

FACTORS AFFECTING CONSUMER PURCHASE  
INTENTION TOWARDS APPLE MOBILE PHONE

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BY

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A final year project submitted in partial fulfilment of  
the requirement for the degree of

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## DECLARATION

I hereby declare that:

(1) This undergraduate FYP is the end result of my own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.

(2) No portion of this FYP has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

(3) Sole contribution has been made by me in completing the FYP.

(4) The word count of this research report is 10994.

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Furthermore, I would like to express my appreciation to all the respondents in this research. They have spent their time to fill up the survey questionnaire and they have provided very useful information and their perception about the topic of the research. I am unable to complete the research without the cooperation from the respondents.

## DEDICATION

Firstly, I would like to dedicate this research to my final year project supervisor, Dr Elia Syarafina Binti Abdul Shakur. As a token of gratitude for her earnest counsel and helpful recommendations in assisting me in completing this project.

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## LIST OF ABBREVIATIONS

DV	Dependent Variable
IV	Independent Variables
SPSS	Statistical Package for Social Science
S	Social
P	Price
PR	Perceived Risk
BL	Brand Loyalty
PF	Product Features
PI	Purchase Intention

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## PREFACE

Smartphones have rapidly become an integral part of people's daily lives all across the world. Everyone utilise their phones to communicate with others, playing games, social and so on. Every smartphone user can use these advantages to create visual forms of communication, update their status in real time, and communicate with each other at any time and in any place. The smartphone brand studied in this research is Apple iPhone, there is also other smartphone brand which have better quality and lower price compared to Apple mobile phone, but there is still many people choosing to purchase Apple iPhone. This phenomenon has brought a huge influence to the smartphone industry. Therefore, the purpose of this research is to explore the factors affecting consumer purchase intention towards Apple mobile phone.

## ABSTRACT

This research is conducted in order to understand the factors affecting consumer purchase intention towards Apple mobile phone. The factors that will examine in this research is social factor, price factor, perceived risk factor, brand loyalty factor and product features factor. The underlying theories of this research has included diffusion of innovations theory, Theory of reasoned action and social identity theory. This research is descriptive research, which using survey questionnaire to collect the information from the respondents through Google form. The target population of this research is generation Z and Y who living in Kuala Lumpur. All the data collected from the respondents are using descriptive analysis, Pearson correlation analysis and relative importance index to analyse. This analysis is done by using IBM SPSS Statistic software and Microsoft Excel to calculate. After analysing the data, the hypothesis of the research is all supported. Besides, the findings and implications were given to emphasise the references for the experimental methodologies that were utilised to aid future research and smartphone companies in gaining a full grasp of consumer smartphone purchasing intentions. Also, there are limitation and recommendation of this research for the future researchers to improve when doing with the similar research.



# Chapter 1: Research Overview

## 1.1 Background

A smartphone has more advanced computing capabilities and connectivity than a standard mobile phone. It hit the entire market in the late 1990, but it did not become mainstream until the year 2007 iPhone from Apple company was introduced. Apple iPhone has transformed the mobile phone industry by providing user-friendly features like a virtual keyboard and a touch screen interface. At the end of year 2008, the first Android-powered smartphones were launched in the consumer market. Since then, the smartphone industry has grown steadily in terms of provider, model, and market size. In the 2023, the global smartphone shipments are expected to hit around 1.48 billion devices. (S. O'Dea, 2021).

Over the last decade, people have noticed that buying expensive mobile phones or smartphones helps manufacturers build a huge industry that is still developing, and introducing new technologies to smartphones will grow their strengths more efficiently around the world. By exploring new ways to use mobile phones and smartphones such as 2G, 3G, 4G and so on it will be able to attract more customers and offer new therapeutic features that incorporate their ideas. (Muhammad Asadullah, 2020).

When it comes to operating systems of mobile phone, Mobile OS is also known as Mobile Operating System (MOS). This (MOS) combines characteristics of a computer operating system with the ability to manage all devices while maximising efficiency. On the market, Android OS and iPhone Operating System (IOS) are the two most popular mobile operating systems presently. Google released Android operating system as open source and source code under the Apache licence. The operating system is Linux, while the application software is developed on an application framework based on Apache Harmony Java libraries. Android is built for touchscreen mobile devices, and the user interface is based on direct interaction via the touchscreen. The first Android phone was released in October 2008, with the most recent version being Android 4.2 Jelly Bean. The Darwin Foundation contributed to the development of iOS, which is based on OS

X. All Apple products, such as the iPad and iPhone, are supported by iOS. (Ahmad et al., 2013).

The one specific smartphone brand will be focus on this research is Apple iPhone. Apple company is one of the most influential and well-known brands in the world and has boost the rise of smartphones with iPhone. Apple is also one of the world's most valued technological corporations with a valuation over 2 trillion dollars in the year 2021. (CURRY, 2021). The Apple iPhone history is beginning in the year 2007, when Steve Jobs shocked the world with the first release of a mysterious three in one device that combined an internet communication device, an iPod music player, and a traditional phone which is the original and first Apple iPhone. (Hristov, 2021). The Apple iPhone has changed from the start, but the first foundation to build is a solid foundation on which to prosper for years to come. All iPhones offer predictable and smooth performance, a focus on privacy, a recognizable and easy-to-use interface, and many features that make it different from the other brand. (Hristov, 2021).

However, this research is carried out in order to learn the factors affecting consumer purchase intention on Apple smartphone. There are different factors that will affect customer purchase intention which has included social factor, price factor, perceived risk, brand loyalty, and product features.

## **1.2 Problem Statement**

Apple iPhone is a smartphone with high demand and high brand awareness from the general public, especially the upper-class income level and middle-class income level customers. Most of the people and most younger generations have proven to be in large demand for the iPhone. Among the various products in the market, Apple iPhone is one of the most popular smartphone brands compared to other smartphone.

In the mobile phone industry that has been all the rage in recent years, competition among smartphone manufacturers is fierce, and smartphone brands are also very important. Apple consumers are loyal to iPhone and will repeated purchase. Based on CIRP Consumer Intelligence Research Partners, the consumers of iPhone have brand loyalty up to 81 percent. This high percentage of existing

customers is one of the reasons that iPhone users continue to buy iPhone regardless of high price. (Gabriella & Sonny, 2021). Besides, according to Phenina et al., (2022), although the price of Apple iPhone is much higher than the other brand and the feature of the iPhone is also similar to the other brands of smartphone, the sales of the iPhone is still increasing annually. However, when Apple has launched the iPhone 12, the sales of iPhone 12 is high even though iPhone 12 did not provide the charger and earphone for their customers.

In addition, Apple smartphone penetration rate in the market is high, but there is lack of study in Malaysia. Consumer preferences and smartphone usage behaviour towards Apple smartphone, especially for Apple iPhone users are still inadequate. Therefore, in order to fully understand the preferences of the Apple iPhone users and their desire to purchase Apple smartphone, this research is to study the connection between consumer purchase intention and the factors that will influence the purchase intention of Apple users towards Apple smartphone.

### **1.3 Research Objectives**

This research is aims to achieve the following research objectives:

[RO1] To identify the profile of consumer purchase intention on Apple mobile phone.

[RO2] To determine the main factor affecting consumer purchase intention on Apple mobile phone.

[RO3] To evaluate the most affecting main factor of the consumer purchase intention on Apple mobile phone.

### **1.4 Research Questions**

[RQ1] What are the profile of consumer purchase intention on Apple mobile phone?

[RQ2] What are the main factor affect consumer purchase intention on Apple mobile phone?

[RQ3] What are the most affecting main factor of the consumer purchase intention on Apple mobile phone?

## **1.5 Research Significance**

There are many similar research that has been conducted on different smartphone brands and the purchase intention of consumers, but there is lack of research which is just focuses on the Apple iPhone and the Apple iPhone users. This research is designed for the Apple company and smartphone companies in order to study which factors that affecting their purchase intention towards Apple smartphone.

By conducting this research, it is able for Apple company and other smartphone companies to have a better understanding towards the factors that affecting customers purchase intention on smartphone in Malaysia. Also, this research can help the mobile phone industry to explore which factors will affect the consumer purchase intention the most between social factor, price factor, perceived risk, brand loyalty, and product features. Due to this research will captures the perspective of customers through questionnaire surveys, so it will be more accurate towards customers purchase intention.

On the other hand, the information and the data that collect in this research is importance to other researchers or the company of the mobile phone industry to have better in-depth knowledge on factors that affect consumer purchase intention towards Apple mobile phone. Also, the smartphone company will greatly appreciate for the information and the data in this research because they are able to obtain the factors that cause consumers demand on a smartphone. Thus, they are able to formulate a marketing plan or marketing strategy based on this research for their future direction.

Moreover, throughout this research, other researchers are able to expand their knowledge of the field of marketing, especially the consumers purchase intention. Also, this research able to contribute to the existing marketing literature towards the effects of the dependent variable and independent variables between purchase intention and social factor, price factor, perceived risk, brand loyalty, and product features.

## **1.6 Chapter layout**

### **1.6.1 Chapter One**

Chapter 1 gives an overview of the complete research investigation, including research background, research objectives, research questions, problem statement, and research significance, which were utilised to provide supervision for the research's accurate technique.

### **1.6.2 Chapter Two**

Chapter 2 includes the literature that introduce the consumer purchase intention on Apple mobile phone. The contribution of the five factors that will affect the purchase intention of consumer on Apple smartphone. Moreover, followed by the underlying theories of the research, conceptual framework, and the hypothesis development.

### **1.6.3 Chapter Three**

Chapter 3 is discussed the research methodology which have included research design, sampling design, data collection method and proposed data analysis tool.

### **1.6.4 Chapter Four**

Chapter 4 is discussed with the data received from respondents which utilised to examine the research findings with descriptive analysis and inferential analysis, the data received offers a general review of the result. In addition, SPSS 21 (Statistical Package for Social Science) was utilised to display the chart and tables in this study.

## **1.6.5 Chapter Five**

Chapter 5 is the discussion and conclusion of this research. The major findings of this research will be refined and discussed, and then the implications and limitations of the study. The final section will include the recommendations for future research.

## **Chapter 2: Literature Review**

### **2.1 Underlying theories**

#### **2.1.1 Diffusion of innovations theory**

The diffusion of innovations theory explains how consumers will embrace a new product in a specific cultural context. Knowledge, persuasion, choice, and confirmation are the four steps that influence a consumer's decision to adopt or not embrace a new product. Persuasion encompasses all aspects that may affect consumer acceptance of a new product. All criteria were classified as perceived features of innovations or product qualities, such as relative advantage, trial ability, compatibility, and complexity. Finally, the aspects in perceived innovative features will affect the purchase intention and purchase intention can also be linked to eagerness to acquire a product. However, willingness to buy is usually followed by the ability to buy, and the two together will generate demand for the product. (Lim et al., 2012).

#### **2.1.2 Theory of reasoned and action**

Theory of reasoned action is a model widely used as the basis for other research. The theory of reasoned and action model, states that when consumers engage in a buying behaviour, they will benefit from it and get approval from others. Therefore, theory of reasoned and action aims to forecast consumer purchasing behaviour and intentions. However, despite the fact that the model state that purchase intention comes before actual purchase behaviour, actual behaviour and intention are only precondition, not requirements. In another way, while a purchase intention is required for real purchase behaviour to occur, the presence of a purchase intention does not always imply the presence of actual purchase behaviour. (Liu & Tsaur, 2020).

### **2.1.3 Social Identity theory**

According to social identity theory, personal identity is formed not only by a personal preferences and abilities, but also by perceptions of their social connections. Individuals tend to organise themselves according to specific groups such as work, lifestyle, or education. They can better grasp and define their identities as a result of this classification process, and divide others into inner groups or outer groups. Individuals can use this strategy to identify their social roles and define their current social environment. (Kuo & Hou, 2017).

## **2.2 Review of variables**

### **2.2.1 Consumer Purchase Intention**

Purchasing intention of consumers is one of the most popular concept or dependent variables that have been studied in many marketing research. Purchase intention indicates that a consumer may be planning to purchase a specific service or product in the future. (Chinomona et al., 2013). Purchase intention of a person can determine the likelihood that consumer behaviour will lead to an actual purchase. By identifying the intensity of consumers purchase intention, there are more likely to purchase a specific product or service if they have a strong purchase intention. (Ibrahim et al., 2013). According to Manorek, (2016), purchase intention is one of the points in the purchasing process where customers need to stop evaluating and stop looking for information about alternative brands in the induced set and make purchasing decisions, this is usually based on comparing the customer motivation to buy with a brand attribute or feature that is considered. Besides, Tulipa & Muljani, (2015) mentioned, intention is the will preserved in human memory and action at the right moment. Triggers are required in order to transform the intention to action. The intention will



remember in memory until the proper time and opportunity to act. Therefore, intention can also know as an expression before taking action. Furthermore, Martins et al. (2019) stated that previous studies have shown that increased purchase intention will increase the purchasing opportunities. If consumers are willing to buy, then an aggressive brand engagement drives that purchase. In the context of smartphones, the purchase intention is seen as the consumer's desire to purchase through a mobile application. Other than that, based on Al Koliby & Rahman (2018), this study show a significant positive correlation between brand awareness, price, product features, and social influence on consumers' buying intention. According to existing research, the most important known precursors of consumer buying intention are brand loyalty, brand image, and product quality. Based on Ivanov et al. (2021), the perceived risks will influence of using the smartphone. It also affects the intention to purchase a smartphone device, as it turns out to be an important factor that negatively impacts the adoption procedure.

## **2.3 Factors affecting consumer purchase intention on Apple mobile phone**

### **2.3.1 Social**

Social factor refers to a person's purposeful or inadvertent impact on another feelings, thoughts, attitude, and conduct. In order to purchase smartphones, consumers will be persuaded by the media, parents, and friends. Consumer will also look for advice, suggestions, and personal experiences from people who have previously purchased and used the smartphones. (Rahim et al., 2016). Social factor is visible in reference group which includes family, colleagues, friends, classmates, and so on. Reference groups are those who have a significant effect on a person behaviour. Therefore, social factor has been considered that will affect the consumer decision on purchase intention. (ANAM, 2014). Besides, according to Mohd Azam Osman et al. (2012), 35.6 percent of respondents choose to purchase

smartphones according to community trends. According to Wong. (2019), this research found that social impact was significantly associated with student addiction to smartphones. That is because it affects individuals or groups through social media, friends, television and so on. When smartphones leave a good impression or experience for consumers, it will lead to a positive word of mouth to other people. In addition, according to Rana et al. (2015), in social psychology, social factors are often associated with the impact of social norms on changes in individual behaviour and attitudes. The buying decision is based on the fact that social values are respected and derive from achieving ideal social position. Also, some observations find that majority of consumers will not shopping alone. Friends, family, and other groups have a strong effect on a person buying decisions, they play a vital role in affecting the opinions of others. Therefore, it can be concluded that social have a significant relationship on consumer buying intention.

### **2.3.2 Price**

Price issues have been discussed as an important factor to consider in a tight budget. When consumers buy a product, they set an acceptable price range. If the product's actual price exceeds the acceptable price, the willingness to buy tends to be diminished. If the price is below the acceptable price range, consumer is considered unsure of the quality of the product. Therefore, high prices mean high quality products. (Ibrahim et al., 2013). Besides, Wong, (2019) also stated that when the price of a product is in the range of low-price, consumers are not confident enough to purchase because they believe that low price means low quality. This is also why are smartphones expensive, it is because that all smartphone companies claim their products are high quality. Moreover, price has always been a consumer's primary concern before making a purchase decision, and its dynamics can be explained in terms of economic and consumer factors. From an economic point of view, in a market with no hidden information when exchanging any products, the price is used as a constraint to

compromise each product unit to obtain maximum profit. (Sthapit et al., 2018). Also, according to Sthapit et al. (2018), price levels have a positive impact on purchasing behavioural intention. This is because the price establishes the brand image in the eyes of consumers. Furthermore, according to Asadullah, (2020), it found that the price level of a mobile phone has a significant impact on the values perception. Given that all customers are rational, they can easily recognize quality through label prices. Furthermore, extensive research has shown that features and price are the most important dominant factors that consumers consider when making purchase decisions about the price of expensive smartphones. Therefore, it concludes that price has a significant relationship on purchase intention of smartphone.

### **2.3.3 Perceived Risk**

Perceived risk is defined as the potential negative effects of a person's decisions. Risks can occur in the purchasing environment as soon as consumers feel that their purchase is unmanageable or that the outcome of a wrong decision is significant and severe. (Mohseni et al., 2016). Moreover, perceived risk theory aims to help marketers understand the world through consumer centric thinking and can use it in marketing decisions through risk analysis. Perceived risk is a tool for explaining consumer behaviour, due to consumers are often avoiding mistakes rather than maximizing purchasing efficiency. (Jordan et al., 2018). Besides, according to Kim & Lennon (2013), when customers are unsure if their purchase would help them fulfil their purchasing objectives, they become concerned. Consumer uncertainty about loss or gain in a specific transaction is represented by perceived risk. Other than that, according to Park et al. (2005), confidence is the inverse of perceived risk, is one of the factors that will affect purchasing intention. Confidence could be a key factor in determining purchase intention. The ability of consumers to judge product quality and make purchase decisions may lower the perceived risk. Thus, this research concludes that perceived risk has a negative relationship with

purchase intention. In addition, based on Gan & Wang, (2017), the perceived risks in the purchasing context arise from the underlying uncertainty of the outcome and the seriousness of the consequences of the wrong choice. Perceived risks negatively influence a consumer willingness to buy. For example, if consumers are realizing the risks of using a social commerce website, they may be dissatisfied with the site and reluctant to buy. Therefore, the research concludes that perceived risk is negatively affected consumer satisfaction and purchase intention.

### **2.3.4 Brand Loyalty**

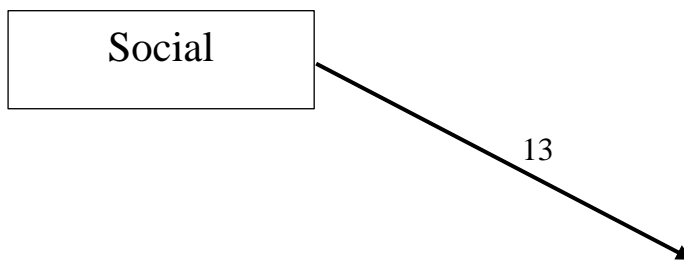
Brand loyalty is an intangible asset that reflects the price of a company's products and services. It indicates a consumer's devotion to a brand. Brand loyalty is manifested in consumers who have a positive experience with the same brand, purchase the brand more often than other brands, and use the same brand over a long time. (Chinomona et al., 2017). Furthermore, brand loyalty is known as the consistently repurchase of the same customers towards a brand from a variety of alternative brands. (Laksamana, 2018). Brand loyalty can also be defined as the proximity of a customer to a specific brand, regardless of the marketing stress created by competing brands, and is expressed by repeated purchases. Customers are loyal to the brand because of its uniqueness, function, ease of use with a particular brand, knowledge of the brand and feel confident at the time of purchase. (Malik et al., 2018). Next, according to Calvo Porral & Lang, (2015), brand loyalty is defined as the customer's loyalty to a certain brand, which reflects the potential of customers to switch to another brand. Consumer satisfaction with the brand has proven to be an important driver of a brand's loyalty. Therefore, the higher the brand loyalty of customers the higher the purchase intention of customers. Besides, based on Khan et al. (2014), brand loyalty is a consumer's attitude towards a product's brand preferences. Faithful consumers do not value the brand as they shop with confidence, so it represents a potential consumer repurchase obligation and

probably they will not switch to another brand. Therefore, this research stated that brand loyalty has a significant impact on purchasing intentions.

### **2.3.5 Product Features**

Product features is the characteristic of a product that hit the needs and wants of consumers. Product features has included hardware and software. For hardware, it is a device that can be physically touched. The hardware of a smartphone is like size, weight, and case of the smartphone. The smartphone's colour and design are also considered as the hardware. For software, it is a general term for computer programs, documents, and procedures. Software is the operating platform, application, and storage that the smartphone runs. (Kaushal & Kumar, 2016). In addition, a feature is a way for a company's product to stand out from the other competitors. One of the successful methods to compete is to be the first company to release a valuable new feature. (Amron, 2018). Also, it stated that features has positively impact on smartphone purchase decision. Moreover, based on Shabrin et al. (2017), a hardware and software of a smartphone are both significant characteristics. Most of the consumer doing smartphone buying decisions will think that software are more essential than hardware. Extra features like weight and the cameras of the phone also impact on consumer decision-making. According to Mohd Suki (2013), product features are connected to product qualities. By owning and using the product, these attributes serve to meet the requirements and desires of consumers. The most critical factor of consumer response and the success of new product sales is design and choices of consumer on smartphones are also influenced by usability. In this research, it concludes that product features have significantly influence purchasing decision.

## **2.4 Proposed Conceptual Framework**



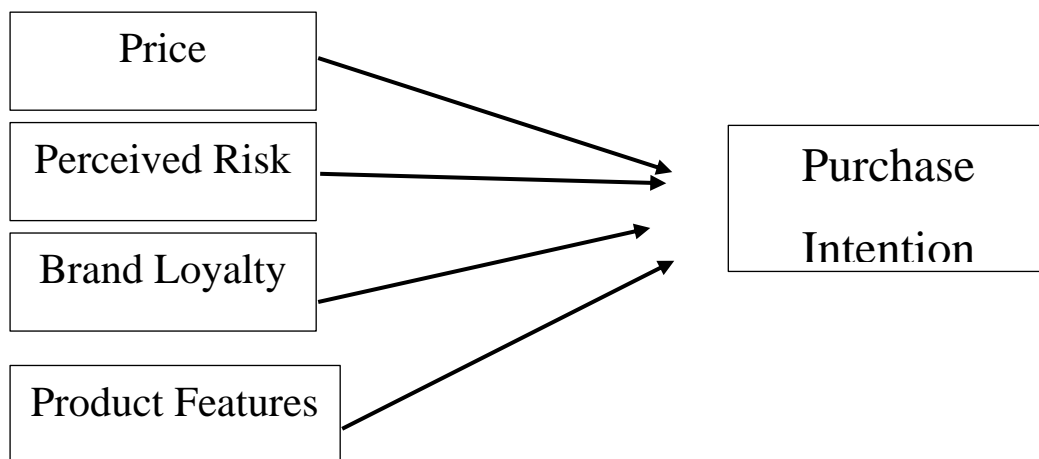


Figure 2.1: Proposed Conceptual Framework for Factor affecting consumer purchase intention towards Apple mobile phone

The conceptual framework of this research is formed according to the research questions and research objectives, it connects the independent variables and dependent variable to form a test for this research. Based on the figure 1 above, the conceptual framework is focus on the five independent variables that affect the purchase intention of customers towards Apple mobile phone. Purchase intention as a dependent variable is affected by five independent variables which included social factor, price factor, perceived risk, brand loyalty, and product features.

## 2.5 Hypotheses Development

### 2.5.1 The relationship between social and purchase intention

According to Zahid & Dastane, (2016), there is a statistically positive significant impact between the social impact and consumer purchase intention towards smartphone brand. The research further stated that the strongest positive correlation between social impact and purchase intention has proven that social impact is the most important factor in determining consumer purchase intention. Besides, according to Wong, (2019), the purchasing intention of a smartphone was positively related to social impact among Generation Y in Malaysia. In addition, social impact influenced students' smartphone dependency and positively associated to buying behaviour. It further stated that smartphone companies and

manufacturers should actively market their products on prominent social media platforms such as Facebook, Instagram, YouTube and so on. Therefore, the hypotheses development between social factor and purchase intention as below:

H1: There is significant relationship between social and the consumers purchase intention towards Apple iPhone.

### **2.5.2 The relationship between price and purchase intention**

According to Muljani & Koesworo, (2019), the study concluded that price significantly positive impact on smartphone purchase intention. Although, it also stated that price has the greatest impact on consumer intention to purchase a smartphone, it shows that it is being considered by consumers, especially those who are students, depending on consumer capability and competitive prices. Other than that, according to Thokchom, (2012), there is a significant impact between price and purchase intention towards smartphone. Consumers decide whether the price of a product is competitive or lower than other competing brands. The reasonable price of smartphones will influence consumers purchasing intentions. Therefore, the hypotheses development between price and purchase intention as below:

H2: There is significant relationship between price and the consumers purchase intention towards Apple iPhone.

### **2.5.3 The relationship between perceived risk and purchase intention**

According to Soto-Acosta et al., (2014), it has stated that perceived risk will reduce transaction intentions, and it also has a negative association between consumer purchase intention and perceived risk. It also shows that perceived risk influences customer purchase intention by mediating the relationship between information overload and disorganisation. According to Almousa, (2011), concluded that perceived risk had a significant negative

impact on purchase intention. Also, the study stated that there is a negative association between perceived risk and purchase intention while buying on the internet. In addition, based on Park et al. (2005), it also stated in the research that there is a negative relationship between perceived risk and purchase intention. Consumer intention to purchase may increase if they have confident in shopping judgement. Therefore, the hypotheses development between perceived risk and purchase intention as below:

H3: There is significant relationship between perceived risk and the consumers purchase intention towards Apple iPhone.

#### **2.5.4 The relationship between brand loyalty and purchase intention**

According to Koliby & Rahman, (2018), brand loyalty positive influences on consumer purchasing intention towards smartphone brand. The willingness of consumers to consume and use a product of a brand is positively related to their desire to buy it. According to Gabriella & Sonny, (2021), the research has concluded that the brand loyalty has a significant and positive impact on purchase intention. The higher the brand loyalty, the higher the consumer purchase intentions. In addition, according to (Sanjaya et al., 2020), it also stated that brand loyalty has a significant positive impact on Apple smartphone purchase intention. It further stated that brand loyalty is a positive attitude towards the brand and the positive attitude that arises in response to brand loyalty is purchase intention. Therefore, the hypotheses development between brand loyalty and purchase intention as below:

H4: There is significant relationship between brand loyalty and the consumers purchase intention towards Apple iPhone.

#### **2.5.5 The relationship between product features and purchase intention**



According to Rospata, (2017), product features have a significant relationship with the consumer purchase intention of adults in Selangor towards a smartphone brand. The smartphones with the advance and newer functions are more appealing to users. The special designs and features of a smartphone will also raise the purchase intentions of consumer. Amron, (2018) mentioned product features have a positive and important impact on consumer purchasing decisions. The study also found that attractive product features will increase consumer's confidence when buying Apple smartphones. A product feature is considered as attractive to consumer if it can be more unique than any other feature. Therefore, the hypotheses development between product features and purchase intention as below:

H5: There is significant relationship between product features and the consumers purchase intention towards Apple iPhone.

## **2.6 Conclusion**

In conclusion, chapter 2 provides the overview of the theories and the overview of literature related to the dependent variable and independent variables in the conceptual framework. Also, this chapter has examined the relationship between the five independent variables which are social factor, price factor, perceived risk, brand loyalty, and product features and dependent variable, consumer purchase intention. Several studies have been discovered to support this study and simplify the understanding of the study.

## **Chapter 3.0 Research Methodology**

### **3.1 Research Design**

The research design that will use in this research is descriptive research and quantitative research. First, the goal of descriptive research is to answer questions like when, who, what, where, and how a certain study question is significant. Descriptive study is unable to provide a clear answer as to why this is the case. Descriptive research is used to collect data on the current state of a phenomena and to explain "what is" in terms of background variables or conditions. (USC Libraries, n.d.).

The unique data gathering form of case studies is an advantage of descriptive research. In a manner that other research methodologies can't, descriptive research can bring insight into living events through data collection. Therefore, descriptive research design is implant in this research in order to determine the factors affecting consumer purchase intention towards Apple mobile phone. Questionnaire was used in this research in order to test the quantifies data and hypothesis of this research. (CHEW et al., 2012).

Besides, quantitative research is the process of gathering and interpreting numerical data. It can be used to find patterns and averages, make predictions, evaluate causal linkages, and extrapolate findings to bigger groups. (Bhandari, 2021). The advantage of quantitative research has included quick data collection, collect reliable and accurate data, wider scope of data analysis and eliminate bias.

### **3.2 Sampling Design**

Sampling design is a framework or road map that guides the selection of survey samples and has an impact on a variety of other parts of the survey. In a larger sense, researchers are looking for specific information through doing study on a certain population or universe of interest. Researchers must first establish a sampling frame that accurately depicts the population to be sampled. The sampling frame may be the same as the population, or it may lack some coverage because it

is part of it. Alternatively, it may be indirectly related to the population. (sagepub, 2008). Therefore, sampling design is important for researchers in order to collect the data in a work efficiency way.

### **3.2.1 Target population**

Target population is important for a sampling process due to the target population of the research will decide the accuracy of the data collected. The target population in this research is the group of individuals of generation Z and Y. Generation Z was born between the year 1996 and the year 2012 which during the most severe changes of the century, living in the world of the Internet, smartphones, digital media, and free networks. (Jasondorsey, 2021). A generation Y is someone born between the year 1981 and the year 1995. (Dimock, 2022). These target population is suitable to this study because they have high usage of smartphone. Everyone of generation Z and Y will have at least one smartphone and some of them even have more than one. Therefore, this is the reason why generation Z and Y is chosen for this research on the factors affecting consumer purchase intention towards Apple mobile phone.

### **3.2.2 Sampling Frame**

A sample frame is a list of everything in the target population of this research. It is a comprehensive list of anything and everyone of the research to study about. A population differs from a sample frame in that the former is broad while the sample frame is narrower. (Stephanie, 2021). Sampling frame of this research is focus on the generation Z and Y that has purchase smartphone and using smartphone in their daily life. In addition, the sampling frame of this research have also included all the generation Z and Y who are working adults and college students there are living in Kuala Lumpur. The reason for choosing Kuala Lumpur as the sampling frame is because that the population of Kuala Lumpur is high in Malaysia and most of the generation Z and Y are living in Kuala Lumpur.

### **3.2.3 Sampling Element**

The sampling unit may comprise one or more population components, and the sample elements are part of the population that is selected by the sampling technique. The sampling element in this research is the individual between generation Z and Y, these sampling elements is chosen as the respondent to answer the questionnaire. This is because this research is intending to understand whether the social factor, price factor, perceived risk, brand loyalty, and product features will influence the purchase intention of generation Z and Y in buying smartphone.

### **3.2.4 Sampling Technique**

Non-probability and probability sampling techniques are the two types of sampling techniques available. Non-probability sampling is a strategy for getting feedback that relies on the sample selection abilities of a researcher or statistician rather than a pre-determined selection process. Furthermore, a probability sampling methodology is a sampling method in which researchers select samples from a broader population using probability theory. This method takes into account every member of the population and prepares samples according to a specified procedure. (Taherdoost, H. 2016).

The sampling technique that uses in this study was simple random sampling, which involves selecting a portion of a population at random. Every person in the population has exactly the same chance of being chosen. Because it only includes a single random selection and requires little prior knowledge of the target population, this sampling technique is the simplest of all probability sampling methods. Any study based on this sample technique should have a high level of external and internal validity because it uses randomization. (Thomas, 2020).

### 3.2.5 Sampling Size

Samples size are some of the populations that have relative with the same characteristic and they are considered as representative to this research. The sample size in this research is at around 399 respondent's samples with the generation Z and Y who have using smartphone in their daily life. The target population of generation Z and Y is surveyed by 400 questionnaires which are distributed randomly in Kuala Lumpur.

$$n = \frac{N}{1 + N * (\epsilon)^2}$$

n= minimum returned sample size

N = the population size

$\epsilon$  = adjust margin of error

$$399.85 = \frac{1097644}{1 + 1097644 * (0.05)^2}$$

Yamane formula (Adam, 2020)

1097644 is the total population of working age 15 - 44 in Kuala Lumpur.

Retrieved from Department of Statistics Malaysia Official Portal.

## 3.3 Data Collection Methods

Generally, there are two types of data which are primary data and secondary data. For primary data, it contains information gathered for specific reasons, as well as information gathered through surveys and research. For secondary data, it is information that already exists and is being collected for a specific purpose. The data collection methods that are used in this research are primary data only. Primary data collection methods are referring to the data that was obtained directly from first-hand sources.

### 3.3.1 Primary Data

In this research, the primary data collection methods are questionnaire survey method and it is also the main sources of information

that is use in this research. The questionnaire survey is used to collect the data from the target respondents in order to make the study on the factors affecting consumer purchase intention towards Apple mobile phone. The questionnaire will be distributed up to 400 of target respondents. By simplifying the process of data analysis, data interpretation, and data coding, it is able to save time and effort in the final stage. This is because of its reliability, simplexes, immediate response, ease of implementation, and use of multiple-choice questions, primary data collection method was chosen in this research in order to limit the potential of results being ambiguous. (Ling et al., 2014).

### **3.4 Research Instrument**

Research instrument is a tool that use for collecting, analyze and measure data in research. For example, interviews, checklists, tests and also survey. The research instrument that used in this research is questionnaire survey.

#### **3.4.1 Questionnaire**

Questionnaire survey is most common used in market research. Questionnaire is a set of question which used to collect data from the target respondents of the research about their opinions, intentions, experiences and so on. A questionnaire is able to help researchers to ensure the respondents are representative of the target audience. Also, questionnaire have high response rates due to it is easy to fill up. The questionnaire design of this questionnaire is only closed-ended question where respondents are given with some specific answer to choose. This questionnaire method is much easier for respondents to answer, and it is also a useful way to obtain the information from respondents.

The questionnaire consists of two sections only which are Section A, general information and Section B, the independent variables and dependent variable. For Section A, general information, it has consisted of 7 questions about the general information of target respondents. For example, age,

current status, monthly income, mobile operating system, how much do they spent on smartphone, smartphone brand they prefer and impression of iPhone. In addition, for Section B, it is consisting of independent variables and dependent variables In Section B there are include of 26 question which divided into 6 parts that surveying respondents on the factors that affecting consumer purchase intention towards Apple smartphone.

### 3.4.2 Pilot test

A pilot was conducted before the actual questionnaire survey is carried out. The pilot test was carried out in order to test each of the variable’s reliability to discover the errors of the questionnaire. Moreover, it is important to ensure the word and phrase in the questionnaire is clear for respondents. The pilot test was distributed to randomly to 30 people in Kuala Lumpur through online. After conducted the pilot test, a reliability test for the pilot test has been run to check the reliability.

Table 3.1: Pilot Test Reliability

<b>Variables</b>	<b>Cronbach’s Alpha</b>	<b>Number of Items</b>
Social	0.694	4
Price	0.639	5
Perceived Risk	0.835	3
Brand Loyalty	0.937	4
Product Features	0.919	6
Purchase Intention	0.964	4

### 3.5 Construct Measurement

There are 4 different types of construct measurement which are nominal scale, interval scale, ordinal scale, and ratio scale. Scale is a measurement tool that is commonly used to assess a question with a specified number of outcomes, and it

aids researchers in interpreting and drawing conclusions from the study. (Hair et al., 2007). The construct measurement that uses in this research to measure are nominal scale and Likert scale.

Nominal scales are measurement which used to identify objects and nominal scale is the weakest and coldest of the four data measurement levels. The percentage or frequency count is the only statistical analysis that can be done on a nominal scale. A bar chart and a pie chart can be used to visualize the data. For example, respondents were asked to answer about their age. Besides, Likert scale is an ordinal scale with five different of responses that to rank a list of characteristics from worst to best such as strongly disagree, disagree, neutral, agree and strongly agree. (Hair et al., 2007)

### **3.6 Data Processing**

Data processing is referring to the preparing data for analysis such as coding, identifying, verifying and so on. All the data in this research is collected by the questionnaire answer from target respondents. After collected the data from respondents, it is important to check and analyze each set of questionnaires. This is because to ensure that respondents have followed the instruction to provide the responses accurately. Every set of questionnaires that answer by the respondents are kept in private and confidential and it will only be utilized for research purposes.

### **3.7 Proposed Data Analysis Tool**

Data analysis tool is used to calculate the mean, frequency distribution, percentage distribution, and so on. Researchers can use SPSS which also known as Statistical Package for the Social Sciences to evaluate quantitative data. After the data has been collected from the respondents and processed, data analysis begins. The findings of this study were analyzed using variety of data analysis tool which included relative importance index, Pearson Correlation Coefficient, and descriptive analysis.



First, relative importance index analysis is one of the methods that use to examine the factors affecting consumer purchase intention towards Apple smartphone. Relative importance index is often being used to rank the criteria in terms of their relative importance. It is a statistical technique that will be used as a method of data analysis to determine the relative importance of independents variables. There will be a five-point Likert Scale used in relative importance index analysis. For each independent variable, the relative importance index was calculated to determine which was the most and least affect to the dependent variable. (MUSTAFA, 2010).

Besides, the test statistic Pearson's correlation coefficient assesses the statistical link, or association, among the variables. It is known as the best method for quantifying the relationship between variables because it is based on the method of covariance. It gives information on the size of the correlation, as well as the relationship's direction. The value for correlation range between -1.0 to +1.0, it is a positive relationship if the correlation coefficient is greater than zero. The relationship is negative if the value is less than zero. A value of 0 indicates that the two variables have no relationship. (Ling et al., 2014).

Moreover, descriptive analysis was used to investigate the data gathered from target respondents, as well as to describe and summarize the information gathered. Descriptive analysis was beneficial as it provided researchers with a high-level overview of demographic statistics. SPSS will be used to analyze data collected from the respondents. (CHEW et al., 2012).

### **3.8 Conclusion**

In conclusion, chapter 3 of the research is discussing about the research design, sampling design, data collection methods, research instrument, construct measurement, data processing and the data proposed analysis tool which use for the data collected from the questionnaire. Also, chapter 3 has summarized the data analysis tools that will be used in chapter 4 in order to analyse the data.

## Chapter 4: Data Analysis

### 4.1 Descriptive analysis

#### 4.1.1 Respondent Demographic profile

The survey questionnaire has been distributed to the respondents and there has only 234 sets of survey questionnaire has been completed by the respondents. The number of respondents did not meet the sample size of 400 respondents. However, the remaining of the 234 sets of survey questionnaire is used in order to complete the data analysis.

##### 4.1.1.1 Age

Figure 4.1: What is your age?

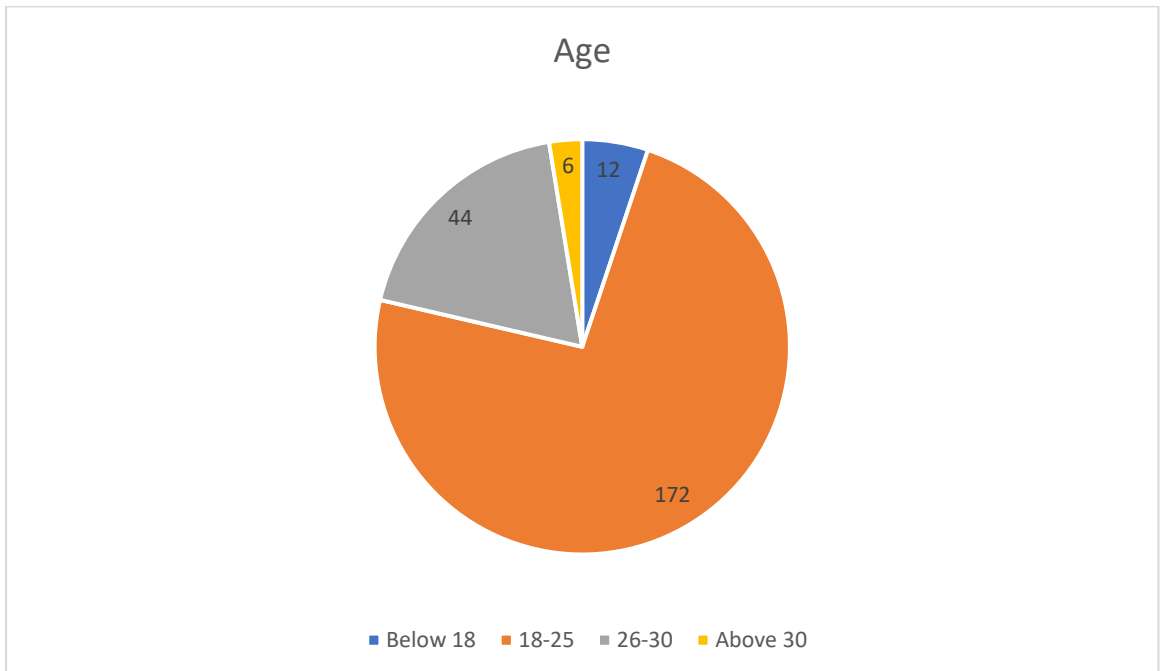


Table 4.1: What is your age?

Frequency	Percent	Valid percent	Cumulative percent
-----------	---------	---------------	--------------------

Below 18	12	5.1	5.1	5.1
18-25	172	73.5	73.5	78.6
26-30	44	18.8	18.8	97.4
Above 30	6	2.6	2.6	100
Total	234	100	100	

As shown in the table and figure above, the age of the respondents that below 18 years old are 12 respondents and the percentage is 5.1 percent. Besides, the second age group is between 18 and 25 years old, the respondents has up to 172 respondents and 73.5 percent which is the larger age group respondents in this research. Next, the age group of 26 to 30 years old are 44 respondents and 18.8 percent. Lastly, the smallest age group, respondents who above 30 years old are 6 respondents and 2.6 percent.

#### 4.1.1.2 Current status

Figure 4.2: What is your current status?

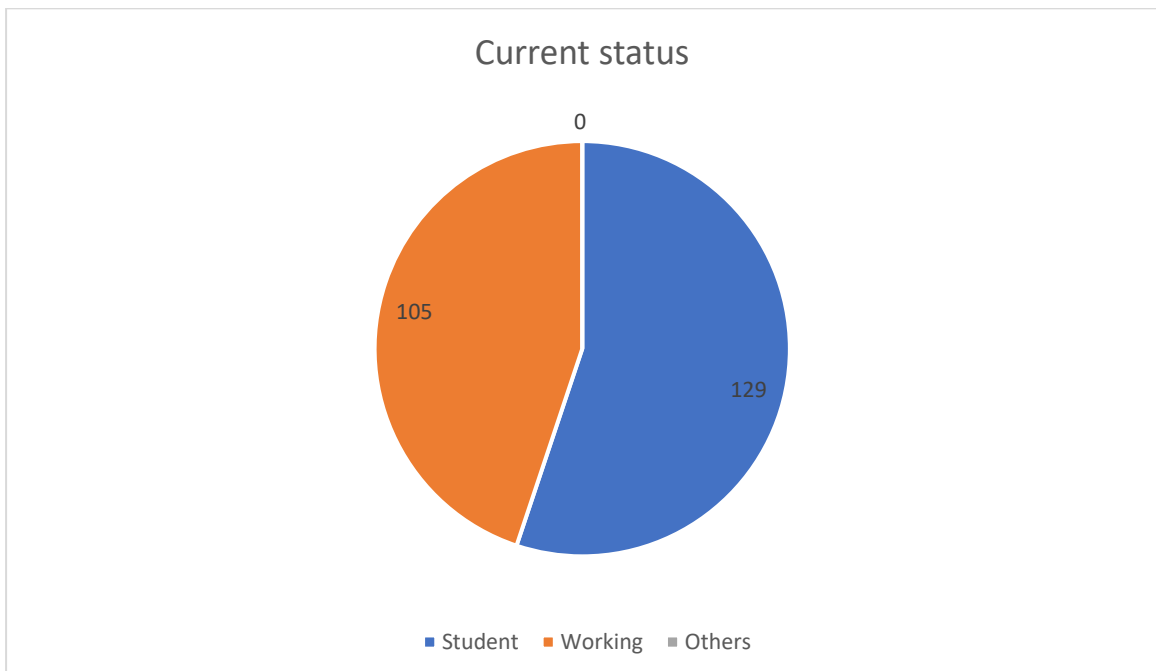


Table 4.2: What is your current status?

	Frequency	Percent	Valid percent	Cumulative percent
Student	129	55.1	55.1	55.1
Working	105	44.9	44.9	100
Others	0	0	0	100
Total	234	100	100	

As shown in the table and figure above, there are three category of the current status which are student, working and others. The first group is student, which have 129 respondents and 55.1 percent of the total respondents. For the second group, working, it has 105 respondents and 44.9 percent of the total respondents. The last group, others have 0 respondents and 0 percent of the total respondents.

#### 4.1.1.3 Monthly income

Figure 4.3: What is your monthly income?

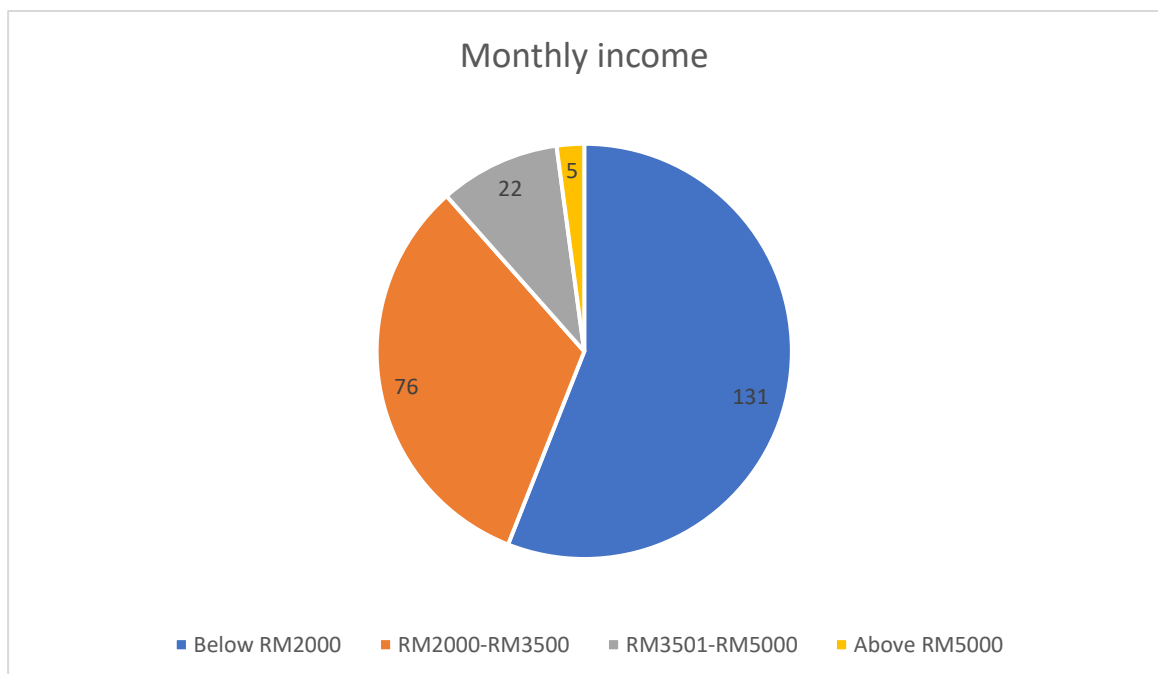


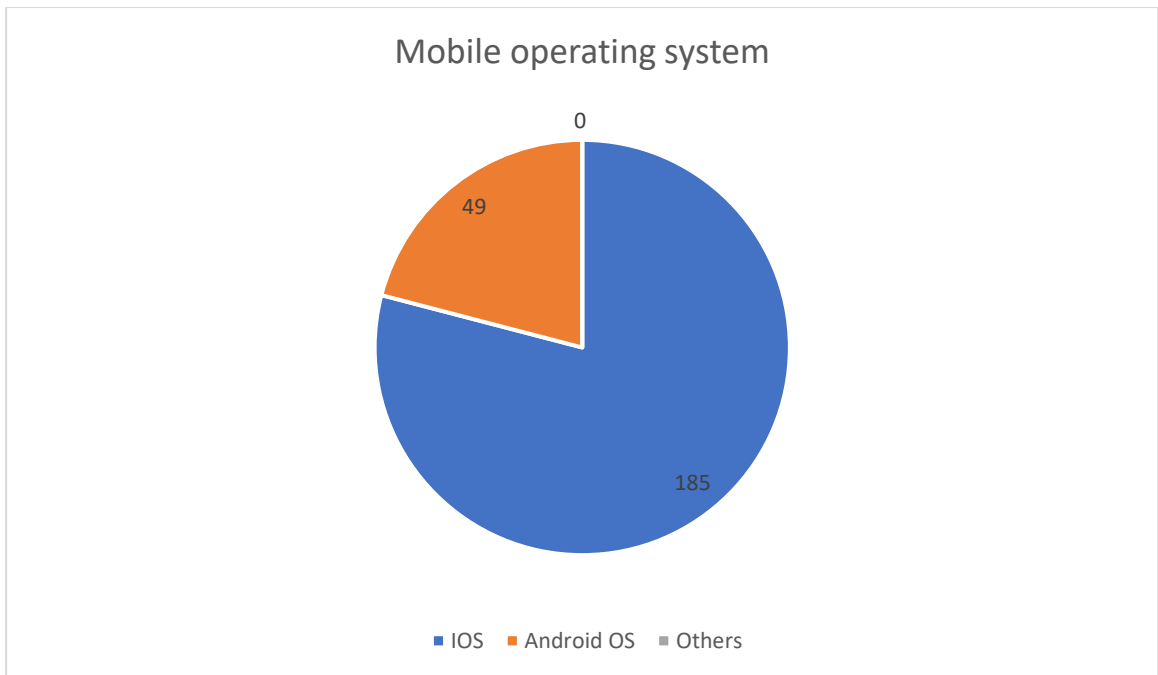
Table 4.3: What is your monthly income?

	Frequency	Percent	Valid percent	Cumulative percent
Below RM2000	131	56	56	56
RM2000- RM3500	76	32.5	32.5	88.5
RM3501- RM5000	22	9.4	9.4	97.9
Above RM5000	5	2.1	2.1	100
Total	234	100	100	

As shown in the table and the figure above, the monthly income of the respondents that below RM2000 are 131 respondents and has 56 percent of the total respondents which is also the highest among the four income groups. Second, the monthly income of the respondents that between RM2000 and RM3500 are 76 respondents and has 32.5 percent of the total respondents. Next, the monthly income of the respondents that between RM3501 and RM5000 are 22 respondents and has 9.4 percent. Lastly, the monthly income of the respondents that above RM5000 are 5 respondents and has 2.1 percent of the total respondents which is also the lowest among the four income groups.

#### **4.1.1.4 Mobile Operating System**

Figure 4.4: What is your current Mobile Operating System?



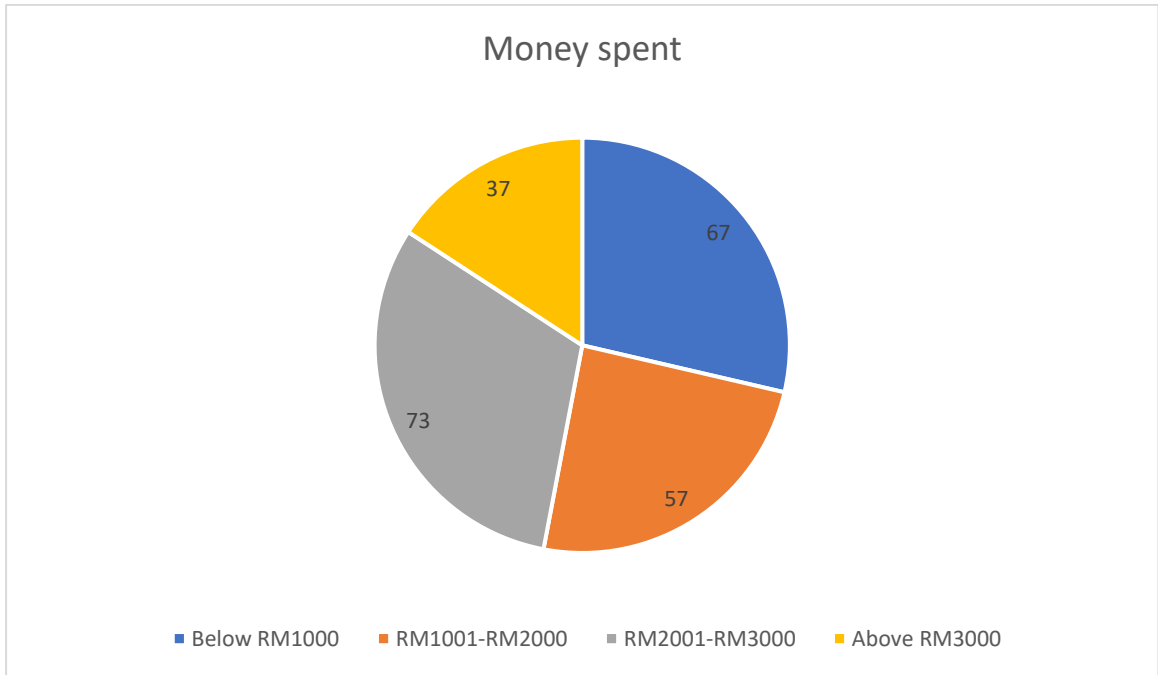
**Table 4.4: What is your current Mobile Operating System?**

	Frequency	Percent	Valid percent	Cumulative percent
IOS	185	79.1	79.1	79.1
Android OS	49	20.9	20.9	100
Others	0	0	0	100
Total	234	100	100	

As shown in the table and figure above, there are three categories which are IOS also known as iPhone operating system, Android operating system and others. For IOS, there have a total respondent of 185 and 79.1 percent of the total respondents. In addition, for the Android OS there have a total respondent of 49 and 20.9 percent of the total respondents. Lastly, there is no any of the respondents is choosing others operating systems. Therefore, the percentage of others operating systems is 0 percent.

#### **4.1.1.5 Money spent**

**Figure 4.5: How much money do you spent on your smartphone?**



**Table 4.5: How much money do you spent on your smartphone?**

	Frequency	Percent	Valid percent	Cumulative percent
Below RM1000	67	28.6	28.6	28.6
RM1001- RM2000	57	24.4	24.4	53
RM2001- RM3000	73	31.2	31.2	84.2
Above RM3000	37	15.8	15.8	100
Total	234	100	100	

As shown in the table and figure above, there have a total respondent of 67 and 28.6 percent of the total respondents for the money spent on smartphone that below RM1000. Second, there have a total respondent of 57 and 24.4 percent of the total respondents for the money spent on the smartphone that between RM1001 and RM2000. Next, there have a total respondent of 73 and 31.2 percent of the total respondents for the money spent on the smartphone that between RM2001 and RM3000, which is also the highest among the four groups. Lastly, there have a total respondent of

37 and 15.8 percent of the total respondents for the money spent on smartphone that above RM3000, which is also the lowest among the four groups.

#### 4.1.1.6 Brand prefer

Figure 4.6: Which smartphone brand do you prefer?

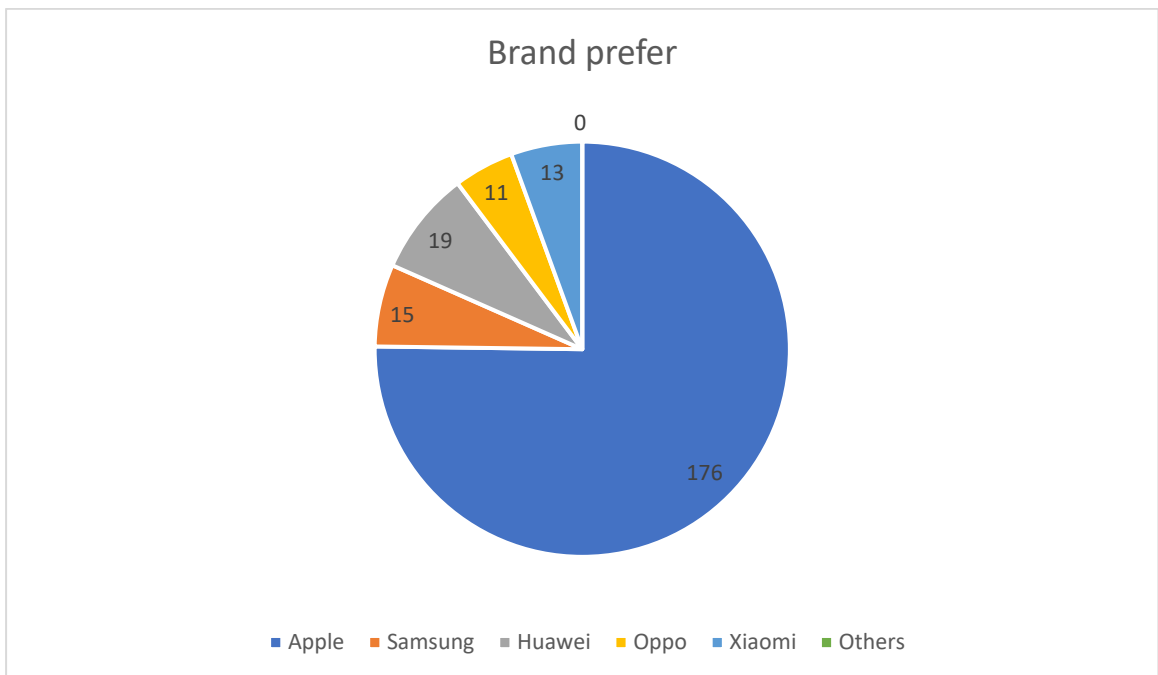


Table 4.6: Which smartphone brand do you prefer?

	Frequency	Percent	Valid percent	Cumulative percent
Apple	176	75.2	75.2	75.2
Samsung	15	6.4	6.4	81.6
Huawei	19	8.1	8.1	89.7
Oppo	11	4.7	4.7	94.4
Xiaomi	13	5.6	5.6	100
Others	0	0	0	100
Total	234	100	100	



As shown in the table and figure above, there have five smartphone brands for respondents to choose. For Apple, there are 176 respondents and there are up to 75.2 percent of the respondents had chosen Apple as their preferred brand which is also the highest compared to the other brands. For Samsung, there are 15 respondents and 6.4 percent of the respondents had chosen Samsung as their preferred brand. For Huawei, there are 19 respondents and 8.1 percent of the respondents had chosen Huawei as their preferred brand. For Oppo, there are only 11 respondents and 4.7 percent of the respondents had chosen Oppo as their preferred brand which is also the lowest compared to the other brands. For Xiaomi, there are 13 respondents and 5.6 percent of the respondents had chosen Xiaomi as their preferred brand. For others, there are no respondents choosing this option, so it has a 0 percent.

#### 4.1.1.7 Impression

Figure 4.7: What is your impression of iPhone?

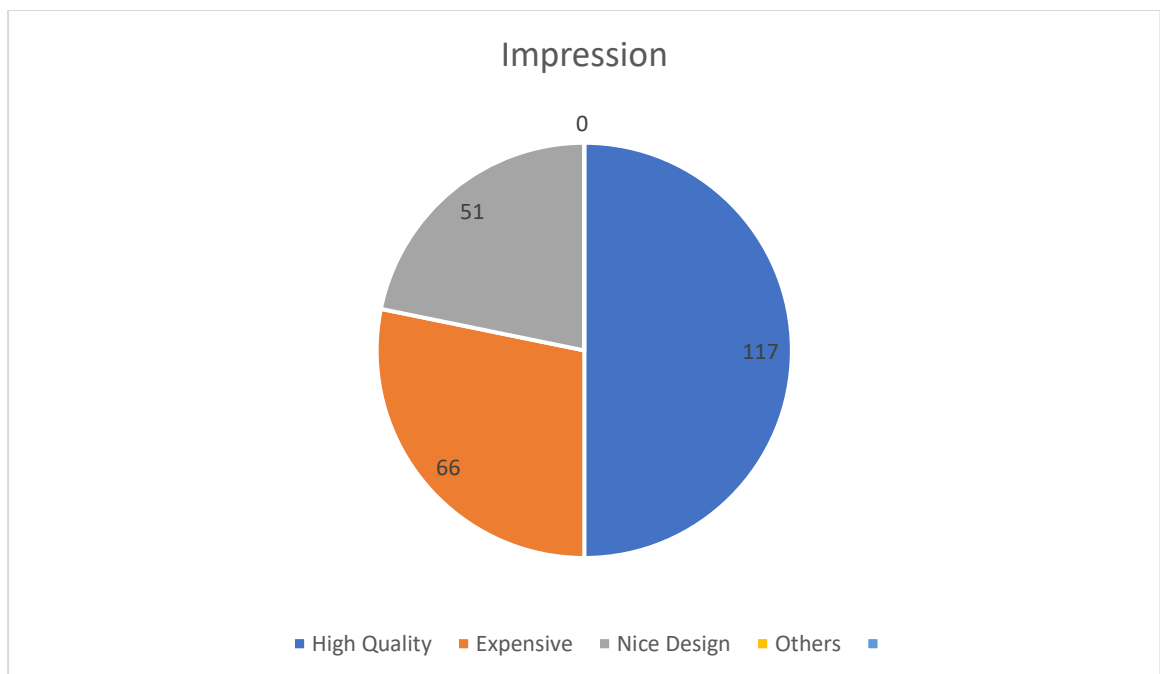


Table 4.7: What is your impression of iPhone?

	Frequency	Percent	Valid percent	Cumulative percent
High Quality	117	50	50	50
Expensive	66	28.2	28.2	78.2
Nice design	51	21.8	21.8	100
Others	0	0	0	100
Total	234	100	100	

As shown in the table and figure above, the total respondents that choose high quality are 117 respondents and 50 percent of the respondents which is also the highest among the four options. Second, the total respondents that choose expensive are 66 respondents and 28.2 percent of the respondents. Next, the total respondents that choose nice design are 51 respondents and 21.8 percent of the respondents. Lastly, there is no respondents choosing others, so there is a 0 percent for this option.

#### 4.1.2 Central Tendencies Measurement of Constructs

Table 4.8: Descriptive statistics on variables

Variables	Items	Mean	Standard Deviation
Social	S1	3.38	0.768
	S2	2.95	0.899
	S3	3.23	0.843
	S4	3.34	0.861
Price	P1	3.74	0.951
	P2	3.61	0.930
	P3	3.32	0.983
	P4	3.23	0.974
	P5	3.12	1.091
Perceived Risk	PR1	3.55	0.834
	PR2	3.54	0.759

	PR3	3.46	0.797
Brand Loyalty	BL1	3.67	0.989
	BL2	3.60	0.898
	BL3	3.53	0.879
	BL4	3.58	0.992
Product Features	PF1	3.66	0.889
	PF2	3.65	0.838
	PF3	3.74	0.872
	PF4	3.75	0.828
	PF5	3.79	0.832
	PF6	3.76	0.777
Purchase Intention	PI1	3.82	0.874
	PI2	3.68	0.909
	PI3	3.74	0.882
	PI4	3.97	0.917

Central tendencies measurement of constructs is to measure a point which most observations are cluster. (DR. P. Anilkumar, 2013).

First, the S1 has the highest mean of 3.38 which the standard deviation is 0.768. For S2, it has the lowest mean of 2.95 which the standard deviation is 0.899. For S3, the mean is 3.23 and the standard deviation is 0.843. Lastly, S4 has the second highest mean of 3.34 which the standard deviation is 0.861.

Second, the P1 has the highest mean of 3.74 which the standard deviation is 0.951. For P2, it has the second highest mean of 3.61 which the standard deviation is 0.930. For P3, the mean is 3.32 which the standard deviation is 0.983. For P4, it has the second lowest mean of 3.23 which the standard deviation is 0.974. Lastly, P5 has the lowest mean of 3.12 which the standard deviation is 1.091.

Third. the PR1 has the highest mean of 3.55 which the standard deviation is 0.834. Second, PR2 has the mean of 3.54 and the standard deviation is 0.759. Lastly, PR3 has the lowest mean of 3.46 which the standard deviation is 0.797

Fourth, the BL1 has the highest mean of 3.67 which the standard deviation is 0.989. For BL2, it has the second highest mean of 3.60 which the standard deviation is 0.898. Next, BL3 has the lowest mean of 3.53 which the standard deviation is 0.879. Lastly, the mean of BL4 is 3.58 and the standard deviation is 0.992.

Fifth, the PF1 has the second lowest mean of 3.66 which the standard deviation is 0.889. Second, PF2 has the lowest mean of 3.65 which the standard deviation is 0.838. Next, the mean of PF3 is 3.74 and the standard deviation is 0.872. For PF4, it has the third highest mean of 3.75 which the standard deviation is 0.828. For PF5, it has the highest mean of 3.79 which the standard deviation is 0.832. Lastly, PF6 has the second highest mean of 3.76 which the standard deviation is 0.777.

Lastly, PI1 has the second highest mean of 3.82 which the standard deviation is 0.874. For PI2, it has the lowest mean of 3.68 which the standard deviation is 0.909. Next, the mean of PI3 is 3.74 and the standard deviation is 0.882. Lastly, PI4 has the highest mean of 3.97 which the standard deviation of 0.917.

## 4.2 Scale Measurement

### 4.2.1 Reliability Test

Table 4.9: Reliability Test

<b>Variables</b>	<b>Cronbach's Alpha</b>	<b>Number of Items</b>
Social	0.636	4
Price	0.607	5
Perceived Risk	0.646	3
Brand Loyalty	0.782	4
Product Features	0.806	6
Purchase Intention	0.835	4

According to the table 4.10 above, all the Cronbach's Alpha of the variables are more than 0.6 value. According to the rule of thumb of the Cronbach's Alpha there are different internal consistency with the Cronbach's Alpha value. The value greater than 0.9 is excellent. The value greater than 0.8, but smaller than 0.9 is good. The value greater than 0.7, but smaller than 0.8 is acceptable. The value that greater than 0.6, but smaller than 0.7 is questionable. The value greater than 0.5, but smaller than 0.6 is poor. The value that smaller than 0.5 is unacceptable. (Matkar, A. 2012).

### 4.3 Pearson Correlation Analysis

Table 4.10: Pearson Correlation Analysis

	Social	Price	Perceived Risk	Brand Loyalty	Product Features	Purchase Intention
Social	1					
	234					
Price	.503**	1				
	.000					
	234	234				
Perceived Risk	.403**	.408**	1			
	.000	.000				
	234	234	234			
Brand Loyalty	.461**	.319**	.594**	1		
	.000	.000	.000			
	234	234	234	234		
Product Features	.461**	.431**	.651**	.737**	1	
	.000	.000	.000	.000		
	234	234	234	234	234	
Purchase Intention	.515**	.337**	.508**	.743**	.714**	1
	.000	.000	.000	.000	.000	
	234	234	234	234	234	234

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

The table 4.10 above show the Pearson Correlation Analysis of the independent variables and dependent variable. According to the alpha coefficient range table, there are different strength based on the coefficient range. The coefficient ranges between 0.91 to 1.00 is very strong. The coefficient ranges between 0.71 to 0.90 is high. The coefficient ranges between 0.41 to 0.70 is moderate. The coefficient ranges between 0.21 to 0.40 is small but definite relationship. Lastly, the coefficient ranges between 0.00 to 0.20 is slight or almost negligible. (Hair et al., 2010).

There is a significant relationship between social and purchase intention. This is due to the P value is 0.00 which is less than the alpha value of 0.05. Next, the Pearson correlation value is 0.515 which fall between the range of 0.41 to 0.70 and the strength of the Pearson correlation value is moderate.

There is a significant relationship between price and purchase intention. This is due to the P value is 0.00 which is less than the alpha value of 0.05. Next, the Pearson correlation value is 0.337 which fall between the range of 0.21 to 0.40 and the strength of the Pearson correlation value is small but definite relationship.

There is a significant relationship between perceived risk and purchase intention. This is due to the P value is 0.00 which is less than the alpha value of 0.05. Next, the Pearson correlation value is 0.508 which fall between the range of 0.41 to 0.70 and the strength of the Pearson correlation value is moderate.

There is a significant relationship between brand loyalty and purchase intention. This is due to the P value is 0.00 which is less than the alpha value of 0.05. Next, the Pearson correlation value is 0.743 which fall between the range of 0.71 to 0.90 and the strength of the Pearson correlation value is high.

There is a significant relationship between product features and purchase intention. This is due to the P value is 0.00 which is less than the alpha value of 0.05. Next, the Pearson correlation value is 0.714 which fall between the range of 0.71 to 0.90 and the strength of the Pearson correlation value is high.

#### **4.4 Relative Importance Index**

$$\text{Relative Importance Index} = \frac{\sum W}{AN} = \frac{5n_5 + 4n_4 + 3n_3 + 2n_2 + 1n_1}{5(234)}$$

Table 4.11: Relative Importance Index Analysis

Independent Variables	RII	Rank
Social	0.6455	5
Price	0.6810	4
Perceived Risk	0.7032	3
Brand Loyalty	0.719	2
Product Features	0.7449	1

According to the table 4.11, the factor that most affect to the purchase intention of consumers is the product features of the smartphone. It has the relative importance index value of 0.7449 which is the highest relative importance index value among all the other factors. Besides, the second factors that has most effect on the purchase intention of consumers is brand loyalty, the relative importance index value of the brand loyalty is 0.719 which is the second among all the factors. Moreover, perceived risk has the relative importance index value of 0.7032 which is the third factor that affect the purchase intention of consumers. Furthermore, price is rank number four among the factors, it has the relative importance index value of 0.6810. Lastly, the last factors which also rank number five factor that will affect the purchase intention of consumers is social, it has the relative importance index value of 0.6455.

## 4.5 Conclusion

In conclusion, chapter 4 is to analyse the data that collected from the respondents. The analysis tools in this research have included descriptive analysis to analyse the general information of the respondents. Reliability test is to test whether the independent variable in this research is acceptable or unacceptable. The Pearson correlation is to test is there a significant relationship between independent

variables and dependent variable. Lastly, the relative importance index to test which factors has the most effect on consumer purchase intention.

## **Chapter 5: Discussion, Conclusion and Implications**

### **5.1 Summary of Statistical Analysis**

#### **5.1.1 Descriptive analysis**

According to the descriptive analysis in chapter 4, most of the respondents are in the age group of 18-25 which have 172 respondents out of the 234 respondents. For the age group of 26-30 has the second highest of 44 respondents. For the age group that below 18 has 12 respondents out of 234. The last one is the age group of above 30 which only have 6 respondents.

Second, there two current statuses of all the respondents which are working or still a student. The percentage of these two statuses is 55.1 and 44.9 which 55.1 percent is student and 44.6 percent is working.

Third, the monthly income of most of the respondents is below RM2000 which have 131 respondents. For the income level between RM2000 to RM3500 have 76 respondents is also the second highest. For the income level between RM3501 to RM5000 have 22 respondents. Lastly, the income level that above RM5000 has only 5 respondents.

Next, the mobile operating system that most of the respondents are using is the IOS which have 79.1 percent of the respondents. For the Android operating system, there have 20.9 percent of the respondents are using.

Moreover, most of the respondents have spent between RM2001 to RM3000 on their smartphone which have 73 respondents. For the money spent below RM1000, there are 67 respondents which is the second highest. For RM1001 to RM2000, there have 57 respondents. Lastly, there are only 37 respondents choosing that their money spent on smartphone is above RM3000.



Besides, in the questionnaire, there are 6 smartphone brands for respondents to choose which brand they are prefer. Most of the respondents has chosen Apple which have 75.2 percent. Second is the Huawei which have 8.1 percent. Third is the Samsung which have 6.4 percent. Fourth, is Xiaomi which have 5.6 percent. The last one is Oppo which have only 4.7 percent.

Furthermore, most of the respondents have their impression to iPhone is high quality which have 50 percent of the respondents. Next, 28.2 percent of the respondent's impression to the iPhone is expensive and 21.8 percent of the respondent's impression to the iPhone is nice design.

### **5.1.2 Summary of Scale Measurement**

The reliability test for this research was tested with the Cronbach's alpha value. According to the reliability test in chapter 4, the purchase intention has the highest Cronbach's alpha value of 0.835. For the independent variables, the highest Cronbach's alpha value is product features which has 0.806. Brand loyalty has the Cronbach's alpha value of 0.782. Perceived risk has the Cronbach's alpha value of 0.646. Social has the Cronbach's alpha value of 0.636. Lastly, price has the lowest Cronbach's alpha value of 0.607.

### **5.1.3 Pearson correlation test**

The Pearson correlation test in this research is to test the relationship between independent and dependent variables. According to the Pearson correlation test in chapter 4, all the independent variables have significant relationship with dependent variable due to all the p-value are less than 0.05. For social, its coefficient range is between 0.41 to 0.70 which is moderate. For price, its coefficient range is between 0.21 to 0.40 which is weak relationship. For perceived risk, its coefficient range is between 0.41 to 0.70 which is moderate. For brand loyalty, its coefficient range is between 0.71

to 0.90 which is high relationship. For product features, its coefficient range is also between 0.71 to 0.90 which is high relationship.

#### **5.1.4 Relative importance index**

The relative importance index in this research is to test which factors is the main factors that affect consumer purchase intention. According to the relative importance index in chapter 4, the main factor that affect consumer purchase intention is product features, its rank number 1 among all the factors. Second, the rank number 2 among the factors is brand loyalty. Third, the rank number 3 among the factors is perceived risk. Next, the rank number 4 among the factors is price. Lastly, the last one among the factors is social.

## **5.2 Discussions of Major Findings**

### **5.2.1 Relationship between social and the consumers purchase intention towards Apple iPhone.**

In this research, H1 is supported because there is a significant relationship between social and consumer purchase intention due to the p-value in the Pearson correlation test is less than the alpha value 0.05. Besides, the relative importance index value of social is 0.6455 which is rank number 5 among all the other independent variables. This finding is consistent with the research of Xie (2014), it stated that it found there is a positive relationship between social and purchase intention. It also mentioned that many young adults tend to have more socialized and this will lead to the word of mouth among friends either positive or negative. Therefore, social has significant relationship with consumer purchase intention towards Apple iPhone.

### **5.2.2 Relationship between price and the consumers purchase intention towards Apple iPhone.**

In this research, H2 is supported because there is a significant relationship between price and consumer purchase intention due to the p-value in the Pearson correlation test is less than the alpha value 0.05. Besides, the relative importance index value of price is 0.6810 which is rank number 4 among all the other independent variables. The result of this research is supported with the research of Muljani & Koesworo (2019), it mentioned that price has significant relationship on smartphone purchase intention and price is the greatest influence. It further stated that consumers will consider the product price based on their capabilities, especially for students. Therefore, price has significant relationship with consumer purchase intention towards Apple iPhone.

### **5.2.3 Relationship between perceived risk and the consumers purchase intention towards Apple iPhone.**

In this research, H3 is supported because there is a significant relationship between perceived risk and consumer purchase intention due to the p-value in the Pearson correlation test is less than the alpha value 0.05. Besides, the relative importance index value of perceived risk is 0.7032 which is rank number 3 among all the other independent variables. However, this finding is inconsistent with Ali et al (2020), it stated that perceived risk factor is not significant on purchase intention and perceived risk did not mediate between trust and purchase intention of consumer. The different of this research and previous research may because of the perceived risk is significant to the consumer purchase intention is based on the popularity of the product's brand. Therefore, perceived risk is significant relationship with consumer purchase intention towards Apple iPhone.

#### **5.2.4 Relationship between brand loyalty and the consumers purchase intention towards Apple iPhone.**

In this research, H4 is supported because there is a significant relationship between brand loyalty and consumer purchase intention due to the p-value in the Pearson correlation test is less than the alpha value 0.05. Besides, the relative importance index value of brand loyalty is 0.719 which is rank number 2 among all the other independent variables. This result is consistent with the research of Al Koliby & Rahman (2018), it stated that there is a significant relationship between brand loyalty and purchase intention. It also stated that the commitment of consumers to purchase the specific brand's product is positively related to their purchase intention. Therefore, brand loyalty has significant relationship with consumer purchase intention towards Apple iPhone.

#### **5.2.5 Relationship between product features and the consumers purchase intention towards Apple iPhone.**

In this research, H5 is supported because there is a significant relationship between product features and consumer purchase intention due to the p-value in the Pearson correlation test is less than the alpha value 0.05. Besides, the relative importance index value of product features is 0.7449 which is rank number 1 among all the other independent variables. The result of this research is consistent with the research of Ling et al., (2014), it stated in the research that product feature has a significant relationship with purchase intention. It also stated new technology attributes or new product features will affect the willingness to buy a new smartphone, implying that consumers are more likely to buy a smartphone with new features. Therefore, product feature has significant relationship with consumer purchase intention towards Apple iPhone.

### **5.3 Implication of the Study**

According to the result, social factor has a significant relationship with the consumer purchase intention. The coefficient value of social has falls in the moderate level. Although social factor does not have high relationship with the consumer purchase intention, it also has an effect on consumer purchase intention. (Huang et al., 2013). Therefore, Apple company and other smartphone companies are suggested to advertise their products by inviting some celebrities, celebrities is one of the effective ways to promote the product due to consumer will purchase the product if it is a celebrity endorsement they like.

Moreover, price also one of the factors that has significant relationship with consumer purchase intention. The coefficient value of price factor has fall under weak level. Although price factor has weak relationship to consumer purchase intention, it also has effect on consumer purchase intention. Compared to the features and quality of smartphone, price is not the most important and concern factor for consumers. (Lai, 2015). Hence, Apple company and other smartphone companies are suggested to focus on other factors that will affect consumer purchase intention, but the price of the smartphone need to be considered based on the features of the smartphone and the price need to be reasonable.

Next, perceived risk is one of the factors that has significant relationship with consumer purchase intention. The coefficient value of perceive risk is under moderate level. It has the moderate relationship with the consumer purchase intention. It can be assumed that consumers are familiar with the smartphone and it has sufficient information about the smartphone, which allowing consumers to evaluate and define the perceived risk to purchase. (Coelho et al., 2013). Hence, Apple company and other smartphone companies are suggested to advertise their smartphone frequently either on internet or television, this will lead to customers have more impression and familiar on the smartphone brand and help to decrease the consumer perceived risk towards the smartphone company.

Furthermore, brand loyalty has the second highest significant effect on consumer purchase intention. The coefficient value of the brand loyalty has fall under high level, which means that brand loyalty has play a vital role in consumer purchase intention. Consumers are more confident with the brand that is popular and internationally recognised, this will lead to consumers have more trust on the brand. (Lay-Yee, 2013). Therefore, Apple company and other smartphone

companies are suggested to build their strong and trustworthy brand by providing good customer service, warranty and so on in order to gain customer trust.

Lastly, product feature has the highest significant effect on the consumer purchase intention compared to other independent variables. The coefficient value of product features has fall in high level, which means that product feature has play an important role in the purchase intention of consumer. Consumers will focus on the smartphone features that the smartphone can offer to them. If the smartphone has more and unique features, consumer will be more likely to choose the smartphone with more and unique features. (Huang et al., 2013). Hence, Apple company or other smartphone companies are suggested to focus on their product features such as create new features or modify the old feature in order to differentiate the smartphone with other brand and it can also increase the competitive advantage for the smartphone.

## **5.4 Limitations of the study**

### **5.4.1 Small sample size**

First, one of the limitations of this research is the respondents, the target population in this research is the generation Z and Y in Kuala Lumpur. The population of this age range in Kuala Lumpur has up to 1097644 of people and the respondents in this research did not meet the sample size of 400. This is because that the survey questionnaire is collected through online, most of the people has lack of time to fill up the questionnaire and it was difficult to get cooperation from the respondents to fill up. This research was conducted with less than half of the total population, which will lead to the biased of the result as the sample size was not representative of the total population.

### **5.4.2 Small geographical coverage**

Moreover, the targeted respondents on this research in only focus on Kuala Lumpur. This research did not study about the target respondents in other state of Malaysia or other rural areas in Malaysia, so that the result of this research is not able to represent the target respondents in other state of Malaysia. Therefore, it is better for the research to get more information from different state of respondents.

### **5.4.3 Less independent variables**

Next, there are only 5 independent variables in this research which included social, price, perceived risk, brand loyalty and product features. There are still many other independent variables are not tested in this research, yet these 5 independent variables are insufficient to define the purchase intention of consumers. Therefore, the result will be affected due to the less of the independent variables.

### **5.4.4 Certain age group only**

Furthermore, this research was only targeted for a certain age group only. It was only target on generation Z and Y only which these age group cannot represent all the population in Malaysia and most of the respondents is only in the age group of 18 to 25. This may affect the result of this research and the result of this research can only represent for certain age group.

## **5.5 Recommendation of Future Study**

### **5.5.1 Increase sample size**

First, the future researchers are recommended to increase the sample size of their research. In this research, there are only 234 respondents answered the questionnaire, which is insufficient for the research. Therefore,

the result is not enough to convince and represent the population. Future researchers should increase in their sample size in order to get more accurate data and future researchers need to alert on the probability of the invalid data from the respondents.

### **5.5.2 Increase geographical coverage**

Besides, the future researchers are suggested to cover a larger geographical area. This is because that the larger the geographical coverage, the more reliability of the result of the research. Most of the previous research of smartphone are more cover in the urban area of Malaysia only. This will lead to the result of the research will be unreliability. Therefore, it is recommended for the future researchers to cover for larger geographical area or focus on other rural area of Malaysia.

### **5.5.3 Different independent variables**

Moreover, the future researchers are recommended to incorporate with other independent variables, there are different independent variables that will also affect the purchase intention of the consumer. For example, quality of the product, celebrity endorsement, post-purchase service and so on. However, it is recommended for the future researchers to study on the relationship between other independent variables and the purchase intention.

### **5.5.4 Involvement of different age group**

Additionally, the future researchers are recommended to involve of different age group of respondents to their study. The respondent in this research is just focus on the generation Z and Y. These narrow respondents can only represent on their age group, but not all the population. Therefore,



future researchers are recommended to conduct the research in different age group such as senior citizens, older adults and so on.

## **5.6 Conclusion**

In conclusion, the research objective of this study has been achieved and all the hypothesis is supported in this research. This research has proved that all of the independent variables has significant relationship with the purchase intention, which has included social, price, perceived risk, brand loyalty, and product features. Therefore, Apple company and other smartphone companies need to focus on these factors in order to increase the consumer purchase intention.

Besides, this research has provided many useful data for future researchers such as the implications, limitation and the recommendation of the research. This information will help the future researchers and smartphone companies to understand more on their consumers purchase intention on smartphone. Through this research, smartphone companies are able to formulate marketing strategies to target their customers and it will also help in the academics for those who want to conduct on the related field research.

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# Appendix

## Appendix 1.0 Questionnaire

Dear respondents

Hi, I am Lee Jia Xuan, a student pursuing Bachelor of International Business at Universiti Tunku Abdul Rahman. I am currently conducting a study on “factors affecting consumer purchase intention towards Apple mobile phone.”

The objective of this research is to identify the factors that affect consumer purchase intention towards Apple mobile phone. The data collected will provide useful information to the smartphone company and for future research to have a better understanding on the factors affecting consumer purchase intention.

The information provided will only be analysed for academic purpose, your response will be kept confidential. The questionnaire will roughly take 3-5 minutes to answer.

Thank you for your time

Best regards,

Lee Jia Xuan

### Section A: General Information

1. What is your age?

Below 18     18-25     26-30     above 30

2. What is your current status?

Student     Working     Others

3. What is your monthly income?

below RM2000      RM2000-3500      RM3501-5000      above RM5000

4. What is your current Mobile Operating System?

IOS    Android OS    Others:

5. How much money do you spent on your smartphone?

Below RM1000      1001-2000      2001-3000      Above RM3000

6. Which smartphone brand do you prefer?

Apple      Samsung      Huawei      Oppo

Xiaomi      Others:

7. What is your impression of iPhone?

High Quality       Expensive    Nice Design    Others

Section B: Factors affecting consumer purchase intention towards Apple mobile phone

[1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree and 5 = strongly agree]

	Social	SD	D	N	A	SA
1	I learn from my friends, family and classmates about iPhone.	1	2	3	4	5
2	If my friends purchase iPhone, I will also purchase iPhone.	1	2	3	4	5
3	I will share information of iPhone with my friends.	1	2	3	4	5
4	Most of my friends and family are using iPhone.	1	2	3	4	5

	Price	SD	D	N	A	SA
1	Price is the important factor when purchasing smartphone	1	2	3	4	5

2	I compare prices of different spec of smartphone before I choose one	1	2	3	4	5
3	I will buy iPhone because they are worth to used regarding between with their price and usage quality	1	2	3	4	5
4	I am uncertain whether iPhone provide real value for money in terms of product quality	1	2	3	4	5
5	The cheapness of some Smartphone's brand suggests to me that they may have some risks, such as low quality	1	2	3	4	5

	Perceived Risk	SD	D	N	A	SA
1	The personal information that I provide for Apple is secure than Android	1	2	3	4	5
2	The monetary information that I provide for Apple is well protected than Android	1	2	3	4	5
3	Compared to Android, Apple will not use unsuitable methods to collect my personal data	1	2	3	4	5

	Brand Loyalty	SD	D	N	A	SA
1	I would not buy other brands, if iPhone is available	1	2	3	4	5
2	I will buy iPhone as long as it provides me satisfied product	1	2	3	4	5
3	iPhone is one of the preferred brands I want to buy	1	2	3	4	5
4	iPhone would be my first choice	1	2	3	4	5

	Product features	SD	D	N	A	SA
1	In general, what I get from iPhone is worth the cost	1	2	3	4	5
2	All things considered(hardware, software), iPhone is a good buy	1	2	3	4	5

3	In general, compared to other brand, iPhone is good value for the money	1	2	3	4	5
4	In general, iPhone consistently performs better than other brands	1	2	3	4	5
5	In general, compared to other brands, iPhone is very high quality	1	2	3	4	5
6	In general, iPhone is aesthetically pleasing	1	2	3	4	5

	Purchase Intention	SD	D	N	A	SA
1	I would intend to become Apple customer	1	2	3	4	5
2	My willingness to purchase Apple is high	1	2	3	4	5
3	I am likely to become Apple iPhone customer	1	2	3	4	5
4	I have a high intention to purchase Apple iPhone	1	2	3	4	5

## Appendix 2.0 Independent variables relative important index

### Social factor

Sub-factors	SD	D	N	A	SA	RII	Rank
I learn from my friends, family and classmates about iPhone.	4	17	110	91	12	0.6769	1
If my friends purchase iPhone, I will also purchase iPhone.	18	37	126	44	9	0.5906	4
I will share information of iPhone with my friends.	10	23	113	79	9	0.6462	3
Most of my friends and family are using iPhone.	6	22	112	74	20	0.6684	2

### Price factor

Sub-factors	SD	D	N	A	SA	RII	Rank
Price is the important factor when purchasing smartphone	11	7	56	117	43	0.7487	1
I compare prices of different spec of smartphone before I choose one	10	10	74	107	33	0.7222	2

I will buy iPhone because they are worth to used regarding between with their price and usage quality	12	28	90	81	23	0.6641	3
I am uncertain whether iPhone provide real value for money in terms of product quality	11	40	85	81	17	0.6453	4
The cheapness of some Smartphone's brand suggests to me that they may have some risks, such as low quality	26	31	82	78	17	0.6248	5

#### Perceived Risk factor

Sub-factors	SD	D	N	A	SA	RII	Rank
The personal information that I provide for Apple is secure than Android	0	21	94	88	31	0.7103	1
The monetary information that I provide for Apple is well protected than Android	0	17	95	101	21	0.7077	2
Compared to Android, Apple will not use unsuitable methods to collect my personal data	0	24	100	89	21	0.6915	3

#### Brand Loyalty factor

Sub-factors	SD	D	N	A	SA	RII	Rank
I would not buy other brands, if iPhone is available	8	19	61	101	45	0.7333	1
I will buy iPhone as long as it provides me satisfied product	4	17	84	92	37	0.7205	2
iPhone is one of the preferred brands I want to buy	4	20	86	95	29	0.7068	4
iPhone would be my first choice	9	22	65	101	37	0.7154	3

#### Product Features factor

Sub-factors	SD	D	N	A	SA	RII	Rank
In general, what I get from iPhone is worth the cost	1	20	79	91	43	0.7325	5
All things considered (hardware, software), iPhone is a good buy	2	19	69	114	30	0.7291	6
In general, compared to other brand, iPhone is good value for the money	2	15	70	102	45	0.7479	4



In general, iPhone consistently performs better than other brands	1	17	59	119	38	0.7504	3
In general, compared to other brands, iPhone is very high quality	2	15	54	123	40	0.7573	1
In general, iPhone is aesthetically pleasing	1	6	81	106	40	0.7521	2