

## **084 Factors Affecting Repurchase Intention of Smartphone: A Case Study of Huawei Smartphone in Yangon, Myanmar**

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*This study investigates the relationship between functional value, price consciousness, word of mouth, brand image, attitude towards product and repurchases intention of a smartphone brand. To do so, a survey was conducted by distributing 420 questionnaires in 7 different shopping malls in Yangon, Myanmar. The data collected was analyzed using SPSS and hypotheses were examined by employing the Pearson correlation and multiple linear regression. The results show that there is a positive and significant relationship among functional value, word of mouth, price consciousness towards attitude towards product and brand image, attitude towards product, word of mouth influences repurchase intention. Based on these results, it seems that the smart phone company needs to develop marketing strategy to increase repurchase intention.*

**Keywords:** Attitude towards products, Brand image, Functional value, Price consciousness, Repurchase intention, Smartphone, WOM

According to Chang (2012), repurchase intention is the state of consumers (one who purchased product/brand/service at least once) desire to purchase it again. Ajzen and Fishbein (1975) defined that attitude towards products is the way of people acting, thinking or feeling towards some aspect of the product. Kotler (1988) defined brand image as “the set of beliefs or set of associations held about a particular brand” in some meaningful way. Sheth et al. (1991) defined that functional value of a product represents the perceived utility of an alternative resulting from characteristic- based ability to perform its physical or functional purposes.

Lichtenstein and Janiszewski (1999) analyzed that reference price is the most important factor for purchasing behavior of every consumers’ and after the adaptation level theory was incorporated into the pricing theory, an internal reference price was presented as a degree of adaptation and which depends on recent price experiences. Hogan et al ., (2004) defined that word

of mouth as an informal channel of communication to share the information among different groups of people about the products, services or social issues and influence the consumers' purchase decision.

This study present about "Factors affecting repurchase intention of smartphone: A case study of Huawei smartphone in Yangon, Myanmar". The researcher will focus on Myanmar citizens living in Yangon who owned a Huawei smartphone before.

#### *A. FUNCTIONAL VALUE*

According to Sheth et al., (1991), functional value is the perceived utility acquired from an alternatives capability for functional and practical performance. This value is acquired through the possession of salient functional, utilitarian, or physical attributes. Khan and Hyunwoo (2009) stated that functional value is also measured on a profile of choice attributes including such as price, reliability and durability. Reasonable price or Low price is considered to be one of the most influential factors that derive functional value in the consumption decision of a smart phone among users.

#### *B. PRICE CONSCIOUSNESS*

Monroe and Petroschius (1981) stated Price consciousness is a degree a buyer is unwilling to be paid a higher price for a product, and if the price is greater than what is acceptable to pay, the buyer may refrain from buying. Batra and Sinha (2000) stated that price consciousness is customer's reluctance to pay for the distinguishing features of a product if the price difference for these features is too large. Janiszewski (1988) explored that the reference price is an important factor for consumers' purchasing behavior and after the adaptation level theory was incorporated into the pricing theory, an internal reference price was presented as a degree of adaptation and which depends on recent price experiences.

#### *C. WORD OF MOUTH*

Mir (2011) explained that word of mouth is a persuasive, inexpensive and effective mode of marketing communication in the market place. Kozinets et al. (2010) also described that word of mouth is a naturally occurring phenomenon in consumer behavior. Hogan et al. (2004) defined that word of mouth (WOM) is an informal channel of communication to share the information among different groups of people about the products, services or social issues. It also has the capacity to

complement the advertising and WOM rapidly spreads among friends, relatives and the family members.

#### *D. BRAND IMAGE*

Keller (1993) defined brand image as the perceptions about a brand as reflected by the brand associations held in consumer memory. Lee et al. (2009) defined brand association easily helps customer's process information and retrieves when they made the purchasing decision because it recalls positive feelings and attitudes toward that brand. Chiang and Jang (2006) stated brand image considerably influences quality and trust professed by consumers.

#### *E. ATTITUDE TOWARDS PRODUCT*

Ajzen and Fishbein (1980) explored that the attitude is the degree of unfavorableness and favorableness of an individual's feeling towards a psychological object. Kotler (2000) also stated that the attitude is customers' action tendencies, emotional feelings and favorable or unfavorable evaluation towards the services or products. Burton et al. (1998) demonstrated that attitude towards a product is considered as a predisposition to acknowledge in a favorable or unfavorable manner with respect to given object due to product evaluation, purchase evaluations, or self-evaluations associated with products.

#### *F. REPURCHASE INTENTION*

According to Chang (2012), repurchase intention means the state of the consumers' (one who purchased product/ brand/ service at least once) desire to purchase it again. Jackson (1985) commented repurchase intention as a behavioral intention of customer which measures the tendency to continue, decrease, or increase the amount of service from a current supplier. Fornell (1992) defined repurchase intention as the likelihood of using a service provider again in the future. Jones and Sasser (1995) stated that the customers' intent to repurchase a product as a measure of the behavioral component of loyalty.

### **Research Framework and Methodology**

#### *A. Research Framework*

Base on previous empirical researches provided evidence. In the conceptual frame work, repurchase intention, the dependent variable, is affected by five independent variables; functional value, price consciousness, word of mouth, brand image, attitude towards product. The framework

is shown in Fig.1. There were 4 hypotheses formulated based on the framework and they are shown as follows:

H1: There is a significant relationship between the functional value and attitude towards product

H2: There is a significant relationship between price consciousness and attitude towards product

H3: There is a significant relationship between word of mouth and attitude towards product

H4: There is a significant relationship between functional value, price consciousness, word of mouth, brand image, and attitude towards product on repurchase intention

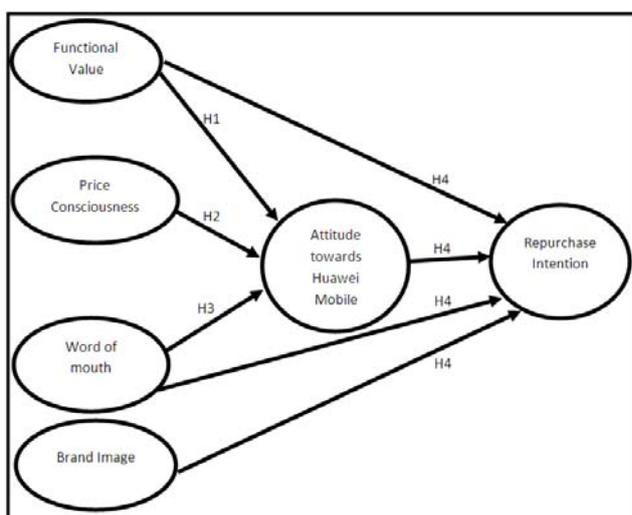


Fig. 1. Factors Affecting Repurchase Intention of Huawei Smartphone in Yangon, Myanmar

### *B. Research Methodology*

To describe the characteristics of a population in this study, the researcher applied the descriptive research method. The researcher also applied the survey method in order to collect questionnaires from respondents. In order to collect the data, the researcher distributed the questionnaire among Burmese people who are available to answer the questions to find out the Burmese people's repurchase intention and their attitude towards Huawei smartphone. For the convenience of the respondents the questionnaires were translated from English to Burmese.

All 420 research questionnaires which were distributed to target population in Yangon, Myanmar. The questionnaires consisted of eight sections that represent screening question, five independent variables, the dependent variable and demographic factors. The researcher applied judgment, quota and convenience non-probability sampling. The researcher selected the descriptive research methodology instrument to evaluate each variable. This means that the

outcome of the research would be described by examining the relationship between different variables.

### *C. Sampling procedure*

In this research, the researcher will apply the non-probability sampling to find the sampling unit because there is no record of the total population of Burmese people who has re-purchases intention to buy a Huawei smartphone. Non-probability sampling is the probability of specific member of the population which is unknown information for the researchers and there has four sampling techniques, which are convenience sampling, quota sampling, judgment sampling and snowball sampling. Non-probability sampling is a sampling technique in which units of the samples are selected on the basis of personal judgment or convenience. In this study, the researcher will apply judgment sampling, convenience sampling and quota sampling techniques. The detail explanations of these sampling methods are as follows;

#### Step 1: Judgment Sampling

The judgment sampling method is a technique where the researcher selects the sample based on his own judgment and the judgment of samples depending on the characteristics that are required for the sample members. Based on the judgment sampling, the researcher selected the top seven most crowded shopping malls in Yangon. These seven shopping malls selected are in the prime locations and are well connected to other parts of Yangon based on the ranking of estimated number of shoppers per year. Therefore, collection of data in these areas can be a good and reasonable representative of the whole sample.

#### Step 2: Quota Sampling

Quota sampling is a non-probability sampling procedure which ensures that certain characteristics of population sample will be represented to the exact extent that the investigator desires. The researcher will calculate sample size from each of the selected shopping malls using quota sampling technique. In a quota sampling, the researcher aims to represent the major characteristics of the population by sampling a proportional amount of each. In this research, a total of 420 questionnaires were equally divided and distributed among (7) shopping centers in Yangon, Myanmar.

#### Step 3: Convenience Sampling

Convenience sampling is often regarded as accidental or haphazard sampling and it is a sampling method which is used to gather information from people who are most conveniently available. The convenience samples are often used in descriptive and exploratory research where money and time are critical constraints. Convenience sampling is very beneficial in order to obtain large number of completed questionnaires quickly and economically. In this study, the researcher will distribute questionnaires to a total of 420 respondents from the selected seven shopping malls in Yangon city.

### Research and Findings

The hypotheses testing, is supported by the conceptual framework. There are a total of four hypotheses which were tested in this research. Based on the research objectives, Pearson's Correlation analysis and Multiple Linear Regression were used in this study. After analyzing the hypotheses, every hypothesis was rejected. But one of the variables in the 4th hypothesis is not supported. The results are summarized as follows:

**Table1:** Summary of hypotheses testing

Hypothesis	Statistical Test	Significant Value	Correlation Coefficient	Result
H1a: There is a statistical significant relationship between functional value and attitude towards Huawei smartphone.	Pearson's Correlation	0.000	0.399**	Rejected H <sub>0</sub>
H2a: There is statistical significant relationship between price consciousness and attitude towards Huawei smartphone.	Pearson's Correlation	0.000	0.506**	Rejected H <sub>0</sub>
H3a: There is a statistical significant relationship between word of mouth and attitude towards Huawei smartphone.	Pearson's Correlation	0.000	0.551**	Rejected H <sub>0</sub>
Null Hypothesis Statement	Statistical Test	Level of Significance	Beta Co-efficient	Result

H4a: Functional values, word of mouth, brand image, and attitude towards product are significantly influential on repurchase intention.	Multiple Linear Regression	0.00		Rejected H4o
-Word of mouth		.005	.208	Rejected H4o
-Brand image		.000	.463	Rejected H4o
-Attitude towards Product		.000	.414	Rejected H4o
-Functional value		.159	-.112	Failed to reject H4o

### Summary and conclusion

The researcher has applied a total number of 420 samples of primary data and they were collected from seven most crowded shopping malls in Yangon, Myanmar. The researcher collected these data by using questionnaire during July of 2015. According to the result of this study, the major group is female group (65%) followed with male group (35%). The majority of the respondents are between 26 - 35 years old (50%). The largest personal income in a month group is between 200,001- 300,000 Kyat (26.3%) with bachelor degree (43.80%) as highest educational level and are private company employees (41.3%).

For the demographic factors of the research, the results indicated that most of the Huawei customers were female aged between 26-35 years and most of them were private company employees. In other words, Huawei customers were mainly middle aged and female adults who are private company employees. Huawei managers or marketers should pay more attention to this group of people. They need to analyze and understand their needs and wants in order to make them more satisfied and keeping the positive attitude towards the brand among their customers. The researcher investigated (4) hypotheses using Pearson correlation and Multiple Linear Regression to understand the relationship between the variables.

Based on the result of first hypothesis, the researcher found that functional value has a statistically significant effect on attitude towards the product. The Pearson correlation test results of hypothesis one shows that there is a weak positive relationship between functional value and attitude towards the product as the correlation coefficient value is 0.399.

Based on the result of second hypothesis, the researcher found that price consciousness has a statistically significant effect on attitude towards the product. The Pearson correlation test results of hypothesis one shows that there is a moderate positive relationship between price consciousness and attitude towards the product as the correlation coefficient value is 0.506.

Based on the result of third hypothesis, the researcher found that word of mouth has a statistically significant effect on attitude towards the product. The Pearson correlation test results of hypothesis one shows that there is a moderate positive relationship between word of mouth and attitude towards the product as the correlation coefficient value is 0.551.

Based on the result of hypothesis 4, the researcher found that price consciousness, word of mouth, brand image and attitude towards the product have a statistically significant effect on repurchase intention and functional value have no statistically significant effect on repurchase intention. By considering the beta coefficient the researcher indicated that price consciousness, word of mouth, brand image and attitude towards the product have a positive influence on the repurchase intention of Huawei smartphone. Brand image has the highest beta value which means it affects the repurchase intention of Huawei smartphone the most and word of mouth has the lowest beta value.

## **Recommendations**

According to the results from the statistical analysis employed in study can help marketers in understanding the Myanmar consumer's repurchase intention towards Huawei smartphone but also to gain more competitive advantages.

According to the result of hypothesis one, there is a weak positive relationship between functional value and attitude towards Huawei product. The result would imply that, the positive functional value can play a significant role in influencing a positive attitude towards product. The researcher would like to suggest the managers of Huawei company is that to improve the functional values of smartphone applications such as e-mailing function, easy internet browsing, SMS and GPS. In addition to the software improvements the researcher would also like to suggest focusing more in to sleek designs, high efficient camera and processor, battery life which also improve the customer attitude towards Huawei smartphone and repurchase intention. In other words, Huawei Smartphone Company should design the smartphone which suits the best to the lifestyle of young adults, which increase the young adults' repurchase intention. As, Young adults normally carry their cool gadget to show to their friends. This result was supported in the study about the factors influencing smartphone repurchase intention which proved that improving the technical intricacy and functional value of the products will develop the repurchase intention of that product (Leelakulthanit and Hongcharu, 2012).

According to the result of hypothesis two, there is a moderate positive relationship between price consciousness and attitude towards Huawei product. The result would imply that, the price consciousness can play a significant role in influencing a positive attitude towards product. The researcher would like to suggest the management of Huawei to price their smartphone reasonably,

which can attract and retain the customers and builds positive attitude towards Huawei smartphone. The result of this hypothesis was supported by the study done on consumer's repurchase intention towards counterfeit mobile phone and results pointed out that price consciousness has a very strong significant positive relationship with consumer attitude towards product and considering the reasonable prices improve customers attitude towards the products (Muhammad et al., 2013).

According to the result of hypothesis three, there is a moderate positive relationship between word of mouth and attitude towards Huawei product. The result would imply that, the positive word of mouth can play a significant role in influencing a positive attitude towards product. The researcher would like to suggest the Huawei management to be more creative in advertising which can stand out Huawei in this noisy world. For example, advertising with animations and colorful designs can be used. In addition to the advertising, a very effective follow up services should be provided, so that it can meet or act beyond the expectation of Huawei customers. The result is also supported by the study about the impact of WOM on attitude towards the smartphone and the result indicated that WOM has a very strong significant positive relationship with consumer attitude towards product and positive WOM improve customers' attitude towards the products (Mir, 2013).

According to the result of hypothesis four, there is a statistical significant effect of brand image, WOM and attitude towards product on repurchase intention towards Huawei smartphone. However, functional value of Huawei has no statistically significant effect on repurchase intention. By considering the beta coefficient the researcher indicated that brand image, WOM and attitude towards product have a positive influence on repurchase intention of Huawei smartphone and beta weights brand image has the highest beta value which is equal to .463 and it means repurchase intention of Huawei is strongly affected by its brand image and word of mouth has the lowest beta value which is equal to .208 and it means repurchase intention of Huawei smartphone is less affected by word of mouth. The researcher suggested the Huawei management to put more effort on advertising, CSR activities to stand unique in the most competitive market using different marketing channels such as Internet Marketing, TV and Billboard. The advertisement content should build the image of the Huawei brand. The main purpose of this is build strong brand image, which can draw more attention to formulate positive attitude and positive word of mouth toward Huawei smartphone. Once there is positive attitude towards the Huawei brand the consumers will repurchase Huawei smartphone.

## **Further research**

This study was designed to understand the factors affecting repurchase intention of Huawei smartphone in Yangon, Myanmar. The researcher in this study focused only on the six variables because of the limited timeframe and the cost. Further studies could focus on other variables; such as brand loyalty, perceived quality, and brand awareness etc. Further studies could be conducted on other smartphone brands like HTC, Xiaomi, Acer, Samsung and Apple. Further studies should use the qualitative method to get a much deeper inside understanding and to explore the causal relationship among variables by using other research techniques such as observation, in-depth interviews and focus group. This study is conducted at Yangon, Myanmar and this research can only represent the repurchase intention of Huawei customers who lived at Yangon. Further research could be conducted in other cities of Myanmar such as Mandalay and Naypyitaw, etc.

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