



Study of purchase intention for smartphone among young consumer

Dr. Shilpa C. Shinde¹

Lala Lajpatrai Institute of Management, Mumbai-400034

Abstract- The purpose of this study was to understand the purchase intention for smartphone among young consumer. A study was performed involving 150 young consumers and respondents responses collected with the help of pre-tested questionnaire. Results show that consumers purchase product for price, durability, quality and brand. Besides, that consumers demonstrated positive buying associations with purchase intention and marketing aspects. In addition, consumers are not willing to pay more for smartphone than for products from other industries, although they have been showing preference for smartphones. This inclination depended on the different parameters which are talked here in this paper. This study pioneers marketing insights and contributes to an understanding of the key factors that influence consumers' purchase intention for smartphones.

Keywords: smartphones, Purchase intention.

INTRODUCTION

In today's society, people are becoming more and more rely on technology especially when communicating with others. Smartphone is one of the highly technology communication device that allowed users to connect with each other and transfer information to around the globe. Smartphone has brings huge benefit to the society, the beneficial aspects includes it allow users to call and talk straightaway, send short message service (SMS), assist business person to make schedule of working and meetings, work as navigation system (GPS), access to the internet, entertainment, downloading applications, store data and even help in legal matters such as track criminal via tracking system. According to The Sun Daily report, smartphone penetration in Malaysia has increased in the year 2012 from 47 percent to 63 percent (The Sun Daily, 2013). Therefore, the trend of the society in purchasing mobile phone has slowly moving towards smartphone (Min, et al., 2012).

Nowadays, consumers pay more attention to the brand while choosing smartphone (Knapman, 2012). Many smartphone brands that are popular among the users include Apple, Samsung, Sony, HTC, LG, Motorola, HuaWei and XiaoMi have entered into Malaysia recent years. Among these brands, Apple and Samsung gain the highest market share in the market. According to The Star, many large mobile phone makers were threatened by high-end phone companies such as

Apple and Samsung and by lower end Chinese phone companies. Those companies were said to be suffering due to lack of differentiated offering and strong brand (The Star, 2012).

RELATED WORK

Nowadays, both male and female contributes relatively a large percentage in smartphone purchase. A study says that woman purchase behavior has changed and its plays a significant impact on the sales of goods in marketplace. Dr. Anu Nagpal Chopra (2014) states: woman are most powerful consumers in the world, since up to eighty percentage of household spending decision is made by them. In addition, since the role of woman has changed, their significance of purchase intention has also changed. The role of woman changing refers to the scenario that nowadays a significant percentage of smartphone purchase comes from woman. Since the employment of woman labour in the work sector, the disposable income of woman increased (Schiffman & Kanuk in Shim & Kotsiopoulos, 1993). This literally means that this study can serve as a reference for woman during their purchase process of smartphone. Besides, this research helps women consumers understand the emerging trend of smartphone brand.

According to Richard, Loury & David (2013), purchase intention defined as the possibility and willingness of consumer to purchase a particular good or service in future. Laroche et al. (1996) define purchase intention is the individual's intention to purchase a particular brand they have chosen after certain evaluation. There are few researchers found out consumer's purchase intention is based on their past experience, their preference toward the product as well as the external environment to collect information, evaluate alternative, and make purchase decision. (Dodds et al., 1991; Schiffman & Kanuk, 2000; Yang, 2009). Besides, according to Dodds (1991) and Schiffman & Kanuk (2000) when consumers have higher willingness to purchase a product they will have a higher purchase intention. Furthermore, purchase intention also refers to consumer's intention to repurchase or purchase (Wand & Tadisina, 2008; Philip et al., 2002).

Furthermore, purchase intention is the common tools that used by marketers to predict the sales of existing goods and services (Armstrong, Morwitz & Kumer, 2000). Marketers are interested in understanding consumer's purchase intention, so that they are able to properly segment the market and as a source to their decision making. Thus, previous research has proof that there are positive relationships between brand image, price, product feature and peer influence with purchase intention (Lin & Lin, 2007; Ibrahim, Kassim, & Mohamood, 2013)

OBJECTIVES OF THE STUDY

1. To examine effect of brand image on young consumers purchase intention towards smartphone brand.
2. To examine effect of price on young consumers purchase intention towards smartphone brand.

HYPOTHESIS

1. Brand image has no relationship towards young consumer's purchase intentions for smartphone brand
2. Pricing has no relationship towards young consumer's purchase intentions for smartphone brand.

RESEARCH METHODOLOGY

RESEARCH DESIGN - The research design is descriptive.

SAMPLING - Simple random sampling method was adopted to select the respondents. The sampling was done in different localities of Mumbai. A total 446 respondents were interviewed. The data was collected by personally interviewing the respondents using a pre tested structured questionnaire.

LIMITATION OF THE STUDY

The main limitation of the study is time and money. Mumbai has been taken as the scope of the study, which may not be true representative for Pan India. Another limitation can be the biasness at the respondent's level.

NULL HYPOTHESIS 1: Brand image has no relationship towards young consumer's purchase intentions for smartphone brand

ALTERNATIVE HYPOTHESIS 1: Brand image has relationship towards young consumer's purchase intentions for smartphone brand

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.546 ^a	1	.214		
Continuity Correction ^b	1.077	1	.299		
Likelihood Ratio	1.432	1	.231		
Fisher's Exact Test				.219	.150
Linear-by-Linear Association	1.542	1	.214		
N of Valid Cases	444				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 7.98.					
b. Computed only for a 2x2 table					

Since the p-value is greater than our chosen significance level ($\alpha = 0.05$), we do not reject the null hypothesis i.e. we accept null hypothesis.

Rather, we conclude that there is not enough evidence to suggest an relationship between brand image and purchase intention.

NULL HYPOTHESIS 2:- Pricing has no relationship towards young consumer’s purchase intentions for smartphone brand.

ALTERNATE HYPOTHESIS 2:- Pricing has relationship towards young consumer’s purchase intentions for smartphone brand.

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	10.082 ^a	1	.001		
Continuity Correction ^b	9.476	1	.002		
Likelihood Ratio	10.145	1	.001		
Fisher's Exact Test				.002	.001
Linear-by-Linear Association	10.060	1	.002		
N of Valid Cases	446				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 84.36.					
b. Computed only for a 2x2 table					

Since the p-value is less than our chosen significance level $\alpha = 0.05$, we can reject the null hypothesis, and conclude that there is an relationship between price and purchase intention.

CONCLUSION

Based on the analysis, it is clear to us that the price has an impact on the young consumer purchase intention. The price of smartphone has a direct influence on the purchase intention of young consumers. From the survey done and the results obtained, a high percentage of consumers prefer price based smartphones in the marketplace. This is because the price has been positioned in consumers mind strongly in a positive manner. This strong perceived positive image of the price has induced purchase intention. This is also likely to induce a repeat purchase of the product by the customers. The study area was led in Mumbai city in view of its cosmopolitan nature which gives a wide extension for concentrate the consumer inclination towards smartphones.

Therefore, in smartphone industry major player who are known as a price ought to adjust their strategies to the new patterns of customers, which drive towards demand of product.

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