

**EXPLORING THE DETERMINANTS OF SMART PHONE BUYING DECISION
AMONG UNDERGRADUATES STUDENT**

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DECLARATION BY SUPERVISOR

‘I hereby declare that I have checked this project and in my opinion, this project is adequate in terms of scope and quality for the award of the degree of Bachelor of Technopreneurship (Honours)’

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Submitted in Partial Fulfilment of the Requirement for the Bachelor of
Technopreneurship (Honours)

Faculty of Technology Management & Technopreneurship
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JUNE 2014

DECLARATION OF ORIGINAL WORK

“I hereby declare that the work of this exercise is mine except for the quotations and summaries that have been duly acknowledge.”

Signature :

Name :

Date :

DEDICATION

Dedicated to my late father, Mohd Yusof b. Saad, family, friends and
PSM supervisor, Dr. Ismi Rajiani

ACKNOWLEDGEMENT

First and foremost, I thank Allah S.W.T for endowing me with health, patience, and knowledge to complete this Bachelor Degree thesis. May Peace and Blessings of Allah be upon His Prophet Muhammad (peace be upon him). I am highly indebted to my late father and mom for their endless love and support throughout my study. My brother and sisters deserve my wholehearted thanks as well.

I would like to thank and expressed my gratitude to my supervisor, Dr. Ismi Rajiani for all the support and guidance given to me through the completion of this thesis. Also, i would like to thank the panel, Prof. Dr. Salleh bin Yahya for his comments and questions during presentation. I express my heartfelt gratefulness for your guidance that I believed I learned from the best.

To all my friends of 4 BTMM, loads of thanks for your understanding and willingness to share knowledge during this 4 years. Our friendship makes my life a colourful experience. Last but not least, thank you so much for those who is involved directly and indirectly throughout my research progress from the beginning until the end.

ABSTRACT

The objective of this research is to explore the determinants of smart phone buying decision among undergraduate students in Universiti Teknikal Malaysia Melaka in order to evaluate whether social needs, product features and convenience influence smart phone buying decision. Researcher had used quantitative method and distributed 150 questionnaires to UTeM undergraduate students. The analysis using SPSS 22.0 resulted in multiple regression shows that social needs is the most crucial factor in smart phone buying decision among undergraduate students. All independent variables in this research have positive relationship towards dependent variable. Eventually, it is hope that future research will made this research as a reference as well as guidance to smart phone manufacturer so that they can focus on its functions suits to students and nowadays social needs.

Key Words: Smart phone; Social Needs, Product Features, Convenience, Buying Decision

ABSTRAK

Tujuan penyelidikan ini adalah untuk mengenal pasti penentu sebenar pembelian telefon pintar dalam kalangan mahasiswa UTeM sama ada faktor-faktor keperluan sosial, ciri-ciri produk, mahupun kemudahan mempengaruhi mahasiswa untuk membeli telefon pintar. Penyelidik telah memilih menggunakan kaedah kuantitatif dalam kajian ini. Dengan itu, data diperolehi daripada 150 orang responden melalui borang kaji selidik yang diedarkan kepada mahasiswa UTeM. Analisis kuantitatif ini telah memberi jawapan kepada tujuan kajian dan persoalan kajian di mana keputusan daripada analisis berganda menggunakan SPSS 22.0 menunjukkan bahawa keperluan sosial merupakan faktor paling penting dalam pembelian telefon pintar dalam kalangan mahasiswa UTeM. Kesemua pemboleh ubah ini mempunyai hubungan yang positif terhadap keputusan pembelian telefon pintar. Adalah diharapkan agar penyelidikan akan datang menjadikan penyelidikan ini sebagai salah satu rujukan selain memberi panduan kepada pengeluar telefon bimbit untuk memfokuskan pemasaran serta penjualan telefon pintar terhadap mahasiswa selain dapat menambah baik fungsi telefon tersebut bersesuaian dengan keperluan sosial masa kini.

Kata kunci: telefon pintar, keperluan sosial, ciri-ciri produk, kemudahan, keputusan pembelian.

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LIST OF ABBREVIATIONS

UTeM	=	Universiti Teknikal Malaysia Melaka
IV	=	Independent Variable
DV	=	Dependent Variable
Wi-Fi	=	Wireless Fidelity
IPTA	=	Institut Pengajian Tinggi Awam
IPTS	=	Institut Pengajian Tinggi Swasta

LIST OF SYMBOL

%	=	Percentage
>	=	Greater-than sign
<	=	Less-than sign

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CHAPTER 1

INTRODUCTION

The purpose of this research is to study whether the determinants (social needs, product features or convenience) can affect smart phone buying decision among Universiti Teknikal Malaysia Melaka (UTeM) undergraduate students.

1.1 Background of Research

Due to the present lifestyle of mobile usage is emphasizing on mobility ability that effect to the growth of high-end market especially in Asia so that Research Company concludes that Asia has the highest growth rate of mobile used (Pitchayadejanant K.,2011).The advent of smart phones, smart pads, and smart TVs in the late 2000s has opened a new age of smart medias (Bae Y. & Chang H.,2011) A smartphone is actually a cellular phone built much more features rather than ordinary cellular phone including internet access, video camera,camera, global positioning system (GPS), media player and web browsing which allow consumer to download variety of free and paid application. It is also can be consider as the combination of PDA and cellular phone as well as mobile personal computer. A smart phone is a mobile phone that offers more advanced computing ability and connectivity than a basic 'feature phone'. While some feature phones are able to run simple applications based on generic platforms such as Java, ME or BREW, a Smartphone allows the user to install and run much more advanced applications

based on a specific platform. Smart phones run complete operating system software providing a platform for application developers(Pitchayadejanant K.,2011).Among popular smart phone devices including Apple iPhone, Blackberry, HTC and Samsung. They are supported by mobile operating system (OS) installed in the smartphones. Among top OS in the market are Google's Android OS, Apple's iOS, Blackberry OS and Symbian OS.

According to Jacob and Isaac (2008), university students are among the highest contributors to the increasing number of smart phone sales. The increase number of smart phones is because of the features and application that assist them in their daily task. Thus, throughout this research, the researcher want to determine that whether social needs,product features and convenience of smart phone affect the buying decision to undergraduate students in UTeM.

1.2 Problem Statement

Nowadays, mobile phone is considered as a must to everyone. The conventional fixed dial telephone is no longer relevant anymore. It is a handful consumer product which is globally accepted in relatively short period of time. Besides than its basic function which is to make calls and short message system (SMS), consumers demand for better features aligned with the advanced in technology.

Obviously, smart phones plays important role to students especially university students since smart phones is like a small version of mobile personal computer (PC) that consists of many application and widgets which are actually very good tools in daily time management such as timetable, alarm clock, and calendar. Students too can install dictionary application and electronic book (e-book) in their smart phones so that they do not have to carry the real hard copy instead they come in a handy way.

Students can make use this site as a helpful tool especially regarding the communication among lecturer and students. Besides this WiFi application, smart

phones are equipped with payable mobile internet service which provided by Telco Company, in Malaysia for example are Maxis, Celcom and Umobile. With these facilities, people can access internet on the go.

Besides the entire problem above, having a smart phone means a symbol of wealth or as a way to fit in the groups with the same type of smart phones. For example, most of private institution students tend to use iPhone smart phone since the price is expensive.

Thus, the researcher wanted to conduct this kind on research in order to explore what is the crucial determinant that students buying the smart phone.

1.3 Research questions

1. What variables becomes consideration among undergraduate students when they wish to purchase smart phone?
2. Regarding that students are unique and have less purchasing power, what are crucial factors that become preference when purchasing smart phone?

1.4 Research objectives

The objective of this study is to identify the determinants of smart phone buying decision among undergraduate students in UTeM.

The objectives of the research are stated as below:

1. To determine what are the determinants of smart phone buying decision among undergraduate students.
2. To describe the relationship between social needs, product features and convenience towards smart phone buying decision among undergraduate students.

3. To identify which is the most crucial factor contributes to smart phone buying decision.

1.5 Hypothesis

For research purpose, null and alternative hypotheses are developed as follow:

Social needs

H₀: There is no impact from social needs towards buying decision of smart phone among undergraduate students.

H₁: There is an impact from social needs towards buying decision of smart phone among undergraduate students

Product Features

H₀: There is no impact from product features towards buying decision of smart phone among undergraduate students.

H₁: There is an impact from product features towards buying decision of smart phone among undergraduate students.

Convenience

H₀: There is no impact from convenience towards buying decision of smart phone among undergraduate students.

H₁: There is an impact from convenience towards buying decision of smart phone among undergraduate students

1.6 Scope and Limitation of the Study

1.6.1 Scope

The scope of this research will cover the elements that contribute to determinants of smart phone buying decision in examining the relationship between social needs, product features, and convenience of smart phone towards smart phone buying decision.

1.6.2 Limitation

There are limitations identified in this study. First, the research area is only limited in Universiti Teknikal Malaysia Melaka and are among undergraduate student. Secondly, researcher assumed that respondents will answer the questionnaire honestly and logical. Therefore, quantitative method is used in this study.

1.7 Importance of research

This project will benefit to both lecturers and educational application developer in order to enhance the learning process. Up until this moment, one of the useful educational website is Edmodo, where its interface is almost similar to Facebook but in terms of education purpose. Developer should develop more websites and application as such. Lecturers have to keep updated with the current trend so that the learning process is convenient to both parties.

In smart phone provider aspect, this research can inspire them to keep on increase the functions of smart phones that are more applicable to students. Besides, they also can provide smart phones that fulfil students' preferences and provide with affordable price appropriate with current market price.

Therefore, it is important to identify the relationship between social needs, product features and convenience of smart phone and how these relations can affect the buying decision of students.

1.8 Summary

As a conclusion, this chapter provides an overview of whole research study. In research background, there is a discussion about the factor that cause undergraduate students in UTeM purchasing smart phone. Besides, there is a highlight about the problem statement. Follow by the research objective, research question and hypotheses for the research study that used to provide guidance for the correct direction of this study. Lastly is the importance of the study. By doing so, the information that gathered in this chapter can be serve as precedence for the following chapters. In the next chapter, there will be further discussion on both dependent and independent variables.

CHAPTER 2

LITERATURE REVIEW

The purpose of literature review is to review the critical points of current knowledge including substantive findings as well as theoretical and methodological which contribute to research topic in hand. Other than that, literature reviews also known as secondary sources, it only reporting the past research and do not unveil any new or original research information

This chapter involved with discussion on the literature review and following by discussion on relevant theoretical model, conceptual framework and developing hypotheses. Initially, existing literature to understand and identified existing trends and relationships between variables, in order to generate new ideas has been reviewed. Afterward, dependent and independents variables based on the existing literature were defined. By referring relevant theoretical models, construction of conceptual framework had been done.

2.1 Social needs

Social need is one of the determinants of consumers' dependency on smart phones because it has become much more versatile, allowing consumers increased usage for communication and maintaining relationships between and among individuals (Lippincott, 2010). Smart phones significantly vary the way people live, shop, buy, research, play and connect to the world (Goldman 2010) besides growing and expanding a sense of affection among one's circle of friends and family members. Smart phones devices are programmed with various software tools, which allow the users to interact with other users more efficiently, and effectively without geographical limitations (Carayannis et al., 2012). It offers wider and higher resolutions screens and provide consumers with a tremendous array of features, including mobile web browsing, thousands of applications, e-mail, instant messaging ,picture messaging ,video and audio playback, Global Positioning System (GPS), games, video camera ,picture and video editing and so much more (Goldman, 2010). According to Wei and Lo's (2006) research, it was found that consumers were highly engaged with smart phones when there was a positive correlation between social need and dependency. Consumers with a high need to socialize and be connected were found to increase their usage rate on smart phones. This can be prove with the study of Peterson and Low's(2011) that state almost three-quarters of the students expressed that they used the contract or package provided by the smart phones provider which gives them unlimited internet access on their mobile phone or limited internet service sufficient for their needs.Raskin (2006) states that the stimulus of keeping contact with consumers' existing groups of friends and learning more about individuals they meet offline encourages a higher engagement of consumers with smart phones with easy access to embedded social network such as Twitter and Facebook.