

**FACTORS THAT INFLUENCING CONSUMER PURCHASING INTENTION  
TOWARD SMARTPHONE BRAND**

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## DECLARATION

“I declare that this project is the result of my own research except as cited in the references. The research project has not been published for any degree and is not concurrently submitted in candidature of any other degree.”

Signature : .....

Name : .....

Date : .....

## **DEDICATION**

I would like to dedicate this research to my beloved parents and siblings. Big appreciations to my family who always give me supports in term of moral, motivation, advice and financial. It will not be easy for me to go through the completion of my PSM without their concern and support. Their unconditioned love and encouragement have allowed me to strive and push myself beyond limits that never thought would be possible. With their support, I was able to complete this research paper smoothly. Thank you for always supporting me

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## ABSTRACT

The purpose of this study is to examine the factors that influence consumers purchase intention toward smartphone. A total of 318 male and female users were selecte as study respondents consisting of Malays, Chinese, and Indians at every age, education, and programs. Convenient sampling method was use for sample selection. . Data collection this research were measured using a scale developed by the researcher based on the aspects revealed by Keller in (Durrani BA, Godil IN, Baig MU, and Sajid S., 2015). The objectives are to identify factors effecting consumer purchase intention towards smartphone brands and to identify factors effecting consumer purchase intention towards smartphone brands. The researcher used questionnaire as the main instrument for obtaining data in this study. The results of the analysis will show that among brand image, price, and product feature which that have significant influence on the consumer purchase intention toward smartphone brands. The results of this study will contribute remarkable conclusion to researcher and smartphone manufacturer in Malaysia.

Keywords: Brand image, price, product feature, and purchase intention

## ABSTRAK

*Tujuan kajian ini adalah untuk mengkaji faktor-faktor yang mempengaruhi pengguna membeli niat ke arah telefon pintar. Sejumlah 318 pengguna lelaki dan perempuan memilih sebagai responden kajian yang terdiri daripada orang Melayu, Cina dan India pada setiap umur, pendidikan, dan program. Kaedah persampelan yang mudah digunakan untuk pemilihan sample. Pengumpulan data penyelidikan ini diukur menggunakan skala yang dibangunkan oleh penyelidik berdasarkan aspek yang diungkapkan oleh Keller dalam (Durrani BA, Godil IN, Baig MU, dan Sajid S., 2015). Objektifnya adalah untuk mengenal pasti faktor yang mempengaruhi niat pembelian pengguna terhadap jenama telefon pintar dan untuk mengenal pasti faktor-faktor yang mempengaruhi niat pembelian pengguna terhadap jenama telefon pintar. Penyelidik menggunakan soal selidik sebagai instrumen utama untuk mendapatkan data dalam kajian ini. Hasil analisa akan menunjukkan bahawa di antara imej jenama, harga, dan ciri produk yang mempunyai pengaruh penting ke atas niat pembelian pengguna ke arah jenama telefon pintar. Hasil kajian ini akan menyumbang kesimpulan yang luar biasa kepada pengkaji dan pengeluar telefon pintar di Malaysia.*

Kata kunci: Imej jenama, harga, ciri product dan niat pembelian

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## LIST OF ABBREVIATIONS

ABBREVIATION	MEANING
SMS	Short message services
MCMC	Malaysian Communications and Multimedia Commission
OS	Programming is the Operating System
iOS	iPhone Operating System
SDT	Self-Determination Theory
H1	Hypotheses 1
H2	Hypotheses 2
H3	Hypotheses 3

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## CHAPTER ONE

### INTRODUCTION

#### 1.1 Introduction

In this section, researcher would be study and identify the main objective for this research and also making the hypothesis. Furthermore, researcher also study about the problem statement, scope, and limitation of study, research question, and research objective to make sure the research on the right track.

#### 1.2 Background of Study

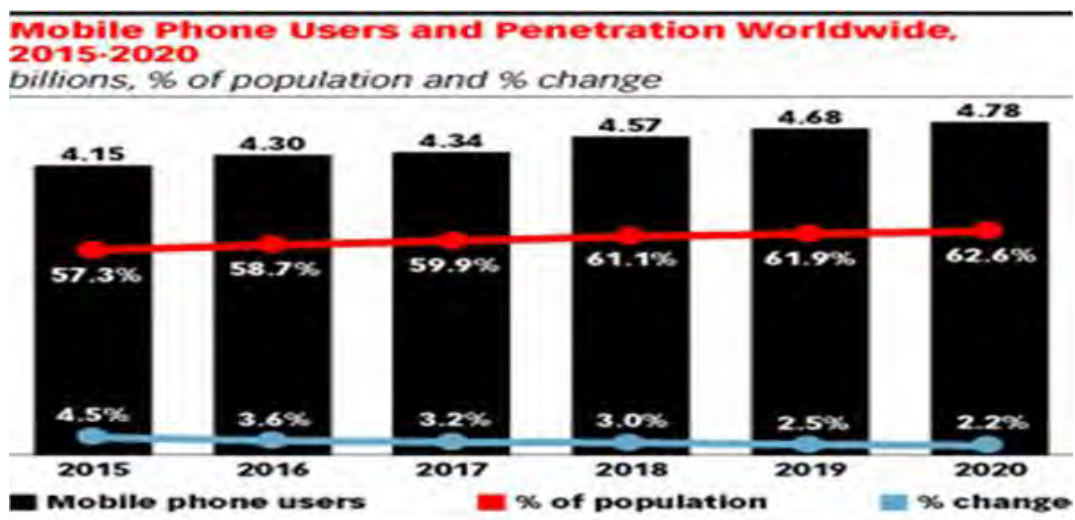


Figure 1.1: Mobile phone users and penetration worldwide, 2015-2020

Source: As explored in a new eMarketer report, published on November 23, 2016

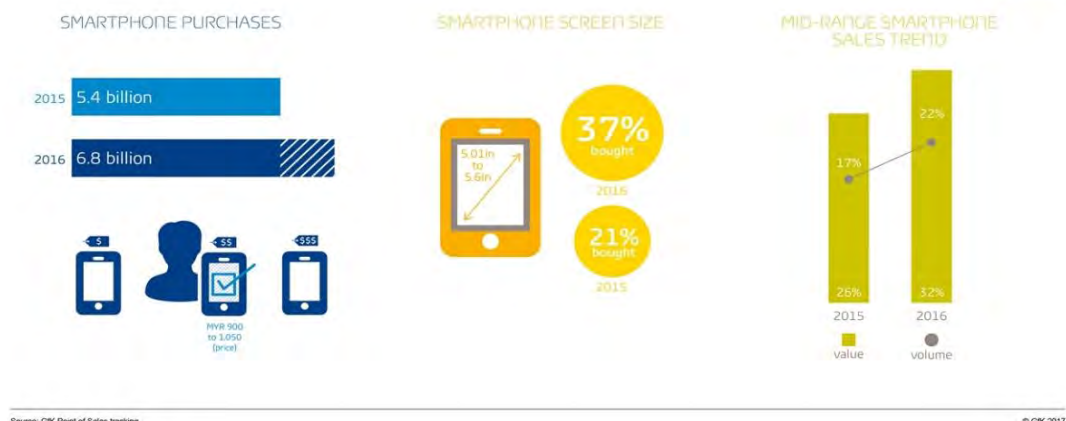


Figure 1.2: Smartphone Purchase

Source: GfK Point of Sales tracking (March 2016 – February 2017)

In current environment, people are attracted more to technology especially in aspects of communicating with others. Then researchers consider that all people must have at least one smartphone by themselves because a smartphone remains one of the highly technology communication devices that allowed users to connect with each other and handover information to around the world.

In addition, today people use phones not only to make calls and send short message services (SMS), but now people use phones for everything “all are at the fingertips” and users of smartphones can access the web, diversions, downloading applications, store information, business on the web and more. A current trend is that users can make payments by smartphone so people no longer need to bring cash. As per an overview by the Malaysian Communications and Multimedia Commission (MCMC), expressed that a smartphone is the most utilized gadget to get to the web in Malaysia in 2015 as smartphone ownership expanded (Alexis See Tho, 2017). According to Newzoo’s Global Mobile Market (2017) report, based on a model which considers a nation’s financial movement, demography, online population, and imbalance, the level of the population owning a smartphone in Malaysia is 64.8%. Smartphone penetration with 19,967,000 cell phone clients. Malaysian consumers subscribed around RM6.8 billion value of smartphones last year, as stated by Germany’s largest market research



organization GfK, (The Sun Daily, 2017). Today's, consumers pay more attention to the brand image, price and product future while choosing a smartphone and this statement is agreed by Knapman, (2012) also says consumers now pay more attention to the brand. Therefore, many smartphone companies produce their smartphones which are Apple, Samsung, Sony and include the Chinese phone companies like are Lenovo, Oppo and XioMi. Hence, from all brands consumers must make purchase decisions so that the price and product future is more consumer pay attention.

Thus, this researcher would be determine the factors influencing purchase intention of toward smartphone brands. On the other hand, in order researcher to realize the consumer purchase intention toward smartphone brands and researcher has to be identify and examiners several factors that influence the purchase intention toward smartphone brands.

### 1.3 Problem Statement

In this global era, researcher can stated the technology has become indirectly as part in our lives and also predominant nowadays. The technology environment changes from traditional phones such as large phones or desktops to smartphones (LP Ling, PK Lang, TC Fong, TS Perinpajothi, 2014)..Hence, that make the smartphone industry is valuable and also make more smartphone company entre in this market and introduces their product and brand based on the current technology and current demand. Therefore, it is the main worry of every smartphone manufacturing industry to see consumer purchasing decisions, intentions and to give light to the impelling factors and ultimately determine the choice of users among different smartphone ( Puneet Walia and Dr. Lalit Singla, 2017)

Previous studies made by Mohammad Nejad (2014) states that, customer behavior and behavioral dynamics change daily forces the company to follow the needs and wants of consumers. According to De Reuver and T. Haaker (2009) stated that, most past research focus on the use of certain mobile phone applications, the Malaysian smartphone market overview is unclear, and statistics are not available. In Malaysia have penetrated the smartphone, however, the studies conducted are still far and wide enough for a sufficient understanding of "consumers' preferences on smartphones and smartphone usage behavior (Mohd Azam Osman et al., 2012). Therefore, the others purpose of this study is to provide users information priority on consumers purchase intention and consumer behavior toward smartphone.

According Enterprise News (2011) mentioned that in Malaysia, the majority of smartphone users are generation Y, those between the ages of 25 and 34, educated and full-time educated with a revenue of RM5000 or more. According to Min, et al., (2012) mention that the style of the people in buying mobile phone (traditional phone) has slowly moving compares smartphone. Therefore, this study will be focusing on factors influencing consumer purchase intention toward smartphone brand.

#### **1.4 Research Questions**

The following were the research questions which were important in this study.

- I. What are the factors influence consumers purchase intention towards smartphone brands?
- II. What are the most factors of influence consumers purchase intention towards smartphone brands?

#### **1.5 Research Objectives**

The research objectives for the research are as follow:

- I. To identify factors effecting consumer purchase intention towards smartphone brands.
- II. To determine the most factors influence consumer purchase intention toward smartphone brands.

## 1.6 Scope of Study

In this study, researcher focus at who had buy smartphone experience were chose as study subjects in order to provide a broader scope for the study. According to Enterprise News (2011) mentioned that, the most smartphone users are from youths. Therefore, Users and youth have been select as the target group in this study. Experienced buyers and users of smartphones can provide useful information while studying the factors that influence them buying online behavior (Fatin Nur Izzati Ab. Rahman, 2016). According Haque and Khatib (2005) reporting that in Malaysia, the most internet user by smartphone are among youths (15-20 years old) and youth's adults (20 – 29 years old) consist 89 percent of Malaysia smartphone user. Where most students in high school and university are a group consisting of those aged 15 - 29 years old. Therefore, students in higher education, especially those with knowledge in ICT and e-business, have significant influence in the online market. Therefore, students in higher education, especially those who have knowledge in ICT and e-business, have a significant influence on purchasing smartphone brand.

## 1.7 Limitation of Study

In this research, the researcher found a few limitations that need to be face in conducting this study.

The principal restriction possibly analyst experienced a few issues during the time spent gathering data and information for this exploration work that is to get react from respondent. This is on the grounds that the respondents can't give full participation when the scientists disperse the survey. One reason the respondents does not give full participation on the grounds that the respondents get hurrying. Second, perhaps in this examination when investigation information got some respondent not satisfy the survey and that makes the poll was not substantial. Additionally, in light of scientist utilizing survey as information gathering apparatuses, the respondents may not answer the inquiries precisely as per what they think and carry on.

## **1.8 Significant of Study**

According to Fahim Zahar (2018) cited from IDC, the decline in sales volume was due to several economic factors. However, it does not prevent users from upgrading their smartphone, especially for those who use low-cost smartphone. Fast technology changes, especially in the communications or industry sectors, which create factors that influence the consumers' interest in purchasing smartphone brand. The important this study is to fine out several factor influencing toward smartphone brand and in chapter two researcher would be identify the best factors and most influence consumer purchase intention toward smartphone brand. In addition, in conducting this study the researcher can gain more knowledgeable and able to understanding the consumers' behavior in purchase intention. On other hand, after finish this research, researcher hope can help company in smartphone industry to know the most factor influence consumes to purchase smartphone then make company gain more profit and reduce risk of lost.

## **1.9 Summary**

In this section, researcher give a review of the exploration contemplate and as a rule for scientist for legitimate their way in following exploration objective and characterize the issue articulation of the subjects.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

Chapter two, researcher would be focus on the found out the previous of literature review and discuss, describe of relevant theoretical model, review conceptual framework and evaluate the hypothesis. According to Henning et al, (2004) pointed that the purpose of the literature review is to take a gander at past work with a specific end goal to form significant bits of knowledge into to explore region that is being analyzed. It is furthermore used to contextualize the exploration learn nearby keeping in mind the end goal to contend a case.

Therefore, in this chapter, the based on the literature review has of dependent variable and independent variable that connected to the aim of research and objective of research that mention at the first chapter. Therefore, to develop new ideas for the conceptual framework researcher must understand the theoretical models that existed studied previously as the groundwork. In other hand, based on research objectives and research questions researcher would be create the conceptual framework for make sure archive the objective and answer research questions. The last part is hypothesis formulation to test would be form by researcher.

## 2.2 Purchase Intention

Indicated by Richard, Loury & David (2013), pointed that purchase intention is the willingness and possibility of consumer to purchase a certain service or good in coming. Then this statement parallel with mentioned by Rizwan et al., (2014) stated that, plan to purchase an demanding good or service in the future is purchase intention and this statement also support by Meanwhile Wu Yeh and Hsiao (2011) which its define purchase intention means a consumer's willingness to purchase a product in near future. However, when consumer prefers to buy a product or service because they needs a specific service or products, even attitude toward a product and perception of product its mean purchase intention (Safamia et al., 2013).

There is insufficient researcher found available consumers purchase intention meaning are about on their previous literature and experience, their preference toward the product as well as the external situation to collect data, analyses alternative then make purchase decision. (Dodds et al., 1991; Schiffman & Kamuk, 2000; Yang, 2009). Moreover, regarding to Doddds (1991) and Shiffman & Kamuk (2000) stated the purchase intention can be higher when consumer has higher willingness to purchase a products. As declaration by Keller (2001) that purchase behavior is an important fundamental point for consumers during considering and evaluate of certain products.

According to Wang (2006) mentioned that, higher purchase intentions due to high brand image. Brand image is fundamental in purchasing apparel product since it effect to consumers favorite and intentions to buying and it's also has influence on customers will to buy high price and commend the certain brand to others. According to Chang and Albert (1994) mentioned that, to influence their consumers' product evaluations and purchase intentions, advertisers frequently utilizes item cost and highlights as the primary variable. Each item have its own particular value extend, if the real cost surpass the satisfactory value run, customer's buy expectation have a tendency to lessen. However, as mentioned by Ibrahim, Kassim, & Mohammod (2013), social impact also shows an important role in consumers purchase intention. Therefore, researcher makes determine that social factors have high influence in appeal to young consumers to purchase smartphone. To know what brands should be choice,

first consumers must collect information about brand in market from several sources around them such as internet, magazine, gadgets book and friend.

Additionally, to predict the sales of existing good and service, marketers always use purchase intention as a common tools (Armstrong et al., 2000). Sellers are more concerned in understanding consumer purchasing intent because when marketers are aware of consumer intentions, marketers can market segments properly and just as resource to make decisions. Thus, previous research has proven that has relationship among brand image, price, and product feature toward purchase intention (Lin & Lin, 2007; Ibrahim, Kassim, & Mohamood, 2013).

Therefore, along these lines, the impacting variables will be consider by specialists in light of past examinations to discover hole amongst written works and will be talk about in other segment.

### **2.3 The Factors of Consumers Purchase Intention toward Smartphone Brand**

Element that brings about certain special effects, result, indicates a specific multiple, number, or quantity that called factors (Mohd Helmi Musa,2016). Then, there are some factors influence consumer purchase intention toward smartphone brand based on the previous study. Usually in more routine purchases, consumers often reserve or skip some of purchase decision process (Kotler & Armstrong, 2004). But as mentioned above, researchers have selected four factors after reading literature in the field on consumer purchase intention toward smartphone brand.