

# Product Features Preferences and Decision-making Styles of Thai and Chinese University Student in the Online Purchase for Smartphone

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**Abstract:** The current research provides an insight into product features preferences and decision-making style of Chinese and Thai students in online purchase for smartphone to understand the cross-cultural difference of Chinese and Thai young generation's online purchase logic behind decisions. This could be useful to promotion consultancy companies or entrepreneurs, that intend to attract young consumers to the online smartphone market. Empirical data were obtained from responses to a questionnaire distributed to Thai and Chinese college students in Bangkok and BeiJing. The findings show that Chinese students tend to be more quality conscious, more impulsive and more confused by over-choice than Thai students. Chinese college student online shoppers' decision-making style is associated with their smartphone features. Future study should explore more advanced methods to classify and profile consumer style, and may explore the underlining reasons for these online shopping behaviors.

**Keywords:** Product Features Preference, Decision-making Styles, University Student, Online Purchase for Smartphone.

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## 1. INTRODUCTION

### *1.1 Background:*

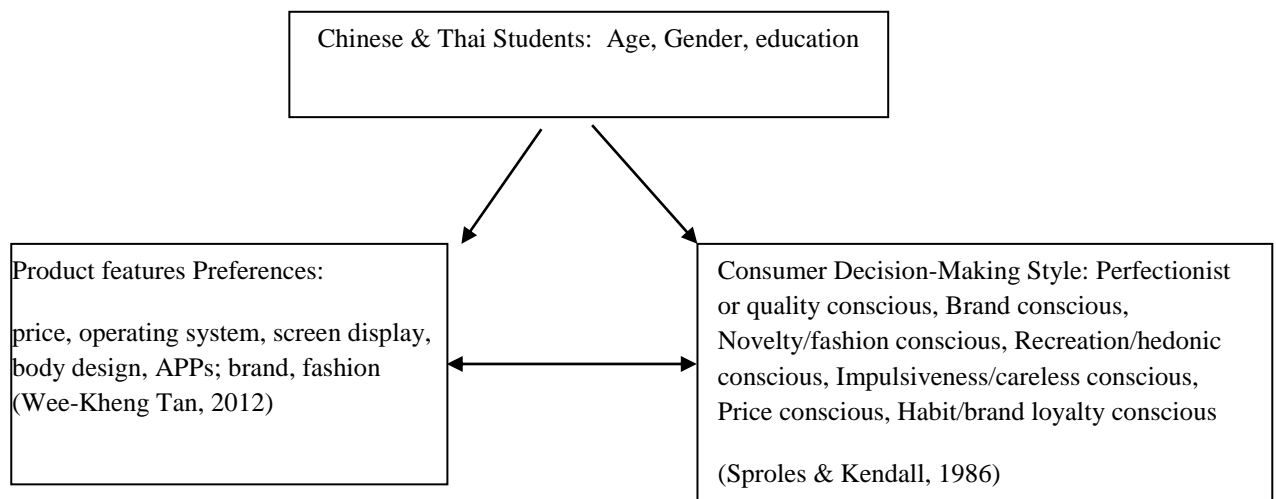
With the adoption and diffusion of the Internet for commercial purposes, shopping online has become popular. Recent years have seen increased interest in the online consumer as well as increased research. More than eighty-five percent of the world's Internet populations, 875 million people, are shopping online (Nielsen, 2008). As more consumers are shopping online, the competition is becoming more intense. Gaining a large enough number of loyal customers is the key to winning in this competition-intense global marketplace. One of the effective approaches to a better understanding of online consumers may be from a decision-making perspective (Engel, Blackwell, & Miniard, 1986).

Furthermore, up to date, the use of smartphones has played a vital role in communication across the globe. with online consumers increasing, the needs of online buying for smartphone are increasing and the amount of money spent on smartphone also increasing. consumer's behaviour in smartphone industry, from adoption motivation to post-usage behaviour has become a major focus of research in the field of marketing, especially within consumer behaviour. Smartphone market is an emerging market; companies use various marketing efforts to influence the decision of consumers. It is easier for researchers to find the answers for what, how, where, when and how much consumers buy but it is not that much easy to find why they buy. The reason is "the answers are often locked within the consumer's head" (Kotler and Keller, 2009). While most of the studies in the related literature -conducted are focused on the behaviours exhibited by consumers while purchasing goods and services, there are only limited number of studies on the consumers' preferences concerning product specifications.

Product features such as hardware and software reflect the product value of smartphone. The degree to which these features are present in the product indicates the quality of the product, and this degree varies depending on consumers' characteristics and preferences (Burdurlu, et.al, 2006). The current research provides an insight into product features

preferences and decision-making style of Chinese and Thai students in online purchase for smartphone to understanding the cross-cultural difference and young generation's online purchase logic behind decisions so that to promotion consultancy companies or entrepreneurs, that intend to attract young consumers to the online smartphone market.

Chinese consumers are currently in a dynamic process. Research is also needed to understand different Chinese consumer groups as China moves into different economic periods and technologically advanced stages, but little research has been conducted. Also, no systematic study has been conducted or published on understanding the difference of Thai and Chinese university students' online behaviours from a decision-making perspective and specifically on profiling the two groups of consumers using the Consumer Style Inventory. This research intends to fill the identified gap.



### Theoretical Framework of the Study:

#### 1.2 Objectives of Study:

The purpose of this research is to investigate the relationship of Thai & Chinese university student's product features preferences and decision-making style in online purchase for smartphone; also compare the difference between the two groups. The conceptual framework of decision-making style designed by Sproles and Kedall (1986) was applied to understand the two groups of consumer. Specifically, the objectives of this research are to:

- 1) To examine the relationship between product features preferences and decision-making style of Chinese university students in online purchase for smartphone.
- 2) To examine the relationship between product features preferences and decision-making style of Thai university students in online purchase for smartphone.
- 2) To examine the difference of decision-making style between Thai & Chinese university students in online purchase for smartphone.

#### 1.3 Hypotheses:

Based on the above studies and theories, hypothesizes of the present study are as follows:

H1: There is a significance relationship between product features preferences and decision-making style of Chinese university students in online purchase for smartphone

H2: There is a significance relationship between product features preferences and decision-making style of Thai university students in online purchase for smartphone

H3: There are significance differences between Thai & Chinese university students' decision-making style in online purchase of smartphone.

#### 1.4 Significance of the Study:

It is imperative for companies to adapt their market strategies to win at global competition by understanding target consumer groups from different countries and cultures. The present study examined the consumer decision-making style scores of representatives from two cultures (China and the Thailand.) as relates to help international marketers better understand the group preferences. This research also is the first one to apply CSI style to comparative study of Chinese & Thai university students online purchase for smartphone.

## **2. REVIEW OF LITERATURE**

The literature review considers the conceptual background to the research, focusing on the following perspectives:

### ***Consumer Decision-Making Process:***

The consumer decision-making process also can be described as a buying process that a consumer goes through to make a final decision to purchase any product. Appropriate decision-making involves logical steps: 1) determining the problem, 2) considering multiple alternatives, and 3) choosing the best alternative based on the particular situation (Deacon & Firebaugh, 1975; Goldsmith, 1996; Rice & Tucker, 1986). According to Engel et al. (1986), a consumer follows the five stages of 1) problem recognition, 2) information search, 3) alternative evaluation, 4) product choice, and 5) making a reasonable purchase decision.

### ***Consumer Decision-Making Style:***

Sproles and Kendall (1986) developed a scale, called the Consumer Style Inventory (CSI), which identified eight mental characteristics of consumer decision-making style. The CSI provides a quantitative instrument for classifying different consumer decision-making characteristics into distinct categories of shopping orientation.

### ***Product feature preferences theory:***

Feature is an attribute of a product to meet the satisfaction level of consumer's needs and wants, through owning of the product, usage, and utilization of a product (Kotler et.al. 2009). Many studies have discovered that product features have an impact on the quality assessment of consumers (Mukherjee and Hoyer, 2001; Nowlis and Simonson, 1996; Shimp and Bearden, 1982). The prior literature has indicated that consumers assess the quality and performance using both intrinsic and extrinsic product cues.

### ***Online Purchase Behaviours:***

Online shopping has been a growing phenomenon in all four corners of the world, in particular amongst countries possessing highly developed infrastructure available for marketing activities through the internet. According to a survey (Gardyn, 2002), college students bring \$200 billion a year to the U.S market, with the average college student's available discretionary spending totalling \$287 each month. It is important for retailers and consumer behaviour educators to better understand this group of the population because of their buying power in the marketplace (Xu & Paulins, 2005).

## **3. RESEARCH METHODOLOGY**

A quantitative research approach was used to fulfil the research objectives. the instrument of Product Features Preferences, Consumer Style Inventory (CSI), and demographic information, was administered to college students in Bangkok and Beijing.

### ***3.1 Sample and Sampling:***

The research population is Chinese & Thai university students. College students were selected because this group of consumers has been identified as the major Internet users. The sample for this study was obtained from Siam university and Beijing JiaoTong University, which are considered representative of Thai and Chinese universities. Overall, the convenience sample is expected to be representative of educated Chinese and Thai young people.

### ***3.2 Instrument:***

The questionnaire included three sections. section 1 covered the eliminatory questions; section 2, the topic-related questions; and section 3, sociodemographic questions. Section 1 Section 2 asked specific questions about the subject matter of this thesis. Section 3 concerning one's identity, because it is appropriate to ask sensitive questions at the last part of questionnaire.

### ***3.3 Procedure:***

The period of the data collection was from January to May, 2016. The interviewers conducted the questionnaire in universities and through a mailing list in China and Thailand. In China, the respondents were from Beijing JiaoTong University. In Thailand, the respondents were from Siam university. The researcher aimed to achieve similar sample sizes of the two countries: an approximate amount of 100 respondents each. In practice, there were a total of 332 respondents, but only 293 were considered valid: 172 from China, 121 from Thailand.

**3.4 Data Analysis:**

The data collected from the survey was analysed using the Statistic Package for Social Science (SPSS 24) software. The data analysis procedures include descriptive analysis, exploratory factor analysis, correlation testing, and MANOVA for hypotheses testing.

**4. RESULTS**

**4.1 Characteristics of the Respondents:**

Based on the findings of the 293 samples, 52.67% are female, indicating that female Smartphone users are slightly higher than male, who accounted for 47.33% of the sample. Male and female have a closely equal ratio with only differs by 5.2%.

In terms of age group, there are 34.2% of respondents aged between 18 to 22, 52.02% aged between 23 to 26, 13.76% aged between 27 to 34. Age 23 to 26 consist the highest percentage and follow from age 18 to 22. This could be due to part of the data collection is conducted in colleges, and most students are in this age range. Also, the finding shows that there are 0% of respondents from the age group of less than 17 and 35 and above. There are 18.43% freshman, 20.42% Sophomore, 10.32% in master level and 0 in Ph.D. level. The highest percentage is Junior and followed by Sophomore, which is consistent with the majority age group of 18 to 23 who are college and university students. The sample consisted of education majors (23 percent), business majors (22 percent), Engineering majors (14 percent), with the remaining students majoring in physics, design, arts, literature, and music. Summary of the demographic profile of the respondents is presented in Table 1.

**Table 1 Demographic Profile of the Respondents**

Variable	Description	Percent %	China (172) 58.7%	Thailand (121) 42.3%
Sex	Female	52.67%	91	53
	Male	47.33%	81	68
Marital status	Single	74.40%	117	100
	Married	25.56%	25	49
	Other	0.04%	0	1
Age group	17 or below	0.00	0	0
	18-22	34.22%	52	48
	23 - 26	52.02%	78	74
	27-34	13.76%	20	21
	35 and Over	0	0	0
Education level	Freshman	18.43%	32	21
	Sophomore	20.42%	30	32
	Junior	41.46%	60	62
	Senior	9.36%	13	14
	Master students	10.32%	16	14
	PhD student	0	0	0
Majors*	Design	3.95%	5	7
	Education	23.07%	38	30
	Literature	16.71%	24	25
	Physics	0.31%	1	0
	Engineering	13.52%	20	19
	Music	3.33%	5	4
	Art	3.35%	6	5
	Business	22.36%	33	34
	Other	13.40%	17	20

Note: N=293 (Majors\* There are more than 293 in majors because some students had double majors.)

**4.2 Smartphone Features Preferences:**

Seven features were chosen to identify the importance for online shopping. Smartphone’s price gains the most importance of the device specification, it consists of 56%, exceed the importance of APPs (38.5%), power (34.2%) and others.

**Table 2 Smartphone Features Preferences**

Products Features	Frequency	Percent
Price	164	56.1
Operating system	25	8.4
Screen display	10	3.4
Body design	34	11.7
APPs	10	3.5
Brand	27	9.2
Fashion	23	7.7
Total	293	100.0

Note: N=293

**4.3 Testing Hypothesis:**

Correlation results indicated that Perfectionist consumers, and habitual, brand-loyalty consciousness consumers had significant correlation with the price, operating system, screen display, body design, APPs; brand, fashion. However, the significant values of Novelty/fashion conscious, Recreation/hedonic conscious, Impulsiveness/careless conscious, Price conscious were low in the correlation test. Thus, Hypothesis 1&2 was only marginally supported. There are some relationships between consumer decision-making characteristics and product features preferences in online purchase for smartphone.

**Table 3. Correlation analysis**

Price	r	.860	.327	.366	.327	.200	.830	.780
	Sig. (2-tailed)	.000	.000	.000	.185	.076	.000	.000
OS	r	.770	.689	.370	.756	.500	.880	.866
	Sig. (2-tailed)	.000	.453	.320	.000	.000	.000	.000
screen	r	.756	.500	.945	.929	.356	.656	.982
	Sig. (2-tailed)	.000	.035	.000	.000	.040	.030	.000
body	r	.700	.456	.500	.189	.500	.500	.870
	Sig. (2-tailed)	.000	.030	.035	.453	.035	.035	.000
APPs	r	.945	.500	.789	.786	.645	.515	.455
	Sig. (2-tailed)	.000	.330	.003	.000	.000	.007	.000
brand	r	.700	.827	.566	.327	.250	.320	.870
	Sig. (2-tailed)	.000	.000	.270	.185	.120	.030	.000
fashion	r	.700	.189	.950	.756	.800	.350	.766
	Sig. (2-tailed)	.000	.453	.000	.000	.000	.035	.000

Note. N=172 \*Significant at 0.05 level (2-tailed). \*\* Significant at 0.01 level (2-tailed).

Hypothesis 3 proposed that there are significance differences between Thai & Chinese university students’ decision-making style in online purchase of smartphone. The multivariate statistic for MANOVA was found to be statistically significant (Wilk’s Lambda = 0.653, F = 4.81, p <0,01). This result suggested that the mean vectors of predictor variables were different between two groups. Levene test results also indicated that no violation of the homogeneity of variance (p < 0,05) was observed in decision-making styles variables: quality (0,002), brand (0,007), innovative (0,00), recreation (0,003), confused (0,005), and loyal (0,008). Table 4 shows all mean scores derived from the two countries.

Table 4. MANOVA analysis

CSI Styles	Chinese Mean	Thai Mean	Hypothesis	Support for hypotheses
Quality	16.18	12.00	H <sub>3</sub>	Yes
Brand	9.66	8.21	H <sub>3</sub>	Yes
Innovative	7.16	8.14	H <sub>3</sub>	Yes
Recreation	6.42	<b>10.37</b>	H <sub>3</sub>	Yes
Confused	<b>6.41</b>	7.78	H <sub>3</sub>	No
Loyal	8.68	<b>7.80</b>	H <sub>3</sub>	Yes

Note. \*Significant at 0.05 level (2-tailed). \*\* Significant at 0.01 level (2-tailed).

## 5. CONCLUSION

The purpose of this research is to investigate the relationship of Thai & Chinese university student's product features preferences and decision-making style in online purchase for smartphone; also compare the difference between the two groups. The research problem and research objectives were identified based on a review of literature and hypotheses were developed to guide the empirical study. A survey was conducted to collect data for an empirical study to test the proposed hypotheses. Hypothesis 1&2 was only marginally supported. Hypotheses3 were supported. if we look at percentage, we can say that most of our respondents were mature people, their opinion is worth important. Most of the respondents are free to take their decision independent specially related to buying decision. features preferences are the factors that people bring in their consideration while they decide to purchase the mobile. The following conclusions are drawn from this study:

1. Chinese students tend to be more quality conscious than Thai students.
2. Chinese students are more impulsive buyers than Thai students, were not able to prove since they could not be tested due to the lack of reliability amongst the items.
3. Chinese students are expected to be more confused by over-choice than Thai students, was not supported as the Thai students show to be the most confused by over-choice and no significant difference between Chinese and Thai student in brand loyal.
4. Chinese college student online shoppers are recreational, hedonistic consciousness, quality consciousness, and price consciousness oriented when they shop for smartphone products online. Chinese college student online shoppers' decision-making style is associated with their smartphone features.

## 6. LIMITATIONS AND RECOMMENDATIONS

There are several limitations in this study. First, this study used a convenience sample from universities in Beijing, and Bangkok. The data were collected from students with limited diversities on majors. The study should be replicated in other cities and universities with varying majors and local economic conditions. Future research also can be replicated using non-college student samples to investigate general online smartphone shopping decision making style. The study reveals that mostly the youngsters are attached to the online shopping and hence the elder people don't use online shopping much as compared to the younger ones.

Second, this study only investigated consumer decision making style for smartphone online shopping. Future research could also investigate consumer decision-making style for a variety of product categories. The consumer's perception on online shopping varies from individual to individual and the perception is limited to a certain extent with the availability of the proper connectivity and the exposure to the online shopping. The perception of the consumer also has similarities and difference based on their personal characteristics. Further study can be taken on impact of psychological variables on consumer decision making styles and also the study can be carried out considering the students from rural and urban regions. Other factors like income, family back ground, peer-influence and their impact on consumer decision-making style can be also researched upon and a robust consumer decision-making style scale can be developed suitable for cross-cultural context which can help in better understanding the online consumers specially the young consumers.

Third, reliability scores of some factors were relatively low. This suggests that further study is needed to refine and develop new items in order to apply the CSI instrument to China.

Fourth, future study should explore more advanced methods to classify and profile consumer style, and may explore the underlining reasons for these online shopping behaviours.



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