

Antecedents toward the Purchase Intention among Sarawakian Young Smart Phone Users

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Abstract— The vast technological development has been widely accepted by consumers, prevalently seen through the popularity and mass use of smart phones. This scenario posed a challenge to the smart phone operators and companies, in order to retain their existing smart phone users; while at the same time, attracting the often unpredictable, young potential consumers. Hence, this study investigated the relationship between the antecedents (features, brand, price, social influence, and advertising) and purchase intention towards smart phones, with the focus on young consumers. Paper questionnaires were distributed through convenience sampling, and multiple linear regressions were implemented for the data analysis. The results revealed that brand, social influence, and advertising are related to purchase intention. On the contrary, features and price were discovered to be not related to purchase intention. Hence, industry practitioners, especially smart phone companies and providers, should consider these antecedents to aid their sales effort for future business sustainability.

Keywords— *Purchase Intention, Brand, Features, Price, Social Influence, Advertising*

1. Introduction

In Malaysia, the younger generation are the majority users of smart phones. A previous research by Pew Internet [1] shows that 52% of smart phone adopters are 17-28 years old; with these age group being the largest amount of the early users and adopters of smart phones. Majority of 17-28 years old young generation are college or university students; which shall be grouped as young consumer for this research.

Smart phone companies face a lot of challenges to retain its existing smart phone consumer base, whilst enticing this pool of the younger generation to become their new consumers. Today, consumers, especially the younger generation, are spoiled for choice, with the abundance of smart phones to choose from, varying in terms of

functionality, price, and design. Undeniably, if smart phone operators can successfully cater to this group of young consumers, the market potential that derive from their purchasing power would be rewarding and ensure the business viability of these smart phone companies.

Compared to neighbouring countries, the smart phone adoption rate in Singapore has reached 53.41%, where younger consumer users have occupied 41.23% in the total smart phone users in Singapore [2]. However, a survey conducted by the Malaysian Communications And Multimedia Commission [3] showed that the age groups of 20-24 and 25-29 is dominating the overall smart phone population in Malaysia. Hence, it is crucial for relevant stakeholders to understand their motivation to adopt and purchase smart phones. To that effect, the antecedents affecting their purchase intention of smart phone users should be carried out.

Based on the previous survey conducted by the Malaysian Communications and Multimedia Commission [3], Sarawak only accounts for 6.8% of total hand phone users in Malaysia. Meanwhile, younger consumers stand as the highest rate of population in using smart phone [4]. Earlier studies has proven that the younger generation has huge purchasing potential to accept or adapt to new technologies, especially on smart phones [5]. Thus, there is a good opportunity for smart phone companies to explore Sarawak's market by understanding the factor affecting purchase intention of younger consumer towards smart phone.

2. Literature Review

Today's smart phone companies are keen to understand the purchase intention of smart phone among young generation and its factors. They would like to better understand their potential customers so that they can target them with the right strategy, which is much more cost effective, both in time and monetary means.

To better understand the purchase intention of these specific consumers, the Theory of Planned Behaviour (TPB) model by Ajzen [6] was adopted in this study.

Based on TPB, three variables predict the intention to perform a behaviour: perceived behavioural control, attitudes towards the behaviour, and subjective norms. These variables reflect the psychological constructs of individuals to generate purchase intention. In this study, another variable, advertising, is added as it is the persuading communicating element for purchase intention [7]. Furthermore, in previous studies on smart phones, this variable was found to be not extensively studied on this particular generation of emerging consumers.

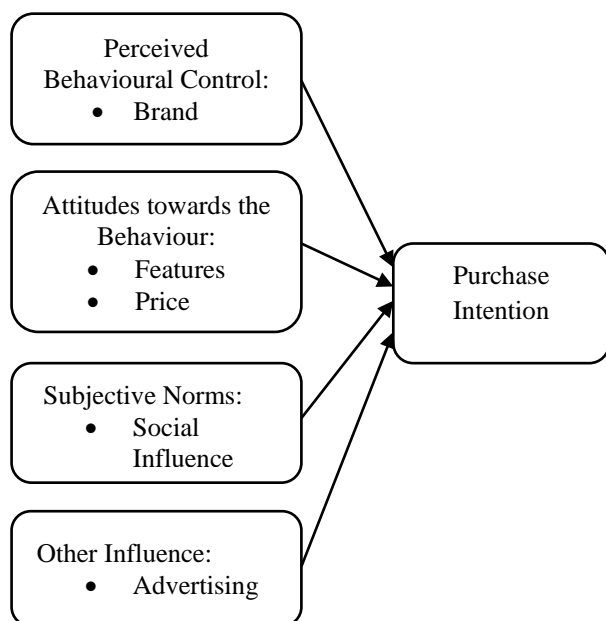


Figure 1, Conceptual Framework

Purchase intention is the mind's representation of what the consumer wants to buy [8]. Purchase intention is also considered as an earlier plan that to buy product or service in the near future, and is affected by ability to implementation [9]. This intention has been seen as a situation that a consumer is motivated to conduct buying behaviours according to certain conditions [10].

Brand can be categorized as a perceived behavioural control factor to enact the intention of purchase. It also refers the term of uniqueness with aspects to name, term, sign, or design in order to differentiate the products or services of one supplier compared to other competitors in the same market for competitive advantage [11]. Wang[12] discovered that there is a positive correlation between consumer value perception and brand awareness on mobile phone purchase intention. Therefore, this study hypothesized that **H₁**: There is a significant relationship between brand and purchase intention.

Features refers to an attribute of a product which satisfies consumer' needs and wants by owning the product, and the right of using a product [13]. Smart phone features can be divided as two main areas - hardware and software [14]. Physical appearance, menu organization, and size of smart phone are among the most significant factors for

consideration by mostly college or university students in generating their purchase intention on smart phone [15]. Thus, **H₂** proposed that there is a significant relationship between features and purchase intention.

Kotler & Armstrong [16] defines price as the amount of money that customers agree to pay in exchange for the benefits that they could gain from using product or service. Purchase intention tends to be reduced when the product's actual price is higher than the acceptable price range and vice versa [17]. Price standard is predicted by perceived quality [18]. In other words, high price is positively related to a product's high quality and directly improves purchase intention [19]. Therefore, **H₃** proposed there is a significant relationship between price and purchase intention.

Social influence is described as an individual's thoughts, behaviours, feelings, or attitudes that changes due to the relations with another people or a group [20]. Social influence plays an important role in affecting the consumer's decision making on purchasing [21]. Moreover, teenagers always seek for opinions and advice of their peers in generating purchase intention [22]. Thus, **H₄** proposed that there is a significant relationship between social influence and purchase intention.

Advertising can be defined as the combination of ideas through mass media to transfer all of the information about a product to consumers, to carry out the persuasion aspect of communication [7]. Kimelfeld & Watt [23] found that there is strong impact of advertising in predicting purchase intention. Consumers will generate purchase intention when they receive and understand the message from advertisements it [24]. Thus, **H₅** proposed that there is a significant relationship between advertising and purchase intention.

3. Methodology

This study was conducted on the young Sarawakian adults aged 17 to 28 years old in a private university in Kuching, Sarawak. Among the population of 350 active students, 184 were designated as the targeted sample size, according to Raosoft's minimum sample size tool (95% of confidence level) with convenience sampling technique. After the data collection and screening, 191 questionnaires were acceptable, which exceeded the minimum population requirement for the study. SPSS (Social Package for Social Science) v22 was used to analyse collected data and conduct the statistical tests. Cronbach Alpha test was utilized to measure the reliability of the research instruments to ensure internal consistency. No major issues with regards to validity and reliability test were discovered, as all items have the factor loading higher than the benchmark of 0.40 set by Hair et al.[25]. Kaiser-Meyer-Olkin's values are all above value of 0.7 and Bartlett's test of Sphericity does not exceed the benchmark of 0.05 [25]; while the Cronbach alpha values exceeds 0.70 [26]. The results are as seen in Table 1.

Table 1: The Research Instrument

Variable	Number of Items	Instrument's Sources	Cronbach Alpha (α)
Purchase Intention	5	[27]	0.723
Brand	5	[28], [29]	0.805
Features	4	[30]	0.758
Price	6	[29], [31]	0.707
Social Influence	4	[22]	0.750
Advertising	4	[32]	0.747

4. Results and Findings

From the 191 respondents of this study, 54.45% are male. The majority of the respondents are aged 20-22 (45.55%), followed by 17-19 years old (38.74%) and others. 55.50% of their monthly spending ranging from RM500 to RM1000, followed by ranging less than RM500 (31.41%). The largest respondent group consisted of those pursuing their Diploma programmes, accounting at 43.33% and 23.04% of them change their smart phone yearly.

4.1 Hypothesis Testing

Multiple regression analysis was utilized to test if brand, features, price, social influence, and advertising are significantly related to purchase intention. As shown in Table 2, the results of the multiple linear regression analysis revealed that brand, social influence, and advertising explained 42% of the variance $R^2=0.42$, $F(5, 185) = 26.466$, $p=0.019$, $p=0.017$, $p=0.001$ respectively). It was found that brand, social influence and advertising significantly related to purchase intention. On the contrary, features and price are not significantly related to purchase intention ($p=0.136$, $p=0.129$ respectively).

Table 2: Result of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.225	1.547		1.438	0.152
Brand	0.815	0.344	0.171	2.373	0.019
Features	0.581	0.388	0.105	1.497	0.136
Price	0.656	0.430	0.109	1.523	0.129
Social Influence	0.787	0.326	0.169	2.417	0.017
Advertising	1.496	0.440	0.280	3.398	0.001

Source: Developed for this research: a Dependent Variable: Purchase Intention
Independent variables: Brand, Features, Price, Social Influence and Advertising
 $R = 64.6$ percent; R Square = 41.7 percent; Adjusted R Square = 40.1 percent; $F = 26.466$; $P = 0.000$ ($p < 0.05$)

4.2 Discussion

The statistical evidence suggests that brand, social influence, and advertising are related to purchase intention. However, features and price are not related to purchase intention. In conclusion, only three out of five hypotheses are supported as per shown in Table 3.

Table 3: Summary of the Hypotheses and Outcomes

Hypotheses	Outcome
H ₁ There is a relationship between brand and purchase intention.	Supported
H ₂ There is a relationship between features and purchase intention.	Rejected
H ₃ There is a relationship between prices and purchase intention.	Rejected
H ₄ There is a relationship between social influence and purchase intention.	Supported
H ₅ There is a relationship between advertising and purchase intention.	Supported

The first hypothesis, there is a significant relationship between brand and smart phone purchase intention, is supported, which is similar to outcomes from a previous

study in Pakistan by Tanzila et al. [29]. As Malaysia and Pakistan are both Eastern countries, the similarity in findings is expected. Based on the findings, it can be concluded that young consumers in Kuching, Sarawak values the brand in terms of prestige, fashionable and stylish which affects their purchase intention.

Secondly, it was discovered that features have no significant relationship with smart phone purchase intentions. Based on past research conducted by Shaharudin et al. [33] in motorcycle industry, this particular variable was not significantly related towards purchase intention. It can be hypothesised that features may not be one of the antecedents which would lead to purchase intention as most of the smart phone companies offer almost similar basic phone features.

Thirdly, the statistical analysis seems to suggest that there is no significant relationship between price and smart phone purchase intentions. The statistical results suggest that young Sarawakian smart phone users are willing to pay a higher price to get the smart phone with good word of mouth from friends, family and peer. This result is aligned with the past study by Leow & Husin [34], where, when the other factor (eg. social influence) has stronger influence on consumer purchase intention, and then price will be less important or even no relationship towards purchase intention.

Fourthly, social influence was discovered to be significantly related to purchase intention. This is proven in a previous research conducted by Mohd Suki [35] that friends, family, and peers play a vital role in affecting young consumers' purchase intention. Moreover, Kaushal & Rakesh [36] found that consumers tend to use smart phones when their social group use it. All things considered, these young consumers have a tendency to purchase smart phone to better fit in their social settings.

The final hypothesis, advertising is significantly related with purchase intention, was supported in this study. The outcome of the results is in line with findings made by Chu et al [24]. In other words, it is pertinent that the message from advertising affects young consumers in generating their purchase intention. In addition, this group of young consumers are majorly exposed to mass media, including online channels, which affect most of their intention to purchase.

5. Conclusion

This study would provide smart phone companies and providers with a better understanding about the young consumers' purchase intention towards smart phones, especially with regards to the key antecedents of brand, social influence, and advertising. In addition, smart phone providers will be able to execute the appropriate marketing strategies to the young smart phone users based on their needs. It is clear that smart phone companies and providers should improve brand image, design good advertising that caters to the young generations needs and wants, and initiate good social influence on social media as opportunities to influence purchase intention for these

particular group of consumers.

5.1 Implications

Previous studies concentrated in the context of West Malaysia, and current study presents a good opportunity for smart phone companies to focus on advertising, social influence, and brand to serve young consumers in East Malaysia. This is because these groups of young consumers will be the future main stream users in this digital era. Additionally, this study's findings present a good opportunity between telecommunication providers and smart phone provider to work on product bundling that is best suited to young consumers.

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