

EXPLORING FACTORS INFLUENCING PURCHASE INTENTION FOR EXPENSIVE SMART PHONES

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ABSTRACT: *The competition and growing industry among smart phone producers brought the topic of research in the mind of researcher to conduct this study. It is totally qualitative based research using the methodology of focus group and group interview. The sample consisted, from Karachi, on twenty one respondents, equal number of members in two focus groups and group interview. Content analysis tool used to analyze the data which were collected by interviews. There were five research questions or assumptions in the research which the researcher was examined. The researcher concluded that technical properties were the most influencing factor to create purchase intention after status symbol.*

1.1 INTRODUCTION:

It has been noticed since a decade that purchasing expensive cell phone or smart phone helps producers to build a huge industry which is still in progress and establish their strength more effectively and efficiently day by day throughout the world by introducing new technology in cell phones to attract more customers towards it and provide them new healing features which captured their thoughts by exploring new ways of using cell phones or smart phones like 2G, 3G & latest 4G.

In Pakistan, the cell phone users are increasing day by day and now the total numbers of mobile phone users are approximately 129 million which is about 70 percent of the total population of the country. The cellular service providers are Mobilink, Zong, Telenor, Ufone & Warid.

The leading smart phone providers in market are Samsung, Nokia, HTC and Q Mobile. There also other brands available in market i.e. Voice, Hawai, Dany etc

1.2 RESEARCH BACKGROUND:

In Pakistan, there are few researches which have been made for this purpose in which one of them is "An Investigation of Customers to Explain the Purchase Intentions for Expensive Mobile Phone" (Farhat Abbas et al). In that research the sample was taken from Bahawalpur but in this research the researcher has taken the sample from Karachi. It is purely a qualitative research rather than quantitative research. Furthermore, the theory of planned behavior has been used to understand the behavior of consumer towards purchase intention.

1.3 PROBLEM STATEMENT:

Exploring Factors Influencing Purchase Intention for Expensive Smart Phones

1.4 RESEARCH OBJECTIVES:

The objectives of the study are to find out the variables which are most relevant to increase the purchase intention of expensive cell phones. Furthermore, Smartphone firms such as Apple, Samsung and HTC may gain information about the factor that cause consumer to request a smart phone and understand the features of smart phone that request by consumer such as taste, design, colors, application and also price setting.

1.5 RESEARCH QUESTIONS:

1. Would the levels of mobile phone price influence the levels of value perceptions?

2. Would expensive Cell phones are more compatible than ordinary cell phones?
3. Would new technical properties increase consumer willingness to acquire expensive phone models?
4. Would expensive cell phones would be a status symbol?
5. Would Social Influence have a significant relationship with purchase intention in expensive mobile phone purchase?

1.6 METHODOLOGY:

The researcher examined few variables with purchase intention for expensive cell phones such as status symbol, relative advantage, compatibility, Social influence and price. After examined the researcher judged the result of assumptions by using methodology of qualitative research tools.

The researcher conducted focus interview and group interview from a group of seven people each to find out their views according to each factor which may influence the purchase intention of buyer to purchase expensive cell phones. Data that obtained from focused interviews and group interview presented in the form of qualitative techniques.

2. LITERATURE REVIEW

2.1 THE THEORY OF PLANNED BEHAVIOR

The purpose of the Theory of Reasoned Action Ajzen [1], hereafter TRA, and of the Theory of Planned Behavior Ajzen 1985[1], hereafter TPB, is the prediction and explanation of behavior. The models assume that the proximal cause of behavior is the intention to engage in that behavior. According to the TRA, intentions are, in turn, functions of two variables: attitudes towards the behavior (Ab) and subjective norm (SN), a factor of social pressure. Subjective norm represents the pressure generated by relevant "others" with respect to that behavior.

The TPB postulates the two predictors, in the study of non-volitional behaviors, another factor, called the perceived behavioral control, is a significant determinant of intention and behavior. The perceived behavioral control (PBC) represents the person's beliefs as to how easy or difficult performance of the behavior is likely to be [2]. Both the TRA and the TPB belong to the family of models called "expectancy-value" models. Therefore attitudes, subjective norm and perceived behavioral control are functions, respectively, of behavioral beliefs, normative beliefs and control beliefs, and of their evaluation, respectively: outcome

evaluation, motivation to comply, and perceived power. To obtain an estimate of the determinants of intention, each salient belief must be multiplied by its evaluation, and then all these products must be summed Fishbein & Ajzen [3].

In social psychology various studies have attempted to extend the determinants of behavioral intention postulated by the TRA or the TPB by including a measure of self-identity. [4]

2.2 PURCHASE INTENTION:

Purchase refers to the advance purchase decision or program of purchase near future. Purchase intention can also be defined as a future plan to purchase certain good or service, this plan may not always lead to completion, because it affected by ability to perform [5]. It is considered that brand name and size play vital role in purchasing decision making. As Liu (2002) has surveyed in Asia regarding mobile phone usage, he has found that in mobile phone purchasing, phone size has not any significant effect in mobile phone choices decision because all the models in market are smaller in size. [6] The economic utility theory believes that as consumer behave in a rational way, that's why they focus to get highest satisfaction and advantage from the product as they have limited resources in terms of money, time and physical efforts (Horton, 1984).

2.3 NEW TECHNICAL PROPERTIES:

Now a day the major role that plays between the various brands of smart phones is the introducing of new technical properties. Mobile phone companies invest millions of dollars to their research department to introduce or explore revolutionary changes in the smart phones which attract customers. Study found strong evidence that although mobile phone technology is growing at rapid scale, but still many customers are unaware with the advancements in mobile phones Farhat Abbas et al., [7]. Customer value new technological features while they make a purchase decision. Internet, Maps, Gaming, utilities and latest software have become a foremost priority in purchasing an expensive mobile phone. Ease of access and ease of use are also main consideration here. A consumer tries to purchase a brand that is according to his own needs. So, new and advanced features attract customers a lot Farhat Abbas et al., [7].

These customers want new and advance technological features like en suite cameras, long battery timing, more developed massaging services, large screen and more colorful screen. These new and advance features motivate a consumer to purchase new models.

2.4 PRICE:

We find out that level of price of mobile phone has significantly impact on the level of value perception. By considering the fact that all customers are rational, a customer can easily perceive the quality by its tagged price or listed price. Farhat Abbas et al., [7] Price is one of the most important cues in marketplace. The economics and consumers elements can be used to understand the view about price. Price is represented as restraint to be trade-off products for each unit with utmost utility from economics viewpoint. No secreted information exists in exchanging products in marketplace. The matter of price has been discussed as critical factor requiring consideration with limited budget on purchase intention Erickson & Johansson [8]. When we talk

about the perceived price, it involves each and every cost that involve in making a purchasing process for example price of the product, cost of acquisition, transportation, installation, order handling, protection & revamp and bad performance. It is also a fact that if we take in explanation the price in perspective of mobile phone purchasing, it is seen that mobile phone price is a very important factor of mobile phone model choices particularly among youngsters Karjaluotoetal et al., [9]

2.5 COMPATIBILITY:

Compatibility of product is company need to find some way to fits the past experiences and the needs of the potential adopters used to accomplish and satisfied customers need. Compatibility is also vital issue in a market with demand externalities and the purchase intention of customers Karjaluotoetal et al.,[9].

2.6 SOCIAL INFLUENCE:

People's life are very much influence by the social behavior of other people like friends, relatives, neighbors or family members. In mobile phone purchasing decision argue upon social pressure is different from economic pressure and their advantages are venerable. But if take in account of buying mobile phone in developing countries, where having a mobile phone is signal of far-out from poverty is create a twist in debate. In this perspective, usage of mobile phone among low-income people is significant findings as compare to find the usage among businessperson and entrepreneurs In the same way, Donner condemn the propositions of overstress of purchasing of advance mobile phone while ignoring the value of social calls when weigh up the demand driven. There are two interconnect problems are here, the advantage of purchasing mobile phone in perspective of social angle, perceived value, benefit in perspective of social relations and as the "blurred" social and business communiqué obscure Gatignon & Robertson [10].

2.7 STATUS SYMBOL:

Every people want to be rich and earn a lot of money even if he is not rich than he want himself to look rich. Peer Pressure is the one most important factor for expensive mobile shopping. People make their expensive purchase decision due to their status seeking approach. Friends and society is also playing a role here. Some people want a good impression of their personality on others and for the sake of this; they need an expensive mobile phone. Some people consider what others are buying; they mold their purchasing decision by following other people. [7]

3. METHODOLOGY

3.1 DATA COLLECTION METHODS:

Focus interviews and group interview method used in this qualitative research as a tool to get data from the sample which we will select for this purpose. Both interviews conducted separately by the gap of one day.

3.2 DATA ANALYSIS METHOD:

The data analysis method which used in this research report is Content Analysis. Content analysis is a research method used to analyze social life by interpreting words and images from documents, film, art, music, and other cultural products and media.

3.3 SAMPLING:

The sample was taken from Karachi. All respondents were of rational mind, literate and fresh to answer the questions with peaceful mind set to understand the value of feedback for the research therefore they perform their duty diligently and effectively which motivate researcher to find out the research findings from the data which obtained from the interviews.

3.4(a) Recruitment and Composition of Focus Groups & Group Interview:

Two Focus groups and a group interview were conducted at the two sites between July 19 and 23, 2014

SCHEDULE OF FOCUS GROUP INTERVIEWS:

Date & Time	9/30/14 (1:30pm)
Location	IoBM Library
Participants	Students
Numbers	7
Duration	Duration: 45 minutes approximately

SCHEDULE OF GROUP INTERVIEW:

Table 1: Participant's Age

4. RESEARCH FINDINGS

4.1 TECHNICAL PROPERTIES:

After asking questions regarding technical properties to group interview and focus interview participants they promptly answered their opinions. Mostly of them were in favor of the statement that smart phones are more technically advanced than normal mobile phones. One of the interviewers believed that:

"Definitely, I go for buying smart phone mainly because of its technical properties which are not a part of any ordinary cell phones" (Female, 26, In favor of technical properties of cell phone)

"It has wide range of functions than ordinary cell phones"

(Male, 32, Encourage the functions of smart phones)

Customer value new technological features while they make a purchase decision. Internet, Maps, Gaming, utilities and latest software have become a foremost priority in purchasing an expensive mobile phone. (Farhat Abbas et al 2013)

For instance, a respondent argued the disadvantage of technical advancement of smart phones:

"It takes time to understand the system of smart phones as people of 40's, 50's even of late 30's are unable to adopt the new operating system promptly. On other hand the ordinary cell phones are more convenient to use" (Male, 39, arguing the convenience of using smart Phones)

Ease of access and ease of use are also main consideration here. (Farhat Abbas et al 2013)

"I like its big display that's why I found it good for me" (Male, 32, Appreciate its big screen features)

It is considered that brand name and size play vital role in purchasing decision making. (Liu, 2002)

4.2 PRICE:

The researcher questioned the relevant questions regarding price to the respondents of group interview and focus interview members. All respondents were very much aware about the price of smart phones because of advertisements,

Date & Time	7/23/14 10:00am
Location	PECHS Society Library
Participants	Men and Women
Numbers	7
Duration	1 hour 20 minutes approximately

3.4(b) Demographics:

Twenty one people participated in the Focus Group in which 16 were male and 5 were females. The range of age group was from 18 to 39. Age Range	Percentage
18-19	8
20-29	71
30-39	21

mouth publicity, purchasing and social media. They believe that smart phone's high prices are acceptable. Mostly of the respondents were in favor of the fact that expensive cell phones must have advanced applications:

"I believe that if I invest more money on smart phone I will get more advanced applications and features" (Male, 19, believe in high price provides more advanced features)

"I buy smart phone because they are worth to used regarding b/w with their price and usage quality" (Female, 21, Accept the high prices of smart phones are reasonable)

We find out that level of price of mobile phone has significantly impact on the level of value perception. By considering the fact that all customers are rational, a customer can easily perceive the quality by its tagged price or listed price. (Farhat Abbas et al 2013).

Some respondents believed that medium range cell phones are enough for them as they have enough features which they want.

"I will not go for buying smart phone that is so expensive rather I like to have one ranging between 15 to 20 thousand which consists of at least the entire major features of smart phone" (Female, 26, Satisfy in medium range smart phones)

The matter of price has been discussed as critical factor requiring consideration with limited budget on purchase intention (Erickson & Johansson, 1985)

4.3 COMPATIBILITY:

Regarding compatibility, the respondents were explaining that characteristic of smart phone with positive mind. Almost all of them believed that without it today's life is meaningless as it become the vital part of life because of providing social communication, corporate features and other applications:

"Yes! They are very much compatible and fits to my daily life" (Female, 28, encourage the compatibility property of smart phones)

One of them stated that they are over compatible:

"Smart phones are fulfilling above than my needs because every people usage style and requirement is different"
(Female, 27, stated that they are over compatible).

Compatibility of product is company need to find some way to fits the past experiences and the needs of the potential adopters used to accomplish and satisfied customers need. (Gatignon & Robertson, Innovation Decision Process, 1991).

4.4 SOCIAL INFLUENCE:

The part of social influence in purchasing smart phones of anyone decision is very typical as almost every respondents were having different opinions, thoughts and views regarding this point.

Few were respecting social values:

"Of course! I will not buy any smart phone without sharing information and getting feedback from my friends and family about that brand and model before taking purchasing decision" (Female, 25, Very much in favor Of social influence)

"My friends are very helpful in making decision to purchase smart phone because I believe that they have better knowledge than me" (Male, 21, respecting friends' opinions)

On other hand, few of them denied the social influence in their purchasing decision of smart phones:

"I do not need any suggestion from my friend and family"
(Female, 21, ignoring social influence)

Donner (2009) condemns the propositions of overstress of purchasing of advance mobile phone while ignoring the value of social calls when weigh up the demand.

4.5 STATUS SYMBOL:

Expensive and high price products are always the symbol of elite and rich people who belongs to the upper class, therefore we were interested in to find out the views of respondents relevant to this issue. Mostly, accepted the fact:

"Now days it is definitely count as a status symbol. More rich people use more expensive cell phones" (Female, 26, counting expensive cell phone as a status symbol)

Friends and society are also playing a role here. Some people want a good impression of their personality on others. (Farhat Abbas et al 2013)

"Of course! Every rich people can buy an expensive smart phone" (Female, 24,

Indicating expensive smart phone as a status symbol)

People make their expensive purchase decision due to their status seeking approach[7]

4.6 PURCHASE INTENTION:

When the researcher questioned questions relevant to purchase intention for expensive smart phones the feedback from respondents was surprising because each of them already having smart phones. In spite the fact that they have already smart phones, they all are willing to purchase more stylish, branded, reliable smart phones near future. The reaction of respondents is as below:

"I would definitely buy expensive cell phone near future"
(Female26, Intend to but soon)

This plan may not always lead to completion, because it affected by ability to perform (Warshaw & Davis, 1985)

"I will buy new one very soon" (Male, 23, Again intention to buy)

A respondent answered that purchasing smart phone never satisfy him as he is always looking for the other one which will be better than the current smart phone he has right now:

"I search information about smart phone time to time to buy a better one next time as I already have one right now"

(Male, 29, Interested in buying better model than the current one)

It is also a fact that mostly consumer purchase new mobile phone because his/her current mobile has out-dated technological features (Liu, 2002; O'Keefe, 2004).

As Liu (2002) has surveyed in Asia regarding mobile phone usage, he has found that in mobile phone purchasing, phone size has not any significant effect in mobile phone choices decision because all the models in market are smaller in size.

"I will buy new one very soon of latest model and not much big screen"

(Female, 21, having purchase intention)

It is important for customers to find a mobile phone that suits their economical conditions and get highest satisfaction (Horton1985).

5. CONCLUSION

The objective of this study was to find out the relevant and irrelevant factors that influence the purchase intention for expensive cell phones. The researcher used the tool of Focus Group and Group interview to collect the data and analyze by content analysis.

In this research, the researcher found that mostly people satisfied the fact that smart phones are more technically advanced than any ordinary cell phones therefore it is one of the reasons which attract customers to buy smart phones. Smart phones have many features and applications which any ordinary cell phone does not have. A consumer tries to purchase a brand that is according to his own needs. So, new and advanced features attract customers a lot [7].

Smart phones have social applications of Whatsapp, Viber, Hangout, and Facebook which connected the user with others irrespective of any part of the world. This technology attracts customers and also the most important requirement of today's world.

Afterwards, we examined the price variable which is the important factor in purchasing smart phones. The most respondents stated that most expensive cell phones or smart phones are more advanced. We find out that level of price of a mobile phone has significantly impact on the level of value perception. By considering the fact that all customers are rational, a customer can easily perceive the quality by its tagged price or listed price. (Farhat Abbas et al). It is also important to note that after discussion with respondents it was very easy to identify that people can judge the price of mobile phone by its features. Few people believe that beside purchasing expensive cell phone, a medium range smart phone is enough to having useful applications that is fit to their life usage. The matter of price has been discussed as critical factor requiring consideration with limited budget on purchase intention (Erickson & Johansson, 1985).

As far as compatibility concerned, almost all respondents were supporting the fact that it is very much compatible, than any ordinary cell phones, even few forced the fact that they

are over compatible. Compatibility is also vital issue in a market with demand externalities and the purchase intention of customers (Gatignon & Robertson, *Innovation Decision Process*, 1991).

Social Influence vary from customer to customer because It play vital part in the purchasing decision while making decision on purchasing expensive smart phone of those people who are not aware of their features and prices well. On other hand there are also few people who do not need and views and opinions from their friends and family members regarding purchasing decision of smart phones because they already get the information from internet. Donner (2009) condemn the propositions of overstress of purchasing of advance mobile phone while ignoring the value of social calls when weigh up the demand driven. There are two interconnect problems are here, the advantage of purchasing a mobile phone in perspective of social angle, perceived value, benefit in perspective of social relations and as the "blurred" social and business communiqué obscure (Biljon&Kotze, 2008; Zainudeen et al, 2006; Donner, 2009)

Mostly, respondents emphasized that it is a status symbol because more rich they are, the more expensive cell phone or smart phone they can purchase. Few respondents believe that their rich relatives and friends are not willing or using expensive cell phones because of bad law and order situation. Some people consider what others are buying; they mold their purchasing decision by following other people. (Farhat Abbas et al)

After analyzing respondents it indicated that whether they have smart phones or not they are willing to purchase the latest or better model soon in near future. Even if they do not have purchasing power but still they are getting information from internet or via social peer regarding latest brand of smart phones and their applications.

For future research, the researchers may examine some other variables to explore the factor influence purchase intention. Also the researcher could take other sample to find out new findings.

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