

CONSUMER BEHAVIOUR

Case: iPhone Ho Chi Minh City

Thi Xuan Oanh Tran

Bachelor's Thesis
Lapland University of Applied Sciences
Degree Programme in Innovative Business Services

2016

School of Business and Culture
Innovative Business Services
Business Administration

Author	Thi Xuan Oanh Tran	Year	2016
Supervisor	Outi Kivirinta		
Commissioned by			
Title of Thesis	Consumer Behaviour. Case: iPhone Ho Chi Minh City		
Number of pages	64 + 11		

The main aim of this thesis is to figure out the factors that have influenced consumer behaviour of young iPhone users in Ho Chi Minh City. In this study, the author draw a conclusion based on the data collected from the survey and proposed some feasible recommendations for Apple and other high-end smartphone companies to understand their consumers and enhance brand equity.

For the secondary data, a variety of theories, including consumers' characteristics, promotion and the decision making process that influence consumer behaviour, were briefly reviewed to provide a theoretical framework for the research. For the primary data, the author conducted a survey utilizing quantitative research method. The questionnaires containing only closed questions were personally distributed to the respondents and published on Facebook. The survey collected altogether 117 responses in three weeks. Following that, the data collected were analysed by Microsoft Excel to provide an insight into consumer behaviour of Vietnamese iPhone users.

According to the main findings, the consumers spent a huge amount of money on iPhone because Apple's brand is very strongly trusted in Vietnam and its high quality has been highly recognized. Most of the consumer choices were influenced by the word-of-mouth of their social networks and family members. Spending that much money on a phone, young iPhone users did not seek to enhance social status or show off a luxurious lifestyle. Instead, they purchased such a high-end smartphone to get familiar with and become knowledgeable about high technology. Besides that, price-off deals, warranty service and money-refund were the most appealing sales promotion. The consumers were also most interested in humorous and real-life situation advertisements. It is concluded that Apple can enhance the brand equity and gain customer loyalty by establishing genuine Apple stores in the country and operating marketing channels on social media for Vietnam market.

Key words consumer behaviour, high-end smartphone, market research.

CONTENTS

1 INTRODUCTION	7
2 IPHONE IN VIETNAM	9
2.1 Smartphone	9
2.2 iPhone in Vietnam.....	10
3 CONSUMER BEHAVIOUR.....	12
3.1 Consumer Behaviour Model	12
3.2 Promotion Influencing Consumer Behaviour.....	13
3.2.1 Advertising	15
3.2.2 Sales Promotion	18
3.3 Characteristics Influencing Consumer Behaviour	20
3.3.1 Cultural Factors.....	21
3.3.2 Social Factors	23
3.3.3 Personal Factors	25
3.3.4 Psychological Factors	27
3.4 Consumer Decision Making Process	30
4 RESEARCH METHODOLOGY AND IMPLEMENTATION OF STUDY	34
4.1 Research Methods and Implementation of Study	34
4.2 Sample Selection	37
4.3 Questionnaire Design	38
5 DATA ANALYSIS AND MAIN FINDINGS	40
5.1 Sample Demographics.....	40
5.2 Factors Influencing Consumer Behaviour	43
5.2.1 Characteristics Influencing Consumer Behaviour.....	44
5.2.2 Promotion Influencing Consumer Behaviour	47
5.3 Consumer Decision Making Process	50
6 CONCLUSION.....	56
7 DISCUSSION	60
REFERENCES	61
APPENDICES.....	65

SYMBOLS AND ABBREVIATIONS

\$	U.S dollar
GDP	Gross Domestic Product
HCMC	Ho Chi Minh City
eWOM	Electronic word-of-mouth
PR	Public relations
SP	Sales Promotion
WOM	Word-of-mouth

LIST OF FIGURES

Figure 1. Research structure.....	8
Figure 2. Graphic on Smartphone Usage	9
Figure 3. The Model of Buyer Behaviour	12
Figure 4. Promotional Mix	14
Figure 5. Number of Internet Users in Vietnam from 2014 to 2019.....	17
Figure 6. Factors influencing Consumer Behaviour	21
Figure 7. Hierarchy of Needs by Maslow 1970	28
Figure 8. Consumer Decision Making Process	30
Figure 9. Proportion of Gender	40
Figure 10. Proportion of Age.....	41
Figure 11. Proportion of Marital Status	41
Figure 12. Occupation of Respondents.....	42
Figure 13. Proportion of Net Income	43
Figure 14. Cultural Factors Influencing Consumer Behaviour.....	44
Figure 15. Social Factors Influencing Consumer Behaviour.	45
Figure 16. Personal Factors Influencing Consumer Behaviour.	45
Figure 17. Psychological Factors Influencing Consumer Behaviour	46
Figure 18. Channels of Advertising.....	48
Figure 19. Preferable Advertising Themes.....	48
Figure 20. Sales Promotion Activities	49
Figure 21. Main Reasons of Purchase.....	50
Figure 22. Information Searching.....	51
Figure 23. Time Spent for Information Searching	51
Figure 24. iPhone Features Influencing the Consumer Decision	52
Figure 25. Categories of iPhone	53
Figure 26. Sales Outlets of iPhone	54
Figure 27. After-Sales Service	54
Figure 28. Sharing Experiences.....	55

LIST OF TABLES

Table 1. Measurement Scale of Factors Influencing Consumer Behaviour	35
Table 2. Measurement Scale of iPhone's Promotion Tools	35
Table 3. Measurement Scale of Buyer Decision Making Process.....	36

1 INTRODUCTION

The aim of this thesis is to acquire an understanding on consumer behaviour towards iPhone. Specifically, the thesis is aimed to have a better understanding on the determinants influencing consumer behaviour of young Vietnamese who are living in Ho Chi Minh city and to study the decision making process of iPhone buyers. Finally, a conclusion will be drawn according to the results of the survey and further recommendations will be made correspondingly. By understanding young Vietnamese consumer purchase behaviour towards iPhone, high-end smartphone producers can adjust their marketing strategy and product development in order to successfully enter such a prospective market.

Nowadays, the smartphone market has been dramatically expanding all over the world, and Vietnam is not an exception. Computed with a variety of functions, which help meet the modern economy, such as the Internet connection, video record, photography, e-mail, music or document composing; smartphone has become dominant to not only traditional featured phones but computers as well. In the tendency of integration and globalization, people have considered smartphones as a tool to connect, a device to work on; and moreover using smartphone has become a leisure activity.

There are almost all the stores of the most well-known brands such as Samsung, Microsoft, LG, Oppo, Lenovo, Sony, ASUS; yet genuine Apple stores have not been opened in Vietnam. As a matter of fact, customers have been purchasing their iPhones from the authorized resellers of Apple or hand-carried sellers with a significantly higher price. On the other hand, considered as a developing country, Vietnam has quite a low Gross Domestic Product (GDP) per capita, merely \$2052 (World Bank 2015). However, tripled iPhone consumption has helped Vietnam to be Apple's hottest market (Reuters 2014). Hence, the contradiction between financial capability and the smartphone price can be called into question. Spending almost half of the annual income in order to obtain an iPhone must have some underlying reasons. iPhone may have been really appealing to Vietnamese in some aspects, or Vietnamese consumers have been strongly motivated by some factors to spend that big amount of money.

Regarding the data collection, secondary data is extracted from reliable sources varying from textbooks, peer reviews, scholar journals to academic newspapers. On the other hand, primary data is collected from two stages of the survey. On the first stage, a pilot study will be conducted to get opinions from respondents and to test the questionnaire (Appendix 1) to determine how it should be modified. On the next stage, the adjusted questionnaire will be distributed to collect primary data for further analysis using Microsoft Excel.

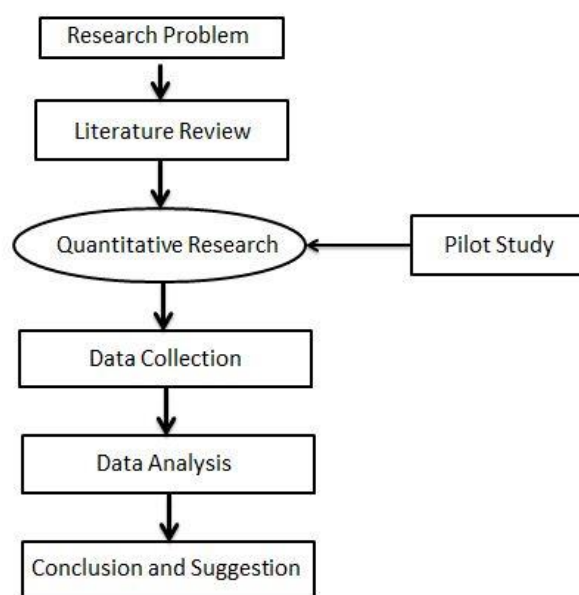


Figure 1. Research structure (Turunen 2015)

The structure shown in figure 1 is adopted as the outline of this thesis. After the research problem is identified, related theory will be reviewed to create a foundation for the research model from which a quantitative research will be conducted. After that, a survey containing several questions will be distributed both online and offline to the target group. Data collected will be evaluated and analysed to understand the consumer purchase behaviour of young Vietnamese, who are living in Ho Chi Minh City, towards smartphone products.

2 IPHONE IN VIETNAM

2.1 Smartphone

In the world of modernization and globalization, smartphone has become more and more popular thanks to its portability and distinctively emerging functions. Currently, a smartphone runs on an operating system (OS) which combines all the features of a personal computer with portably useful functions. There is a variety of operating systems in the smartphone market such as Android, iOS, Window Phones or Blackberry OS, among which Android plays as the market leader with a share of 82.8%, followed by iOS with 20%. (International Data Corporation 2015). Furthermore, a smartphone is a mobile phone that is highly advanced, able to perform sophisticated applications, has a big touch screen with high resolution. A smartphone is capable of many convenient features that a normal mobile phone cannot function, which are the Internet connectivity, browsing ability, game playing, and camera and video recording with high quality.

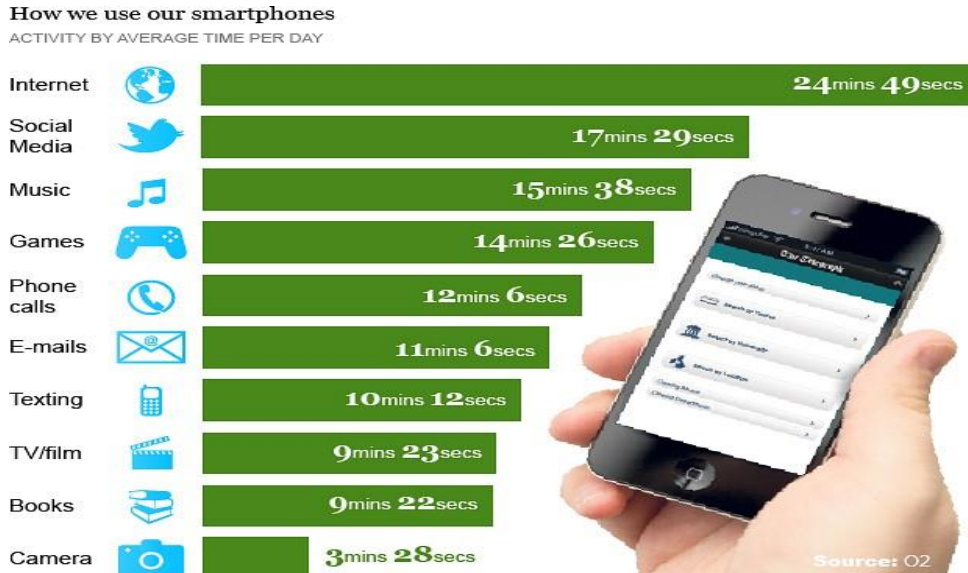


Figure 2. Graphic on Smartphone Usage (Shane 2012)

Figure 2 above illustrates the smartphone usage in terms of time spent on each common activity. It can be concluded that smartphone users spend more time on social network and leisure activities than making phone calls and sending messages. Specifically, smartphone users spend on average two hours using their phones daily, from which they spend approximately 20 minutes making

phone calls and texting. More than 40 minutes is spent on the Internet surfing and social media. The rest of the time is occupied with leisure activities such as checking and composing email, watching TV/film, listening to music, recording photo and video, and reading books. Thus, it can be apparently seen that smartphone users utilize their devices as a convenient tool in favour of leisure activities and working life rather than a device for making calls and texting itself. (Shane 2012.)

2.2 iPhone in Vietnam

In general, featured phones (57%) have still dominated smartphone (43%) consumption in Vietnam. However, according to IDC's Asia/Pacific Quarterly Mobile Phone Tracker, Vietnam witnessed a dramatic growth in smartphone unit sold with an annual rate of 13%. Moreover, 41% of all mobile phones that were shipped to Vietnam in 2013 were smartphones, indicating a promising future of smartphone in this market. (International Data Corporation 2014.)

iPhone is a product of Apple Inc. that was first unveiled by Steve Jobs in 2007. At that time, an iPhone simply functioned as a personal computer that was able to make phone calls without Wi-Fi connectivity. As time passed by, Apple made a magical revolution when it integrated web browsing into the device, making the Internet connectivity as simple as sending a text message. After eight years, iPhone has made a lot of significant improvements in both its software and hardware to meet consumers' demand, including the invention of a mobile phone security system and synchronizing feature that make iPhone usage convenient and secure.

The selling price of an iPhone is extremely high in Vietnam especially in comparison with Vietnam GDP per capita. Following Samsung which reached 36% of total smartphone consumption, iPhone sales accounted for 20% of the market share in Vietnam, and doubled in 2014 making Vietnam the hottest market of Apple smartphone. The growth is expected to increase given a young population that is tech-savvy and longs for social network connectivity. (Reuters 2014 & Saigon Times 2015.)

In addition, Apple has not opened any store in Vietnam as it has been doing in other markets. Correspondingly, Apple makes it tough for Vietnamese consumers to purchase iPhone and get their phones warranted. Vietnamese consumers have to buy the iPhone from Vietnamese authorized resellers or they have to order the iPhone as a hand-carried product delivered from overseas by airlines. A research conducted by the Tuoi Tre News, a reliably national newspaper in Vietnam, illustrated that a hand-carried iPhone costs much more than officially distributed handsets. In details, a 16GB iPhone 6 Plus was priced at \$1553-\$1977 (2014) in Vietnam, compared to the same model which cost only \$750 in the U.S. Furthermore, despite the exorbitant price of the 64GB version of iPhone, whose price was exaggerated up to \$2353 (2014), the market was still in high demand. (Tuoi Tre News 2014.)

It can be seen that Vietnamese consumers have managed with difficulty to purchase an iPhone in the Vietnam market in many aspects including financial capability, location, customer supporting services and ultimately the exorbitant price.

3 CONSUMER BEHAVIOUR

3.1 Consumer Behaviour Model

The topic of consumer behaviour is one of the most active areas in marketing management nowadays, which has been investigated from various frames of reference. Consumer behaviour is studied to determine how consumers including individuals, groups and organizations act to fulfil their needs and wants; and how they spend their available resources such as time, money and effort on purchasing a particular product or service. Besides, it is said that consumer behaviour consists of two distinctively different categories which are personal consumer and organizational consumer. Specifically, personal consumers are described as those who purchase a product or services for their personal need and that they are also the end-users. The other category is organizational consumers including profit or non-profit enterprises, government agencies or institutions. However, this thesis will only seek to address personal consumer category because this is the most pervasive entity of consumer. (Kotler & Keller 2006; Schiffman & Kanuk 2007.)

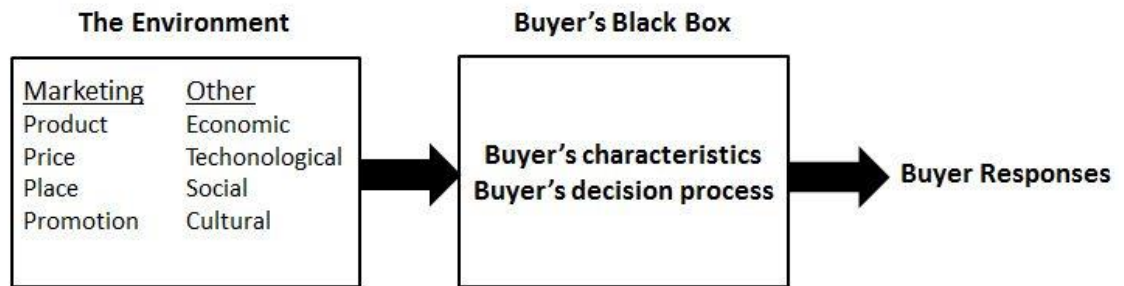


Figure 3. The Model of Buyer Behaviour (Kotler & Armstrong 2012)

Consumer behaviour influences one's mental response which motivates him or her to make a decision (Luo & James 2013). Figure 3 explains how a buyer responds to a variety of stimuli. In particular, the environment including marketing communication and other stimuli exerts a great impact on the buyers. Marketing stimuli consists of four pieces which are product, price, place and promotion and all other activities conducted by the company to appeal to consumers. In addition, the environment also includes other major stimuli that are economic,

technological, social and cultural. These environment factors step into the buyer's black box to produce a response as a result. Marketers need to identify the black box in order to understand what, when, where and why the consumers buy a particular product or service. Although the environment stimuli can be known, buyer's responses, however, can be hardly predicted without understanding the buyer's black box which is psychologically complicated. Thus, marketers are expected to take buyer's characteristics and decision making process into consideration in order to acquire buyer's responses which help a company to fulfil their consumers' demand and strengthen the relationship between a producer and its consumers. (Kotler & Amstrong 2012.)

3.2 Promotion Influencing Consumer Behaviour

The purpose of every product or service is to satisfy the demands of consumers, which can be fulfilled by dealing with four factors that are product, price, place and promotion. These four factors make up Marketing Mix which exerts a great impact on consumer behaviour. In fact, many organizations have been taking advantage of Marketing Mix as a method to communicate with their consumers; to promote, distribute a product or service; and to influence them in making a selection. From the perspectives of consumers, marketing activities may trigger a need, shape one's belief or influence one's attitude, all of which have a very important impact on the purchase decision making process. (Khan 2006.)

Of all the four pieces of Marketing Mix; promotion plays as the central role of building a bridge between an organization and its consumers. In other words, promotion is a challenging process of making consumers aware of the other three pieces that are product, price and place. By absorbing promotion activities, consumers become aware of the values they get when buying the product, how much they have to pay and where they can buy it. (Chunawalla 2008; Sherlekar & Gordon 2010.)

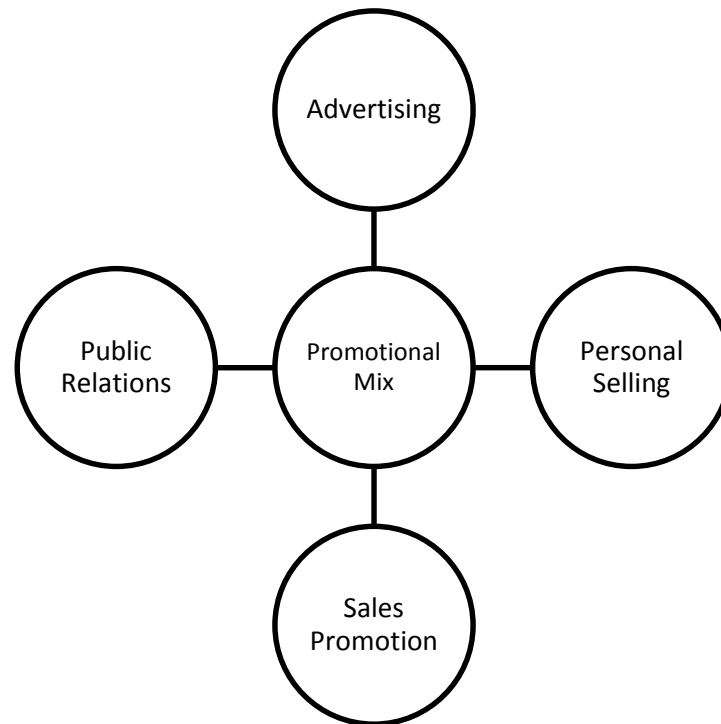


Figure 4. Promotional Mix (Lancaster & Massingham 2001)

Promotion consists of four key elements that are advertising, personal selling, sales promotion and public relations (Chunawalla 2008; Sherlekar & Gordon 2010.). Figure 4 above illustrates the promotional mix which is made up of the four elements collectively.

Advertising is defined as a non-personal marketing communication which promotes ideas, goods or services and is paid by an identified sponsor. On the other hand, personal selling is a personal marketing communication under the form of conversation that addresses prospective buyers to persuade them to make a purchase. Unlike advertising which targets a mass audience using mass media, personal selling considers each consumer as an investment and is worth working with. Conducted orally, personal selling often receives quicker responses from the buyers than other marketing communication methods. Personal selling is also different from advertising in its objectives. While advertising is to favorably influence consumer response and as a result encourage them to make a purchase, personal selling is usually aimed to achieve immediate sales and feedback. (Chunawalla 2008; Lancaster & Massingham 2001.)

When an organization longs for boosting its sales of a particular product or service in a short-term period, sales promotion (SP) is usually utilized as quite an effective tool since it offers the buyers with diverse incentives and added values such as price-off deals, free samples or gifts which may motivate them to make a purchase. Thanks to the favourable responses generated by advertising, it is easier for SP with the inducements to stimulate an actual purchase. (Lancaster & Massingham 2001.)

The last element of promotional mix is public relations (PR). This marketing communication tool is also aimed to create good publicity and solve bad publicity. PR people build up positive attitudes of the stakeholders such as consumers, employees or magazine publishers towards the organization; fill the gap between the organization and the stakeholders; and improve the reputation of the organization when bad publicity takes place. PR is accomplished by generating press release, press conference; investing in product placement, product events and sponsorship. Unlike costly advertising, PR sometimes does not require any expense. For instance, a story of an organization can be published for free if the publisher thinks that the news can be appealing to the readers, or a brand can appear in a comparison in a magazine at no cost to the marketers. (Lancaster & Massingham 2001, Peter & Olson 2008.)

While personal selling is said to be too costly and time-consuming, and PR usually does not have full control over the content of the story released as advertising does, advertising and SP are said to be the two most effective and visible tools that deliver messages to a wide range of consumers economically and encourage them to buy a particular product or service. Therefore, advertising and SP are chosen to be studied to have an understanding on its influence on consumer behaviour. (Sherlekar & Gordon 2010.)

3.2.1 Advertising

Nowadays, consumers can easily come across a number of advertisements on different channels from mass media to social media. In addition to announcing to the target consumers about the latest launched product or service, advertising

helps organizations to create brand awareness and positive attitudes towards their products. In other words, advertising contributes to trigger attention from consumers, enhance brand equity and the interest towards the promoted product or service. Being exposed to repetitive advertisements, consumers are more likely to memorize and recall the promoted product or service when in need. As a result, the intention of buying the product or service will be increased to the high extent that they may end up purchasing one. (Chunawalla 2008 & Rai 2013.)

Advertising targets a large group of audience rather than a face-to-face interaction. Normally, advertising is conducted under a variety of channels such as print, electronic, outdoor and transit media, direct mail, and the Internet. Accordingly, print media including newspaper and magazine has been the oldest channel through which advertising is generated; however, it still remains significant in the media world nowadays. Following print media, electronic media such as television and radio was invented and became one of the most commonly used channels thanks to its high speed and efficiency of spreading information. Furthermore, outdoor media have been used since the ancient days under several forms such as posters, hoardings or billboards, which are easily able to attract attention of many people. Besides, transit media is said to be the least expensive media, which is usually present in many types of vehicles such as buses, subways, railways or airports. (Chunawalla 2008 & Rai 2013.)

Advertising can also be generated by direct mail to the target consumers and consumers may make a distant purchase. This technique includes sending sales letters, booklets or catalogues to prospective consumers and allows advertisers to modify the content of mails to fit the recipients' characteristics. Direct mail respects the privacy of the recipients when purchasing products such as condom or underwear especially in Vietnam where sexuality is considered as a highly personal activity. Nevertheless, direct mails are usually regarded as junk-mails that the recipients hesitate to open and are rather costly. (Chunawalla 2008; Sherlekar & Gordon 2010.)

Consumer behaviour has dramatically changed since the arrival of the Internet. In the era of innovation, the Internet has been more and more dominating other

traditional advertising channels, especially with the trend of social media usage. Nowadays, everything from books to food can be easily researched and purchased within a few clicks of mouse. By using the Internet, consumers can save a large amount of time in the physical stages of the decision making process such as searching the product information, discussing with others, placing an order and making a transaction.

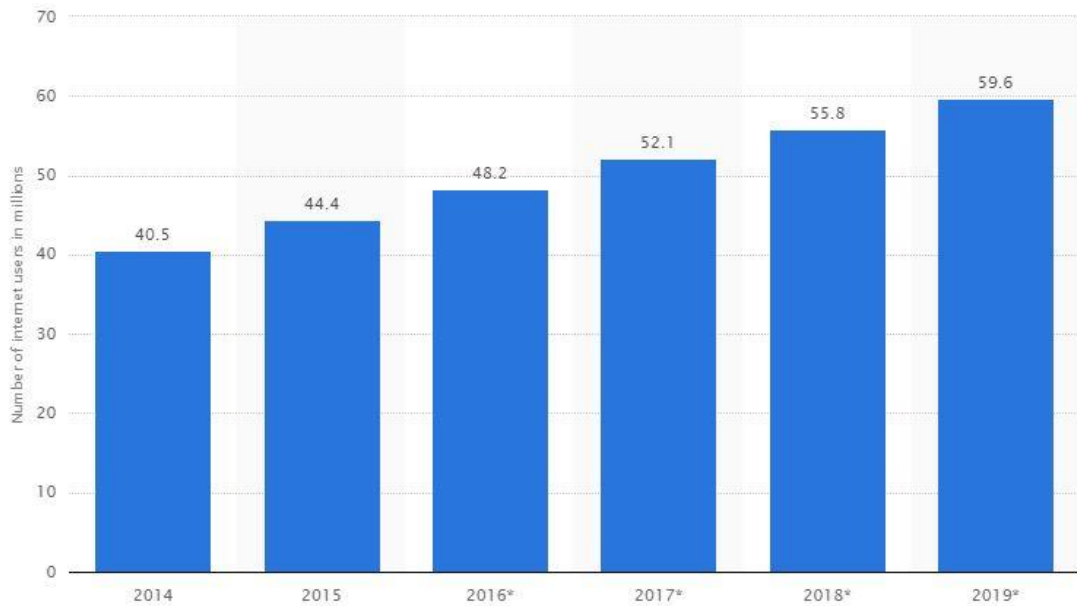


Figure 5. Number of Internet Users in Vietnam from 2014 to 2019 (in Millions)
(The Statistics Portal 2015)

Figure 5 illustrates the number of Internet users in Vietnam in the period of 2014-2019. Specifically, the number of users can possibly reach 48.2 million by 2016 (The Statistics Portal 2015), which is equivalent to almost half of the country's population. Thus, it can be said that Vietnam is a very prospective market for digital advertising. (Khan 2006 & Chunawalla 2008.)

However, after over eight years of business operation, Apple has not conducted any official advertising campaign in Vietnam, its prospective market. In fact, consumers get to know about iPhone and Apple brand via its authorized resellers or hand-carried sellers who want to boost their sales and other unofficial channels such as films, music videos and comedy performances in which iPhones are not intentionally advertised.

Despite being able to generate both short- and long-term benefits for the organizations, advertising has yet a few weaknesses when used as a promotional tool. Specifically, advertising is said to be less effective and flexible than other approaches such as personal selling or SP because advertising is a one-way communication that can hardly receive immediate feedback from consumers. In this case, personal selling and SP are more likely to succeed to do the job, as a result satisfy consumers' demand. On the other hand, it is said that advertising contributes to increase price sensitivity of consumers in the long run. Accordingly, there have been a number of advertisements containing price-oriented messages which cause to wake up consumers' price awareness. (Nelson 1974.) As time passes by, consumers are likely to be more and more price-conscious and tend to make purchases based on prices rather than brand preferences, thus increasing competition among brands. (Mela, Gupta & Lehmann 1997; Sherlekar & Gordon 2010.)

3.2.2 Sales Promotion

While advertising attempts to inform about a particular product, deliver a message embedded in the product, establish a positive attitude towards the brand and as a result increase the sale volume; SP, on the other hand, is to directly stimulate product sales by offering consumers many types of inducements in a short period of time. In other words, consumers are given incentives that are added to the basic value of the product, which strongly motivates them to carry out a purchase. Incentives can be generated under several forms that are price-off deals, money-refund orders, consuming samples, gifts, free trials, product warranties, product demonstrations and product-related competitions. Each of the form has its own features depending on the characteristics of the product and nature of the buying situation. For instance, consuming samples can hardly be given to prospective buyers of smartphone; while a money-refund program which ensures that consumers can get refunded when dissatisfied with the purchase and product warranties are more effective to stimulate smartphone purchase. (Chunawalla 2008; Sherlekar & Gordon 2010.)

Regarding the case of smartphone purchase, there are a lot of SP programs that most effectively motivate Vietnamese consumers to make their purchase such as money-refund order and “change old phone” campaigns which are conducted by the sellers. Specifically, money-refund order provides consumers with more confidence and security in buying the product since consumers would fully get refunded if they are not satisfied with the phone they bought. On the other hand, “change old phone” campaigns are very popular in the country, which encourages consumers to bring their old phones to the sellers and buy a new one while the consumers only have to pay for the difference of price between the two products. For example, if the old phone is priced at \$200 and the brand new one costs \$700, then the consumer only has to pay \$500 to buy the new one.

SP is usually recruited with three main purposes: to boost unsold inventories because slow-moving products may become a threat to the organization in consideration of the cash flow; to demonstrate the latest launched product; and to increase the market share by encouraging heavier purchase. Besides that, SP can help consumers to get familiarized with a new product by providing consumers with free trials or product demonstration, increasing their awareness of the brand and the product when shopping. Last but not least, SP is quite a powerful tool to encourage consumers to switch the brand, and thus increase the value of the organization in the market share. (Lancaster & Massingham 2001; Chunawalla 2008.)

Nonetheless, the most noticeable disadvantage of SP is its characteristics itself. Either a tremendous amount of money that is cut off or excessive SP programs can lead to a reverse effect. There are a lot of price-conscious consumers who often relate the price of a product to its quality and value. They may think that the product or service promoted to them is overstocking or lacks of popularity thus they may doubt the value and quality of it. As a result, they may become more reluctant to conduct the purchase. So, this unexpected scenery can seriously damage the brand image. In contrast, SP may prevent a company from a precise evaluation of its position in the market. When consumers are more and more dependent on SP programs to make a decision, it becomes tougher and tougher to determine if the sales are made because of SP or brand loyalty. Thus, the

company meets a lot of difficulties to predict sales volume as well as its market share in the long run. Besides, as the price sensitivity has increased more and more, companies will have to focus much more on the price strategies than on the quality and brand building, which contributes to define a market full of disqualified products and services. (Peattie & Peattie 1995; Mela et al. 1997.)

Similar to advertising, there has not been any SP conducted by the genuine Apple brand in Vietnam. All the inducements that consumers can receive come from the sellers who want to boost their sales. Typically, when a new model is introduced to the market, the price of the previous model will be immediately decreased by the sellers to clear the inventory and make room for the latest model. Many consumers who want to save money take advantage of this phenomena. They are willing to wait until the new model arrives to purchase the outdated one. On the other hand, many fans of Apple are always excited to hold the latest model of iPhone despite the exorbitant price when it first arrives and usually these buyers will be presented with a lot of incentives such as money-refund program, warranty service, free iPhone case or accessories.

3.3 Characteristics Influencing Consumer Behaviour

Consumers are inextricably linked with a numerous factors influencing their buying behaviour. Cultural, social, personal and psychological factors are generally categorized into two entities which are internal and external. Internal factors are comprised of personal and psychological factors arising from the insight of the buyer. Also, a buyer characteristics may be influenced by external factors coming from cultural and social determinants. Thus, it is suggested that marketers try to understand what, why, how consumers buy a product, and who is involved in the purchasing decision. (Lancaster & Massingham 2001.)

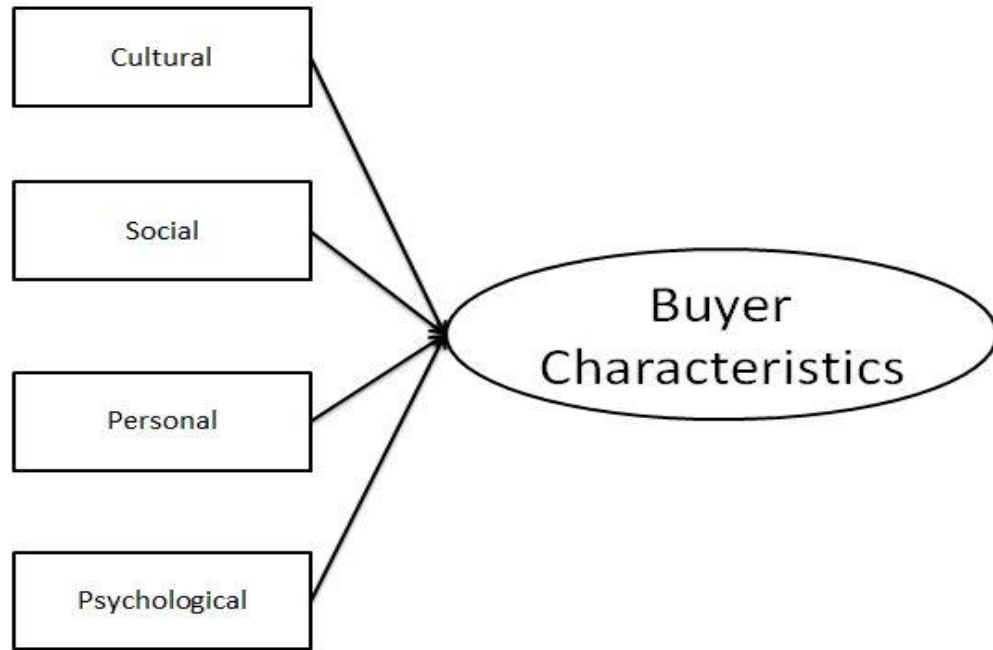


Figure 6. Factors influencing Consumer Behaviour (Kotler & Amstrong 2012)

As shown in figure 6, there are four factors formulating consumer characteristics from the inside out. Each consumer carries a distinctive lifestyle and different cultural backgrounds; thus, knowing exactly the behaviour of a person has never been easy for marketers. Furthermore, the characteristic of a consumer is a combination of cultural, social, personal and psychological factors. The influential degree of each factor may vary depending on the nature of the product, the buying situation or the country's cultural values and features.

3.3.1 Cultural Factors

The first factor that influences consumer behaviour is cultural factors. Cultural factors including culture, subculture and social class is said to be the salient of a person's needs and behaviour. Specifically, culture contains several sets of belief, norms, rituals which every person acquires as he or she grows up and sets a framework in which individuals behave. As a result, a consumer may unconsciously choose a product or service since it tangibly or intangibly delivers his or her cultural values or features. Therefore, marketers need to fully attain their consumer's cultural and sociable values so that they can develop a product

or service that best matches with consumer's expectations. (Kotler & Keller 2006, Peter & Olson 2008.)

On the other hand, each culture also contains a number of subcultures including groups that share the same distinct cultural differences such as nationalities, religions, races or geographic regions. Usually, people in the same subculture group tend to share similar values and experiences; thus, many subcultures can make up significant market segments due to their tremendous scale (Hawkins, Mothersbaugh & Best 2007). For instance, in Vietnam there are 54 ethnic groups altogether among which the Kinh people make up 87% of the country's population and other 53 ethnic groups represent the entire portion (Government Portal of Socialist Republic of Vietnam 2015). The 54 ethnic groups speak different languages and represent different geographic segments, distinctive features, lifestyles and interests. Thus, almost all the advertisements in Vietnam target the Kinh people by using the Kinh language which is also the official language of the country.

Additionally, regarding the geography, the country is mainly divided into three regions which are North Vietnam, Central Vietnam, and South Vietnam. There are certain things that favour one region but discourage the others because each region exhibits distinctively traditional values. The three regions maintain different lifestyles and have different cuisines. Local people in each region speak their own accents that sometimes people from the other regions can hardly understand. Therefore, marketers usually utilize all the three accents according to the target region that they intend to air an advertisement in.

In addition to culture and subculture, cultural factor is also made of social class which is the ordered divisions of a society. People sharing similar common social or economic features belong to the same class in a society. Social class is determined by numerous factors such as occupation, income or education. It has become a field of interest of marketers as people from the same social class are likely to display similar buying behaviour because they are more alike than people from different classes. Therefore, focusing on a given social class can give marketers an understanding on their consumer preferences so that they can

design appropriate marketing campaigns to target the right consumers. (Lancaster & Massingham 2001, Peter & Olson 2008.)

As social class does not have any precise border, a person can be considered to belong to a higher social class or a lower one depending on his or her financial capacity or welfare properties (Kotler & Armstrong 2012). Many status-conscious consumers believe that using a high-end smartphone, namely an iPhone, may enable them to belong to a higher social class, showing the sophisticated life that they have.

3.3.2 Social Factors

Social factors namely reference groups and social networks, family, and roles and status have strongly influenced the behaviour of a person. Reference group contains all the groups that have either direct or indirect impact on a person's attitude or behaviour. Reference groups, whose accumulative values are used as an individual's foundation of behaviour, can lead a person to a new lifestyle, exert a great impact on his or her attitude and self-concept; and subject him or her to conformity that may affect the purchase choice. Depending on the nature of interaction, a person may be influenced by primary reference groups which are informal and continuous, namely family, friends, co-workers; or secondary reference groups which are more formal and require less continuation such as religion or profession. (Hawkins et al. 2007; Kotler & Armstrong 2012.)

One's buying behaviour can be greatly influenced by family members such as spouses, siblings and children. The role of each member has been dramatically changing in the last few years, shifting men and women to the opposite purchasing agents. For instance, men are more and more responsible for household purchase and clothing; while women are more in charge of technological products purchase and children are significantly involved in most of the family's purchase from car to restaurant choices. In addition to spouse roles in a family, children, whose roles are usually overlooked, have played a more and more important role in making a purchase decision. Children including young children and teenagers have collectively created a noticeably big market of both

goods and services and have dramatically contributed to influence the purchase decision of their parents. Parents may be strongly motivated to purchase a smartphone when their children insist on watching cartoons or playing video games which a featured phone cannot fulfil. (Peter & Olson 2008, Kotler & Armstrong 2012.)

Social factors influencing consumer behaviour also include the roles and status. Each individual can play a number of roles in different contexts and each role exhibits a distinctive status (Kotler & Armstrong 2012). A mother can work as a teacher at school, a member at a dancing club or as a frequent buyer at a grocery store. Depending on the role, she can choose products or services that are suitable for her status. Clothing chosen for work should be formal and neat, but for the dancing it should be stretchable and casual.

One of the most important determinants regarding social factors influencing consumer behaviour is word-of-mouth (WOM). Traditionally, consumer behaviour has been greatly influenced by WOM which is a direct communication among individuals who have had experiences with a particular product or service. Since the advent of the Internet and the prominence of social media, it is more and more common that people have their conversation on the experiences of what they bought on such platforms. In the context of Vietnam society, WOM recommendation are said to be the most important driver that lead a consumer to his or her buying decision. Specifically, 89% and 75% of Vietnamese consumers (Nielsen 2015) trust and follow the WOM recommendations from people whom they know and online opinions, respectively. (Chunawalla 2008; Kotler & Armstrong 2012.)

In the world of technology, socializing with other people has never been as easy as today. Every person is entitled to free speech and tends to share his or her perceived experiences on a particular product or service. Thanks to advantageous characteristics of the Internet, electronic word-of-mouth (eWOM) has acquired the attention of market researchers and advertisers. There are a lot of drivers that motivate a consumer to share his or her perceived experience with other people. The eWOM activities may happen when a consumer is willing to do

something for others without any reward; when the experience of purchased product or service meets his or her expectation so he or she is excited to share with others; when contributing opinions and feedback which influence others in their buying decision may enable him or her to integrate with and enhance the presence in the virtual community; when he or she wants to be recognized as being an intelligent shopper by giving advice to others; or simply when the consumer longs for getting paid from the producers, sellers or platform operators for product or service related sharing on the Internet. (Sundaram, Mitra & Webster 1998.)

Despite the allure of advantages, a company's image can be badly damaged by bad WOM. When a consumer is unhappy with the purchase, he or she tends to share the experience with others in order to gain attention from the company or to seek for the advice to solve the arising problem. Usually, this feedback is more credible and powerful than that coming from advertising on the media, especially when the sharing is voluntarily made by an opinion leader who is influential to other people because of his or her special skills, knowledge or personality. Due to the uncontrollable spread of information on the Internet nowadays, it is said that consumers are more and more likely to look for opinion leaders who articulate their opinions virtually. In order to influence consumer behaviour, on one hand, many companies have put much effort on direct marketing towards the opinion leaders to identify what they perceive from a particular product and how they spread their thoughts to the community. On the other hand, they create opinion leaders who spread the word about their product by turning normal customers into story tellers as a story told by an everyday consumer is much more trusted than celebrity endorsements. (Hennig-Thurau, Gwinner, Walsh & Gremler 2004; Kotler & Armstrong 2012.)

3.3.3 Personal Factors

In addition to the cultural and social factors, personal factors are those internally driving forces that strongly influence one's purchase behaviour. Those factors are tough to control or predict even in the same culture or reference groups as they vary from person to person. Personal factors influencing one's purchase

behaviour include age and life-cycle stage, occupation, personality and self-concept.

Regarding age and life-cycle stage, this is the embedded determinant of each individual's behaviour, which most of the time he or she may not recognize. Age influences one's choice on almost everything from the very essentials such as clothing, food or entertainment. Additionally, each person must go through a number of certain stages, such as getting married or fired, when he or she chooses a product in different manners (Kotler & Armstrong 2012). For instance, the reduction on salary motivates a person to spend less, and as a result he or she may cut off the money spent on cinema and video games. Another example, a person recently promoted may move out of the current apartment and choose another one which is more costly and convenient. It can be concluded that people tend to choose a product or service that delivers a similar meaning as their age and life-cycle stage.

Similar to roles and status, occupation motivates a person to choose a product or service that is appropriate for their position (Kotler & Armstrong 2012). Each of the activities requires a certain characteristic, so choosing a suitable product is essential. For instance, a secretary may need a smartphone that supports his or her work such as checking emails or composing documents; meanwhile; a manual worker in a factory may only need a featured phone with basic functions of calling and texting. Thus, occupation can strongly influence one's purchase behaviour according to his or her work characteristics.

The last but ultimately important content of the personal factor is personality and self-concept. It can be said that each individual exhibits a personality and self-concept which may be similar with another individual, yet are never exactly the same. Personality reflects one's traits and distinct identity; thus, people have more intention to buy a product which represents loads of personality which they have or they think they have. As a result, marketers have much attempted to associate a product with certain personalities with a hope that consumers will find their self-concept or self-image encrypted in their product and will buy it. (Kotler & Keller 2006.)

There are five main traits that depict a consumer's personality, namely sincerity relating to being honest and cheerful, excitement to spirited and up-to-date, competence to intelligent and successful, sophistication to upper-class and charming and ruggedness to outdoorsy and tough (Aaker 1997). A lot of well-known brands associated themselves with those traits and likely to be greatly strong on a particular trait. For instance, Apple with "excitement", Gucci with "sophistication" or Levi's with "ruggedness" (Kotler & Keller 2006). As consumers are keen on a product or service embedded with a trait that display their personality, marketers should understand their target segment to design the product's traits that match with the traits of their consumers. It is advisable that brand awareness be built up so that consumers can associate their personality with the brand, which influences their buying decision. (Lancaster & Massingham 2001.)

3.3.4 Psychological Factors

The psyche of a person accumulates and involves several cultural and social factors; therefore, it is very difficult for marketers to acquire. However, consumer behaviour is said to be profoundly impacted by psychological factors which are motivation, perception, learning, and attitudes.

Motivation is a strong need which is pressed to the degree that has to be fulfilled. In particular, when a need is satisfied, another one becomes a motivator and kicks in. Therefore, it can be said that people always have certain needs at any given time.



Figure 7. Hierarchy of Needs by Maslow 1970 (Kremer & Hammond 2013)

Figure 7 illustrates five dimensions of the hierarchy in order of importance from the most pressing needs to the least ones. Accordingly, physiological needs are basic needs that must be met, such as hunger and thirst. Once those needs are satisfied, people attempt to fulfil the next pressing needs which are safety needs such as protection and security. After they feel safe and secure, they open up with other people and socialize with the society. When all these needs are met, people tend to think of more demanding needs that bring them to a higher level, which are esteem needs and self-actualization needs. They earn for recognizing their personal potentials, and being respected in terms of cognition and aesthetics. Regarding purchasing and using a smartphone, it can be seen that using a high-end smartphone equipped with a lot of advanced specifications, the buyers may find the needs of socializing with other people through its applications such as Facebook, Twitter or Linked; they may want to be highly-recognized for using such an expensive device; or they long for discovering themselves by utilizing various smart software which support them in working and learning. (Maslow 1970.)

Perception is the process a person collects, analyses and interprets information to make a reasonable decision. After being motivated by a given need, the person will respond to the stimuli according to his or her perception of the situation. Each individual may perceive a particular object in a different way because his or her

perceptual process is unique. This process includes selective attention, selective distortion and selective retention. Selective attention happens when people are exposed to a huge number of stimuli but they only take notice of the ones that relate to their current needs or expectation. Selective distortion is the act of interpreting only a small number of noticed stimuli which support their existing attitudes or beliefs and overlooking other ones. Selective retention indicates the act of remembering almost all the positive points of the brands they are keen on, while forgetting the competing brands. Therefore, marketers should work very hard to get their marketing activities noticed, design the implied messages to fit consumer's pre-perceptions and carry out repetition so that their messages can get through and attained in consumers' mind. (Kotler & Keller 2006.)

Most of human behaviour is learned from experiences. People may learn from their own experiences or from the observation of others. Learning is an ongoing process which enables people to update new and eliminate negative information. The experiences learned through the usage of a product or service will affect a consumer decision next time when he or she shops for a similar product. For instance, if the consumer is happy with the iPhone that he or she recently bought, the possibility is highly increased that he or she will choose a laptop made by Apple in the future, as he or she may think Apple produces good electronic products. Additionally, observing a neighbor struggling with the installation of a new television may discourage a person from buying the products of this brand. (Kotler & Amstrong 2012.)

Attitude describes a person's evaluation either negatively or positively on a particular object or behaviour (Ajzen 2005). Attitude is formulated by several sets of belief which is one's descriptive thought about something. For instance, a belief that using an iPhone helps to feel more classy in the public may lead to an attitude that using iPhone is a good idea, then he or she is more likely to have an intention of purchasing the phone. However, attitudes are firmly consistent and rather difficult to change; thus, a company that desires to enter a new market should modify its product or service to fit the existing attitudes and beliefs rather than try to alter the attitudes of its consumers. (Lancaster & Massingham 2001.)

3.4 Consumer Decision Making Process

The characteristics of consumers and promotion activities collectively shape their memory of and impression on a particular product when it comes to a need which has to be satisfied. Prior to a purchase made, a consumer goes through a complex decision making process (figure 8) which consists of five stages: problem recognition, information search, alternatives evaluation, purchase decision and post purchase decision.

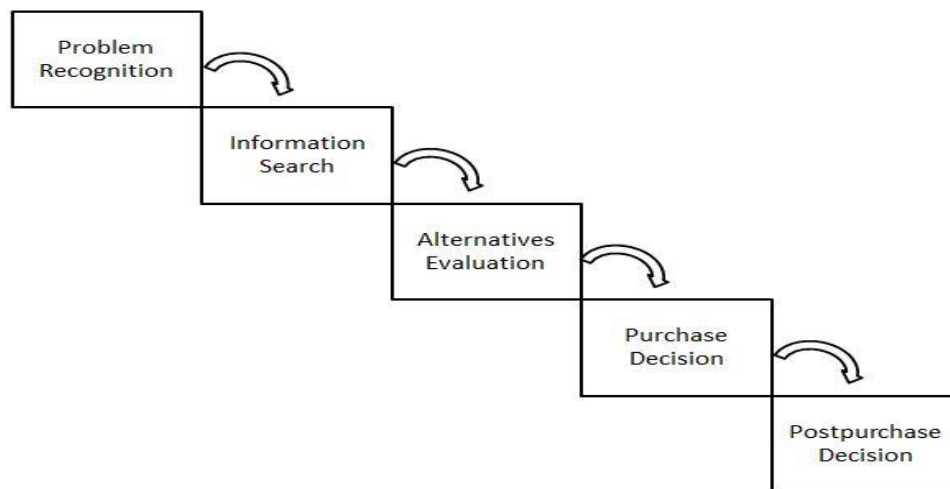


Figure 8. Consumer Decision Making Process (Kotler & Keller 2006)

A consumer does not need to experience all the stages, so he or she may skip one or a few steps in decision making. Besides that, the five stages can be reversed in their order depending on characteristics of the buyer, type of product and the situation. For instance, a consumer is in need of a toothbrush, he or she may recognize the need and come to the store to make an immediate purchase, skipping the information search and alternatives evaluation stages. (Kotler & Armstrong 2012.)

Among the five stages of the consumer decision making process, problem recognition is the first step which motivates the consumers to the next stages. A problem is said to be a need or want that a consumer desires to meet to fulfil their personal demands. The problem recognition is categorized into two entities: need recognition and opportunity recognition. In particular, need recognition happens when a person's actual state tends to decline if he or she does not make the purchase. For instance, a phone needs to be well repaired when it breaks down,

otherwise the user will experience a significant inconvenience without it. On the other hand, opportunity recognition takes place when a person's ideal state is likely to increase and his or her life quality can be improved if making the purchase. For instance, an iPhone is purchased when the consumer recognizes an opportunity to improve his or her working life by utilizing the phone's advantageous functions. (Solomon 2015.)

Subsequent to problem recognition, a person may conduct an information search to obtain available information from numerous sources. In other words, information search is a process to collect and analyse appropriate data to make a reasonable decision. (Solomon 2015.) Generally, there is a number of available information sources from which the person can retrieve: personal sources, commercial sources, public sources and experiential sources. Although consumers obtain information mostly from commercial sources controlled by the marketers, they are most influenced in their buying decision by personal sources. (Kotler & Armstrong 2012.) Consumers have more and more attempted to retrieve the information regarding the products or services they are considering. Nowadays, the feedback of users is widely available, especially in the digital world. Consumers tend to trust the reviews of other people, especially the opinion leaders as a reliable assessment. Going through an abundance of these comments will help prospective consumers have a better holistic view on the products or services they are about to purchase. Additionally, obtaining more and more information about the deal may enable the consumers to eliminate inappropriate choices from consideration. The actual handling of a product is also said to be another information source where consumers can get the information needed and make a judgement about the brand. Therefore, it is recommended that marketers make their brand stand out among their competitors by creating unique selling propositions. (Lancaster & Massingham 2001; Kotler & Armstrong 2012; Solomon 2015.)

Alternatives evaluation is the stage on which people are required to put much effort as it strongly exerts an impact on the buying decision. People are likely to consider carefully the purchase they are going to make from different perspectives. Ultimately, the consumers tend to think about the advantages and

drawbacks of different choices of brand to choose one that they think the most suitable. Consumers usually evaluate alternatives by several processes instead of a simple and single one. Depending on the nature of the desired product or the specific buying situation, alternatives evaluation varies from logical and reasonable to impulsive and intuitive evaluation (Kotler & Armstrong 2012). Consumers usually have some rules that help narrow down the choices considered, yet sometimes they do not even recognize the rules and fully understand them. It is suggested that there are mainly three rules that people use to evaluate the alternatives. First, The Lexicographic Rule is used when the buyer selects the best brand regarding the most fundamental attribute evaluation. Otherwise, the second most important attribute comparison will be conducted if two or more brands are fairly good in the first comparison. This process continues until the tie is broken. Second, the Elimination-by-Aspects Rule is similar to The Lexicographic Rule, except of some cut-offs proposed by the buyer. The buyer prioritizes some extra criteria in addition to the most important attribute to pick the most preferred brand. Finally, The Conjunctive Rule is used when the buyer imposes cut-offs for each attribute, chooses the brand that meets all the given attributes, yet eliminates the brand that fails to meet the criteria. In this case, all the brands may possibly not meet the cut-offs, the buyer may adjust the rule so that the criteria are easily satisfied. (Lancaster & Massingham 2001; Solomon 2015.)

After challenging with numerous evaluation, the consumer eventually has to choose the most preferred one, which is driven by purchase intention. There are two factors that may come between the purchase intention and purchase decision, which are attitudes of others and unexpected situational factors (Kotler & Armstrong 2012). Accordingly, the decision can be dramatically affected by reference groups including family, friends and acquaintances. For instance, if someone important to the consumer thinks he or she should buy a mid-range phone, then the possibility he or she buys an iPhone is significantly decreased. Unexpected situational factors, for example the economy suddenly turns for the worse or monthly income is cut down, can strongly influence one's decision because he or she will weigh up the choices much more according to the current situation, or even does not make any choices. (Lancaster & Massingham 2001.)

Post-purchase is the test of the whole decision making process to evaluate the relationship between his or her expectations and the products' perceived performances. The consumer may feel either satisfied or dissatisfied with the choice, as a result he or she may react accordingly after the product is brought home and integrated into daily consumption. If the consumer is happy with the choice, the company will benefit a lot from him or her. For instance, if the consumer is satisfied with the iPhone purchase, he or she may demonstrate the phone to the others, be loyal to the brand instead of the competing brands and buy an iPhone next time when making a purchase. On the other hand, when consumers are dissatisfied with the product, they experience post-purchase dissonance. Consumers rarely tell the company about their post-purchase dissonance except when it is too strong. In fact, they are more likely to talk to their reference groups. As a matter of fact, bad word-of-mouth tends to travel much faster and further than good word-of-mouth. Therefore, marketers should put much effort in avoiding the bad word-of-mouth and assist to solve the post-purchase dissonance as much as they can by establishing a system that enables and encourages the customers to give feedback to measure their satisfaction as regularly as possible. Achieving this will definitely help to enhance the quality of services or products and the producers' images. (Lancaster & Massingham 2001; Kotler & Armstrong 2012.)

In short, a consumer goes through a lot of complex stages prior to the actual buying and subsequences after that. Every purchase decision is made upon the consumer's careful consideration, and influenced by his or her characteristics and marketing communication efforts. Yet, consumers do not need to undergo all these five stages to come to the final decision; in fact, he or she may skip some steps in the process or reverse them depending on the buying situation. (Kotler & Keller 2006.)

4 RESEARCH METHODOLOGY AND IMPLEMENTATION OF STUDY

4.1 Research Methods and Implementation of Study

There are mainly two types of research methods: qualitative and quantitative. Qualitative method is to explore underlying thoughts, attitudes, and opinions of respondents by group discussion, group interviews, in-depth interviews and observations. Meanwhile, quantitative method is to qualify thoughts, attitudes, opinions and other human behaviour using structured statistical analysis. Quantitative method utilizes data which can be numerically analysed to provide statistical statements. Although the data from the quantitative method cannot cover all the human traits, it is economical and time-saving in comparison with the qualitative research. (Krishnaswami & Satyaprasad 2010.)

This thesis applies the quantitative research method to study how the determinants influence consumer behaviour and how a buyer makes his or her decision on buying an iPhone. After reviewing the related theory, the measurement scales are established. After that, the questionnaire is created based on the variables using the scales. Before distributed to the target group, the questionnaire is tested with a pilot study to modify inappropriate terms and eliminate the items easily misleading the respondents. Thus, the pilot study is essential to detect the weaknesses of the questionnaire. (Cooper & Schlinder 2011.)

According to the previous chapters, the measurement scales of the factors influencing consumer behaviour, the promotional tools and the buyer decision making process are established in the next pages (table 1, 2 and 3).

Table 1. Measurement Scale of Factors Influencing Consumer Behaviour

Dimension	Number	Questionnaire items
Cultural	1	The increase of trend
	2	The brand is strongly trusted
Social	3	Recommendation from social networks
	4	Recommendation from family
	5	Influenced by the media
	6	Social status enhancement
Personal	7	Suitable for occupation
	8	Suitable for age
	9	Show off the classy lifestyle
Psychological	10	Used iPhone before
	11	Trust in the brand quality
	12	iPhone is affordable
	13	Desire of being tech-savvy

Table 2. Measurement Scale of iPhone's Promotion Tools

Dimension	Number	Questionnaire items
Advertising	1	Channels of advertising
	2	Advertising theme
SP	3	SP activities

Table 3. Measurement Scale of Buyer Decision Making Process

Dimension	Number	Questionnaire items
Problem Recognition	1	Main reason of purchase
	2	Searching sources
Information Search	3	Searching time
	4	Evaluation on numerous aspects
Alternatives Evaluation	5	What to buy
	6	Where to buy
Consumer Decision	7	After-sale services
	8	Experience sharing

Ten random people were chosen to test the questionnaire in the pilot study. The results showed that the terminology and instructions were clear and comprehensive. However, in question number 11 where respondents were asked where they conducted information search of iPhone, some of them said that they had not done any research when buying their phones. Therefore, the author decided to adjust question number 12 which asked about amount of time spent on searching. Specifically, the respondents who did not search for the information of iPhone would not be asked to answer the question on search time.

Translated into Vietnamese, the questionnaire approached the respondents both physically and virtually. Webropol, an online survey tool, was recruited to collect responses virtually. Specifically, the questionnaire was entered into Webropol platform, then a link which helps the respondents access the survey on Webropol was created and distributed on social media, mainly Facebook. The advantage of using this platform is that the respondents can complete the questionnaire very quickly by themselves; the author can easily access the survey results, and this tool also helps to analyse the data of the results.

In addition to using Webropol, the questionnaire was printed out and personally distributed in many different locations such as shopping malls, supermarkets, universities, and ultimately in many shops selling iPhone in HCMC. At first, the author collected 30 responses personally then spread the link on Facebook. However, after three weeks only 50 responses were collected, which did not meet the goal. Therefore, the author decided to conduct a physical distribution again by asking the owners of iPhone shops to help distribute the questionnaire to their customers. After one week, 25 responses were collected. The responses collected from physical distribution were all entered into the platform of Webropol for further analysis (Appendix 2).

4.2 Sample Selection

There are two types of sampling methods which are probability and non-probability. In probability sampling method, every individual stands an equal chance of being selected for the research. On the contrary, respondents in non-probability sampling method do not have to be chosen randomly from the whole population. Considering technical advantages, probability sample will provide a precise result which can represent the whole population due to the random selection; which helps to win over the non-probability sampling. However, regarding practical advantages, probability sampling method is much more costly and time-consuming as it requires a very strictly random selection and selected persons must be contacted by any mean. Therefore, the researcher must obtain the total population list and carefully conduct the selection procedure, which is infeasible due to time, finance and human constraints. (Cooper & Schlinder 2011.)

After taking these two sampling methods into consideration, the author decided to apply the non-probability sampling method in this thesis. The technique is utilized is the purposive sampling which selects only respondents who comfort to some criteria (Cooper & Schlinder 2011). For instance, only young people who have purchased iPhone are selected for the survey. Furthermore, the respondents from different demographic groups are chosen for the survey as it is

believed that the more diverse the respondents are, the more credible the result will be.

In order to understand consumer behaviour of young Vietnamese in HCMC, the research is required to utilize a target sample to illustrate the population characteristics. The target sample contains young Vietnamese respondents who have purchased iPhone, aged from 18 to 35 years old and living in HCMC.

4.3 Questionnaire Design

Regarding the survey which is to collect primary data, a self-administered questionnaire is utilized as it is quite a popular data collection method in business research. Usually, the self-administered questionnaire is completed by respondents without the interviewer's intervention (Cooper & Schlinder 2011). Therefore, the question items must be unambiguous and comprehensive to ensure that the respondents fully obtain what they are asked.

The Likert scale, the most commonly used variation of summated rating scale, is applied to measure the factors influencing consumer purchase behaviour. This scale allows respondents to choose the degree of agreement. In this thesis, a five-point-scale ranging from one to five is applied. Specifically, the scale starts with "1" representing a fact that the respondent fully disagrees with a statement; "2" is chosen when the respondent disagrees with the statement while he or she may choose "3" when having no agreement or disagreement on the statement. On the other side, "4" and "5" represents an agreement and full agreement on the statement, respectively. In short, the higher the point is, the more the respondent agrees with the statement. (Cooper & Schlinder 2011.)

The questionnaire, which will be distributed to collect primary data, consists of two parts. In the first part, the author intended to investigate the demographic information of the respondents such as age, gender, marital status, occupation and monthly income. The second part of the questionnaire is the most fundamental part in which the author studies about the consumer behaviour of the respondents. This part utilizes the measurement scales designed in the

previous chapter to analyse the characteristics influencing consumer behaviour, to examine the promotion tools that effectively affect the iPhone buyers and to study how a consumer makes a purchase decision from the very beginning to the end.

5 DATA ANALYSIS AND MAIN FINDINGS

The research was conducted in HCMC and only young Vietnamese who are iPhone users were asked to complete the survey. There were 67 questionnaires handed out directly to the respondents and the entire number of responses were collected via Webropol link on the Internet. Thus, there were totally 117 people taking part in this survey; however, 12 responses were rejected because they were not fully completed or the respondents intentionally chose the same answers for all the questions using Likert scale.

5.1 Sample Demographics

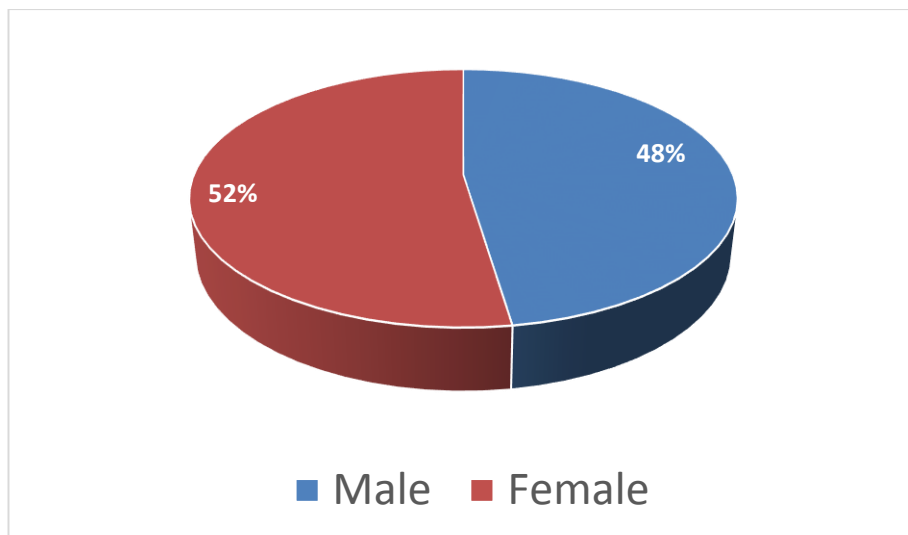


Figure 9. Proportion of Gender (N=105)

Figure 9 illustrates the proportion of gender among respondents who took part in the survey. There is quite an equitable distribution of researched gender. Among 105 respondents, there are 50 males and 55 females, accounting for 48% and 52%, respectively.

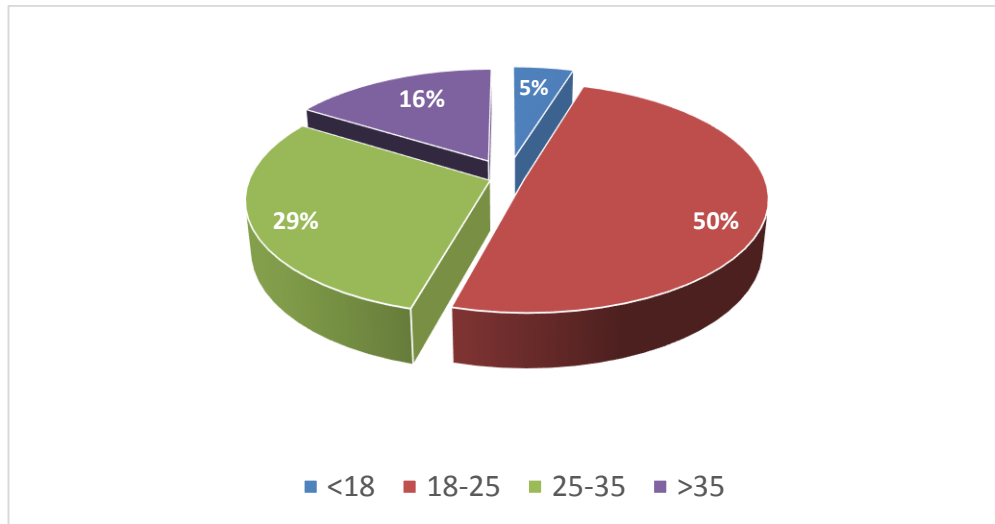


Figure 10. Proportion of Age (N=105)

Regarding the age, figure 10 shows a rather partial distribution of researched age. People aged from 18 to 25 account for half of 105 respondents (50%), followed by the age group from 25-35 (29%), while the respondents who are under 18 and those who are older than 35 years old constitute only a small proportion with 5% and 16%, respectively. Although the distribution of age groups is not impartial, the two groups making the majority of the sample can still be able to represent the young people who are also the target of the thesis.

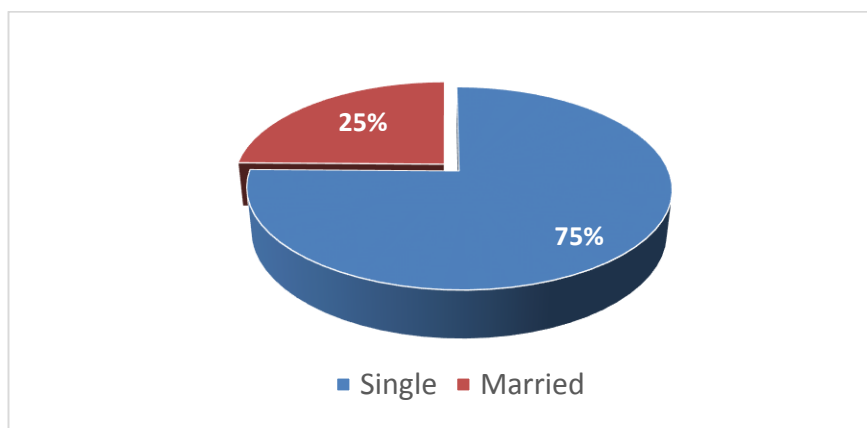


Figure 11. Proportion of Marital Status (N=105)

The dispersion of marital status can be explained in figure 11. Accordingly, the single respondents made up the majority with 79 people, equivalent to 75%. Meanwhile, there were only 26 people who have been married taking part in the survey, accounting for 25% of the overall amount of respondents. The result is

relatively reasonable because the survey only targeted young people so the probability that they have been still single is quite high.

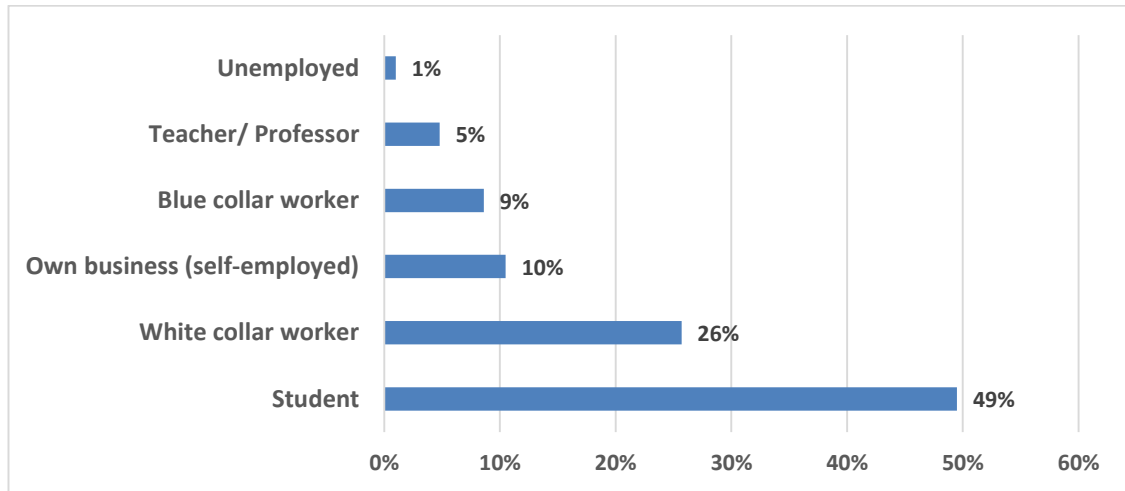


Figure 12. Occupation of Respondents (N=105)

Occupation of the respondents are illustrated in figure 12 in an ascending order of contribution. Accordingly, students made up the largest percentage of the occupation with 49%, followed by the white collar workers with 26%. The respondents who run their own business and who are blue collar workers account for 10% and 9%, respectively. Only one respondent was unemployed and there was not any respondent whose occupation is different from the answer choices.

It can be seen that students paid more attention to this topic than others did. Although students can hardly earn a large amount of money to purchase an iPhone, they still represent the majority of iPhone users in this research. Therefore, it can be concluded that despite the exorbitant price, iPhone has been still appealing to those who even cannot afford it.

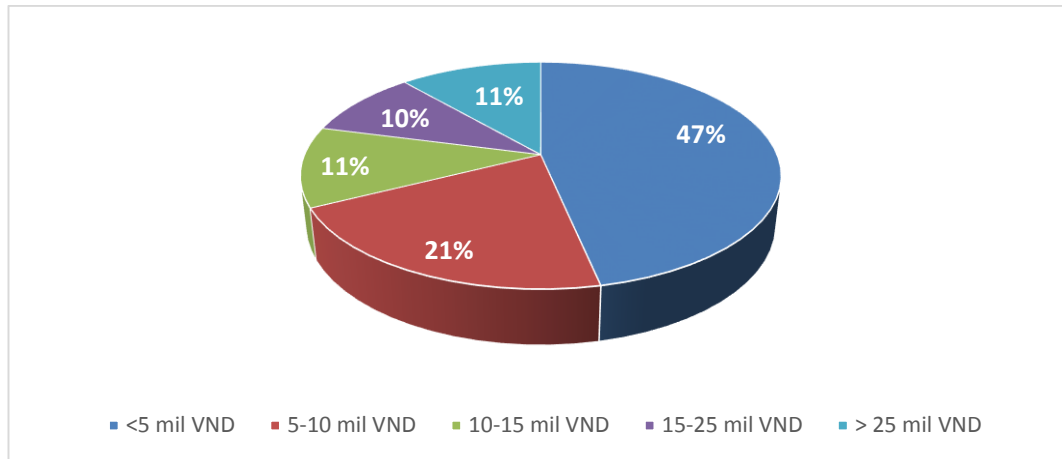


Figure 13. Proportion of Net Income (N=105)

The proportion of net income among the respondents is shown in figure 13. The income was divided into five categories as described in the chart. Among 105 respondents of the survey, 49 people could earn less than five million VND per month, accounting for 47%. This result is reasonable as students contributed to almost half of the whole sample size. Following, the percentage of people whose average monthly income is from five to ten million VND is 21%, equivalent to almost a quarter of the overall number of respondents. The fairly high income group earning monthly 15 to 25 million VND made up only 10%.

As analysed in the previous chapter, the price of a new iPhone is approximately \$660 (2014), equivalent to 14.6 million VND. This means only small number of people can afford to purchase an iPhone easily. However, the number of these middle and upper class respondents accounted for only about one-tenth (11%) of the total sample size. Thus, those respondents whose monthly salaries are far less than the price of an iPhone must have accumulated for several months before being able to bring the phone home.

5.2 Factors Influencing Consumer Behaviour

The research studies consumer behaviour by examining how cultural, social, personal, psychological factors and marketing communication have an impact on young Vietnamese who are iPhone users. This chapter consists of two parts: the first part is the analysis of the characteristics affecting consumer behaviour and

the second part illustrates how consumers are influenced by promotion when it comes to purchasing an iPhone.

5.2.1 Characteristics Influencing Consumer Behaviour

The respondents were asked to rate the degree of agreement using the five-point-scale, in which 1 represents full disagreement and 5 represents full agreement. This chapter studies how the characteristics of a consumer influence his or her buying behaviour.

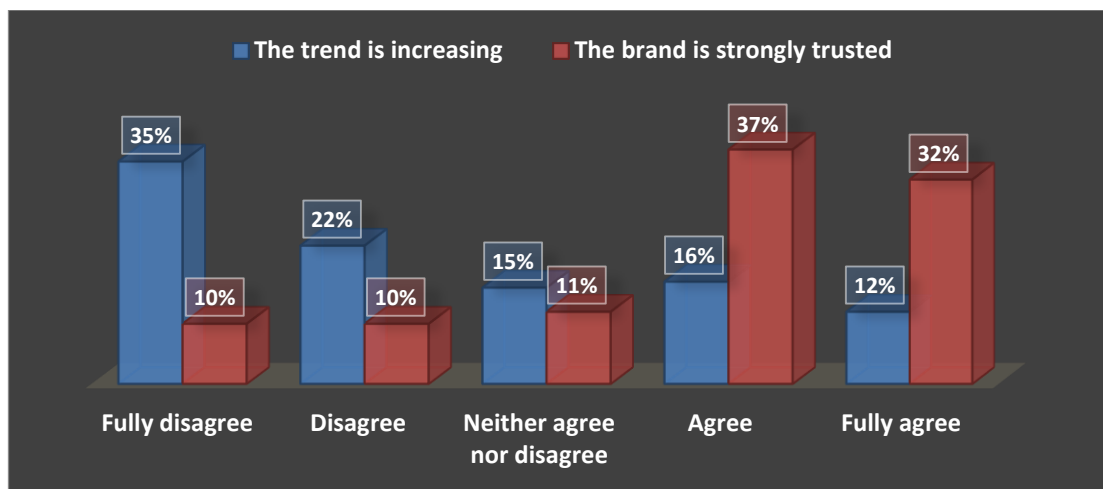


Figure 14. Cultural Factors Influencing Consumer Behaviour (N=105)

Figure 14 illustrates how cultural factors affect consumer behaviour. The result shows that 57% of the respondents altogether opposed the statement enquiring whether they bought the iPhone because of the increasing trend, while only 28% agreed that they bought the phone because they wanted to catch up with the trend. Besides, the majority (69%) bought their phones because the brand was strongly trusted in Vietnam. Therefore, it can be said that the choice of consumers can be more affected by the trustworthiness in the society than the increasing trend itself.

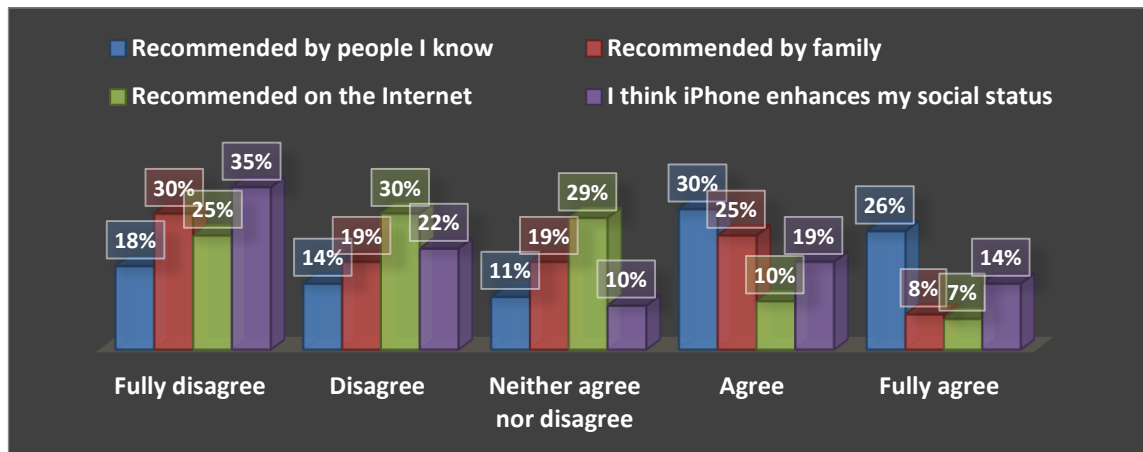


Figure 15. Social Factors Influencing Consumer Behaviour (N=105)

Figure 15 depicts the influences of social factors on consumer behaviour. The choices of consumers might be affected by the recommendation from the people they know, their family members, on the Internet and the possibility to enhance their social status.

Generally, the recommendation from the people whom the consumers know had the largest percentage (56%) of the sample size, followed by the recommendation from family (33%) and from the Internet (17%). On the other hand, there was a number of status-conscious buyers (33%) purchasing iPhone because they thought iPhone could enhance their social status in the society.

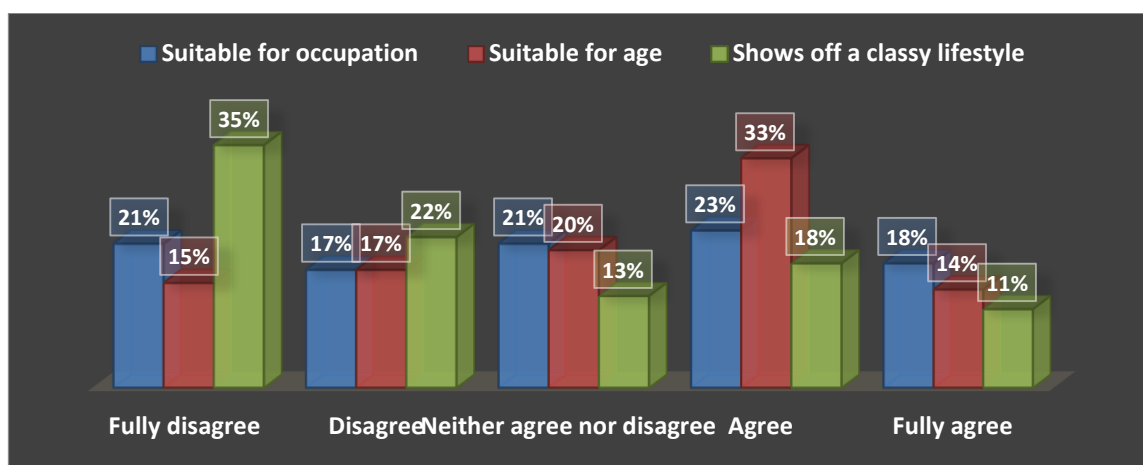


Figure 16. Personal Factors Influencing Consumer Behaviour (N=105)

Personal factors studying consumer behaviour is shown in figure 16. First, the respondents were asked if they purchased their phones because they thought

iPhone was suitable for their occupation, age and self-concept. In general, the number of people agreeing (41%) that iPhone was suitable for their occupation is fairly equal to those who disagreed (38%). This result is reasonable because the respondents have been doing different kinds of occupation, so their perspectives towards iPhone usage may vary. In addition, almost half of the respondents (47%) bought the iPhone because they thought it would be suitable for their age.

Because of the very high price of an iPhone compared with the financial capability of Vietnamese buyers, the last question was to explore if they bought the phone in order to show off a classy lifestyle. Surprisingly, the amount of people who disagreed with this statement outnumbered the amount of people who agreed, with 57% and 29%, respectively.

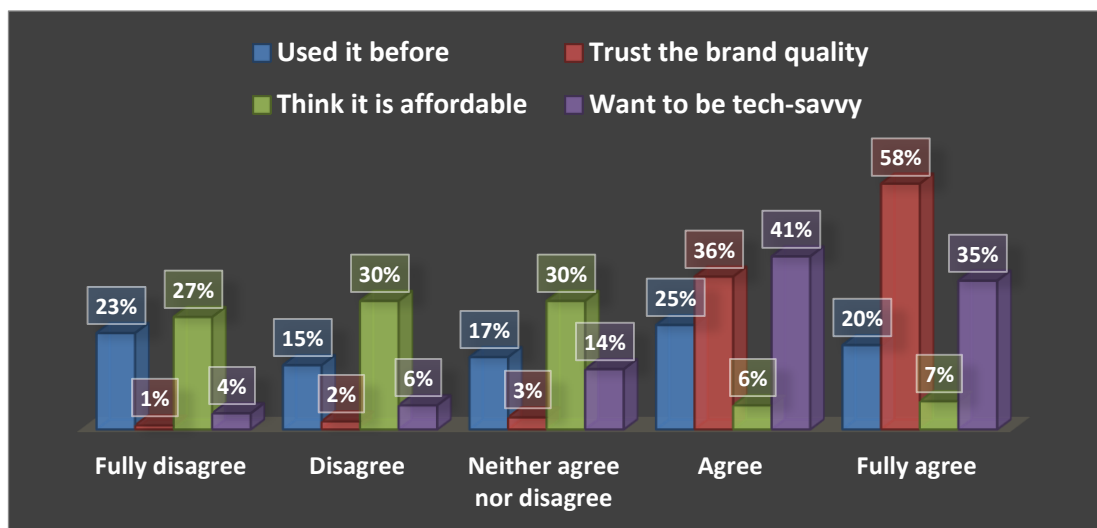


Figure 17. Psychological Factors Influencing Consumer Behaviour (N=105)

Figure 17 illustrates the evaluation of respondents on psychological factors influencing the buying behaviour. While the social and personal factors have quite an impartial distribution in the answer choices, meaning there were always two distinct perspectives at the same time, there was a fairly clear border among the answer choices regarding the psychological factors, which means there was always a dominating majority of respondents answering each statement.

Specifically, about 45% the respondents purchased iPhone because they had used it before and might have had good experience with it. However, there is also 38% of respondents purchased who iPhone for the first time, meaning that they had not had any experience using the phone. Besides that, almost everyone (94%) conducted the purchase because of their trust in the quality of iPhone, indicating that people trust the quality of the brand even before using it.

It can be clearly seen that only a trivial percentage (13%) thought that the price of an iPhone was affordable, while the majority (57%) opposed that opinion due to the gap between the selling price and the net income of Vietnamese buyers. Regarding the last question of this category, up to 76% of respondents bought their phones because they wanted to be knowledgeable about high technology as they thought iPhone could help them to catch up with the latest technological trends.

In short, all the characteristics of consumers did influence their behaviour to some extent when purchasing iPhone. Generally, the majority of respondents did not think that the prices of their iPhones were affordable; however, they purchased iPhone because the brand was strongly trusted in Vietnam and was highly recommended by the people whom they know. Besides that, they bought their iPhones neither to enhance the social status nor show off a luxurious lifestyle, but because they themselves trusted the quality of iPhone and wanted to use high technology.

5.2.2 Promotion Influencing Consumer Behaviour

As explained previously, advertising and SP also have a great impact on the behaviour of consumers, which will be analysed below.

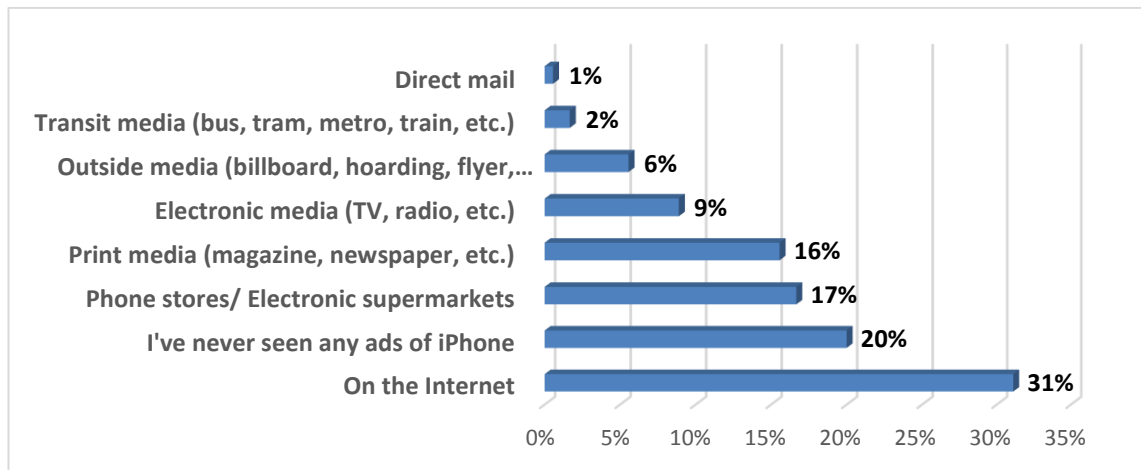


Figure 18. Channels of Advertising (N=105)

The channels from which people get to know the advertisements of iPhone are illustrated in figure 18 above. Accordingly, the majority of respondents (31%) knew of iPhone advertisements on the Internet. Besides that, they also saw the advertisements aired by the phone stores or electronic supermarkets (17%), print media (16%) and electronic media (9%). The advertisements conducted by outside media, transit media and direct mail altogether accounted for only a small portion (9%) of the overall number. Although iPhone advertisements have been shown on numerous channels, there were 36 respondents (20%) who had never seen any advertisement of iPhone, meaning that the advertising activities of iPhone were not actually effective in Vietnam.

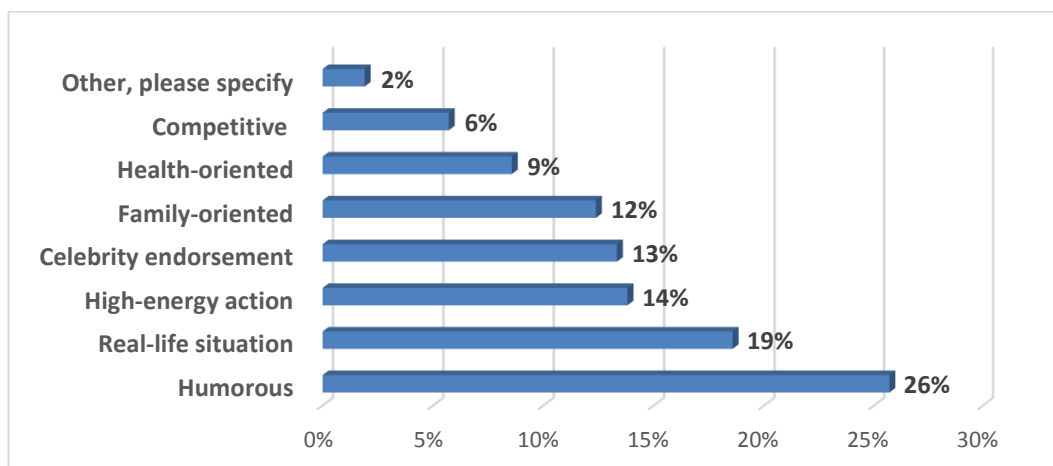


Figure 19. Preferable Advertising Themes (N=105)

The respondents were asked to choose the themes of advertisements that were appealing to them the most. According to figure 19, iPhone users were most

interested in humorous advertisements (26%). Other interesting themes chosen were real-life situation (19%), high-energy action (14%), celebrity endorsement (13%) and family-oriented (12.4%). There was a fairly small percentage of respondents choosing health-oriented (9%) and competitive (6%) themes as the appealing ones. Only one respondent preferred an inspiring theme for iPhone advertisement.

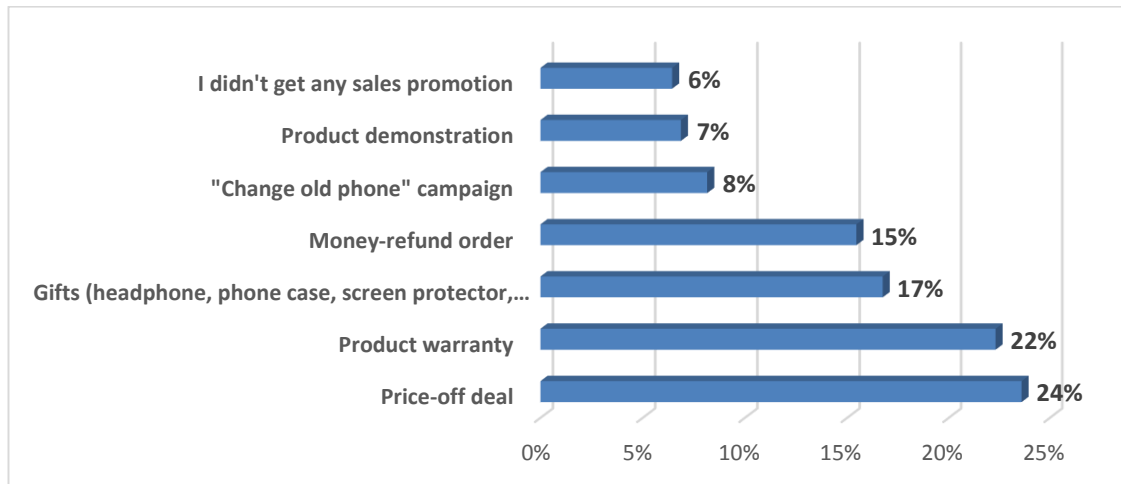


Figure 20. Sales Promotion Activities (N=105)

SP has been utilized as a very powerful tool to boost the sales. Figure 20 listed the SP activities that motivated the consumers to purchase iPhone in an ascending order of contribution. Specifically, consumers were most motivated and secure to conduct a purchase when they got a price-off deal (24%) and product warranty (22%) because of the high price when buying or having the product repaired or updated.

There were also a considerable number of respondents buying their iPhones because they could receive the gifts from the sellers (17%) or get their money back when dissatisfied with the product (15%). Besides that, only a few people were motivated by the "Change old phone" campaign and product demonstration, accounting for 8% and 7%, respectively. In addition, there were only 6% of respondents that did not get any SP from the sellers.

It can be clearly seen SP was present in almost all the iPhone purchases under a variety of forms. However, the four leading factors motivating the consumers to

buy their phones all related to financial issues such as discount, free warranty, gifts and the possibility to get a full refund

5.3 Consumer Decision Making Process

In order to take an insight into consumer behaviour, it is suggested that marketers understand the decision making process of their consumers, from which the business strategy can be adjusted in order to match with the preferences of consumers. Particularly, a consumer undergoes five or less than five stages when making a decision, which are problem recognition, information search, alternatives evaluation, purchase decision and post-purchase decision.

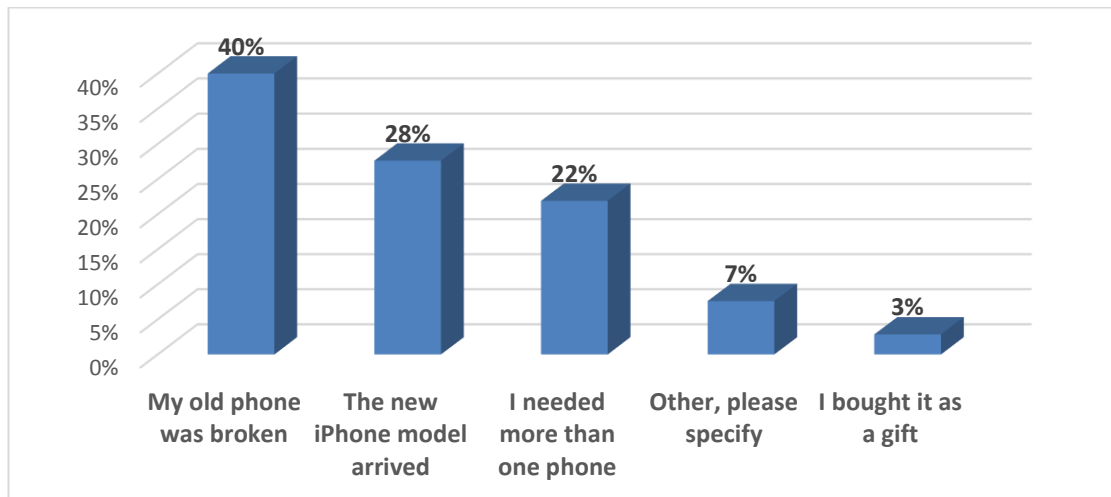


Figure 21. Main Reasons of Purchase (N=105)

Figure 21 demonstrates problem recognition, which is the first stage of the decision process. The majority of consumers (40%) decided to purchase iPhone because their old phones were out of order. Besides that, more than a quarter of the overall number of respondents (28%) might have been Apple's fans since they spent a huge amount of money just to stay up-to-date with the latest model of iPhone. The need to have more than one phone accounted for 22% and only three people (3%) bought the iPhones as a gift. Among 105 respondents, eight people (7%) purchased iPhones because of work purpose or because they simply needed a phone that looked nicer than the old one.

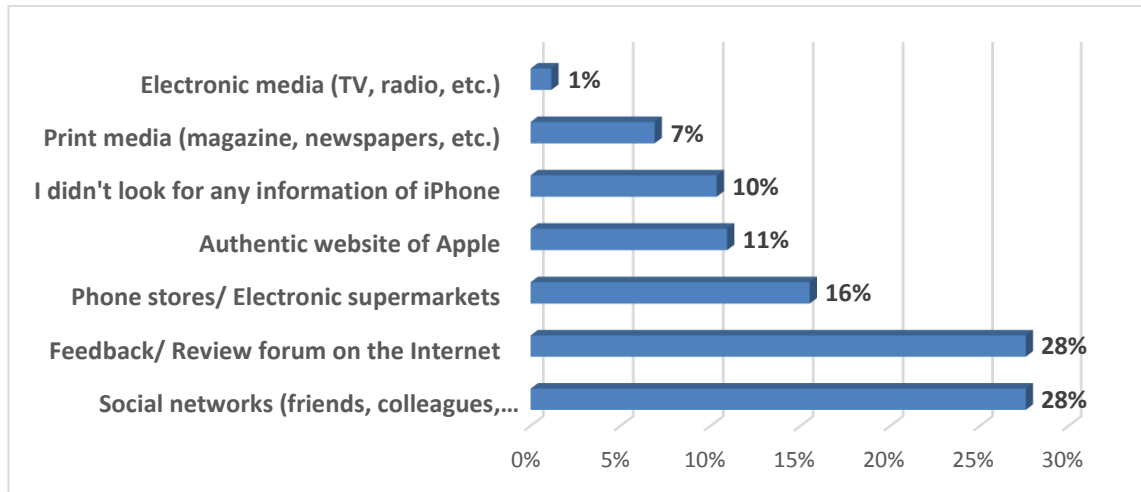


Figure 22. Information Searching (N=105)

After recognizing the problem, the consumers might look for information of iPhone from different sources. According to the demonstration (figure 22), there were an equal number of respondents who searched the information via their social networks (28%) and the review forums on the Internet (28%). Both of these sources were using WOM to spread the information. Apparently, consumers were likely to trust WOM and eWOM more than other sources from the sellers such as phones store or electronic supermarkets (16%), the authentic website of Apple (11%), print media (7%) and electronic media (1%). Despite numerous sources of information, there were 18 respondents (10%) who did not look for any information of iPhone prior to their purchases.

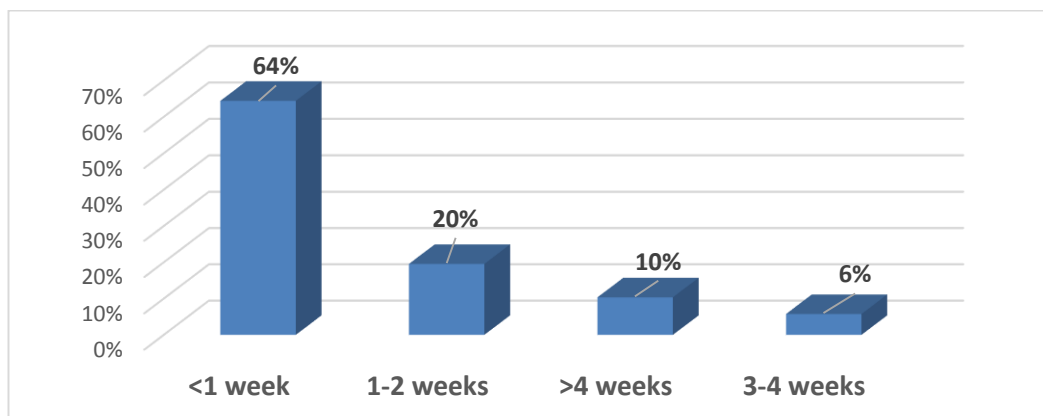


Figure 23. Time Spent for Information Searching (N=105)

Only those respondents who spent a certain amount of time looking for information of iPhone were asked to answer this question. As clearly

demonstrated in figure 23, the vast majority of respondents (64%) accomplished the information search within one week. Following that, 20% of respondents spent one to two weeks and 16% of respondents spent more than three weeks to acquire the information needed. It can be seen that generally consumers could look for the information of iPhone in a very short period of time.

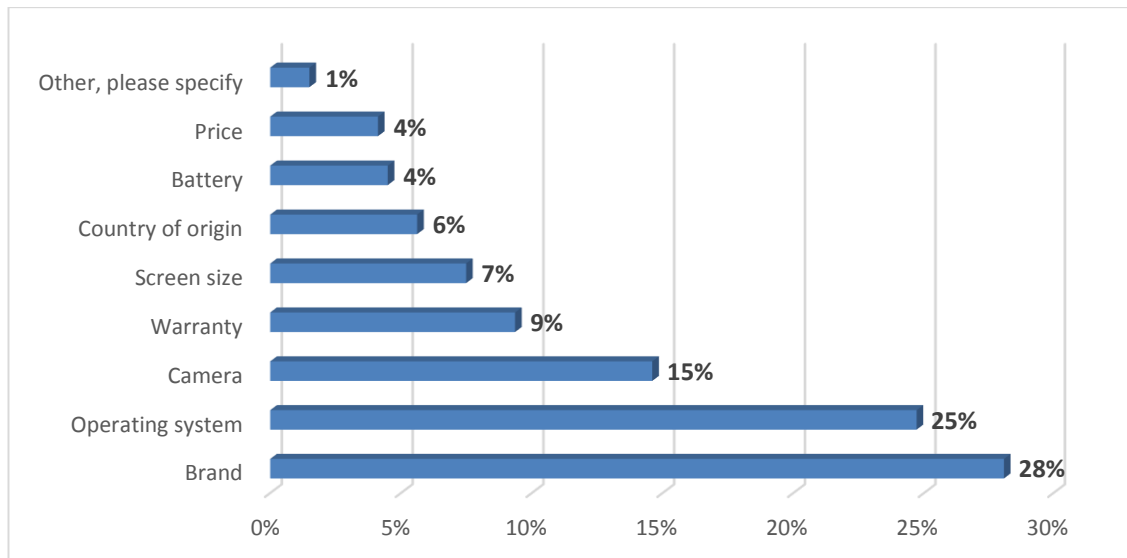


Figure 24. iPhone Features Influencing the Consumer Decision (N=105)

Figure 24 depicts the evaluation of the respondents on numerous aspects of an iPhone that motivated them to purchase the phone. Brand (28%) and operating system (25%) were the two most important reasons why consumers decided to buy iPhone. The camera (15%) obtained the third highest percentage because Vietnamese are very fond of taking pictures and iPhone is equipped with digital camera of high quality. A small portion of respondents bought their phones because of warranty (9%), screen size (7%), country of origin (6%), battery (4%), price (4%), and because the phone was easy to use (1%). Noticeably, consumers were keen on the brand to the degree that they seemed not to care much about where the phones were manufactured and the price of the product.

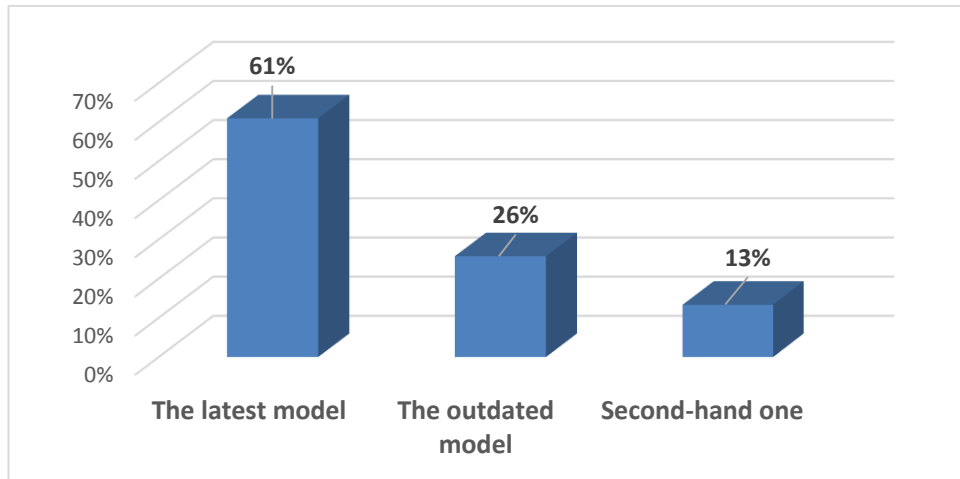


Figure 25. Categories of iPhone (N=105)

After the alternatives evaluation, consumers had to make their purchase decision. At this stage, the consumers might consider what kinds of iPhone they should buy. Figure 25 shows three kinds of iPhone that the Vietnamese respondents have been purchasing. There are a number respondents who have been attempting to obtain the latest models of iPhone although their current phones have been still in good condition. These people might have to sell their used phones to buy a brand new iPhone. Additionally, if the authorized sellers cannot get all the iPhone sold out before the new model is released, they will dramatically cut down the price of the outdated models to get rid of the merchandise inventory. According to the figure, despite the high price there were 64 respondents (61%) who decided to purchase the latest model of iPhone in the market. Nevertheless, the entire number of respondents (39%) chose the outdated model or second-hand iPhones due to financial capability.

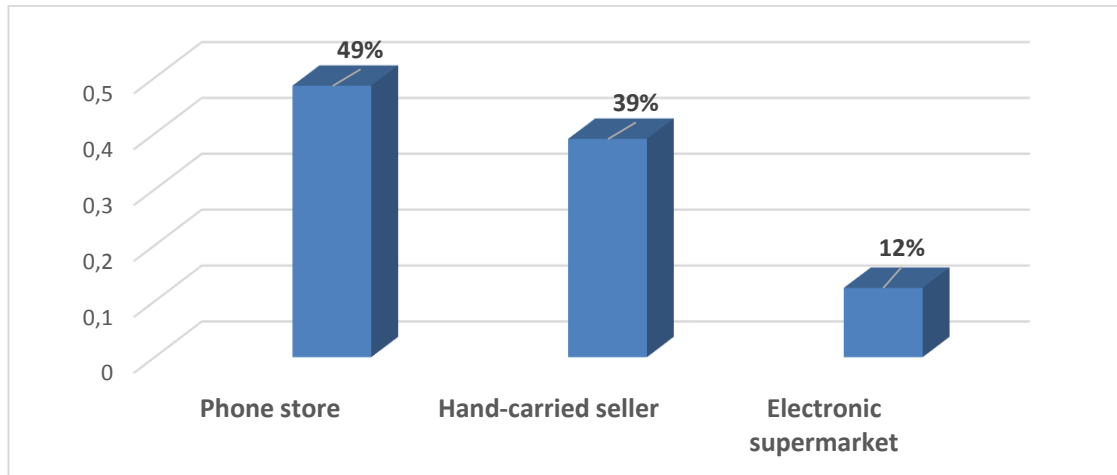


Figure 26. Sales Outlets of iPhone (N=105)

In addition to the phone type, the consumers might also consider where they could obtain the product, which is indicated in figure 26 above. As explained previously, because there has not been any genuine Apple store in the country, the Vietnamese respondents have purchased iPhone either from the authorized sellers or from the hand-carried sellers who transfer the phones to Vietnam from overseas. Approximately half of the respondents (49%) decided to purchase their iPhones from phone stores. Besides that, the number of respondents buying iPhone from hand-carried sellers (39%) obviously dominated electronic supermarkets (12%).

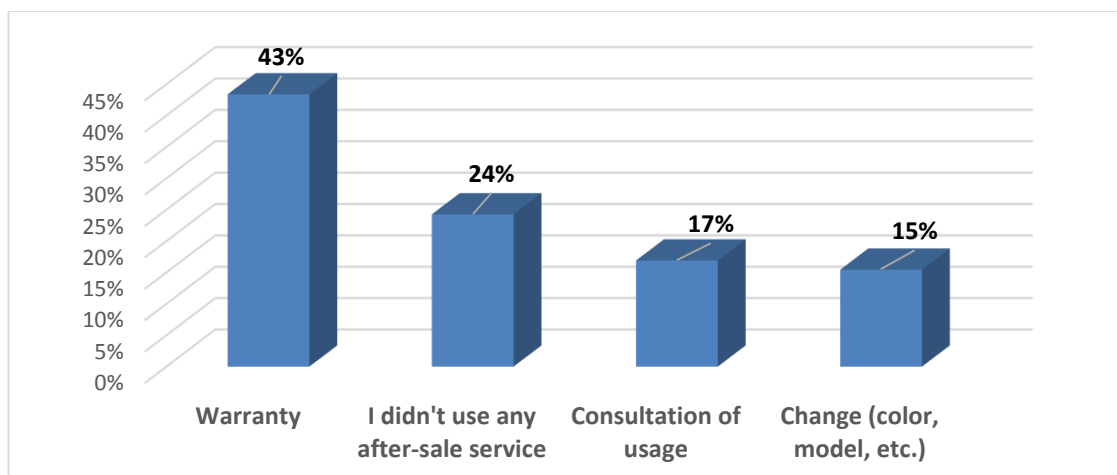


Figure 27. After-Sales Service (N=105)

After purchasing a product, a consumer might experience some after-sales services. As shown in figure 27, the vast majority of respondents used the

warranty service (43%). Besides that, 17% and 15% of respondents consulted the usage of iPhone and changed the phone, respectively. There were also 33 respondents (24%) who did not use any after-sales services from the seller. This happened because these consumers might have been fully satisfied with their phones and did not have any difficulty using the phones properly.

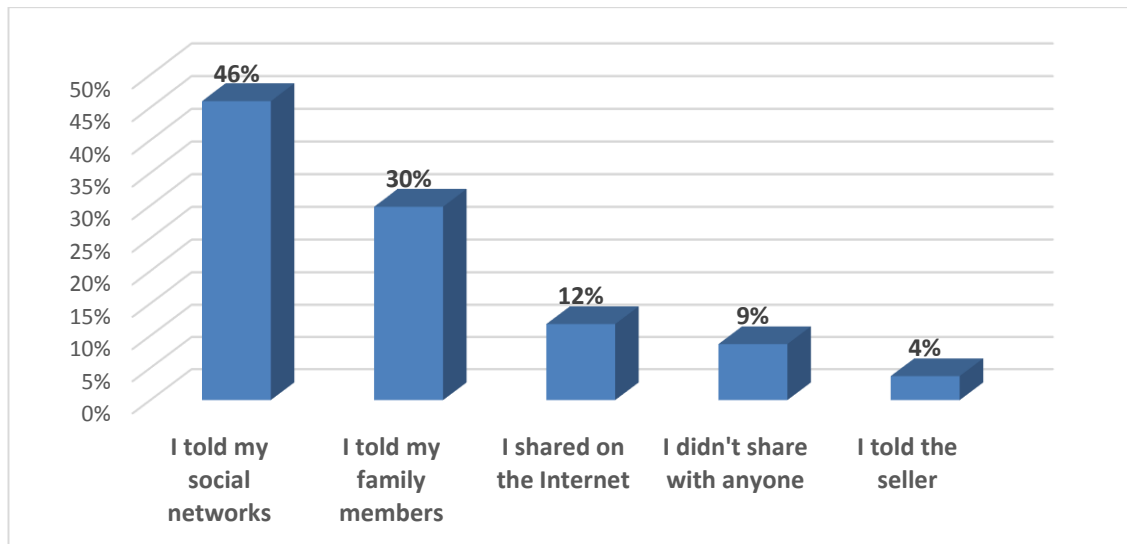


Figure 28. Sharing Experiences (N=105)

The ways consumers shared their experiences of purchasing their iPhones are depicted in figure 28. As stated previously, the recommendation from social networks was the most influential factor motivating consumers to buy their phones. Conversely, consumers were most likely to share the experiences with their social networks (46%). The percentage of respondents sharing their experiences with their family members was 30% and on the Internet was 12%. There was a small portion of respondents (9%) who did not share their experience with anyone. Because the consumers rarely decided to tell their sellers about their feeling (4%), it would be quite dangerous if the unhappy consumers spread bad WOM especially with the help of the Internet.

6 CONCLUSION

This chapter is first aimed to summarize the results of the survey to draw a holistic picture of consumer behaviour of young Vietnamese iPhone users. In addition to that, the author provides some suggestions that not only Apple but also other smartphone companies can utilize to gain much more share in the market. Particularly, consumer behaviour has always been one of the toughest subject to fully acquire as it cannot be defined by any single factor. In other words, the responses of consumers are usually affected in a complex way by their characteristics, the decision making process and marketing communication.

All the three determinants affecting consumer behaviour were studied in the survey conducted from the beginning of February to the middle of March 2016 with a contribution of 117 respondents. It can be seen from the analysis that both males and females paid attention to the smartphone related topic equally. Most of the respondents were students and white collar workers, and were mainly younger than 25 years. The vast majority of respondents were still single and could earn quite a low income.

Consumer characteristics including cultural, social, personal and psychological factors affect the purchase behaviour of a consumer to some extent. In general, young Vietnamese users were willing to spend such a large amount of money purchasing iPhone because this brand was highly recognized in Vietnam. Living in a collectivistic society, Vietnamese iPhone users of this study have always considered the recommendation from other people to make a decision. As analysed in the previous chapter, the recommendation from people whom the respondents know and from their family members were the most trusted factors motivating them to purchase the phones. Surprisingly, most of the respondents did not mean to enhance their social status or to show off a classy lifestyle when spending so much money on a smartphone.

Apple's brand has greatly been recognized and trusted in Vietnam since the very first day. That is why many people decided to purchase it without experiencing it before. Nearly half of the respondents (45%) purchase the iPhone again as they

had used it previously, meaning Apple has been quite successful in gaining customer loyalty. Despite the fact that the price of iPhone has never been affordable in Vietnam, the young users found it worth spending money to have a chance of using the high technology Apple could provide.

Vietnamese consumers studied in the survey underwent some stages of a decision making process before their final choice. Most of the respondents purchased iPhone because their old phones were out of order or they simply wanted to chase after a new model released. There are a variety of sources from which consumers can learn about iPhone; however, the feedback and reviews from social networks and from the Internet were trusted the most, meaning WOM was the most important factor when looking for information. The respondents were able to obtain the information of iPhone quickly. Additionally, as the price of iPhone is much higher than the average income of Vietnamese consumers, many of them also preferred the outdated models or second-hand iPhone. The consumers purchased their phones mostly from local stores and hand-carried sellers with a much higher price. Since iPhone has not launched any official customer service in Vietnam, there are a number of iPhone users who have not utilized any post-purchase services from the company.

Although iPhone has succeeded in gaining consumer loyalty thanks to its strong brand and good reputation for quality, there have been still some drawbacks that Apple would be able to improve in order to maintain and even expand its market share in Vietnam.

First, Vietnamese consumers have never had an opportunity to purchase an iPhone from a genuine Apple store as the company has not launched any store in Vietnam. In addition to that, the consumers have to wait for a long period of time to get their iPhones repaired because the sellers are not authorized to repair the phones; thus, they have to send the phones back to the manufacturer in other countries such as Singapore or the US. If the consumers cannot wait for that long, they will have to pay for the repair services at local phone stores which usually cannot provide consumers with genuine components or devices. Therefore, it is suggested that Apple operate iPhone stores in some major cities of Vietnam

where consumers can purchase genuine iPhones with a much cheaper price or get their iPhones warranted in a short period of time, which can also help prevent the consumers from counterfeit iPhones in the market.

Second, as said that brand was the first driving factor that influenced the decision of consumers, maintaining and enhancing the brand are definitely necessary in the Vietnam market. However, there has not been any official advertising campaign of Apple in Vietnam. In fact, all the advertisements, except on the Internet, that the consumers have been watching were generated by the authorized sellers in order to enhance their sales. In other words, the sellers have advertised iPhone in order to get more profit instead of creating brand equity. In the long run, the brand image of iPhone in Vietnam might be decided by the sellers rather than Apple itself. Therefore, it is recommended that Apple conduct their own advertising activities so that they could have a better understanding on the market and react to it if necessary. Furthermore, the desired number of responses were collected in a short time by using social media, which means that there is a prospective market on the Internet that iPhone can exploit. Therefore, in order to interact with Vietnamese consumers especially young iPhone users and enhance the company's image, Apple should take the usage of social media into account by creating social channels such as Facebook, Google+ or Twitter only for the Vietnamese market.

Third, Vietnamese consumers are likely to care more about the brand than the price of the product when making a decision; however, they are also very interested in SP which they think can help to put aside some money. The more consumers can benefit from the sellers, the more they intend to purchase the product. Thus, it is recommended that the company integrate some kind of SP into the product and sell the whole package to consumers. Apple may slightly increase the price of iPhone in Vietnam and simultaneously offer more SP such as gifts or Apple premium accounts to make the consumers feel that the iPhone purchase is good value for money. In addition, consumers have been loyal to Apple because of its strong brand and quality. Nevertheless, there are still a number of consumers considering buying an iPhone as a waste of money. In order to attract price-conscious consumers, Apple should conduct several

product demonstrations or a competition that consumers can stand a chance of winning an iPhone when participating. Those activities can introduce the competitive advantages of iPhone to the consumers, helping to reduce the price sensitivity of consumers and thus encourage them to buy the product.

7 DISCUSSION

This aim of this thesis was to explore the determinants affecting young Vietnamese consumer behaviour in Ho Chi Minh City towards iPhone in order to provide a guidelines for high-end smartphones company to successfully enter the Vietnam market. With this purpose, the author conducted quantitative methods to understand how cultural, social, personal, psychological, advertising and SP influence consumer behaviour. In addition, the decision making process was also studied to know what, when, how and why the consumers purchased their iPhones.

After formularizing the theoretical structure, a questionnaire was created and then translated into Vietnamese. The questionnaire survey was distributed by both hands-out and social media, targeting young Vietnamese iPhone users. The data collected were analysed by Microsoft Excel to help the author draw a holistic picture of the Vietnamese purchase behaviour. Scrutinizing from the main findings of the research, the author also proposed some recommendations that not only Apple but also other smartphone companies can consider to improve their images and earn a larger market share.

Although all the initial objectives were accomplished, there were still some limitations due to the time and capability constraints. The thesis could have been improved if the author had been able to conduct qualitative method beside the quantitative one to have more concrete understanding on what have been preventing Vietnamese consumers from purchasing iPhone. The interviews would have given more detailed and specific information on this issue than the closed questions in the survey.

Besides that, the research was conducted within the territory of HCMC and targeted only young Vietnamese using iPhone. Thus, the results of this research cannot represent the other areas in Vietnam and contain a bias towards the conclusion. Therefore, it is suggested that further studies conduct larger sample size or in other territories of Vietnam when studying the same topic.

REFERENCES

- Aaker, J. L. 1997. Dimensions of brand personality. JMR, Journal of Marketing Research, 34(3), 347-356. Referenced 7th January 2016.
<http://ez.lapinamk.fi:2068/docview/235235096/817543E325E84314PQ/6?accountid=27297>
- Aizen, I. 2005. Attitudes, Personality and Behaviour. Berkshire, GBR: McGraw-Hill Professional Publishing. Referenced 7th January 2016.
<http://ez.lapinamk.fi:2054/lib/ramklibrary/detail.action?docID=10161279>
- Chen, H.X. 2012. Approaches to Quantitative Research: A Guide for Dissertation Students. Cork, IRL: Oak Tree Press. Referenced 04 January 2016.
<http://ez.lapinamk.fi:2054/lib/ramklibrary/detail.action?adv.x=1&docID=10810216&f00=all&p00=quantitative+research>
- Chunawalla, S.A. 2008. Advertising, Sales and Promotion Management. Mumbai, IND: Himalaya Publishing House. Referenced 24th January 2016.
<http://ez.lapinamk.fi:2054/lib/ramklibrary/detail.action?docID=10415289&p00=chunawalla>
- Collis, J & Hussey, R. 2009. Business research: A Practical Guide for Undergraduate and Postgraduate Students. Hongkong: Palgrave Macmillan.
- Cooper, D & Schlindler, P. 2011. Business Research Methods. Singapore: McGraw Hill Education.
- Government Portal of Socialist Republic of Vietnam. 2015. Ethnic Groups in Vietnam. Referenced 22nd January 2016.
<http://chinhphu.vn/portal/page/portal/English/TheSocialistRepublicOfVietnam/AboutVietnam/AboutVietnamDetail?categoryId=10000103&articleId=10002652>
- Hair, J.P., Anderson, R.E., Tatham, R.L., & Black, W.C. 2009. Multivariate Data Analysis. Upper Saddle River, NJ: Prentice Hall.
- Hawkins, D., Mothersbaugh, L & Best, J. 2007. Consumer Behaviour: Building Marketing Strategy. New York: McGraw Hill.
- Hennig-Thurau, T., Gwinner, K., Walsh, G & Gremler, D.D. 2004. Electronic Word-of-Mouth Via Consumer-Opinion Platforms: What Motivates Consumers to Articulate Themselves on The Internet? Journal of Interactive Marketing, 18 (1), 38-52.
- International Data Corporation. Smartphone Vendor Market Shares 2015. Referenced 1st December 2015.
<http://www.idc.com/prodserv/smartphone-market-share.jsp>

- Khan, M. 2006. Consumer Behaviour and Advertising Management. Daryaganj, Delhi, IND: New Age International. Referenced 23rd January 2016.
<http://ez.lapinamk.fi:2054/lib/ramklibrary/reader.action?ppg=236&docID=10318696&tm=1453622445258>
- Kotler, P & Keller, K.L. 2006. Marketing Management. Upper Saddle River, New Jersey: Pearson Prentice Hall.
- Kotler, P & Armstrong, G. 2012. Principles of Marketing: Consumer Markets and Consumer Buyer Behaviour. Harlow: Pearson Education.
- Kremer, W & Hammond, C. 2013. Abraham Maslow and the Pyramid That Beguiled Business. Referenced 7th January 2016.
<http://www.bbc.com/news/magazine-23902918>
- Krishnaswami, O.R., and Satyaprasad, B.G. 2010. Business Research Methods. Mumbai, IND: Himalaya Publishing House. Referenced 11th January 2016.
<http://ez.lapinamk.fi:2054/lib/ramklibrary/detail.action?docID=10415560>
- Lancaster, G & Massingham, L. 2011. Marketing Management. England: McGraw Hill
- Linh, N. 2014. Apple's Sales Boom in Communist Vietnam. Referenced 4th December 2015.
<http://www.reuters.com/article/us-apple-vietnam-idUSBREA3N1DC20140424#KFFF321TWpVxmR13.97>
- Luo, Q & James, P. T. J. 2013. Influences on the buying behaviour of purchasing commercial housing in Nanning city of Guangxi province, china. Journal of Management and Marketing Research, 12, 1-11. Referenced 7th January 2016
<http://ez.lapinamk.fi:2068/abicomplete/docview/1319438002/8D18BB523B1C4880PQ/8?accountid=27297>
- Maslow, A.H. 1970. Motivation and Personality. Upper Saddle River, New Jersey: Pearson Prentice Hall.
- Mela, C. F., Gupta, S., & Lehmann, D. R. 1997. The long-term impact of promotion and advertising on consumer brand choice. Journal of Marketing Research, 34(2), 248-261. Referenced 26th January
<http://search.proquest.com/docview/235236369?accountid=27297>
- Morris, P. 2015. Apple iPhone 6s and Samsung Galaxy S6 [Full Comparison]. Referenced 31st January 2016.
<http://www.redmondpie.com/apple-iphone-6s-vs-samsung-galaxy-s6-full-comparison/>

- Nelson, P. 1974. Advertising as Information. *Journal of Political Economy*, 78, 311-329.
- Nielsen. 2015. Global Trust in Advertising. Winning Strategies for an Evolving Media Landscape. Referenced 24th January 2016.
<http://www.nielsen.com/us/en/insights/reports/2015/global-trust-in-advertising-2015.html>
- Peattie, K. & Peattie, S. 1995. SP - A missed opportunity for service marketers. *International Journal of Service Industry Management*, 6(1), 22-37. Referenced 22nd January 2016.
<http://search.proquest.com/docview/233643113?accountid=27297>
- Peter, J. P. & Olson, J. C. 2008. *Consumer Behaviour and Marketing Strategy*. Singapore: McGraw Hill.
- Rai, N. 2013. Impact of Advertising on Consumer Behaviour and Attitude with Reference to Consumer Durables. *International Journal of Management Research and Business Strategy*, 2, 74-79. Referenced 22nd January 2016.
http://scholar.google.com/scholar_url?url=http://ijmrbs.com/ijmrbsadmin/upload/IJMRBS_515da4e542f55.pdf&hl=vi&sa=X&scisig=AAGBfm2P_IdGypguZqArCBeekFuADL4Weg&nossl=1&oi=scholar
- Saigon Times. Smartphones have bigger market share. Accessed 21st January 2016.
<http://www.vietnambreakingnews.com/2015/09/smartphones-have-bigger-market-share/>
- Schiffman, L. Hansen, H & Kanuk, L. 2007. *Consumer behaviour*. London: Pearson Education.
- Shane, R. 2012. Smartphones Hardly Used for Calls. Referenced 3rd December 2015.
<http://www.telegraph.co.uk/technology/mobile-phones/9365085/Smartphones-hardly-used-for-calls.html>
- Sherlekar, S.A. & Gordon, E. 2010. *Marketing Management*. Mumbai, IND: Himalaya Publishing House. Referenced 23rd January 2016.
<http://ez.lapinamk.fi:2054/lib/ramklibrary/reader.action?docID=10415765&ppg=4>
- Solomon, M. 2015. *Consumer Behaviour: Buying, Having and Being*. New Jersey: Pearson Education.
- Statistics Portal. Number of Internet Users in Vietnam from 2014 to 2019. Referenced 22nd January 2016.
<http://www.statista.com/statistics/369732/internet-users-vietnam/>

Sundaram, D.S., Mitra, K & Webster, C.1998. Word-of-Mouth Communications: A Motivational Analysis. *Advances in Consumer Research*, 25, 527-531.

World Bank. GDP Per Capita (current US\$) 2011-2015. Referenced 1st December 2015.
<http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>

Tuoi Tre News. 2014. New Apple iPhones selling for \$1550-3300 in Vietnam. Referenced 4th December 2015.
<http://tuoitrenews.vn/business/22628/new-apple-iphones-selling-for-15503300-in-vietnam>

Turunen, E. 2015. *Academic Writing, Research & Development and Innovation Methods*. Rovaniemi: Lapland University of Applied Sciences.

APPENDICES

Appendix 1.

Questionnaire

Appendix 2.

Results of Survey in Tables

Questionnaire

Appendix 1

Have you purchased an iPhone? (If your answer is No, please STOP here and thank you so much).

1. Gender

-Male -Female

2. Age

<18 18-25 25-35 >35

3. Marital status

-Single -Married

4. Occupation

-Student

-White collar worker

-Blue collar worker

-Own business (self-employed)

-Teacher/ Professor

-Unemployed

-Other, please specify

5. Average monthly net income

- Less than 5 mil VND

-5-10 mil VND

-10-15 mil VND

-15-25 mil VND

-More than 25 mil VND

6. Please rate your degree of agreement on the statements below by choosing the number from 1 to 5 (1=fully disagree, 2=disagree, 3=neither agree nor disagree, 4=agree, 5=fully agree).

- I purchased iPhone because of the increasing trend of using this phone in Vietnam.

- I purchased iPhone because the brand is strongly trusted in Vietnam.

- I purchased iPhone because of the recommendations from people I know.

- I purchased iPhone because of the recommendations from my family.

- I purchased iPhone because of the recommendations on the Internet.

- I purchased iPhone because I think it enhances my social status.

- I purchased iPhone because I think it is suitable for my occupation.
- I purchased iPhone because I think it is suitable for my age.
- I purchased iPhone because I think it shows off a classy lifestyle.
- I purchased iPhone because I have used it before.
- I purchased iPhone because I trust the brand quality.
- I purchased iPhone because I think it is affordable.
- I purchased iPhone because I want to be tech-savvy.

7. Where did you see iPhone advertisements? (You may choose more than one option)

- Print media (magazine, newspaper, etc.)
- Electronic media (TV, radio, etc.)
- Outside media (billboard, hoarding, flyer, poster, etc.)
- Transit media (bus, tram, metro, train, etc.)
- Direct mail
- Phone stores/ Electronic supermarkets
- On the Internet
- I've never seen any ads of iPhone
- Other, please specify

8. What kind of ad themes that would interest you the most? (You may choose more than one option)

- Real-life situation
- Humorous
- Health-oriented
- Family-oriented
- Celebrity endorsement
- High-energy action
- Competitive
- Other, please specify

9. What kind of SPs motivated you to purchase your phone? (You may choose more than one option)

- Price-off deal
- "Change old phone" campaign
- Money-refund order
- Gifts (headphone, phone case, screen protector, accessories, etc.)

- Product warranty
- Product demonstration
- I didn't get any SP
- Other, please specify

10. What was the main reason of purchasing your iPhone?

- My old phone was broken
- I needed more than one phone
- The new iPhone model arrived
- I purchased it as a gift
- Other, please specify

11. Where did you look for the information of iPhone? (You may choose more than one option)

- Social networks (friends, colleagues, neighbors, etc.)
- Phone stores/ Electronics supermarkets
- Authentic website of Apple
- Feedback/ Review forums on the Internet
- Print media (magazine, newspapers, etc.)
- Electronic media (TV, radio, etc.)
- Other, please specify

12. How long did you take you to get the information?

- Less than 1 week
- 1-2 weeks
- 3-4 weeks
- More than 1 week

13. What were the most important factors influencing your iPhone purchase? (You may choose more than one option)

- Country of origin
- Operating system (iOS)
- Battery
- Screen size
- Price
- Brand
- Camera
- Warranty service

-Other, please specify

14. What kind of iPhone did you purchase?

-The latest model

-The outdated model

-A second-hand phone

15. Where did you buy the iPhone?

-Electronic supermarket

-Phone store

-Hand-carried seller

-Other, please specify

16. Which after-sales service did you use? (You may choose more than one option)

-Warranty

-Change (color, model, etc.)

-Consultation of usage

-I did not use any after-sales service

-Other, please specify

17. How did you share your experience of purchasing the phone? (You may choose more than one option)

-I told the seller

-I told my social networks (friends, colleagues, neighbors, etc.)

-I told my family members

-I shared on the Internet

-I did not share my experience with anyone

Results of Survey in Tables

Appendix 2

1. Gender

	N	Percent
Male	50	48 %
Female	55	52 %

2. Age

	N	Percent
<18	5	5 %
18-25	52	50 %
25-35	31	29 %
>35	17	16 %

3. Marital status

	N	Percent
Single	79	75 %
Married	26	25 %

4. Occupation

	N	Percent
Student	52	49 %
White collar worker	27	26 %
Own business (self-employed)	11	10 %
Blue collar worker	9	9 %
Teacher/ Professor	5	5 %
Unemployed	1	1 %
Other, please specify	0	0 %

5. Net income

	N	Percent
<5 mil VND	49	47 %
5-10 mil VND	22	21 %
10-15 mil VND	12	11 %
15-25 mil VND	10	10 %
> 25 mil VND	12	11 %

6. Please rate your degree of agreement on the statement below. (1= fully disagree; 2= disagree; 3= neither agree nor disagree; 4= agree; 5= fully agree.)

	1	2	3	4	5
I purchased iPhone because of the increasing trend of using this phone in VN	35 %	22 %	15 %	16 %	12 %
I purchased iPhone because the brand is strongly trusted in VN	10 %	10 %	11 %	37 %	32 %
I purchased iPhone because of the recommendations from people I know	18 %	14 %	11 %	30 %	26 %
I purchased iPhone because of the recommendations from my family	30 %	19 %	19 %	25 %	8 %
I purchased iPhone because of the recommendations on the Internet	25 %	30 %	29 %	10 %	7 %
I purchased iPhone because it enhances my social status	35 %	22 %	10 %	19 %	14 %
I purchased iPhone because I think it is suitable for my occupation	21 %	17 %	21 %	23 %	18 %
I purchased iPhone because I think it is suitable for my age	15 %	17 %	20 %	33 %	14 %

I purchased iPhone because I think it shows off a classy lifestyle	35 %	22 %	13 %	18 %	11 %
I purchased iPhone because I have used it before	23 %	15 %	17 %	25 %	20 %
I purchased iPhone because I trust the brand quality	1 %	2 %	3 %	36 %	58 %
I purchased iPhone because I think it is affordable	27 %	30 %	30 %	6 %	7 %
I purchased iPhone because I want to be tech-savvy	4 %	6 %	14 %	41 %	35 %

7. Where did you see iPhone advertisement? (You may choose more than one option)

	N	Percent
On the Internet	56	31 %
I've never seen any ads of iPhone	36	20 %
Phone stores/ Electronic supermarkets	30	17 %
Print media (magazine, newspaper, etc.)	28	16 %
Electronic media (TV, radio, etc.)	16	9 %
Outside media (billboard, hoarding, flyer, poster, etc.)	10	6 %
Transit media (bus, tram, metro, train, etc.)	3	2 %
Direct mail	1	1 %
Other, please specify	0	0 %

8. What kind of ad themes that would interest you the most? (You may choose more than one option)

	N	Percent
Humorous	54	26 %
Real-life situation	39	19 %
High-energy action	29	14 %
Celebrity endorsement	28	13 %
Family-oriented	26	12 %
Health-oriented	18	9 %
Competitive	12	6 %
Other, please specify	4	2 %

9. What kind of SPs motivated you to purchase your phone? (You may choose more than one option)

	N	Percent
Price-off deal	55	24 %
Product warranty	52	22 %
Gifts (headphone, phone case, screen protector, accessories, etc.)	39	17 %
Money-refund order	36	15 %
"Change old phone" campaign	19	8 %
Product demonstration	16	7 %
I didn't get any SP	15	6 %
Other, please specify	1	0 %

10. What was the main reason of purchasing your iPhone?

	N	Percent
My old phone was broken	42	40 %
The new iPhone model arrived	29	28 %
I needed more than one phone	23	22 %
Other, please specify	8	7 %
I bought it as a gift	3	3 %

11. Where did you look for the information of iPhone?

	N	Percent
Social networks (friends, colleagues, neighbours, etc.)	48	28 %
Feedback/ Review forum on the Internet	48	28 %
Phone stores/ Electronic supermarkets	27	16 %
Authentic website of Apple	19	11 %
I didn't look for any information of iPhone	18	10 %
Print media (magazine, newspapers, etc.)	12	7 %
Electronic media (TV, radio, etc.)	2	1 %
Other, please specify	0	0 %

12. How long did it take you to get the information?

	N	Percent
<1 week	56	64 %
1-2 weeks	17	20 %
>4 weeks	9	10 %
3-4 weeks	5	6 %

13. What were the most important factors influencing your iPhone purchase?

(You may choose more than one option)

	N	Percent
Brand	75	28 %
Operating system	66	25 %
Camera	39	15 %
Warranty	25	9 %
Screen size	20	7 %
Country of origin	15	6 %
Battery	12	4 %
Price	11	4 %
Other, please specify	4	1 %

14. What kind of iPhone did you purchase?

	N	Percent
The latest model	64	61 %
The outdated model	27	26 %
Second-hand one	14	13 %

15. Where did you buy the iPhone?

	N	Percent
Phone store	51	49 %
Hand-carried seller	41	39 %
Electronic supermarket	13	12 %
Other, please specify	0	0 %

16. Which after-sale service did you use?

	N	Percent
Warranty	59	43 %
I didn't use any after-sale service	33	24 %
Consultation of usage	23	17 %
Change (colour, model, etc.)	21	15 %
Other, please specify	0	0 %

17. How did you share your experience of purchasing the phone? (You may choose more than one option)

	N	Percent
I told my social networks	74	46 %
I told my family members	48	30 %
I shared on the Internet	19	12 %
I didn't share with anyone	14	9 %
I told the seller	6	4 %