

# A STUDY OF ONLINE PURCHASE INTENTIONS OF ELECTRONIC DEVICES BASED ON CONSUMER VALUE THEORY IN MALAYSIA

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## ABSTRACT

The current article is to see the customers' online purchase intention of electronic devices especially smart phones while considering the factor of consumer value theory. Online purchase is getting prominence in contemporary era in Malaysia. 200 customers currently using Apple electronic devices were selected as sample. Correlation was used to generate the results of study. The results shows strong correlation among purchase intention, price utility, functional quality and social self-image expression but playfulness and social relationship support are not strongly correlated to online purchase intention. The findings will help the electronic device manufacturers to see the important quality factors that affect the online purchase decision of customers.

**Keywords:** Online purchase intentions; electronic devices; consumer value theory; malaysia

## 1. INTRODUCTION

Online buying is getting more importance over time. The main reasons are: electronic commerce has enabled consumers to find out product and services information from online stores (Park and Kim, 2003). On the other hand, use of electronic devices and their online buying and selling is globally increased and marketing and advertising on the web is also developed considerably in past few decades (Rintamaki and Kanto, 2006). Customer value is considered as important factor of buying behavior (Dodds et al., 1991; Babin et al., 1994; Kim et al., 2007). Customer value is deemed as the net value gained from product. Customer value is basically attached with economics but now researched in the marketing research (e.g. Parasuraman et al. 1985, Zeithaml 1988, Holbrook 1999, Chen & Dubinsky, 2003). Customer value is the deciding factor in customers' choice and getting competitive advantages (Scott & Lamont, 1977). The aim of the research is to see the online purchase intention of electronic devices and customer value theory in Malaysia. Malaysia is selected for conducting of research because of large number of Apple users and these users are increasing.

## **Literature Review**

Consumers always try to get maximum satisfaction from the product and services. Customer values are researched by many researchers e.g. (Parasuraman, 1997; Slater, 1997; Woodruff, 1997). Customer value is a construct which is divided into many dimensions, fields and extension of customer values construct. It is a foundation for research in many different fields (Rintammaki and Kanto, 2006).

### ***Customer value***

According to Sweeney et al. (1997), customer value is based on three main dimensions: function value, emotional value and social value. The same framework was used by Sheth et al., (1991). Functional value, emotional value, and social values were used to see the effects of these on buying behavior in different contexts.

Electronic devices are majorly used for its variety of functions. Therefore, functional value of an electronic device can't be ignored. Functional value is physical performance, software, wide range of functions and user friendliness. It also includes the feature of reliability, durability, and purchase price and resale value. According to Stigler (1980), each product or service can only be measured in terms of monetary or functional term. Functional value can be measured in two ways price utility and functional quality and these two becomes the main factors to influence consumers to buy the product (Mathwick et al., 2001).

Emotional value is basically attached with the feeling of person using electronic devices. Emotional value is hedonic or experiential value. Hedonic ingesting contains multi-sensory, imaginary, and sensitive aspects of a person's knowledge with the goods. The emotional value of Apple devices is the ability to satisfy the Apple devices user. It includes two factors aesthetics and playfulness (Huang et al., 2008).

Social value is the contribution of electronic device towards the society. The use of electronic devices also contributes to social ethics, relationship, and consumer's identity and society standards. The use of electronic devices such as Apple is considered as a symbol of life standard and consumer want others to see him. Social value includes two factors: social self-image expression and social relationship support (e.g. Sheth et al., 1991).

### ***Online purchasing***

The research took place in different parts of shopping online, but sectors like: Online shopping directions and online purchase intention of purchasing decision (Brown et al., 2003) or the precursors and significances of trust (Yoon, 2002), no prior research has investigated especially considering the consumer value outlook online purchase intentions. Consumer should be aware of market information through web or any other information system (Chung-Hoon Park, 2003). Real world had to make shopping but mainly face to face and online shopping is done only through retailers (So et al., 2005; Timo Rintama "ki, 2006). Perceived value had effected on adverting endorses and develop to purchase intention (Yi Ching Tsai, 2011). Electronic commerce enables the consumers to buy directly from the internet. Electronic commerce allows the consumers to see the picture, quality and design before purchasing the products but actual experience is not available (Lohse and Spiller, 1998; Kolesar and Galbraith, 2000). Traditionally, online consumer behavior is different from offline consumer behavior but mostly consumer behavior is decision making between products (Schiffman and Kanuk, 2000). Online consumer behavior is practically same as the offline consumer behavior (O'Keefe and McEachern, 1998), therefore, the stages used in offline buying can be applied to online buying.

These stages are: need assessment, product search, alternative weightage, actual purchase and after purchase assessment (Schiffman and Kanuk, 2000). The following research hypotheses are developed from the previous literature to assess the increasing popularity of online buying of electronic devices based on consumer value theory:

H1: There is a significant relationship between Price utility and online purchase intention of electronic devices.

H2: Functional quality has an affirmative effect on online purchase intention of electronic devices.

H3: There is an affirmative effect of Playfulness on online intention to purchase electronic devices.

H4: Social self-image expression has a positive effect on online intention to purchase electronic devices.

H5: Social relationship support has a positive effect on online intention to purchase electronic devices.

### Theoretical Framework

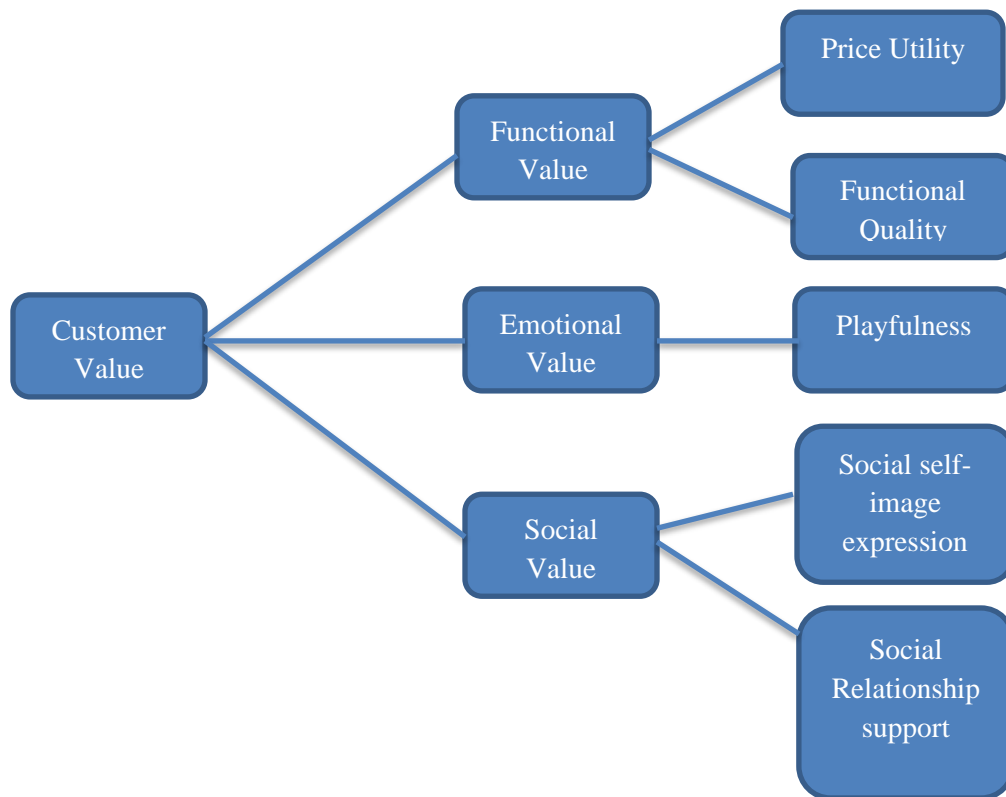


Figure 1. Theoretical framework (Source: Sheth et al., 1991)

## 2. METHODS

Apple electronic devices were selected for survey. Questionnaire instrument was adopted from the previous study of (Kambiz Heidarzadeh Hanzaee, 2013) that was based on 5 points Likert scale. 200 Apple products users were selected randomly on convenience sampling basis from Infrastructure University Kuala Lumpur Malaysia. The data was collected in a week and then entered in Statistical Packages for Social Sciences version 19. 70% of the respondents were male and 30% were female. Most of the respondents were young and aged from 20 to 30 years. Most of the respondents were single. In order to assess internal consistency, Cronbach's coefficient alpha was used and its value was 0.86 that is acceptable. According to Lawshe (1975), the value more than 0.56 of alpha is acceptable so the internal consistency of the instrument is acceptable.

## 3. RESULTS AND FINDINGS

The theoretical framework of consumer values shows five factors Price utility, functional quality, aesthetics, playfulness, social self-image and social relationship support. Table 1 shows the relationship between each factor in consumer value model by using of Pearson Correlation. Correlation is used to see the relationship between variables (Cohen et al., 2003).

**Table 1: Correlation**

Consumer Value Theory		Online Purchase Intension	Price Utility	Functional Quality	Playfulness	Social self-image Expression	Social Relationship Support
Online Purchase Intension	Pearson Correlation	1					
Price Utility	Pearson Correlation	.852**	1				
Functional Quality	Pearson Correlation	.733**	.259**	1			
Playfulness	Pearson Correlation	.250**	.190**	.178**	1		
Social self-image Expression	Pearson Correlation	.695**	.029	.128*	.124*	1	

Social Relationship Support	Pearson Correlation	.190	.145**	.048	.231**	.174**	1
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\* Correlation is significant at 0.05 levels (two tailed). \*\* Correlation is significant at 0.01 levels (two tailed).

The range of correlation falls between -1 to +1. The first shows perfect negative correlation and the later shows perfect positive correlation. Zero correlation indicates that no correlation between variables.

Correlation Value ( r )	Strength
0.10 - 0.29	Small
0.30 – 0.49	Medium
0.50 – 1.00	Large

Figure 2. Correlation interpretation guideline (source: Cohen et al. 2003)

Table 1 shows the results of Pearson correlation. Functional value includes price utility and functional quality. The results indicate large positive correlation between online purchase intentions and Price. The value of Pearson correlation is 0.852. Online purchase intention and functional quality is also positively correlated and the value is 0.733 and significant at 0.01. Small positive correlation is found between online purchase intention and playfulness (emotional value) and the value of correlation is 0.250. The social value in the model includes two factors social self-image expression and social relationship support. The results indicate that social self- image Expression and online purchase intention are positively correlated and the correlation value is 0.695 which is supposed to be large (Cohen et al. 2003). But correlation between social relationship support and online purchase intention is found to be small at the value of 0.190. All the relationships between the variables are found positive which means these positively affect the online purchase intention of the consumers.

## 4. CONCLUSION

The conclusion of the study shows that most of factors of customer values like functional value, social value and emotional value have positive significant relationship with online purchase intention. Further, research can be conducted on finding out the exact relationship between variables through regression analysis and including more respondents.

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