Influencing factors on purchase intention of Smartphone users: In case of Mongolia

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ABSTRACT: *The usage of smart phone has increased tremendously in the recent years and inseparably related with our life. The market is more competitive and manufacturer produce new version of phone every year. For this reason, consumers face problems of purchasing new smart phone in order to use latest technology. High technology products or Smartphone is sell highest price compared to other normal goods. Therefore, consumers give more importance for purchasing new smartphone and previous stage of purchasing decision or purchasing intention is influenced by multiple factors related with the products. Research focus to investigate relationship of influencing factors and purchasing intention. The Result shows Brand image, Product features, Social influence significant positive affect on purchasing intention. Also, Product sacrifice has negative relationship with the intention.*

KEYWORDS: *Purchasing Intention, Brand image, Product features, Social Influence, Product sacrifice, smartphone*

I. INTRODUCTION

A smartphone is a mobile phone with highly advanced features which includes powerful CPU, storage space, RAM, network cards, large screen similar as a personal computer. In other words, smartphone is the most efficient digital device which includes functions of a cellular phone and personal computer. The it has inseparably related with our daily life and use for too many purposes which are make chat and call friends, take picture, play game, watch video and music, etc. As of 2017, The smart phone users reached 2.3 billion or 33% of world population. In the world, every smartphone manufacturer actively develops different technologies from each other's in order to increase market size. For this reason, the manufacturers present and offer new features (face and face detection, wider touch screen, high resolution camera, big storage, more powerful rand & cup, etc) of smart phone every year. In contrast, consumers always want best things and face problems to change and purchase new smartphones in order to meet the rapid progress of technology. Purchase intention is a kind of decision-making that studies the reason to buy a particular brand by consumer (Shah et al., 2012). Dodds and Monroe (1985) also defined that purchase intention is a behavior tendency of a customer who is intended to purchase a product. The intention is influenced as multiple factors connected with specific products. For this reason, study purpose is to investigate influencing factors of purchasing intention in case of smartphone users.

II. LITERATURE REVIEW

First mobile phone service provider of Mongolia was created named by Mobicom in 1996. Currently, the four companies (Mobicom, Unitel, Gmobile, Skytel) competite in the market of Mongolia. As a report of 2017, Mobile phone users reached 3.9 million and 2.44 million users of these are smartphone users. In addition, 71.9% of smartphone has Android OS and 21.71% is Apple OS.

Purchasing Intention: Purchase intention relate to the tendency for the consumer to take actual purchase action and express willingness of consumers to make purchase a goods and his/her assessment of alternative options based on preference, experience, and external factors (Zeithaml, 1988). According Kotler (2000) defined, purchase intention is a common effectiveness measure and is used to anticipate response behavior. In other words, purchasing intention is future plan related with purchasing certain products or services and not necessarily to perform the intention in case individuals hasn't ability to implement (Qun et al., 2012). Dodd's (1991) defined that purchase intention is based on previous experience, benefit of product also the external factors, information gathering , evaluate alternative choices , and make purchase decision.In addition, Leo (2005) defined that purchasing behavior depends to features of certain product such as brand, price, quality, recreation and innovation awareness, mixed up with other choices as well as impulsiveness. In the research, Brand name, Product features,

Social influence and Product Sacrifice was selected on smartphone purchasing intention by independent influencing factors.

Brand Image: brand image is image of certain product that which set into the brain of purchasers or anything that linked in the memory related with a brand (Aaker, 1991). As Keller (1993) defined, a brand is reflected by the brand associations in their memory and associations can be characterized into strength, favorability and uniqueness of the brand. The brand associations simplify consumers to analyze information of certain product and create positive feelings towards the brand. Other importance of association is to differentiate the brand from the competitors, increase demand, help for brand extensions (Aaker,1991). Therefore, research study proposed following hypothesis.

H1: Brand image positive influence on purchasing intention

Product Features: As Kotler & Armstrong (2007) defined, Product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. In addition, product features are the attributes of a product that can satisfy consumers' preferences through using the product. According to Buy ukozkan (2007), Product features have the similar meaning of the physical characteristic, function, technical characteristic, and extended attributes of product to satisfy people's variety of needs. Russel (2012) categorized into two different features of products which are hardware (Larger touch screen, creative design, high resolution camera, high performance Ram & CPU, etc.) and software (Android, iOS, Microsoft, Symbian for smartphone). When consumers make purchase, they always want more features than one from product in order to meet their different needs. In case of needs are met by features of product, they more satisfy. Therefore, Research proposed following hypothesis:

H2: Product feature positive influence on purchasing intention.

Social influence: Social influence occurs when a person's emotions, opinions, or behaviors are affected by others. According to Rashotte (2007) defined, social influence is understanding of changing feelings, attitude, thoughts, behavior, intentionally or unintentionally influenced by the other person. According to Kotler (2007), consumers' action is being influenced by people surrounding them. As report of Global Digital Report 2017, Social Media Users reached 2.9 billion and 51.4% of these delivers information (digital video, text, image) using Smartphone in Social Media.In addition, the growth of information sharing is more than 25% compared to previous year. The report shows that the need to communicate using internet with others is rapidly increasing and people want to connect on social media independent of time and location. In order to meet the needs, consumers purchase smartphone. Therefore, Research proposed following hypotheses:

H3: Social influence positive affect on purchasing intention.

Product sacrifice; Consumers gather information about certain product from different resources before make purchase. The information is used to compare benefit and cost of product. Consumers sacrifice any things in order to purchase certain product. For example, when consumers purchase Android phone, they sacrifice opportunity to purchase another phone (iPhone, Sony, Blackberry, Nokia, etc.). According Sok (2005), Consumers can sacrifice to purchase other things in term of monetary and non-monetary cost. Monetary cost means all of purchasing price, transportation, installation, order handling, repairs and maintenance risk of failure and poor performance. In addition, non-monetary cost is time cost, physiological cost, search cost. In case of opportunity cost or sacrificing is higher than benefit of certain product, purchasing intention is negatively affected. Therefore, research proposed following hypothesis:
H4: Product sacrifice negatively influence on purchasing intention

III.   RESEARCH FRAMEWORK
The framework was designed based on previous literature review. Independent variables are Brand Image, Product features, Social influence, Product sacrifice and Purchase intention was defined by dependent variable. Figure 1 clearly shows framework design.
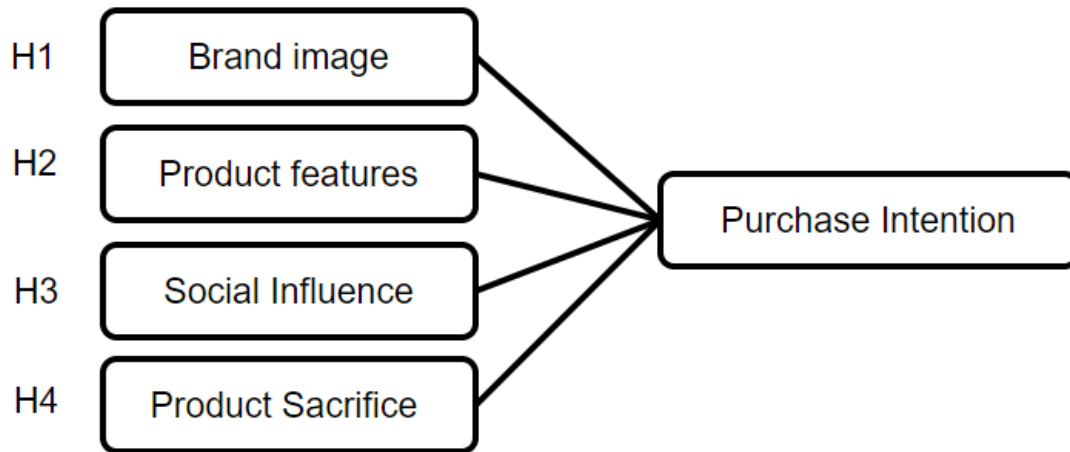
Figure 1: Research framework

IV. RESEARCH METHODOLOGY

Data sampling & Data Analysis: Questionnaire design based on previous literature review and was used to collect primary data from Mongolian Social Users. The questionnaire was delivered for 18-45 ages by Social Media Ads in order to increase efficiency and size of sampling. The design consists of two sections or 26 items which was related Demographic information (Gender, Age, Education, Salary, Experience time) and factors of purchasing intention and the questions of second section use likert scale of 7 points in order to meature relationship of independent (Brand Image, Product Features, Social Influences, Product Sacrifice) and dependent variable (Purchasing intention). Collected data was analyzed using SPSS 21 and we made Reliability, Correlation analyses in order to test quality of sampling and relationships.

Research findings: Demographic information express   statistical information of respondents which include gender, age, education, salary, smartphone usage time. Male respondents are higher than 18% compared to Female. It means male particants more actively involved than female. As compared to ages, respondents of 18-34 ages take 57% of total sampling and 73% studied by Bachelor and Master degree in the Universities. 80% of respondents have used smartphone for more than 3 years. In addition, 52% of participants earn higher salary than average per month. Table 1 shows detailed demographic information.

Table 1: Demo graphic information of Respondents

Gender	Male	59%
	Female	41%
Age	18-24	43%
	25-31	24%
	32-38	18%
	39-45	15%
Education	High school	18%
	Bachelor	45%
	Master	28%
	Doctor	9%
Salary	500₮ <	32%
	501-800₮	16%
	801-1100₮	17%
	1101-1400₮	14%

	1400₮>	21%
Usage time	< 1	8%
	1-3	11%
	3-5	43%
	5>	37%

Reliability Analysis: Cronbach's alpha, α (or coefficient alpha), developed by Lee Cronbach in 1951, measures reliability, or internal consistency. "Reliability" is how well a test measures what it should and Cronbach's alpha determine reliability degree of sampling which is expressed between 0 and 1.If the alpha is near into 1, certain sampling is more consistency or comfortable for analysis. Result of reliability anaslys shows   Cronbach's coefficient of all variables are higher than 0.7 or acceptable level. Table2 shows reliability result of all variables.

Table 2: Result of reliability Analysis

Variables	Cronbanch's alpha	Items
Brand Image	0.736	3
Product features	0.854	3
Social Influence	0.792	5
Product sacrifice	0.878	4
Purchasing Intention	0.914	6

Correlation Analyses: It is a technique which is used measure the relationship of two quantitative variables and Pearson's correlation coefficient (r) express power of relationship with data ranges from -1 to +1. The analysis was used to test relationship between independent (Brand Image, Product features, Social Influence, Product sacrifice) and dependent (Purchase intention) factors. Table 3 shows result of correlation analysis.

Table 3: Correlation Analysis

Variables	BI	PF	SI	PS
Brand Image				
Product features	0.462**			
Social Influence	0.286**	0.345**		
Product sacrifice	-0.253**	-0.382**	-0.163	
Purchasing intention	0.626**	0.746**	0.259**	-0.268**

P<0.01 **

Research study checked proposed hypothesis using Correlation Analysis and expressed below.
H1: The result shows Brand Image and Purchasing Intention has significant positive relationship (r =.626, p < 0.01). Therefore, proposed hypotheses was approved by result.
H2: Product features and Purchasing Intention has significant positive relationship (r= 0.746, p < 0.01).
H3: Social influence and Purchasing intention has significant positive relationship (r = 0.259, p < 0.01).
H4: Product sacrifice and Purchasing intention has significant negative relationship (r = -0.268, p < 0.01).
All of proposed hypothesis was approved by result of analysis and H1(BI➔PI), H2 (PF➔PI) higher influence on purchasing intention than H3 (SI➔PI), H4 (PS➔ PI). It means Mongolian consumers give more importance for Smartphone brand Image and features when make purchase.

V.   CONCLUSION

Consumers purchase intention is the previous stage of actual purchasing or planning to buy the certain product in future. Multiple factors direct and indirect influence on purchasing intention at every time. Therefore, Research focused to investigate the relationship of influencing factors and purchase intention. As the result, all hypothesis

approved but brand Image and Product features more influence on purchasing intention than Social Influence and Product sacrifice. In addition, Brand Image, Product features, Social influence has a significant positive relationship with purchasing intention. In the contrast, Product sacrifice has a negative relationship with purchasing intention. We produced suggestion for smartphone trading and manufacturer company in order to help them. Smartphone importing companies and sellers need to sell products with strong brand image and more features in order to increase sales. As well as, the manufacturers need to produce smartphones with more features compared to competitors. The more features mean highest resolution camera, more powerful CPU, RAM, Wider touch screen, creative design, face detection, etc.

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