (FPTT) which is among youth. Youth is the period of a person between childhood and adult age with range of age of 10 to 24 years old. The total respondent that will involve in this study is one hundred (150) person.

1.7. Significance of the Study

This study will provide a brief information and insight into the UTeM's student purchasing of smartphone based on the brand preferences. This study purpose is to identify the brand preferences drivers that student will look into in making their decisions.Not only that, it is also to describe the charactertistic of each of the brand preferences driver that are most affecting the purchasing that is brand equity and brand identity. Lastly, this study was done to analyze the brand marketing of the brand organization offer towards the buyer and in study it focus on the FPTT UTeM students.

In marketing perspective, the findings of this study will be useful toward their marketers and top management to design, invent or innovate their present product in order to enhance their business and strengthening their product in the market. From this study also, as an observer, people also can see what are the characteristic of a smartphone that student will buy. This would give the benefits toward the business people and also the buyer.

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1.8 Summary

A brand preference is important toward the students in this study because it will give them insight view in purchasing smartphone. This would give them information and knowledge regarding the smartphone itself which then will provide them a satisfaction and their purchasing may function well with their daily routine. Moreover, brand preferences also give the student opinions and suggestion to solve an issues, or problems. It gives them additional input and added value on choosing a better smartphone. This would lead the student to choose the right smartphone. So, the brand preferences can motivate, and open up their minds in choosing and purchasing the right smartphone in the future tim

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