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Master of Business Administration  
Research Thesis

**Factors Affecting Purchase Intention towards  
Smartphone Brand: Focusing on Young  
Consumers in Uzbekistan**

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Factors Affecting Purchase Intention towards Smartphone Brand: Focusing  
on Young Consumers in Uzbekistan

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## **Abstract**

Smartphones have proven to be an extremely efficient communication device as they have made life easier. Whether making new friends, establishing contact with old ones, or coordinating with friends and family, mobile phones have made it easier for mankind to achieve all of these goals. Mobile phones have also reduced distances and brought people closer. It is the growing demand for mobile phones that mobile phone companies are continuously working to bring new improvements in the design, body and features of mobile phones.

Smartphones are equally popular among young adults. This hand-sized technological advancement provides maximum assistance to youngsters in their academic as well as personal lives. The latest mobile phones have several technological features including photography, internet browsing, video games, text messaging, e-mail, multimedia messaging, video chatting, video calling, voice communication, and wireless communication like Bluetooth, etc. So studying current factors affecting young consumers' purchase intention towards smartphone brands are one of the challenges of the marketers.

My research has attained the main objective which is to study the factors that influence purchase intention of smartphone brands of young consumers in Uzbekistan. Four determinants of purchase intention are identified and examined in this study, which are brand image, price, product features and peer influence. On the other hand, all of the hypotheses are supported and it showed that brand image is the most influential on purchase intention of smartphone brands for young consumers. Besides that, managerial implication, limitations and recommendations for prospect research was included in the study by helping the smartphone marketers to understand the young consumers' need towards smartphone brands. This will formulate effective strategies to retain customers and thus increase profitability. This research will also contribute to academics who wish to conduct study in related fields to gain deeper insights.

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# Chapter 1 Introduction

## 1.1 Research background

Telecommunication devices help people to communicate at a distance. The first telecommunication device was named a pager. The pager is a small telecommunications device that can only be used to receive or transmit alert signals and send short messages. In 1973, the Mobile phone was invented by Motorola researcher Martin Cooper. The traditional Mobile phone is designed in large and bulky size and only carries some basic functions such as call and short messaging system (SMS). Mobile phone is now further refined to a smaller and compact version. From the mobile phone that consists of numerous buttons, the phone is now evolving into a smartphone as it can be controlled by touch screen. In general, a smartphone is an extension of the traditional handheld mobile phone. However, it performs a wider range of functions. Nowadays, smartphones have been deeply accepted by most people around the world and have become an integral part of everyone around the globe.

In addition, due to vast improvements in technology, more advanced and sophisticated smartphones are introduced and launched almost every year. Smartphones have been deeply accepted by most people around the world, especially among young adult consumers. This research studies and analyses the factors that trigger the purchase decision of female young adults in smartphone brands. This research studies and analyses the relative differences among different smartphone brands that in turn affects the consumer purchase intention towards the different available brands.

In today's society, people are becoming more and more reliant on technology especially when communicating with others. Smartphones are one of the highly technological communication devices that allow users to connect with each other and transfer information around the globe. Smartphone has brought huge benefit to the society. It allows users to call and talk straight away, send short message service (SMS), assist business person to make schedule of working and meetings, work as navigation system (GPS), access to the internet, entertainment, downloading applications, store data and even help in legal matters such as track criminal via tracking system. According to the state committee of the Republic of Uzbekistan on Statistics, smartphone penetration in Uzbekistan has increased in the year 2012 from 47 percent to 85 percent (the state committee of the Republic of Uzbekistan on Statistics, 2021).

Nowadays, consumers pay more attention to the brand while choosing smartphones (Knapman, 2012). Many smartphone brands that are popular among the users including Apple, Samsung, Redmi, OPPO, Lenovo, Huawei and Xiao Mi have entered Uzbekistan in recent years. Among these brands, Apple and Samsung gain the highest market share in the market. According to The Kunuz, many large mobile phone makers were threatened by high-end phone companies such as Apple and Samsung and by lower end Chinese phone companies. Those companies were said to be suffering due to lack of a differentiated offering and strong brand (The Kunuz, 2021).

In 2020, a survey was taken by the Uzbekistan Communications and Multimedia Commission to determine the usage of mobile phones among Uzbekistan. The survey result came out with a statistic of young adults aged 15 to 29 owning a mobile phone standing at 40.5 percent among the other age brackets (Uzbekistan Communications and Multimedia Commission, 2020). Young adults are more towards new technology and innovation features which consider fast adoption curves. Therefore, they are able to embrace new technology faster than other age brackets. Besides, the survey also shows that 43.5 percent of the total smartphone users are female while the other 56.5 percent are male smartphone users. Although male are more likely to own smartphones than females, however, brands gave more impact on females (Karen, Han Benjamin, 2013).

Thus, this research is taken to determine the factors influencing purchase intention of smartphone brands among young adults in Uzbekistan. Consumers are defined as the individuals who purchase a good or service in the intention to utilize them. Normally, consumers will consider a few sets of alternatives before they make their respective purchase decision. Moreover, there are many factors involved during a consumer decision making process. These factors affect the consumer's purchase intention. With a clear and precise understanding of the consumer purchase intention pattern of behavior, marketers will be able better position their products in the marketplace.

However, in order to understand the consumer purchase intention towards smartphone brand research has to be carried out. There are several factors that affect consumer purchase intention towards smartphone brands. I have identified 4 factors that affect the purchase intention of smartphones include brand image, pricing, product specification and peer influence. At the end of the research, marketers may have a better understanding on factors that will impact the young consumers' purchase intention towards smartphone brands.



## 1.2 Research purpose

In this global era, technology has become an integral part of our lives. The saying 'world is at your fingertips' has become predominant nowadays. From desktop to laptops, technology has further minimized smartphones. Smartphone industry has boomed in this country since 1983. Since then, there have been many large mobile phone companies 'stepping their foot' into the industry. Due to the large entry of mobile phone companies, many smartphone brands have been introduced to the market in Uzbekistan, namely Apple, Samsung, Sony, Lenovo, Redmi, Huawei, LG, Motorola, Asus, Nokia, Blackberry, Oppo, Artel, and Xiao Mi.

In this 'technology savvy' era, it is very difficult to study, analyze and interpret consumer purchase intentions. Smartphone companies as well as telecommunication providers are even willing to financially invest in order to study their respective potential consumers' purchasing behavior. Therefore, this research is intended in the quest to study the consumer purchase intention towards smartphone brands. Although many researches and studies have been preliminarily carried out on consumer purchase intention and hypothesis are formed, however there is still room for improvement. A framework as a whole indicating the distinct relationships between the related variables to consumer purchase intention towards smartphone brands can be further developed for future studies and research.

Moreover, although there has been much research carried out previously on purchase intention towards smartphone brands, there has not been research carried out on linking between young adult purchase behavior and its corresponding purchase intention towards smartphone brand. This research is solely focused on young consumers, their buying preferences and factors that affect their buying decision. This study is intended to study and analyze specifically the factors affecting the purchase intention towards smartphone brands of young adult consumers.

Young adults within the specified age range are selected because these groups of consumers have the highest smartphone purchase rate. This age group is the active group and purchases more among consumers. Therefore, this research serves as a bridge linking the two main variables, young adult purchase behavior and purchase intention towards smartphone brands.

This study is able to provide a concept for smartphone firms a better understanding of factors that influence the purchase intention of smartphones among young adults in Uzbekistan. The importance and attention given to a smartphone is rapidly increasing every day. The complexity and the sophistication involved in the highly advanced smartphones is making the purchase process of a smart phone getting more intense. In fact, smartphone purchases have

been increasing from the past 8 years. Smartphone sales reached 91% of the total sales of mobile in 2021 (The state committee of the Republic of Uzbekistan on Statistics, 2022).

Although similar studies have been carried out on smartphone brands and their respective purchase intentions, however this research is directed mainly and only towards young adult consumers. This particular research is designed and directed on the young consumers and the factors that affect their purchase intention towards smartphones.

Nowadays, the demand for new smartphone brands are relatively high in Uzbekistan, just only last year more than 1.7 smartphones were imported from 16 different countries. This literally means that this study can serve as a reference for business owners and consumers during their purchase process of smartphones. Besides, this research helps young consumers to understand the emerging trend of smartphone brands.

This study provides an insight to researchers and marketers on the analysis of young consumers' purchase intention towards smartphone brands, and how all the four main factors affect their purchase intention, brand image, pricing, product feature and peer group influence. This is crucial for marketers as this will aid them to reconstruct and tailor their marketing message to the needs of young consumers. In a nutshell, this research helps smartphone firms to capture the needs of young consumers. The smartphone company can benefit when the respective firm is able to cater the needs of young consumers and this will induce a higher sales and purchase for the respective smartphone brand company.

### **1.3 Organization of the thesis**

This research consists of five chapters. Chapter One provides the overview of the entire research study which contains research background, followed by the problem statement, research objective, research question and hypotheses for the research study that used to deliver supervision for the accurate method of this research. After that, significance of the study, chapter layout and lastly is the conclusion of the chapter.

Chapter Two consists of literature that presents concept of consumers purchase intention towards smartphone brand, the contribution of four dimensions that will influence the consumers purchase intention towards smartphone which includes brand image, pricing, product features, and peer influence, followed by the review of theoretical framework, conceptual framework, and hypotheses development of the chapter.

Chapter Three discusses the research methodology which consists of the research design, data collection methods, sampling design, research instruments, data processing and data analysis.

Chapter Four discusses data analysis and presents the result. Besides, Statistical Package for Social Science 21 (SPSS) was used in this research to demonstrate the chart and tables.

Chapter Five includes discussion and conclusion of my research study. Research findings will be précised and discussion of major findings in this research, followed by the limitations of the research for improvement. Last part will be the recommendations for prospect research.

## **Chapter 2 Literature review**

Chapter Two focuses on discussion of literature review, review of relevant theoretical models, conceptual framework and hypotheses development. The literature review consists of dependent and independent variables that relate to the research topic and research objectives in Chapter one followed by reviewing theoretical models that have been studied previously as the foundation to develop new ideas for the conceptual framework. The conceptual framework is then formed based on the research objectives and research questions. In this section, I explain the nature and directions of the relationship between dependent variable and independent variable. The last part is the formulation of a hypothesis to test the validity of the theory formulated.

### **2.1 Review of the Literature**

#### **2.1.1 Purchase intention**

According to Richard, Loury & David (2013), purchase intention is defined as the possibility and willingness of the consumer to purchase a particular good or service in future. Laroche et al. (1996) define purchase intention as the individual's intention to purchase a particular brand they have chosen after certain evaluation. A few researchers found out that consumer's purchase intention is based on their past experience, their preference toward the product as well as the external environment to collect information, evaluate alternatives, and make purchase decisions. (Dodds, 1991; Schiffman & Kanuk, 2000; Yang, 2009). Besides, according to Dodds (1991) and Schiffman & Kanuk (2000) when consumers have higher willingness to purchase a product, they will have a higher purchase intention. Furthermore, purchase intention also refers to consumer's intention to repurchase or purchase (Wand & Tadisina, 2008; Philip et al., 2002).

Higher brand image will lead to higher purchase intentions (Wang, 2006). In purchasing apparel products, brand image is crucial because it impacts consumers' preference and intentions to purchase. It also has a direct impact on consumers' willingness to pay high prices and recommend the particular brand to others. According to Chang and Albert (1994), marketers often use product price and features as the main variables to influence their consumers' product evaluations and purchase intentions. Every product has its own price range. If the actual price exceeds the acceptable price range, consumer's purchase intentions tend to reduce. Besides,

social influence also plays a significant role in consumer's purchase intention. Ibrahim, Kassim & Mohamood (2013) conclude that social influence has a high impact in attracting young consumers to purchase smartphones. Consumers will collect brand information from various sources around them such as co-worker, friends and family and finally they will decide about their brand choice.

Furthermore, purchase intention is the common tool used by marketers to predict the sales of existing goods and services (Armstrong, Morwitz & Kumer, 2000). Marketers are interested in understanding consumer's purchase intentions, so that they are able to properly segment the market and as a source to their decision making. Thus, previous research has proved that there are positive relationships between brand image, price, product feature and peer influence with purchase intention (Lin & Lin, 2007; Ibrahim, Kassim, & Mohamood, 2013).

### **2.1.2 Brand image**

Generally, brand image means image of any particular product that is set into the mind of consumers or anything that is linked in the memory to a brand (Aaker, 1991). According to Kotler (2001), brand image is also defined as a person's beliefs, ideas, and impression regarding an object. According to Keller (1993) and Biel (1993), they both define consumer's perceptions about a brand reflected by the brand associations in their memory and they often connect the brand name with a variety of attributes and associations. These associations can be characterized by the strength, favorability and uniqueness of the brand. These brand associations help consumers to process information and create positive feelings of consumers towards the brand. It also differentiates the brand from its competitor, generates demand, and provides a basis for brand extensions (Aaker, 1991).

The brand associations held in consumer memory imply the impression toward a brand (Keller, 1993). These associations can be characterized into three aspects which include strength, favorability and uniqueness of the brand. In the brand associations, strength indicates consumer accessibility of relative brand information and the consistency of the information over time. Favorability of brand association means the desire of consumers towards a brand. It depends on how the product and supporting market program is able to successfully capture the purchase intention and deliver information to their consumers. Uniqueness of brand association is the overall mind reflection and belief of consumers toward a particular brand with its unique qualities such as design, packaging, color, texture and other abstract dimension (Mulugeta, 2012) which is not possessed by other competing brands (Lee and Wu, 2011).

Park et al. (1991) said that consumer demands is the key factor in specific products as well as the basis of product design and further proposed three dimensions for brand image which are functional, symbol, and experience benefits. Functional benefits mean the intrinsic advantages received by consumers while using the product or services. It is corresponding to product-related attributes that satisfy the consumers' basic needs (Keller, 1993) such as physiological and safety needs.

Symbol benefits are more on extrinsic advantages that bring to the consumer while owning the brand. They are closely related to non-product related attributes and relate to fundamental needs for social acceptance of self-expression and outer directed self-esteem. Consumers might value the brand in terms of prestige, fashion or style. For example, among the smartphone brands, Apple has a higher brand image in consumer mind. Consumers always associate Apple with outstanding quality, trustworthy, prestige, stylishness and elegance. Apple brand users often connect the brand with higher symbolic associations (Salciuviene, Ghauri and De Mattos, 2009) such as increasing their status and individual self-image. In fact, some of the Apple users might think that they have higher status than consumers who are using other brands.

Experiential benefits are the inner experience that consumers gain when using the product and correspond to product-related that bring subjective satisfaction to consumers. These benefits satisfy experiential needs such as sensory pleasure, variety, and cognitive stimulation (Keller, 1993). A strong brand image can lead to higher levels of satisfaction and increase consumer confidence to purchase it (Laroche, Kim and Zhou, 1996).

Thus, according to Richardson, Dick & Jain (1994) brand image is often used as an external factor for purchase decision making. According to Hyun & Kim (2011), consumers are willing to pay a premium price for the brand because they think that the brand is unique compared to other brands (Lee, Lee and Wu, 2009). Brand image helps consumers to decide which brand gives them more value. Eze, Tan and Yeo (2012) conclude that consumers will always go for brands that have a better image rather than those with lower brand image. It is because consumers perceive that products with a good brand image provide better quality. A successful brand image increases the likelihood of consumer purchase intention toward a brand and helps consumers in recognizing their needs and satisfaction (Hsieh, Pan, and Setiono, 2004).

### 2.1.3 Pricing

Pricing is an inevitable factor in determining a product or services' relative price. Price is the amount of money charged for a product or service. Broadly, price is the total amount being exchanged by the customer to obtain a benefit of the product or service owning (Kotler, 2011).

Price is the total amount of monetary terms that customers are willing to give in exchange for a particular product or service. Besides that, according to Stanton (1992), price is the amount of money or goods needed to acquire some combination of other goods and its accompanying services. Price is the element of the marketing mix that is stable in a certain period but at one moment the price might increase or decrease and price becomes the single element of revenue from the selling. Although price is an element of the marketing mix that is stable, price is also subject to fluctuation. Moreover, Stanton defines that price is an element present in the marketing mix that solely affects the income from the product at certain time periods. This leads to a scenario where higher prices are imposed on products and consumers are willing to purchase them. Some of them preferred high quality products and were willing to pay high price for it but some of them are not (Monroe, 2003). On the contrary, not all-time products are priced at a premium and higher price. According to Lynn Albright, the vice president of Old Navy, states higher prices will not be needed if costs can be lowered. According to Iyengar (2018), he states that Apple iTunes can raise profits not by raising their prices, but by lowering them.

Pricing a product has a dual effect, it is both advantageous at the same time disadvantageous, depending on the type of products and how it is typed. The main two types of pricing are low pricing and high or premium pricing. Higher pricing positively affects purchase decisions of consumers (Erickson and Johansson. 1985). The research concludes that when the product is high priced, it directly influences and stimulates a purchase intention. Tellis and Gaeth (1990) and Bloch & Black (1988) further enhances this statement. Based on these researches, when the product is high priced, it has a positive effect on the product purchase. A real-life current example would be Rolls Royce and Aston Martin. Although high priced, it leaves a luxury and rich perception in the minds of consumers; thereby causing a positive effect on its demand. This is mainly caused by the perception that a higher priced product has a higher quality.

On the other hand, there has also been a study (Tohirov. 2019) that proves high-priced imposed on products leads to a detrimental effect. The high price implies a negative effect on the product's purchase intention. According to Dickson and Sawyer (1990), what is clear is that shoppers are very heterogeneous in terms of their attention and reaction to price and promotions. This literally means that products that have the same function and that are not differentiated will

tend to have a negative effect when it is high priced. In general, these products mostly compete on a cost-leadership strategy, whereby each company will try to manufacture the goods with the least cost as possible.

#### **2.1.4 Product features**

Product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need (Kotler, Armstrong, and Gary, 2007). Smartphone is an electronic product that provides ease of use with a variety of functions. Feature is an attribute of a product to meet the satisfaction level of consumers' needs and wants, through owning of the product, usage, and utilization of a product (Kotler, Armstrong, and Gary, 2007). Features can be defined like touchscreen feature, camera functionality, Wi-Fi, High- resolution display, new design, waterproof and shockproof, LTE or 5G speed internet connection. Besides that, smartphone features such as application installation, high gigabytes of storage, large-screen and powerful processor (Oulasvirta, 2011). On the other hand, the same researcher found that complex functionality of software like operating systems and high specifications of camera megapixels are more attached to it. According to Meirovich & Bahnan (2008), new attractive product features will finally satisfy consumers as a foundation. Therefore, a feature of a smartphone will influence the young female consumer's choice towards smartphone brands and based on the feature's consumers will differentiate which smartphone brands will be the origin they made the choice. According to Dziwornu (2013), the factors that influence consumers' purchase decision of mobile phone, special features and design are one of the main elements that cause the results. Product features have the similar meaning of the physical characteristic, function, technical characteristic, and extended attributes of a product to satisfy people's variety of needs (Isiklar and Buyukozkan, 2007). Product features have a positive impact with purchase intention by providing different features and functions to build different satisfaction in consumers' hearts. Product features can be divided into hardware and software. Hardware is the product that can be touched or used physically and it is visible. Software is the Operating System (OS), Operating system is the program to run the computer, smartphone or electronic device. There are few OS in the market which are Android, iOS is from Apple, and Windows is from Microsoft, Blackberry, Symbian (Russell, 2012). Consumers who purchase smartphones based on design as the important factors for device specification that contain 56% exclude the functionality of WiFi, price, processor power



and others (Osman, 2012). Based on the same research of Osman (2012), customers decide choices relying on the design and it was the most important factor for making the choices.

According to Osman (2012), consumers will purchase a smartphone not only based on the hardware functionality while software will be the main factors that influence consumers to buy a smartphone or brand. In the research, 33% of consumers purchase based on the software while another 17.6% of consumers purchase based on hardware. Based on a research firm, Google Android owns the global market share of 78% in mobile operating systems, while Apple iOS owns only 18%, Microsoft Windows phone 8 owns only 2.5% of market share, Blackberry owns 0.5% and others is only 0.6% (International Data Corporation, 2014). This result shows that consumer purchase of a smartphone or brands based on the software is much higher than hardware.

A research finding shows the ranking of durability, performance and features which shows features is 85.8% that will influence the student's purchase of mobile phones behavior (Vida, Cosmos, & Samuel, 2013). According to Karen (2013), product features are the factors that concern smartphone users when they study the new function and new innovative functionality for hardware and operating systems.

### **2.1.5 Social Influence**

According to Schiffman and Kanuk (2007), the values and attitudes of a group that an individual treats as a benchmark to his or her current behavior is considered a reference group (Schiffman and Kanuk, 2007). Based on Bristol and Mangleburg (2005), a reference group can be anyone who has direct interaction with an individual with values, attitude, and norms provided such as parents, co-workers and peers. Moreover, peer influence is defined as the degree which peers exert influence on the thoughts, attitudes and actions of an individual (Bristol and Mangleburg, 2005).

According to Bearden and Etzel (1982), there are three different types of social influence which are informational, utilitarian influence and value expressiveness. Informational influence is considered an individual improving his or her knowledge on the environment or the ability to suit the environment. Additionally, Mangleburg (2004) explained informational influence includes observing how others perform or actively searching information from an expertise. If an individual receives the information and treats it as a fact in reality then he or she is more likely to make the same decision as others (Mangleburg et al., 2004). Utilitarian influence is explained as an individual trying to meet the expectation of others in order to receive a prize or to prevent

punishment. Value expressive influence will influence a person when he or she wants to strengthen his or her ego (Bearden and Etzel, 1982).

Mourali, Laroche and Pons (2005) found that individualistic orientation has a negative relationship with the utilitarian and value expressive influence, but it does not have a significant relationship with information influence. Suggested by psychological and consumer behavior literature, the relationship between self-esteem and affection to interpersonal influence is negative (Mourali, Laroche and Pons, 2005).

According to Bearden and Etzel (1982), the degree of peer influence varies on the purchase decision of different products. His study was concerned with two dimensions. First is the degree of influence on luxury versus a necessity and the second dimension is concerned with the degree of influence on publicly or privately used products. Publicly luxurious products are not owned by everyone and it is normally more apparent. These kinds of products are exclusive and tend to be more easily influenced by peer groups. On the other hand, privately necessity products are not exclusive and unable to be observed by the public when it is used. This category of products is socially irrelevant and everyone can easily own the products, thus it is less likely to be impacted by peers' influence. The studies found out that social influence plays an important role on publicly consumed luxuries than privately consumed necessities and privately consumed luxuries also attracted more peer influence than privately consumed necessities (Bearden and Etzel, 1982).

According to Farzana (2012), consumers are always influenced by their social group in the decision-making process and individuals are more likely to seek the advice from those who are more expert in the area especially when purchasing a high-involvement product. According to her research, in the purchasing smartphone process for generation Y, the social influence might come from peers (Farzana, 2012). Based on a research carried out by Osman (2012), 35.6% of 1814 Malaysian respondents think that the trend in society is the criteria that will influence the smartphone purchase decision (Osman, 2012).

According to a study by Lachance et al. (2003), compared to parental influence, peers have a higher degree of influence toward a teenager in choosing a clothes brand (Lachance et al., 2003). From another research done by Yoh (2005), peers exert a higher level of influence than parents in teenagers' athletic shoe purchasing (Yoh, 2005). Similarly, Subaramanian and Subramanian (1995) found that peers have stronger influence on young adults in choosing fashion cloth (Subaramanian and Subramanian. 1995).

## 2.2 Review of relevant theoretical models

This research is done by Shahzad & Sobia (2013) to investigate the factors that affect youth brand choice for mobile phone purchase among private universities students of Peshawar. In this highly technology-oriented society, the usage of mobile phones has increased worldwide especially among those young consumers. This group has become a significant interest for marketers as young consumers are currently the most appealing and attractive markets for firms to earn huge amounts of investments.

According to Shahzad & Sobia (2013), brand choice is defined as consumer preference towards a specific brand over its competitor's brand. Based on the research studied by Karjaluoto (2005), the researchers had studied that although consumers choice in smartphone is based on individual feelings, opinions and tastes, however, there are other factors such as technical problems, brand, innovative, basic feature, price, reliability, product design and external influence that appear to have influence on mobile phone brand choices.

Shahzad & Sobia (2013) has identified 11 factors that affect the brand choice of youth towards mobile phones. The brand choice of youths is the dependent variable in the research. The 11 independent variables include quality, features, friends & family, brand image, innovative features, effective promotion, celebrity endorsement, user-friendliness, stylish appearance, post-purchase services and price. Figure 2.1 shows the theoretical framework of the study.

<Figure 2.1> Theoretical Framework



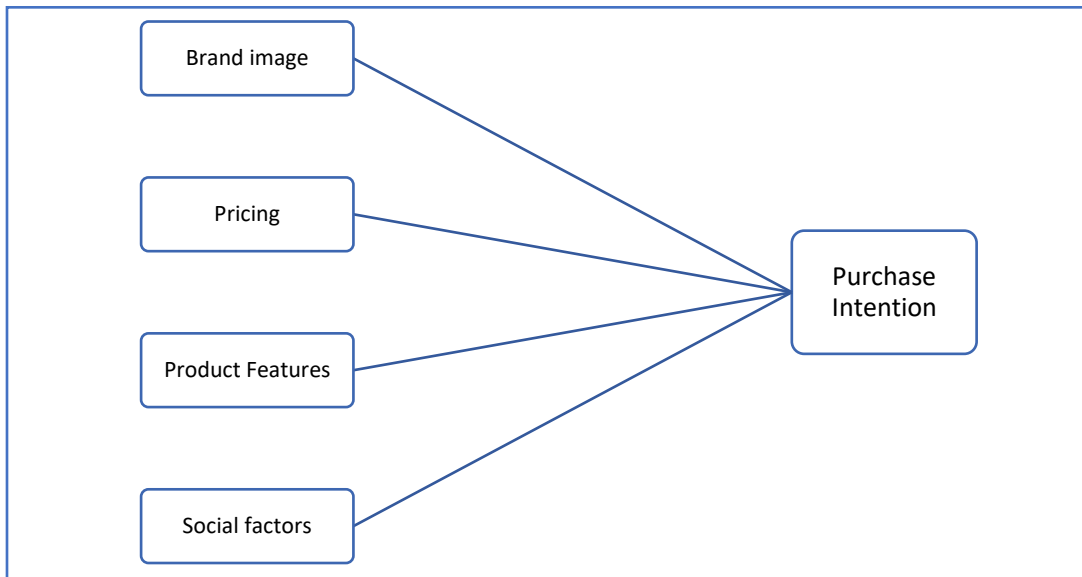
Adapted source: Shahzad, K., & Sobia, R. (2013). Investigating the factors affecting youth brand choice for mobile phones purchase – a study of private universities students of Peshawar. *Management & Marketing*, 8(2).

# Chapter 3 Research model and hypotheses

## 3.1 Conceptual Framework

Conceptual framework is formed based on the research objectives and research questions. It displays both dependent variables and independent variables. These variables are connected and linked to form a test on this study. Figure 3.1 is the conceptual framework that focuses on four dimensions that determines the purchase intention of customers towards smartphone brands. The four dimensions of independent variable include brand image, pricing, product features, and peer influence whereas the consumers purchase intention towards smartphone brand will be the dependent variable.

<Figure 3.1> Conceptual Framework



### **3.2 Hypotheses development**

#### **The relationship between brand image and purchase intention towards smartphone brand**

According to studies made by Anosh, Naqvi and Ghulam (2014), brand image has a significant and positive relationship with consumer's purchase intention towards smartphones in Dera Ghazi Khan, Pakistan. They have analyzed a few important factors that influence the smartphone purchase decision such as brand image, brand perception, brand preference and brand loyalty. The Pearson correlation results shows that brand image has the highest correlation value which is 0.754 of the smartphones. Most of the respondents indicated that brand image is their main consideration when purchasing smartphones (Anosh, Naqvi & Ghulam, 2014). Shahzad and Sobia (2013) has investigated the factors affecting youth purchase decisions towards smartphones. The research finding shows that brand image has a positive impact on smartphone brand choice. Therefore, the hypothesis developed is as below:

H1: There is a positive relationship between brand image and the consumers purchase intention towards smartphone brand

#### **The relationship between pricing and purchase intention towards smartphone brand**

According to Munnukka (2008), there is a strong positive relationship between the consumer's perception on price and their respective purchase. The perception of the price directly affects the purchase intention. Consumers perception of price refers to consumer's point of view whether the brand of a product is underpriced or overpriced Faryabi (2012) states that consumers respond strongly to price changes in the marketplace. Consumer purchase intention is induced by the sales programs such as sales promotions, couponing and price discounts. In addition, price is used as a main variable by marketers in order to influence purchase behavior of potential consumers (Wildt, 1994). So, the following hypothesis is proposed.

H2: There is a relationship between pricing and the consumers purchase intention towards smartphone brand.

### **The relationship between product features and purchase intention towards smartphone brand**

According to Karen (2013), product features have a significant relationship with customer purchase decisions on smartphones which shows correlation of 0.777 which is strongly supported. Based on Shaharudin, Mansor, Hassan, Omar, & Harun (2011) research, their results show the significant influence of special features towards purchase intention of motorcycle/scooter. New technical properties or new features will influence the intention to acquire new mobile phones (Liu, 2002). Besides that, special features and design act as a main factor that influence consumers' purchase decision towards mobile phones that are supported by Dziwornu (2013). So, the following hypothesis is proposed.

H3: There is a positive relationship between product feature and the consumers purchase intention towards smartphone brand.

### **The relationship between peer influence and purchase intention towards smartphone brand**

According to Karen (2013), peer influence has a significant relationship with the customer purchase decision and this factor is the second highest affecting students' dependency on smartphone among the others three variable which is brand image, product feature and price tested by Suki and Suki (2013). The findings of John (2013) concluded that the peer influence effect on the buying behavior of the two-wheeler purchasers, especially purchasers in the age group of 40-50 years are significantly influenced by their peers. Makgosa and Mohube (2007) demonstrate publicly consuming products such as sunglasses and shoes attracting more peer influence than privately and necessity products such as toothpaste. So, the following hypothesis is proposed.

H4: There is a relationship between peer influence and the consumers purchase intention towards smartphone brand.

# Chapter 4 Research Result

## 4.1 Research method

This chapter focuses on the research methodology. Methodology here refers to the various methods and techniques used when this research is carried out. This chapter discusses and highlights the methodology which is used to analyze the data collected, and how the research is carried out. In this chapter, proper research procedures are indeed followed. This chapter encompasses several sub-sections such as research design, data collection method, sampling design, operational constructs, measurement scales, and methods of data analysis to answer the main research questions.

Research design is defined as a detailed plan for conducting a research study (Collis and Hussey, 2003). A research design is the clear objective derived from the research question, determination and statement of the general research approach or strategy adopted for the particular project. Quantitative research collected from questionnaires and using numerical forms such as graphs or statistics. Quantitative research was implanted in this research for the purpose of determining the variables that will affect the young female consumer's purchase intention on smartphone brands. Besides, it tests the hypothesis and quantifies data from questionnaires, bringing the research question and literature review together. Descriptive study is described how the independent variable (brand image, pricing, product features and peer influence) influence the purchase intention of young adults in Uzbekistan.

In this research, I have two types of information data collection: primary data and secondary data. Primary data are the information obtained directly from the first hand sources which means survey, experimentation and observation. Those data have not been previously published in the website or anywhere and are new or original data collected from the respondent such as sources from marketing surveys. Secondary data have three main types which are documentary, survey and multiple sources. Documentary secondary data are important for the research study in written material which is to collect published information for the purpose of supporting the research study as a reference such as book, journal, magazines articles and newspaper. In my research, primary data were collected through distribute questionnaire through survey form or online distribute while in the research study we use book, journal and magazines article as my written secondary data references.



In my research study, questionnaire survey method is the primary data collection method as the main sources of information. I distributed 180 copies of questionnaires through an online method or distribute survey to young consumers between the ages 15-35 in Uzbekistan that I have been chosen. This method will ease us in the final stage of data coding, data analysis and data interpretation by making the process simple. This kind of data collection method that is chosen to be used because of reliability, simplexes, direct response, easy to achieve and using multiple choice questions can reduce the possibility of uncertainty in results.

Secondary data are collected through internet online such as Online Journal and Articles. The ease of accessibility and reliability, my research utilized Google as the main search engine and tool to collect the secondary data through Google Scholar, and Library provided by University of Ulsan.

### **Sampling design**

Sampling is the selecting a portion from the target population to represent the population to accomplish the survey. The objective of the sampling design is to know the characteristics of the population. The sampling design is specified on the population frame, sample size, sample selection, and estimation method.

#### Target population

Target population is the group of individuals that carries almost the same characteristics. The young consumers between ages 15 - 35 are the target population for this research as my respondent.

#### Sampling frame and sampling location

The sampling frame for this research study is focused on females only. Sampling frame for this research is young consumers who purchase and use smartphones in their daily life. The sampling frame includes consumers who are college students as well as working ones with disposable income. The sampling location is around Uzbekistan, including Namangan, Andijan and Fergana area.

#### Sampling element

Sampling elements is the single unit of the target population which information will be obtained. In this research, researchers choose individual candidates as respondents to answer the questions. The respondents in this research are those young consumers from age 15 to 35 who stay in Uzbekistan.

### Sampling technique

Sampling technique is based on the method of probability or non-probability sampling. Probability sampling methods are choosing sampling on random or chance selection from the target population. Non-probability method is the probability of each case being selected from the population is not known; in my research, non-probability method is preferred because it is convenient and samples could be chosen from many ways. Under non-probability sampling technique, one of the sampling methods being used in the research is convenience sampling. Convenience sampling is used when the researcher is familiar with the respondents. Therefore, UTAR students were chosen as one of the groups of respondents for the research due to the availability and familiarity to the researcher.

Besides, under non-probability sampling technique, purposive sampling has also been used in the research. Purposive sampling is used to access a particular subset of people. In the research, researchers have access to the young consumers whose age is 15 to 35.

180 copies of questionnaires were distributed to the chosen target sampling at age of 15-35. The incomplete questionnaire was eliminated. There were a total of 162 of sample size after the collection and combination of questionnaire from online questionnaire and paper survey form. The sampling will not be duplicated or surveyed by the same person so that the quality of data can be more accurate and results are reliable. To get easy calculating sampling error and know each sample probability for the result, simple random sampling is the most suitable method.

### Sampling size

The target population of young adults was surveyed by 180 questionnaires that were distributed in Uzbekistan. After the collection of questionnaires, there are 18 of the questionnaires that are faulty, blank and missing by respondent, so my sample size is decreased to 162.

### Research instrument

The research instrument involved questionnaire design and construct measurement that discuss the instrument have been used to measure the behavior.

### Questionnaire design

Questionnaire is a tool used for collecting and recording information from respondents about specific issues. Questionnaires are often used to gather direct information regarding a respondent's behavior or search for basic opinion of a group of respondents regarding a specific issue. Furthermore, it is quite easier to use questionnaires when the sample size is large and save cost of the research. Besides, it also allows researchers to reach respondents who are spread across a wide geographical area. In order to collect useful and informative data from the respondent, the questionnaire was designed with thought and effort. The self-administered questionnaire was used by the researchers for collecting data. In the self-administered questionnaire, respondents are required to complete the questionnaire on their own on paper or via the Internet without the aid of researchers.

Basically, only 2 types of questions will be asked in the questionnaire, open ended and closed-ended. The questions where the researchers do not provide the respondent with a set of answers to choose are called open-ended questions. Instead, the respondent is required to answer the question in their own words, which will provide the researchers qualitative data. Meanwhile, closed-ended questions provide researchers quantitative data. In the questionnaire, the researchers provide a list of answers for respondents from which to choose. In this research closed-ended questions are used in the questionnaire. The purpose of using this type of questions is because it is much easier to answer. Respondents only needed to choose the answer given in the questionnaire and it required less time to complete.

The questionnaire consists of 3 main sections. Section A has 7 questions surveying the general information of the respondent. The questions ask about the gender, age, current status, involvement in purchasing a smartphone, current smartphone's brand and preferred smartphone brand. In Section B, there are 23 questions that survey respondents on the factors that influence their purchase intention towards smartphone brands. It is divided into 4 parts which are brand image, price, product feature, peer influence. Lastly, section C consists of 5 questions that survey respondents on their purchase intention towards smartphone brand which is the dependent variable of the research.

## Constructs measurement

According to Cavana (2001), there are 4 types of constructs measurement. There are interval scale, nominal scale, ordinal scale and ratio. This research has used interval, nominal and ordinal scale to measure behavior. In section A, researchers used nominal scale and ordinal scale, while in section B and section C researchers used interval scale.

### Interval scale

Interval scale often is practiced by researchers in measuring the subjective characteristics of respondents. In this research, respondents were asked about their intention to purchase a smartphone brand in relation to brand image, pricing, product feature and peer influence. Interval scale benefits the researchers by allowing them to arrange the objects in a specified order and measure the distance between the differences in response ratings.

Likert scale is an ordered, one dimensional scale from which respondents choose one option that best aligns with their view (Moliterni, 2008). Usually, it consists of five options and each question is a statement. The respondent may agree or disagree to the statements and the scoring are in numbers such as 1 represent Strongly Disagree; 2 represent Disagree; 3 represent Neutral; 4 represent Agree and 5 represent Strongly Agree. Likert scale was used in section B of the questionnaire to measure the respondent opinion.

**Table 4.1 Likert scale**

Measurement	Numerical
Strongly disagree	1
Disagree	2
Neutral	3
Agree	4
Strongly agree	5

## Nominal Scale

According to Kinnear (1993), nominal scales were used for identification purposes because they have no numeric value. Besides, it also does not contain any quantitative information and no ordering regarding the variables (Hair, 2007). For example, in section A, respondents were asked about their gender – Male or Female.

## Ordinal scale

Ordinal scale is the scale that arranges objects based on magnitude in an ordered relationship since there is no different measurement. Ordinary Scale is used to measure Age.

### Origin of constructs

Variables	Issue	Description	References
Brand image	1	Brand image increases my social status.	Tee, Behrouz & Benjamin, 2013.
	2	Brand image is an attraction for me to purchase a smartphone.	Tee, Behrouz & Benjamin, 2013
	3	I will consider the brand image when buying a smartphone with a higher price.	Tee, Behrouz & Benjamin, 2013
	4	Smartphone's brand name is my priority when making a purchase decision.	Tee, Behrouz & Benjamin, 2013
	5	I will consider the reputation of the smartphone brand before purchasing.	Tee, Behrouz & Benjamin, 2013
Pricing	1	Price is an important factor when purchasing smartphone.	Sinhaa & Batrab, 1999
	2	I compare prices of other smartphone 's brands and store brands before I choose one.	Grewal, Krishanan, Baker & Borin, 1998
	3	I buy smartphone because they are worth to used regarding between with their price & usage quality.	Sinhaa & Batrab, 1999
	4	I am willing to buy a smartphone even though the price is higher.	Cheong and Park, 2005

	5	I am uncertain which smartphone 's brands provide real value for money in terms of product quality.	Richardson, Jain, & Dick, 1996
	6	The cheapness of some smartphone 's brand suggests to me that they may have some risks, such as low quality	Steiner, 2004
Product feature	1	If a smartphone designer changes the user interface completely, I would welcome the change of brand.	Jainarain, 2013
	2	I would rather choose a smartphone brand that has a superior camera over one that is fast and responsive.	Jainarain, 2013
	3	I would rather choose a smartphone brand that is known to integrate easily with all PC operating systems.	Jainarain, 2013
	4	I would rather choose a smartphone brand that is easy to use, thereby allowing me to perform tasks faster.	Jainarain, 2013
Social influence	1	I like to know what smartphone makes good impressions on my friends.	Lee, 2013
	2	It is important that my friends like the brand of smartphone I'm using.	Lee, 2013
	3	I achieve a sense of belonging by purchasing the same smartphone that my friends purchase.	Lee, 2013
	4	If I want to be like someone. I try to buy the same smartphone that they buy.	Lee, 2013
	5	I will ask the opinion of my friends and relatives when buying a smartphone.	Lee, 2013
Purchase intention	1	I intend to buy a smartphone in the near future.	Ling, 2011
	2	I will recommend my friends to buy a smartphone.	Rio,Vazquez & Iglesias, 2017

### Data coding

Data coding refers to assigning a code to represent each answer in the questionnaire (Maholtra, 2012). The data coding can be categorized in numerical numbers or any other characters. For example, 1 represents strongly disagree; 2 represents disagree; 3 represents neutral; 4 represents agree and 5 represents strongly agree. Data coding is used for the purpose to minimize the chance of errors and increase the reliability of data.

## Data transcribing

According to Maholtra (2010), data transcribing is the process of transferring coded data from the survey questionnaire into the computer. After the collected data were transferred into the computer, Statistical Project of Social Science 21 (SPSS) software was run to obtain results.

## Data cleaning

Data cleaning is a process of data checking run by the computer (Malhotra et al. 2010). The purpose of data cleaning is to identify any unreliable data or exceeding value.

## Data analysis

Researchers have to analyze and summarize all the data collected from the research questionnaire to interpret the result. SPSS 21 processes the data collected from the survey, increases the result in the structure method and solves issues.

## Reliability analysis

Reliability analysis is the calculation of measures scale reliability (IBM). Reliability helps researchers to understand and study the measurement scales properties and items that assemble the scales. In addition, it provides information about the connection between individual items in the scale.

## Frequency statistics

Frequency is a measure of how many times a particular data are repeated throughout an investigation study. Frequency statistics is a mathematical and statistical measure of the repetitiveness and how often the data obtained is similar or different.

Frequency statistics measures the centralization of data and the decentralization of data. Central tendency of data refers to the tendency of the data to occur similarly to each other. It is a measure of the closeness of the results obtained. Measures of central tendency include the mode, mean and median. On the other hand, there is a measure of variation. Measures of variation refer

to the degree of dispersion of the data that is obtained from the samples. Measures of dispersion consist of the range, variance and standard deviation. Frequency statistics helps represent the data obtained in graphical form. Frequency and percentages of each variable is calculated in order to tabulate the data into frequency distribution tables and into graphical representations.

### Multiple Linear Regressions

Multiple linear regressions were used in this research to model the impact of the 4 variables on purchase intention of young female adults towards smartphone brands. The Multiple Linear Regressions uses four independent variables (Brand Image, Pricing, Product Feature and Peer Influence) to predict the relationship with dependent variable (Purchase Intention) whether the 4 variables are able to explain the variance.

The model for multiple regression analysis as below:

$Y$  is equal to  $a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4$

$a$  (Alpha) is the regression constant

$X$  is the independent variable

Beta coefficient is the coefficient that describes the size of the effect the independent variable is having on the dependent variable.

## 4.2 Research Result

The findings and the data obtained are calculated statistically, and the findings are recorded into table form. In addition, in order to make the representation of data easier to be understood, the findings are illustrated graphically. The graphical representations of the data include pie charts and bar graphs. The data are further analyzed using various statistical measures such as Cronbach's Alpha, Pearson Correlation Analysis and also Multiple Regression.

### Descriptive Analysis

#### Respondent Demographic Profile

I have distributed 180 sets of survey questionnaires to the respondent. There are 18 sets of questionnaires thoe are fault replied, blank and missing by respondent. So, this study utilized the remaining 162 sets of survey questionnaires to make data analysis.



**Table 4.2: Gender**

	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid Female</b>	91	57	57.0	57.0
<b>Valid Male</b>	70	43	43.0	100.0

Table 4.2 presents the gender of the respondents. A total of 161 respondents participated in the survey. Based on the result, female consumers represent 57 percent of the total respondents while male consumers are 43 percent respectively.

**Table 4.3 Age**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	15-19	23	14.3	14.3	14.3
	20-24	32	19.9	19.9	34.2
	25-29	93	57.8	57.8	91.9
	30-35	13	8.1	8.1	100.0
	Total	161	100.0	100.0	

As illustrated in Table 4.3, respondents' age group is categorized under four different groups. The first group is from age 15 to age 19, which are 23 respondents or 14.3% of the total respondents. The second category is between the age of 20 to age 24, with a total of 32 numbers of respondents or 19.9% of total respondents. The next category is between the age of 25 to age 29, with a total of 93 numbers of respondents or 57.8% of total respondents. The last group of age range is 30 to 35, which recorded a total of 13 respondents or 8.1% of total respondents.

**Table 4.4 Social status**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	Single	46	28.6	28.6	28.6
	Married	115	71.4	71.4	100.0
	Divorced	0	0.0	0.0	100.0
	Total	161	100.0	100.0	

Table 4.5 shows the respondents' social statuses that are categorized into three different statuses which are Single, Married and Divorced. Out of the total sample of 161, 46 respondents or 28.6% of the total respondents are single. While respondents who fall into the "Married" category is 71.4% of the total 115 respondents. On the contrary, there are 0 divorced detected in the total respondents that I targeted.

**Table 4.5 Occupation**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	Worker	59	36.6	36.6	36.6
	Unemployed	49	30.4	30.4	67.1
	Student	53	32.9	32.9	100.0
	Total	161	100.0	100.0	

Table 4.5 shows the respondents' occupations that are categorized into three different statuses which are Worker, Unemployed and Student. Out of the total sample of 161, 59 respondents or 36.6% of the total respondents are workers. While respondents who fall into the "Unemployed" category is 30.4% of the total 49 respondents. On the contrary, there are 53 divorced detected in the total respondents that we targeted.

**Table 4.6 Purchase of smartphone before**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	Yes	122	75.8	75.8	75.8
	No	39	24.2	24.2	100.0
	Total	161	100.0	100.0	

Table 4.6 shows the respondents responding on whether they have purchased a smartphone before. From the pie chart itself, it is very clear that the majority of the respondents who answered the survey are not 'first time' smartphone buyers. A total of 122 respondents have purchased smartphones previously, which represents a total of 75.8 percentages from the total 100 percent. Those who have not purchased a smartphone, literally meaning they are not smartphone users consist of 39 four respondents. As shown in table 4.8, respondents falling under this category sum up to 24.2 percent of the total.

**Table 4.7 Current smartphone**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	Samsung	70	43.5	43.5	43.5
	iPhone	62	38.5	38.5	82.0
	Xiao Mi	16	9.9	9.9	91.9
	Sony	4	2.5	2.5	94.4
	Huawei	6	3.7	3.7	98.1
	Others	3	1.9	1.9	100.0
	Total	161	100.0	100.0	

Table 4.7 has shown five different smartphone brands that respondents are using currently. The Smartphone brand includes Apple, Sony, Samsung, XiaoMi, and Huawei. According to the results obtained, the majority of Smartphone users are using the Samsung brand. There are 43.5

percent of the respondents using Samsung as their current Smartphone, which is 70 out of the 161 frequencies. The second Smartphone brand that is used by most of the respondents is Apple which has 62 frequencies that stand 38.5 percent of the total response. Next, third highest brand that is owned by most of the respondent is XiaoMi with 16 frequencies that stand 9.9 percent. Followed by Sony and Huawei that gained 2.5 percent and 3.7 percent respectively. For respondents who answered, Smartphone brand other than the brand provided, is categorized under “Others”. There are 3 frequencies under the “Others” categories which have 1.9 percent to the total response.

**Table 4.8 Preferred smartphone brand**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	Samsung	31	19.3	19.3	19.3
	iPhone	108	67.1	67.1	86.3
	Xiao Mi	10	6.2	6.2	92.5
	Sony	4	2.5	2.5	95.0
	Huawei	5	3.1	3.1	98.1
	Others	3	1.9	1.9	100.0
	Total	161	100.0	100.0	

As the result on Table 4.8 shows which smartphone brand that the respondents prefer. Among the five brands shown and others brands, Apple is the most preferred and desired brand which has the highest frequency of 108 from the total respondents with 67.1 percent. Samsung is the second preferred brand, which has 31 frequency out of the total respondents and 19.3 percent. Third is XiaoMi, which has 10 frequency of the total respondents is 6.2 percent. While Huawei and Sony have the least frequency since these brands only have 3.1 percent and Nokia have 2.5. Other brands carry 1.9 percent of the total, with 3 only frequency.

**Table 4.9 Descriptive statistics on variables**

<b>Variables</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Ranking</b>
<b>Brand Image</b>	179	3.3380	.70055	4
<b>Pricing</b>	179	3.5810	.66464	3
<b>Product Feature</b>	179	3.4818	.44562	1
<b>Peer Influence</b>	179	2.8203	.70433	5
<b>Purchase Intention</b>	179	3.4950	.59862	2

The Table 4.9 above shows descriptive statistics on brand image, pricing, product feature, peer influence and purchase intention. From the result above, pricing has the highest mean among the other variable with 3.5810. Followed by purchase intention, product feature and brand image which are 3.4950, 3.4818 and 3.3380 respectively. The peer influence has the lowest Mean in the 5 variables which is 2.8203. This indicated most respondents agreed that pricing plays a significant role in affecting their purchase intention towards smartphone brands. In contrast, peer is the least important factor in influencing consumers' purchase intention towards smartphone brands.

The standard deviation for peer influence was the highest among the other factors, which is 0.70433. Next, the standard deviation for brand image, pricing and purchase intention are 0.70055, 0.66464 and 0.59862 respectively. The product feature has the lowest standard deviation which is 0.44562. This indicates that the values in the data collected from the respondent are close and similar to each other.

**Table 4.10 Cronbach's Alphas**

<b>Variable</b>	<b>Cronbach's Alpha</b>	<b>N of Items</b>
Brand Image	.810	6
Pricing	.784	6
Product Feature	.649	8
Peer Influence	.830	6
Purchase Intention	.643	5

As stated in the table 4.10 above, all Cronbach's Alphas were more than 0.6. From table 4.9, the reliability statistics of peer influence has the highest alpha coefficient which is 0.830, followed by brand image with the reliability statistics of 0.810 which both showed very good strength of association. Next, the reliability statistics of pricing are 0.784 which fall under good strength of association and lastly product feature have a moderate strength of association as I can see the Cronbach's Alphas is 0.649.

On the other hand, the Cronbach's alpha of purchase intention exceeded 0.6 meaning the strength of association was considered moderate.

**Table 4.11 Correlations**

		Brand Image Average	Pricing Average	Product Feature Average	Peer Influence Average	Purchase Intention Average
<b>Brand Image Average</b>	<b>Pearson Correlation</b>	1				
	<b>Sig. (2-tailed)</b>					
	<b>N</b>	179				
<b>Pricing Average</b>	<b>Pearson Correlation</b>	.068	1			
	<b>Sig. (2-tailed)</b>	.369				
	<b>N</b>	179	179			
<b>Product Feature Average</b>	<b>Pearson Correlation</b>	.232**	.272**	1		
	<b>Sig. (2-tailed)</b>	.002	.000			
	<b>N</b>	179	179	179		
<b>Peer Influence Average</b>	<b>Pearson Correlation</b>	.287**	.244**	.278**	1	
	<b>Sig. (2-tailed)</b>	.000	.001	.000		
	<b>N</b>	179	179	179	179	
<b>Purchase Intention Average</b>	<b>Pearson Correlation</b>	.359**	.254**	.335**	.328**	1
	<b>Sig. (2-tailed)</b>	.000	.001	.000	.000	
	<b>N</b>	179	179	179	179	179

Table 4.11 shows the result of Pearson correlation between the independent variables brand image, pricing, product feature, product features and social influence dependent variable purchase intention of young consumers in Uzbekistan. The Pearson correlation among

independent variables is below 0.900 and between 0.254 and 0.359. The table shows brand image and purchase intention of smartphone brands among young consumers in Uzbekistan are related significantly. The result in the table shows p-value equal to 0.001 while less than alpha 0.05.

The table shows pricing and purchase intention of smartphone brands among young consumers in Uzbekistan are related significantly. The result in the table shows p-value equal to 0.001 while less than alpha 0.05. Furthermore, the correlation coefficient value is 0.254, this shows the pricing is weakly influencing purchase intention of smartphone brands among young consumers in Uzbekistan.

The table shows product features and purchase intentions of smartphone brands among young consumers in Uzbekistan. The result in the table shows p-value equal to 0.000 while less than alpha 0.05.

The table shows peer influence and purchase intention of smartphone brands among young consumers in Uzbekistan are related significantly. The result in the table shows p-value equal to 0.000 while less than alpha 0.05. Moreover, the correlation coefficient value is 0.328.

**Table 4.12 Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.497 <sup>a</sup>	.247	.230	.52532

According to Table 4.12, the R value = 0.497, R Square = 0.247 and Adjusted R Square = 0.230. R Square shows that 24.7 percent of the purchase intention can be explained by brand image, pricing, product feature and peer influence. This also indicates that the relationship between the dependent variable and independent variables are weak. However, 75.3 percent of the variation in purchase intention is explained by other factors. Therefore, researchers can conclude that even though the relationship is weak, brand image, pricing, product features and peer influence will still affect consumer purchase intention towards smartphone brands.

**Table 4.13 ANOVA**

<b>Model</b>	<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
<b>1 Regression</b>	15.769	4	3.942	14.286	.000 <sup>b</sup>
<b>Residual</b>	48.016	174	.276		
<b>Total</b>	63.785	178			

The Table 4.13 above presented the significant value at 0.000 ( $p < 0.05$ ). Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted. The overall model is significant.

**Table 4.14 Coefficients**

<b>Model</b>	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
<b>(Constant)</b>	1.008	.359		2.810	.006
<b>Brand Image Average</b>	.220	.060	.257	3.695	.000
<b>Pricing Average</b>	.130	.063	.144	2.077	.039
<b>Product Feature Average</b>	.255	.096	.190	2.667	.008
<b>Peer Influence Average</b>	.141	.061	.166	2.315	.022

From Table 4.14, all coefficients are significant and the result shows brand image is the most important factors that influence young consumers purchase intention because of carries beta of 0.257. While, product features are the second highest factors that influence young consumers with a beta of 0.190. Yet, peer influence and pricing factors are the least but peer influence is slightly higher than pricing which is beta 0.166 and the lastly less important is pricing which has beta of 0.144. The result of table 4.13 coefficient shows the importance of factors influencing young consumer purchase intention towards smartphone brand is accordingly with brand image, product features, peer influence and pricing.



Different analysis methods have been used in order to analyze the different types of data obtained. Firstly, descriptive analysis has been used for interpreting data on respondent's general information. The general information where the descriptive analysis method has been used includes respondent's gender, age and their current status. On the other hand, reliability analysis has been used in order to test the reliability of the four independent variables. The data collected are tested for their measure of central tendency. From the analysis, pricing has emerged as the most prominent variable. Besides that, data have been analyzed using the Pearson Correlation Coefficient, which is an indicator of the strength of degree of association among the variables. In addition, analysis has also been done based on Multiple Regression. The Multiple Regression is a statistical measure on the degree of relationship between the independent variables with the dependent variable. In a nutshell, all the analysis has proven that all the independent variables have significance on the consumers purchase intention towards smartphones.

## Chapter 5 Conclusion

This chapter reviews the summaries of statistical analysis in the past chapter, discussion of major findings, managerial implications of study, limitation of study and recommendation for future research. Furthermore, a conclusion was made for the whole chapter in this research project.

### 5.1 Summary

According to Table 4.13 shown in Chapter 4, the significance probability of brand image is at 0.000 which is lower than alpha value 0.05. This shows the relationship between brand image and consumer's purchase intention is significant. Besides, value is 0.220 which expresses that the relationship between brand image and purchase intention are positive.

The result of Brand Image is supported by studies done by researcher Shahzad and Sobia (2013). They had studied the factors affecting youth purchase decisions towards smartphones. The result shows brand image has positive relationship with smartphone brand choice. According to Kohli, (2005), brands with meaningful names are more favorably evaluated by consumers as compared to those non meaningful names. Brand image is very important because it reflects the overall content of that particular brand such as brand name, brand functionality, brand reputation as well as the overall value of the brand.

Anosh, Naqvi and Ghulam (2014) suggested that Image of the product is a key factor and must not be overlooked when studying research regarding purchase intention. Apart from the other variables (brand perception, brand preferences, brand loyalty) that has shown relationship to the consumer's purchase intention towards smartphones, brand image was the strongest and dominant factor that influenced consumer's intention to purchase a smartphone. Based on the 52 questionnaires they had collected, most of the respondents in D G Khan agreed that Image is their main consideration when deciding to purchase a smartphone.

Besides, researchers such as Chi, Yeh & Huang (2008) had also studied the influence of brand image towards consumers' purchase intention. All of them had proven that there is a significant and positive relationship between brand image and purchase intention.

According to Table 4.13 shown in Chapter 4, the significance probability of pricing is at 0.001 which is lower than alpha value 0.05. This shows the relationship between pricing and consumer's purchase intention is significant. Besides, value is 0.130 which expresses that the relationship between pricing with purchase intention are positive.

The second hypothesis investigates the relationship between the price and the consumer purchase intention. From the results obtained and through statistical analysis, it shows that there is a significant relationship between the price and the purchase intention of young consumers towards smartphones. This result is supported by Kotler (2011). The author implies that the price that consumers pay for a product is the amount they are willing to exchange in order to obtain a benefit derived from the particular product. Furthermore, price is the main factor that affects the income generated by the particular product. This simply means that the price of the product is a main factor in generating sales and inducing consumer purchase decision (Stanton, 1992). On the other hand, studies also have been carried out indicating that some consumers perceive products with higher price contains a high quality and are willing to pay higher price to purchase for it, whereas some consumers are not willing to pay a premium (Monroe, 2003). Erickson and Johansson (1985), also further supports this. According to them, when a product is highly priced, it stimulates purchase intention of consumers. This is due to the fact that certain consumers positively perceive high priced products are of a high quality. This clearly signifies to us that that price is a variable that has a direct impact on the purchase intention of consumers.

According to Table 4.13 shown in Chapter 4, the significance probability of product features is at 0.000 which is lower than alpha value 0.05. This shows the relationship between product features and consumer's purchase intention is significant. Besides, value is 0.255 which expresses that the relationship between product features with purchase intention are positive. Third hypothesis is investigating the relationship between product features and purchase intention. According to Lay-Yee (2013), product features have a significant relationship with customer purchase decision on smartphones which shows correlation of 0.777 which is strongly supported, this shows product features can affect young female consumers buying decision on smartphone are relatively high. Based on Shaharudin, Mansor, Hassan, Omar, & Harun (2011) research, their results show the significant influence of special features towards purchase intention of motorcycle/scooter. New technical properties or new features will influence the intention to acquire new mobile phones, which can support young consumers who are more likely to purchase a phone while there are new features (Liu, 2002). Besides that, consumers who focus on special features and design are the factors that influence consumers' purchase decisions towards mobile phones that are supported by Dziwornu (2013).

According to Table 4.13 shown in Chapter 4, the significant level of peer influence is at 0.000 which is lower than alpha value 0.05. This shows the relationship between peer influence and consumer's purchase intention is significant. Besides, value is 0.141 which expresses that the relationship between peer influence and purchase intention are positive.

According to Schiffman and Kanuk (1997), there is a significant relationship between the options and preferences of friends in determining the products or brands selection, especially for those single individuals who live alone. Asch (1973) and Venkatesen (1973) found that peers, who present at the time of purchase, play an important role in choosing a specific brand, especially with concern to product and rational impacts. According to Mokhlis (2012), Chinese race in Malaysia regard reference group influence as the most important factor in purchase intention. The reference group includes a friend's recommendation.

## **5.2 Implications of the study**

Based on the analysis and the discussion in the previous chapter, it is clear to us that the brand image has an impact on the consumer purchase intention. The brand image of smartphones has a direct influence on the purchase intention of young consumers. From the survey done and the results obtained, a high percentage of consumers prefer the iPhone smartphone brand compared to other available smartphone brands in the marketplace. This is because the brand has been positioned in consumers' minds strongly in a positive manner. This strongly perceived positive image of the brand has induced purchase intention. This is also likely to induce a repeat purchase of the brand by the customers. According to the Telecoms Consulting Team, 81% of Apple consumers will stick to the Apple brand, 50% of Samsung smartphone owners and 34% of Huawei users are likely to purchase the same brand again. Therefore, smartphone companies and its marketing team have to closely align their positioning methods to perfectly suit their respective targeted consumers segments. On the other hand, certain smartphones carry the brand image of affordable (Samsung) and certain brands carry brand image of luxury product (Apple). The smartphone companies have to study and analyze the perceived consumer image of the brand and alter its positioning if the need arises (Keller, 1993).

Besides that, price is also one of the major factors that influence consumer purchase intention towards smartphones. Price is the total amount consumers are willing to pay in exchange for the benefits derived from the product. (Kotler, 2011). In order to gain a larger market share and to attract more new potential consumers, smartphone companies should price their product accordingly. Since the price consumers are willing to spend falls under the moderate category, smartphone manufacturers should treat this scenario as an opportunity. This is because a major large percentage of the respondents of the survey are willing to spend only this much to buy a smartphone. Therefore, the smartphone manufacturers should try to produce smartphones which fall under this price range. Perhaps with this, the company will launch a product into the

marketplace in which the price is favorable to a majority of consumers in the market segment based on the survey conducted.

In addition, product features also form one of the variables investigated in this research that has a significant impact on the consumer purchase intention towards smartphones. According to the statistical results, Cronbach Alpha coefficient falls in the moderate level. Although the product feature does not have a very strong relationship with the purchase intention, it neither has a weak relationship. The product feature still has played a considerably important role in the consumer purchase intention. Although not as crucial as the variable price, consumers still look into the product feature aspects in a smartphone before purchasing it (Dziwornu, 2013). Although in general product features are a very important aspect in selecting a smartphone brand, it is suggested that the smartphone companies direct their attention to the pricing and brand image of the smartphone when the smartphone is intended to be marketed to consumers.

Lastly, social influence is also a variable that proves to have a significant relationship with the purchase intention of young consumers. This shows that peer influence has a strong significance on young adult female consumers. These consumers tend to keep up with peers and follow the purchase intention of their peers. Having this in mind, it will serve as a strength for smartphone companies to effectively market their smartphone in order to attract the peer group consumers. Perhaps, smartphone companies shall promote their respective smartphone brands in colleges and work premises during lunch hours. This will induce product trials and likely to result in purchase action. The consumers who fall into the peer group category are also likely to follow the same buying behavior (Farzana, 2012).

### **5.3 Limitations of the study**

Although the objective of the research is achieved, there are still few shortcomings in conducting this research. First, due to the time frame, it is insufficient for the researcher to conduct the survey with wider coverage. Research is limited in a geographical coverage that only focuses on Uzbekistan. This helps in minimizing the cost involved in conducting the research.

This research is targeted on young consumers. 57.8 percent of the respondents fall under the age group of 25-29 years old while 19.9 percent, 14.3 percent are 20-24 and 15-19 years old. This may affect the research result in Smartphone purchase intention. Besides, results only represent the interest of young consumers as researchers do not include older people in the research project. Thus, the result can only represent a certain group on purchase intention.

In this research, the number of questionnaires that have been distributed is 180 copies but the valid questionnaires that could be used in data collection and processing is only 161 copies. The 161 valid questionnaires may not represent the whole target group's purchase intention of the study which is young consumers, as the research only focuses on young consumers in Uzbekistan.

## **5.5 Suggestion of the future research**

Uzbekistan is a very strategic geographic area which has a large population in Central Asia. The larger the geographic area covered, the research represents the more reliability of the result. The previous research of purchase intentions towards smartphones are more focused in Uzbekistan, this will cause the unreliability of results in rural areas because updated technology products can be conducted by rural areas. Therefore, future researchers can try to cover as much as rural areas of purchase intention towards smartphone brands.

In this research, my respondent is mainly a young consumer which is in the age group of 15- 35. The narrowness of respondents helps to determine the purchase intention towards smartphones of the target respondent but does not represent the whole population of all consumers. Thus, I suggest that future research can be conducted in different segment groups such as older adults, senior citizens, or others.

Lastly, in my research, my sample size is 180 but because of invalid and un-return questionnaires had caused the respondent decrease to 161 when the entire questionnaire has been collected. Thus, the results of my research are not convincing enough and represent the population. Therefore, the future research should include more sample size and alert the probability of uncertainty of invalid data and un-return questionnaires.

I suggest that the future researchers can consider other variable like user friendly, celebrity endorsement, effective promotion or new innovation, which may carry more strong relationship to influence the purchase intention of smartphone brand.

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