

# FACTORS AFFECTING UNDERGRADUATE STUDENT PURCHASING INTENTION TOWARDS SMART PHONES.

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## ABSTRACT

Abstract—The study focuses on purchasing intention factors such as product, price, place, promotion, and buying experience influencing undergraduate students to buy the smart phone. These research objectives are 1) to study the purchasing intention factors influencing undergraduate students to buy the smart phone. 2) To gather information on the undergraduate students intention to purchase smart phones. The questionnaire is used as a tool for collecting data from 385 undergraduate students who are in Bangkok. Correlation and multiple regressions are data analyzed in this research.

The results of this study show that majority of the respondents are female, ages between 23-25, monthly income 10,001 -15,000 THB , who use mobile phone for photography and study at Krirk University in 2<sup>nd</sup> year. They often buy new mobile phone once a year. For purchasing intention factors found that the product and promotion factors are significantly influenced undergraduate students purchase intention towards smart phones. However, price, place and buying experience factors are not significantly influenced undergraduate students purchase intention. Moreover, undergraduate students prefer product features of smart phones more than the price.

Keywords—Factor, Marketing Mix, Purchase intention, Smart phone

## INTRODUCTION

The popularity of owning a smart phone is continues increased as well as the number of smartphone models are increased. Furthermore, smartphone prices are not very high. These factors show that many Thai consumers are being the Digital Lifestyle, with the online world becoming more lives. The National Statistical Office released a survey on the use of information technology and household communications in 2021 found that approximately 62.8 million people aged up to 6 years old are smartphone users as many as 31.7 million (50.5 percent).

The usage rate has continued to increase since 2017 with only 5 million people (8.0 percent). The majority activities done via smartphones are social networks (91.5%), movie downloads, and music. (88.0%), upload data (55.9 percent) and stay up to date (46.5 percent). According to the survey, digital has become a part of everyone's daily life.

In today's society, people rely on technology, especially in communication with others. Smart phone is a kind of high-performance communication equipment. Users can connect and get information from all over the world (Bayraktar et al., 2012). Mobile phones bring great benefits to society, such as download backup programs and help solve problems, tracking criminals through tracking systems (Bayraktar et al., 2012). It has become an indispensable part of human's daily life and personal communication. Therefore, information technology application is increased in enterprise communication then smart phone has become a part of human life and the new mobile communication industry has impact the world that become the key factor for society (Becher et al., 2011). Technology development is an important aspect of economic growth in developed and developing countries. Information companies such as hotels, tourism and tourism services, airlines and other textile companies have been negatively affected (Comer and Wikle, 2008). Mobile services have become part of the economy. Therefore, it is very important to understand the consumer's habits and preferences to increase the demand for mobile phones. Smart phones as advanced technique are a potential market to develop new phones (Deloitte, 2012).

Most studies have shown that schools have problems with using mobile phones; even undergraduate students in universities are assigned general roles (Gurviez and Korchia, 2002). In the past few years, students' interest in school learning has declined, and the influence of social networks is surging. When mobile phones are not banned in universities, these devices have become part of the class with violent interference (Stollak and Vandenberg,

2011). However, as an effective communication tool, mobile phone is used for learning media and e-learning. E-notepad, for example has increased usage in categories like camera (Karl and Kim, 2012). Therefore, the impact of mobile phones on school education and educational websites has both advantages and disadvantages.

Mobile phones and technology have been changing in demand and consumer preferences. In the era of globalization, technology has become an indispensable part of human life (Rasmussen, 2014). With the rapid growth in China, since then, many large mobile phone companies have begun to enter the service industry. Mobile phone brands launched in Thailand include Apple, Samsung, Vivo and Xiaomi. In the fierce market competition, manufacturers continue to seek new competitive advantages (Rasmussen, 2014). In addition, consumers are paying more and more attention to brands. In the past few years, smartphones have become popular brands, including Apple and Samsung. Among the popular smart phone brands in Thailand, Apple and Samsung have the highest market share, and many large handset manufacturers are threatened by these high-end phone companies, as well as low-cost phones because of the lack of smart features, lower prices and strong brands.

It is very difficult to study and explain consumers' intentions in the communication equipment market. Telecommunication operators are interested to study their potential mobile phone buyers' behavior. The purpose of this study is to gather information on the intention of consumers to purchase smart phones, especially undergraduate students in Bangkok. Generally, consumers will consider multiple factors in the purchase decision. These affecting factors will give a clear and correct understanding of consumers' purchase intention.

### Research objectives

1. To study the purchasing intention factors influencing undergraduate students to buy the smart phone.
2. To gather information on the undergraduate students intention to purchase smart phones

### Research conceptual framework

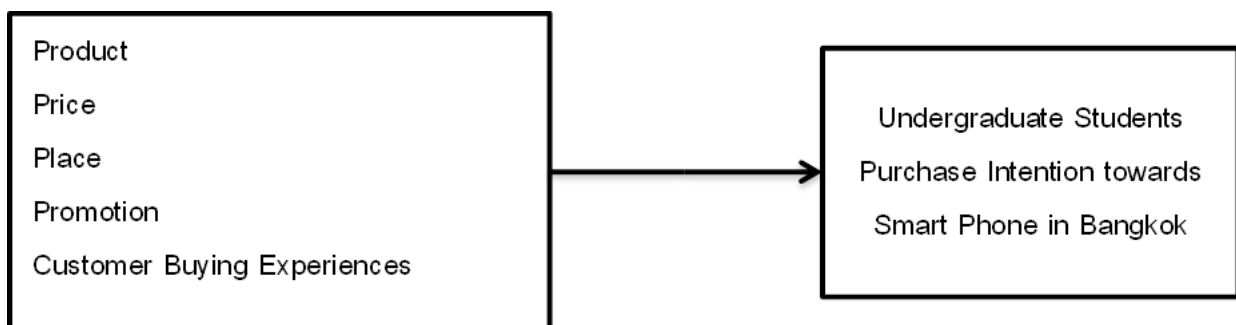


Fig.1 Conceptual framework

## LITERATURE REVIEW

**Smartphone Product Feature**, the development of mobile phones has gone beyond the limit, reflecting the perfect combination of comfort and size, which are key importance of a smartphone. Common problems in the past where the customer's hand is small, they need a larger screen, and the customer can't use one hand for a digital camera. Compact size has become a history, and the camera is more important to be able to shoot anywhere, at any time, without any additional machinery. Additional tools are very useful, especially for improving the quality of the phone. Most unusual feature is a short battery life, and most mobile phones required a daily battery change.

**Smartphone Price Feature**, most importantly, the price of phone has fallen dramatically. In most cases, customers take much consideration on price. Therefore, price is an important factor in the purchase decision. The major determinant of prices of smartphone, of course, is what the consumer is prepared to pay, which is in turn related to a number of other factors including smartphone quality.

**Smartphone Place Feature**, smartphone's sales system in market consists of retailers, mobile communication operators and e-commerce then divided into offline and online mobile phone stores. In Thailand online smartphone platforms hold more than 70% of market shares. Meanwhile, third-party app platforms have

started to play an important role in the online smartphone. Whereas, smartphone selling in Thailand is more focused on the offline stores such as Apple store, IT city, and other shopping malls.

**Smartphone Promotion Feature**, smart phones are sometimes well designed. Such as one latest smartphone model has been launched, and fans are struggling to buy the latest version of the smartphone even if they work almost the same. All the major smartphone manufacturers now have online stores in Thailand which ensure clear purchasing process (including invoice marking, effective logistics and improved aftersales service). It caters the interests and loyalty of consumers towards their entertainment activities (including television and movies), thus creating a huge impact on the market. For example, some female consumers buy Samsung mobile phones because actors use the same phones. Samsung's product placement in Korean drama is effective all over the world. Outdoor advertising, Micro blogs and the seller's professional qualities (such as integrity, patience and smile) may also directly affect the buyer's decision. In Thailand, smartphones engage in the same promotional activities, such as TV advertising. In newspapers or magazines, online advertisements or other promotional brochures may require customers to bring coupons or certificates to obtain the selling price of the product, but there are some differences among how advertising companies and providers receive promotional materials in each country. For example, the promotion package of smartphone in Thailand can be provided by AIS, True or Dtac companies. Smart phones combined with one-year plan of monthly promotional package can come out cheaper than the ones without.

**Smartphone Buying Experience**, buying experience is based on the purchase and consumption of products, and time experience. Maybe customers would rather buy a simple smart phone because they have experienced an excellent communication or internet reception between Thailand and China with that phone. The service provided influences the experience of different customers in purchasing phones. It is easier for undergraduate students to buy smart phones, however, sellers in the latter provides different purchasing experience. Although, whether smart phones are bought from both offline or online, after-sales service is the same.

**Relevant Factors Affecting Buying Intention Theories**, according to Kotler, P. and Armstrong, G. (2007) and Richard, Lourdey and David (2013) mentioned that purchase intention is the ability and willingness of consumers to purchase goods or services in the future, and a person's willingness to buy a trademark after assessment or action directly. Over time, the relationship between intention and action is weak. Intention is individual action; the purpose is to influence the expression of behavior. Many factors affect consumers' purchase decisions of consumer goods and services. Purchase intention is a future purchase plan for goods or services that do not need to be executed, as it depends on the purchasing power of an individual (Park et al., 2013). Consumers determine what they want to buy, then search for product information, price, buy and send their actions according to their needs and wishes. They buy products after conducting pre-research because there are varieties of products in the market. Many smart phone brands can meet the needs and wishes of customers. In addition, different consumers have different tastes and preferences. Therefore, the purchase behavior of consumers depends on their brand, price, quality and other characteristics. Therefore, it is important to study the factors that affect consumers' purchase of smart mobile phones, and purchase intention is the reason to decide to buy.

In 1949, Neil Boden first proposed the concept of marketing, but McCarthy put forward the most common marketing mix variable ("product, price, distribution and promotion") and called it "4P". The most common definition is to provide the right product in time, place and price. The marketing decision variables of different combination models provide a framework for the formulation of marketing development plan. After the target market is selected, marketing must make a systematic customer sales plan and establish a long-term loyalty relationship. Promotion and distribution are one of the most important factors that business people must use to achieve sales and profit targets. In addition, marketing management is a composite concept (Booms and Bitner, 1981). In Management theory, a conceptual framework that focuses on key decisions enables merchants to configure products according to the needs of the enterprise. Marketing factors (product quality, packaging, service, pricing, channel, advertising, etc.) are optimized and adequately implemented only by meeting the needs of the target market and then company's strong growth can be achieved. These avoid adverse conditions and achieve better goals in marketing management. The company has designed a controlled marketing strategy to achieve ideal response in the target market. Whole factors affecting marketing include demand for products. Therefore, Marketing mix mentioned is the optimal combination and application of the company's objectives and tasks in the selected target market by considering the factors that the environment, ability, and competition

## RESEARCH METHODOLOGY

Nonprobability Snowball sampling method is used to select the research sample. A self-administered questionnaire is used to collect data among undergraduate students in Bangkok. The 5-point Likert scale questionnaire is aimed at collective quantitative data about factors affecting undergraduate students in Bangkok in buying smart phones offline. Data is analyzed using descriptive and inferential statistics. Additionally, Multiple Regression model is used to calculate correlations and coefficient values between independent variables.

## RESULTS

The study focuses on several independent variables related to Product, Price, Place, Promotion, and Buying Experience influencing on undergraduate students purchase intention towards smart phone in Bangkok by using a sample group 385 who are undergraduate students in Bangkok. After extensively analyzing the results conclusion as follows:

Product factors significantly influence undergraduate students purchase intention towards smartphones in Bangkok at 0.01 significant levels. Undergraduate students in Bangkok are attracted towards newer technology and will be able to shift from one smart phone to another if the latter contains better technological features. Smart phone companies should carry out periodic survey to help in identifying these new technology features and decide which ones to add to its product. Moreover, by determining which combination of these features match the current trends and consumer needs would be cost effective to the smart phone companies. In turn, product design is also very important in the success of the brand. Because undergraduate students put more value and focus on the latter's features. Thus, a low price strategy is unable to strongly compete with the other market players. Promotion factors significantly influence undergraduate students purchase intention towards smartphones in Bangkok at 0.01 significant level. The promotional strategies can attract undergraduate students through posters and other advertisements on social media, such as Facebook, YouTube and Instagram. Furthermore, the used of famous celebrities as product endorsers of smart phones effectively attract undergraduate students' intention. It is recommended that companies concentrate more on developing promotional program which can be done by launching more TV advertisements with famous celebrities that undergraduate students are very familiar. Additional, buying experience factors do not significantly influence undergraduate students purchase intention towards smartphones in Bangkok. There are two different buying experiences. However, undergraduate students do not really care of the experience they're going to get when they buy smartphones. Besides, the suppliers of smartphone retail stores are from the international companies, thus, they have basically the same selling process standards towards customers.

Majority of the respondents are female, ages between 23-25, with monthly income of between 10,001 to 15,000 THB, and who use mobile phone for photography and study at Krirk University in 2<sup>nd</sup> year. And they often buy new mobile phone once a year. The most chosen brand is Huawei, which are mostly bought in retail shops, and think that the most key problem of mobile phone in the market is expensive price. Based on the above facts, the researcher recommends that smart phone sellers should concentrate the target customers especially to female buyers with its demographic descriptions mentioned above. These target customers think the most key problem of mobile phone in the market is expensive price, so smartphone companies should make low pricing strategy to meet target customers' expectations. The smartphone manufactures should try to produce smartphone which falls under the price range. Perhaps with this, the company will launch a product into the marketplace in which the price is favorable to majority of the consumers in the market segment based on the survey conducted. And to meet male and female Chinese student's photography hobbies, smartphone companies should develop the camera features and upgrade the smartphone to suit these demands.

## Discussion

The results of this study shows that factors of product and promotion significantly influence on undergraduate students purchase intention towards smartphones in Bangkok. This is corresponded to other studies, such as, Nushrat, S., Sarod, K., Saad, B. A. K. Chan, K. H. Teresa, S. (2017) found evidence that product feature has significant positive impacts on the smartphone purchasing decisions. Moreover, Isibor et al., (2018) indicated that there is a significant relationship between promotion and smartphone purchase intention. However,

the marketing mix of price, place and buying experience do not influence undergraduate purchase intention towards smartphones in Bangkok, which is not the same with conclusions of previous studies. The researcher's conclusion is different in review of other literatures. The study result of Owusu (2013) shows that price and place have influence on the consumer buying decision and that consumers consider both price and convenience in their buying situation. Additionally, Krit Oranlertkul (2017) studied the purchasing decision mobile phone smart phone to support the wireless communication system of 4G of consumers in Bangkok. The results of the study found that the marketing mix factors that are related to the purchasing behavior of smartphones and smartphones supporting the 4G wireless communication system which found that the four factors are product factors, product factors, product factors price, distribution channel In terms of marketing promotion. There is a statistically significant correlation with the purchasing behavior of a smart phone that supports 4G wireless communication system at 0.05 level. The reasons of the different results might be that undergraduate students prefer more the product features of smartphones than the price. So they don't think buying convenience is the factor to impact their smartphone buying behavior.

### **Suggestion and future work**

- 1) The future research can be conducted in different segment group such as young male, older adult, senior citizens, or others. In the future, research should include more sampling size and other variables like user-friendliness of the smartphone, celebrity endorsement, or new innovation, which may carry stronger relationship to influence the purchase intention of smartphone.
- 2) Explore other variables that may influence the decision-making process for a smartphone, such as behavioral factors, purchase situational factors, and product cognition factors.

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