

THE EFFECT OF ELECTRONIC WORD OF MOUTH AND BRAND IMAGE TOWARDS PURCHASE INTENTION IN SMARTPHONE INDUSTRY AMONG STUDENTS IN KOTA SAMARAHAN

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ABSTRACT

The purpose of this study is to investigate the purchase intention of students in Kota Samarahan and its association with electronic word of mouth and brand image. Also, this research aims to identify which of the independent variables (electronic word of mouth and brand image) provide more impact toward purchase intention.

The data set is collected through self-administered questionnaire and convenient non-probability random sampling method. A sample of 380 was collected from Kota Samarahan, Sarawak Malaysia. The findings revealed that there is a significant relationship between brand image and purchase intention but an opposite for electronic word of mouth. Based on the results, it can be said that brand image provide more impact toward purchase intention compared to electronic word of mouth.

The findings of this study are limited by the number of respondents, area and location, and the absence of other methods to obtain the results other that secondary research and questionnaire. This study is more important for marketers to understand the consumer's smartphone purchase intention to be more competitive.

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Smartphone industry belongs in between the software publishers and computer system design industry of which two of the most dynamic industries in the world (Blery, 2014) and its evolution is closely linked to the development of new technologies. In addition to this technological revolution, more and more consumer are exposed to the usage of internet regardless the purpose of it. Some use it for entertainment while other uses it to increase productivity. Despite all that, some group of consumers' uses internet as a form of reference by taking other peoples' opinions as the base of their offline purchase decisions through data acquired online (Chan & Ngai, 2011).

Smartphone are more than just make-and-receive calls and text messaging. The fundamental features that make a smartphone a smart-phone is the ability to connect to the internet. Also, a smartphone must have the ability to transmit digital media such as pictures, music and videos. Nowadays, smartphone must have additional features like the ability to utilized small computer programs called application or apps (Weinberg, 2012).

According to (Spykerman, 2013), Malaysia is ranked second among 26 resource and efficiency driven economies in the Connectivity Scorecard 2013, with Malaysia's broadband penetration rate has reached 67% as of September 2013 compared to just 22% in 2008 as a result of government initiatives. This shows that Malaysia ICT rate is very high. This tool had become the key channel of information and communication for consumers who shared their opinions on shopping and consumption experiences (Velaquez, Blasco, & Saura, 2015).

Internet had presented us with the revolution of information technology that had affect how information flow today compared to the old days of no internet (Hamill, 1997). With internet now widely available, the marketing communications had improve up a notch with a more versatile and highly customizable tools like e-mail and short-messaging-