

How University Students Dispose Smartphones and Why? Understanding Disposition Decisions in Developing Markets

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Abstract

Although consumer behaviour is largely described as a process of acquisition, consumption and disposition, little has been done on disposition decisions, especially in the context of service market in emerging economies. The present study serves as groundwork to determine the factors that influence consumer disposition decisions of smartphones with a focus on university students in Malaysia. Price, brand, compatibility, usefulness, social influence and product attachment are looked into in order to assess their respective effect on disposition decisions. A quantitative approach was adopted whereby self-administered questionnaire was designed and pre-tested. Questionnaire copies were distributed at universities in Malaysia, and subsequently collected. Data obtained were then analysed using PLS-SEM. The results show that compatibility, usefulness and product attachment have positive effect on decision to keep. While decision to getting rid of smartphones temporarily is affected by social influence and low product attachment, decision to getting rid of the devices permanently is affected by its value. Interestingly, price and brand are found to have no significant relationship with disposition decisions, indicating communication service, rather than the product itself, is more a driving factor to disposition decisions. Hence, understanding consumer behaviour in its entirety could prove to be pivotal to service quality and retaining consumers in developing economies.

Keywords: Disposition; consumer behaviour; service; smartphone; PLS-SEM

1. Introduction

Communication is ubiquitous to individuals of all walks of life. Therefore, one of the most widely used products today is smartphone. A smartphone is a device that provides service of digital communication by performing many of the functions which computer and telephone do. The mobile revolution is rapidly converting consumers from using ordinary mobile phones to smartphones in both developed and developing countries (Wong 2011). According to statistics provided by the Ministry of Communication (2011) and Malaysian Communication and Multimedia Commission (2014), Malaysia, with 144% mobile penetration, is outpacing Thailand, Indonesia and even the United States. Smartphone penetration in Malaysia was at 34% in 2012 and 60% at 2015. This figure is expected to rise significantly in the coming years, suggesting the magnitude of innovative communication service.

An increasing number of studies have been conducted in an effort to better explain consumer behaviour. Consumer behaviour can be broken down into three main components, which are acquisition, consumption and disposition (Raghavan 2010). Acquisition and consumption of products (including goods and services) have been considered two of the more important aspects of understanding consumer behaviour, and thus have been studied extensively (Arnould & Craig 2005). Consequently, the third aspect of consumer behaviour, which is disposition, has received far less attention. Despite its relevance to consumer behaviour, little literature can be found to date on disposition behaviour

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