An Analysis on the Preferences of Smartphone that Affects Consumers Buying Decision in Selected Higher Education Institution in Malaysia

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Article Information

Abstract

The study focused on the relationship between Smartphone's preferences with buying decision among consumers. 327 students from selected higher education institution in Malaysia had been chosen as the respondents for the study. A convenient sampling technique and a five point likert scale validated questionnaire were employed in the study. The research used Pearson Correlation Analysis in attempt to achieve the objectives. Based on the statistical analysis, all variables namely product features, brand name, price and social features have a positive relationship with the consumers buying decision.

INTRODUCTION

In Malaysia, the usage of Smartphone is growing rapidly and businesses have gained a greater profit (Amran, Liew, Abdul Wahid & Rini, 2015). Survey that had been done by Malaysian Communications and Multimedia Commission (2015) showed that the use of Smartphone in Malaysia is increasing from year to year. Table 1 below highlights percentage distribution of handphone users by phone type starts from 2010 until 2014.

TABLE 1
PERCENTAGE DISTRIBUTION OF HANDPHONE USERS BY PHONE TYPE
SOURCE : MALAYSIAN COMMUNICATIONS AND MULTIMEDIA COMMISSION (2015)

	2010 (%)	**2011 (%)**	**2012 (%)**	**2013 (%)**	**2014 (%)**
Smartphone	14.0	12.0	26.0	37.4	53.4
Feature Phone	86.0	87.3	74.0	61.8	46.4
Do Not Know	-	0.7	-	0.8	0.2

The use of the Smartphone is rising due to the benefits that the consumers could obtain. Smartphone offers a great capabilities such as can access to internet connection, download interesting applications, can do a variety functions of communications using instant messaging on yahoo, Skype, Facebook and other social media sites, video calling and audio calling media player (Kaushal & Rakesh, 2015), location-awareness function, managing personal time schedule and editing documents (Mohd, Abdullah, Zainal, Tan & Abdullah, 2012). Other than

that, based on the research that had been done by Norazah (2013), price, product features, brand name and social features might be related to the preferences of the consumer and features that were associated with the Smartphone. The preferences are crucial to further examine as it could lead to consumers buying decision. Therefore, this study will focus in investigating these four preferences as the independent variables and buying decision as the dependent variable.

Problem Statement
Consumers' buying decision are different with another as the expectations and preferences are varies. According to Sanjaykumar and Milind (2015), factors such as price and benefits might influence consumers in purchasing any products. Normally, a good quality of the products would lead to the higher price. Consumers that had money constraints would unsatisfied if the price was high. With this matter, a designer or business found difficulties for them to create products that could meet customer expectation as putting in extra feature would increase cost while removing the features may lead to customer unhappiness. Other than that, knowing consumer's preferences are vital to safeguard the business and gain competitive advantage in the market. According to Sandeep and Chaubey (2015) the business must ensure that the consumers choose their products instead of others. Therefore, finding favored preferences are significant thus it could help the business to innovate or invent new products that can satisfy consumers' needs.

Research Objectives
i. To identify the relationship between product features and consumer buying decision
ii. To identify the relationship between brand name and consumer buying decision
iii. To identify the relationship between price and consumer buying decision
iv. To identify the relationship between social features and consumer buying decision

Research Hypotheses
H1 : There is a relationship between product features and consumer buying decision
H2 : There is a relationship between brand name and consumer buying decision
H3 : There is a relationship between price and consumer buying decision
H4 : There is a relationship between social features and consumer buying decision

LITERATURE REVIEW
This section highlights the researches that had been done regarding product features, brand name, price and social features.

Product Features
Product features are the characteristics of product that describe its appearance, components and capabilities. According to Lim, Han and Chan (2013), product features are vital as it could determine the level of consumer's satisfaction towards each product. Features that could enhance customer attractions are in terms of stylish and modern design (Hamka, Bouwman, Reuver & Kroesen, 2014), high camera resolution features, storage capacity (Tanzila, Ali & Nazish, 2015), high density screen resolution, full screen viewing for images and video and larger text and buttons with stylish design (Norazah, 2013).

Brand Name
Hassan and Ikhtiar (2013) found that consumers tend to buy a wellknown brand of smartphone in the market. Surendra, Manminder and Avijeet (2013) discovered that Samsung brand was the most preferred brand followed by Apple, Sony and Blackberry. Consumers desired a famous brand of smartphone that have features like touch screen interaction and quickly access to information with less disruption (Norazah, 2013). Jamil and Wong (2012) also stated that smartphone's brand which has favorable product attributes of consumers would influenced buying decision.

Price
Price is an important factor in determining buying decision among consumers (Ala'a Ali and Yaser (2015), Sethi and Chandel (2015), Karjaluoto et. al, 2005). Price can be defined as the amount of money that customers agree to pay as an exchange of the benefits that they could gain from the products or services (Kotler and Armstrong, 2012). The values of money are varies among customers as some of them believe that high price resembles high quality (Lim et al, 2013), yet some are not. Kotler and Armstrong (2012) mentioned that the quality of the product might not change as the price is high compared to if the price is low or to discounted price product, the quality would change.

Social Features

Social groups like family members, friends and peers could influence consumers in buying a smartphone. Consumers would buy the smartphone based on the recommendations from social group (Norazah, 2013) especially if the members are professionals (Lim et al, 2013). Kaushal and Rakesh (2015) found that consumers tend to use smartphone when their social groups used it.
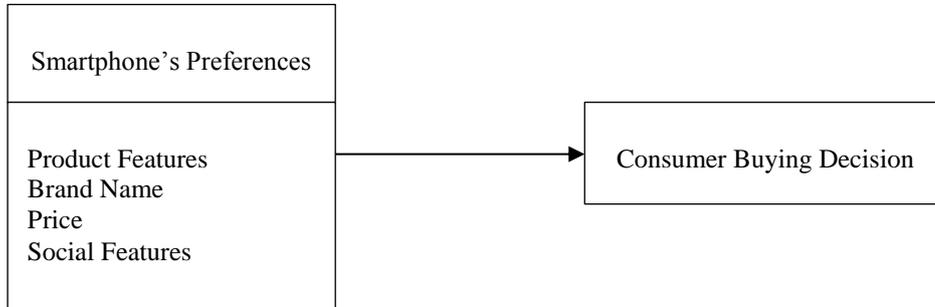
Research Framework

Fig 1.
Research framework for preferences of smartphone that affects consumer buying decision
Norazah Mohd Suki, (2013),"Students' demand for smartphones", Campus-Wide Information Systems, Vol. 30 Iss 4 pp. 236 - 248

METHODOLOGY
The study is attempted to investigate the relationship between smartphone's preferences with consumer buying decision. The research focused on a correlational study where convenience sampling technique was chosen. Data were collected from one selected higher education institution in Malacca, Malaysia. A total of 327 out of 2250 respondents were chosen as a sample size for this study. The sample size was determined according to the Krejcie Morgan's table (Krejcie and Morgan, 1970). A five point Likert scale questionnaire was used in this study. The questionnaire consists of two sections. Section A highlights the demographic of the respondents. Meanwhile, Section B comprised of five parts that described product features, social features, brand name, price and buying decision. The questionnaire was given to the respondents by hand and needed to return it back to the researchers in a same day. The questionnaire was validated using Cronbach's Alpha where the result was 0.911. Table 2 shows the alpha value for each variable. The alpha value for all variables were more than 0.7, therefore it can be concluded that the questionnaire was reliable.

TABLE 2
REALIBILITY OF THE QUESTIONNAIRE FOR EACH VARIABLE

No.	Variable	Alpha Value
1.	Product Features	0.775
2.	Brand Name	0.793
3.	Price	0.763
4.	Social Features	0.746
5.	Buying Decision	0.864

FINDINGS AND DISCUSSION

Demographic
Majority of the respondents were female that contributes 64.2% from total sample size. The age of the respondents fall between 21 – 25 years old (98.8%) and 26 – 30 years old (1.2%).

Table 3 illustrates several smartphone's brands that were currently used by the respondents. The findings show that majority of the respondents were users of Apple (40.7%) and Samsung (37.3%). The findings correspond with the Global Mobile Consumer Survey Netherlands conducted by Deloitte (2014) where Samsung and Apple were two dominant brands compared to other types of hand phones.

TABLE 3
RESPONDENT'S SMARTPHONE BRAND

Smartphone Brand	Frequency	%
Samsung	122	37.3
Apple	133	40.7
Asus	22	6.7
Lenovo	26	8.0
Others	24	7.3

Data in Table 4 shows that approximately 30.6% of respondents retrieve information about smartphone from social media followed by television or radio 26.6% and family or friends 23.2%. The result shows that social media has the highest percentage due to the it acts as a communication tool among people where ideas and information are being shared (Baruah, 2012). Meanwhile, only 3.1% of respondents gained information from traditional instruments like magazine or newspaper.

TABLE 4
SMARTPHONE'S INFORMATION

Media	Frequency	%
Television / Radio	87	26.6
Family / Friends	76	23.2
Magazine / Newspaper	10	3.1
Promotion	45	13.8
Social Media	100	30.6
Internet Website	9	2.8

Correlation Analysis

Table 5 below shows correlation analysis between four independent variables namely product features, brand name, price and social features with buying decision as a dependent variable. All variables were statistically significant. Price had positive moderate relationship on buying decision where r value was 0.515, $p < 0.01$. Brand name and product features had positive weak relationship where r value were 0.380 and 0.348 respectively, $p < 0.01$. Meanwhile, social features had positive very weak relationship where r value was 0.119, $p < 0.05$. Therefore, all of the research hypotheses and objective are accepted.

TABLE 5
CORRELATION ANALYSIS

		Product Features	Brand Name	Price	Social Features
Buying Decision	Pearson Correlation	.348**	.380**	.515**	.119*
	Sig. (2-tailed)	.000	.000	.000	.031
	N	327	327	327	327

**. Correlation is significant at the 0.01 level (2-tailed)
*. Correlation is significant at the 0.05 level (2-tailed)

Result suggests that even though price is high but the demand is still there. Consumer would still buy smartphone that has a high price because of the factors of brand and features of the products. Research that had been done by Falayi and Adedokun (2014) also obtained the same result which price had positive relationship with demand. This indicates that the demand of the smartphone could not assured although the price of the smartphone are being reduced.

CONCLUSION

As a conclusion, the research objectives to identify the relationship between smartphone preferences (product features, brand name, price and social features) and consumer buying decision have been achieved. All variables have positive relationship towards buying decision. All factors are related with one another where consumers willing to purchase smartphone that has the high price due to they believed that smartphone price and product features are correlate with one another (Lim et al, 2013). Other than that, consumers are probably purchase smartphone to make them fit in the social setting better (Ding, Suet, Tanusina, Ca & Gay, 2011). For future work, it is suggested to expand the sample size and investigate in different areas in order to get more reliable result.

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