ATTITUDE AND BEHAVIORAL INTENTION TOWARDS SMART PHONE ADOPTION: NEOTERIC INHERITORS AND IDEALISTIC STRUGGLERS

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Statement of Originality

The work described in this Corporate Business Project, entitled “ATTITUDE AND BEHAVIORAL INTENTION TOWARDS SMART PHONE ADOPTION: NEOTERIC INHERITORS AND IDEALISTIC STRUGGLERS” is to the best of the author’s knowledge that of the author except where due reference is made.

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ABSTRACT

ATTITUDE AND BEHAVIORAL INTENTION TOWARDS SMART PHONE ADOPTION: NEOTERIC INHERITORS AND IDEALISTIC STRUGGLERS

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The purpose of this study is to find out whether trust, perceived ease of use, perceived usefulness have influence on attitude and whether attitude and subjective norm will lead to the behavioral intention towards smartphone use among two generations group which are neoteric inheritors and idealistic strugglers by using the Theory Reasoned Action (TRA) and Technology Acceptance Model (TAM). There are 520 set of questionnaire are distribute to the respondents. Fortunately, 478 respondents were collected successfully in this study. In this 478 set of questionnaires, there are 349 respondents are younger adults who aged 21 and below whereas 129 respondents are elder adult who aged 52 to 72. Data collected use in this research is descriptive statistic, Pearson Correlation Coefficient and Linear Regressions. This study found that, all the variables are positively significant towards smart phone among neoteric inheritors and idealistic strugglers. Hence, this result also provided important implication for mobile companies to improve the sales of the smart phone.
ABSTRAK

Oleh

Thian Wan Jun

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CHAPTER ONE
INTRODUCTION

1.1 Introduction
This study attempt to found out whether trust, perceived ease of use, perceived usefulness have influence on attitude and whether attitude and subjective norm will lead to the behavioral intention towards smart phone use among two generations group which are neoteric inheritors and idealistic strugglers. This chapter discusses the research background, problem statement, research objectives, research questions, significance of study and scope of the study.

1.2 Research Background
In today’s fast-paced business environment, mobile companies are trying to improve their phone to fulfill the customer need. Hence, the number of smart phone sales had been increase rapidly in recently (Gaether, 2014). There are 5 billion mobile phones produced in the world and 1.08 billion of them are smart phone (Alexander, 2013).

The development of smart phone has been a long journey of innovation which is constantly evolving and updating as a result of consumers changing needs and preferences (Mokhlis & Yaakop, 2012). There have been many developments from the regular mobile phone onto a smart phone. This means that person using the smart phone now is totally different to the earlier mobile phone due to improve in technology. Technology changing has created a big change in the history of mobile phones. The developments of the original phone justcall function, then switch to messaging, go into
entertainment trends, and come with access to the data (Rebola, 2011). It is transforming from big and heavy brick mobile phones in 1973 with the weight 1.1 kg and measured in at 228.6 x 44.4 mm and only has 30 minute of talk time and need take around 10 hours to charge has been changing to a “Smart” phone with touch screen, more advanced and stylish phone today (Lella, 2013).

Thus, smart phone have evolved into a daily use for every level of end users which from children until older people. Therefore, smart phone has been becoming necessary instrument and part of life to every generation. According to Parment (2013) stated that generation cohorts have different values, preferences and this will affect their behavioral intention. In other words, different generation cohorts have their own attitude and behavioral intention towards certain product.

Because changing a lifestyle, older age groups are also catching up in the adoption of technology (Ofcom, 2011) and especially faster growing age group adopting smart phones is surprising around 55 to 64 years old (Tofel, 2011). Hence, smart phone could improve their quality of life and make their living more convenient (Pang, Zhang, Zu & Foo, 2014). Usefulness and social context of use is also a main reason driving the older generation adoption and appropriation of smart phone due to the smart phone as a status symbol, since they perceived that those with smart phones are younger and have higher incomes (Tofel, 2011). Thus, smartphone still crucial to elder people even they are more difficult time to finding certain applications or necessary information on their phone.
In addition, young adults are especially dependent on smartphones today. Younger adults usually have positive attitudes towards their smartphones because it has time-saving capabilities (Smith, 2012). There are 44% of younger respondents who say that their phone saves them time because they can access the information they need at all times, which means that smartphones enable them to complete tasks quickly. Hence, younger adults are more inclined to use smartphones rather than regular cell phones because smartphones make their lives more interesting (Smith, 2012).

Therefore, the respondents in this study are divided into two groups of cohorts which are neoteric inheritors and idealistic strugglers. As a result, this study examines the attitude and behavioral intention towards smartphone use among neoteric inheritors and idealistic strugglers.

1.3 Problem Statement

Despite the facts about the smartphone penetration in Malaysia, surveys that have been conducted are still less and far between the decent understandings for the consumer’s behavioral intention towards smartphone use in Malaysia (Osman, Talib, Sanusi, Yen & Alwi, 2012). Besides, most of the previous research only carried out smartphone attributes that influence younger consumers in their choice of smartphone (Jongepier, 2011; Jainarain, 2012; Preuschat, 2011; Smith, 2012). Then the studies focused on attitude and behavioral intention of elder groups are rare.
Thus, based on the previous studies in Malaysia only concentrated on the usage of the specific mobile application, and most of the studies have paid much attention to the smart phone’s technological characteristics such as research on Customer Process Centric smart phone Application (Dohmen, 2009). Some studies have focused on examining the components that increase acceptance of smart phone (Chen, 2009; Kamran & Kim, 2009). Moreover, previous studies are mostly centering on the usage of the specific mobile applications and therefore the whole picture of smart phone in different generation of Malaysia is unclear.

There are many research provided evidence shows that every level of age groups have different decisions making and thinking differently when adoption a new technology (Morris, Venkatesh & Ackerman, 2005; Venkatesh, Morris, 2000). Technology has been shown to be beneficial to older people. Although older people have positive attitude towards technology, the usage rates of technologies like smart phone is low. This is because older adults might experience frustrations when interacting with mobile device. They might find it harder to learning and using the technology. According to Chen, Chan and Tsang (2013) noted that older adults showed a lower performance when handling the interface of a mobile phone. Also, the older adults spent more time on task, and take more unnecessary steps when using a smart phone (Mallenius, Rossi & Tuunainen, 2007; Kurniawan, 2008).

On the other hand, many mobile industries only target younger groups because this group of cohort always change their mobile phones frequently and desire large screen
with advanced function (Ehmen, Haesner, Steinke, Dorn & Govercin, 2012). Younger adults more quickly switch phone from basic cell phone to the smart phone because smart phone can make their life easier and perform the task on times.

Thus, this study is examine whether perceived ease of use, perceived usefulness, trust that affect the attitude and whether attitude and subjective norm will lead to behavioral intention among neoteric inheritors and idealistic strugglers towards smart phone use by using Theory of Reasoned Action (TRA) and Technology Acceptance Model (TAM).

1.4 Research Objectives

There are two sub-sections in this part, namely general objective and specific objectives.

1.4.1 General Objective

General objective of this study is:

1. To investigates attitude and behavioral intention towards smart phone use among neoteric inheritors and idealistic strugglers.

1.4.2 Specific Objective

- To identify the relationship between perceived usefulness and attitude towards smart phone use among neoteric inheritors and idealistic strugglers.
- To identify the relationship between perceived ease of use and attitude towards smart phone use among neoteric inheritors and idealistic strugglers.
• To identify the relationship between trust and attitude towards smart phone use among neoteric inheritors and idealistic strugglers.
• To identify the relationship between subjective norm and behavioral intention towards smart phone use among neoteric inheritors and idealistic strugglers.
• To identify the relationship between attitude and behavioral intention towards smart phone use among neoteric inheritors and idealistic strugglers.

1.5 Rational of Research

The purpose of this study is to provide the crucial information for the smart phone firms to understand better on what affect attitude and behavioral intention among neoteric inheritors and idealistic struggles. Besides, the firm might have a good strategic planning with the precise information to the neoteric inheritors and idealistic strugglers. Hence, they need to understand the factors that may impact consumer’s attitude and behavioral intention towards smart phone. Future researchers or mobile companies in Sarawak can refer to this study to understand more on neoteric inheritors and idealistic strugglers’ behavioral intention towards the smart phone in Kuching. It can help to boost the sales of smart phone in Kuching. These measurements can be used to provide information for firms in development planning and decision making process. This will contribute to the economic that benefiting the society, especially the local people and communities in Kuching.
1.6 Scope of Study

In this study, Kuching is taken as this research scope. This research is to determine attitude and behavioral intention towards smart phone use among neoteric inheritors and idealistic strugglers in Kuching. Questionnaire survey will be collected from two generational groups who have a smart phone currently. The respondent divided into two groups which are neoteric inheritors (below 21 years old) and idealistic strugglers (52 to 70 years old).

1.7 Summary

In this study included five chapters will be developed. Five chapter included introduction, literature review, methodology, findings, discussion and conclusion.

In the chapter one represent overview of the study. It is included topic of study, and research background at the beginning in the chapter. After that, problem statement will be explained and lead to research objectives. Besides, rational of research and scope of study in this research are clearly explained at the end in the chapter one.

In the chapter two of literature review included the definition of model and hypothesis development is discussed in this chapter.

In the chapter three, methodology, research design, data collection, measurement instrument, and statistical analyses are explained in this study.
Furthermore, the result of findings that has been collected from the respondent are explained in the chapter four.

Last and foremost, chapter five of discussion and conclusion will presenting the overall findings and also shows the implications and the limitations of the overall research. At the end of this chapter, researcher will give some suggestion and guideline for the future research.
CHAPTER 2
LITERATURE REVIEW

2.1 Introduction

This chapter provides the historical background and insight into smartphone adoption by using the Theory of Reasoned Action (TRA) and Technology Acceptance Model (TAM). This chapter will provide a review of previous studies about technology adoption and also discuss other models derived from the initial TRA. Lastly, the items and statements will be constructing from this literatures.

2.2 Malaysian Generation Cohort

A generation is defined as a group of people with sharing a set of experiences, attitude and behavior through their entire life (Ting & De Run, 2013). Gursoy, Maier and Chi (2008) stated that individuals in the same generation tend to think and act differently from those born in different time spans. A generation tends to be about 20 years in length, representing roughly the time from the birth of a cohort or group of people on the time they come of age and start having their own children (Codrington, 2011).

Generation theory was first popularized in the United States which divided into Baby Boomers, Generation X, Generation Y, Generation Z are now widely used in many studies. Whereas, different countries have different generations. In Malaysia context, Ting and De Run (2012) define five cohorts generational in Malaysia which are neoteric inheritors, prospective pursuers, social strivers, idealistic strugglers, and battling lifers.
Every generation cohort is not same nor they are treated differently by the marketer because of each generation has their unique expectations, experiences, history, lifestyle, values that directly affect their purchase behaviors (Williams & Page, 2013). Hence, understand the consumer buying behavior very crucial to marketers according to their generation, and this also call as a multi-generational marketing (Williams & Page, 2013). Multi-generational marketing is defined that each of the generational group has their own specific needs and behaviors (Williams & Page, 2013). Consequently, marketers need to understand each generation characteristics and it enables marketers building good relationship between different age group to gaining trust and closing deals (Noble & Schewe, 2003). Therefore, marketers needs to analysis different strategies to different age group of people.

Besides, each of the generation has their unique need and with a similar traits (Williams & Page, 2013). Hence, knowing characteristic of each generation is important because it is able to influence their purchase intention (Himmel, 2008). As a result, researcher would like to take into two groups of cohort which are neoteric inheritors and idealistic strugglers in this study to examine their attitude and behavioral intention towards smart phone use.
2.3 Theory of Reasoned Action

Fishbein and Ajzen developed Theory of Reasoned Action (TRA) in 1975, and this model is to predicting behavioural intentions of consumers. Basically, TRA is determined one’s attitudes and behaviour relationships. According to Magee (2002) stated that TRA has been common used in academic and business field today. TRA model provides that the intended and actual behaviour of people is based on four variables which are beliefs, attitudes, intentions and behaviours (Fishbein & Ajzen, 1975).

There are two essence compose of intention in TRA: (1) attitude toward behaviour and (2) subjective norm towards behaviour. The attitude toward the behaviour means that the previous attitude of an individual influences their performance behaviour. In other words, people will think carefully before making any decision. The TRA theory is examined person’s intention whether they are perform a given behaviour or not as the immediate determinant of action. Besides, attitude of individual is determined by the beliefs and evaluation of behavioural outcomes. Thus, this means that strongly believes of individual will directly lead to positive outcomes and as a result will performing that a particular behaviour. Hence, it will have positive attitudes towards that particular behaviour. On the other hand, if an individual strongly believes that a particular behaviour will lead a negative outcome, then this will result negative attitudes towards that particular behaviour.
Subjective norm is the social pressure that their opinion influences on the person decision making and behaviour. According to Leach, Hennessy and Fishbein (1994) stated that subjective norms refer to what other people think will influence individual perception in question. Subjective norms included what other person will think his or her decision, agree or disagree of the decision to perform a particular behaviour and how these person influence and important to his or her to do the decision making. Hence, it is important to people consult other person’s opinion before making any decisions.

Theory of Reasoned Action was not developed with a particular aim on technology acceptance research (Davis, Bagozzi & Warshaw, 1989). Interesting, it has been use widely and applied in such research (Davis et al., 1989) and it is provided useful predictions of people’s intentions and usage with regard to information system (Igbaria, 1993).

According to TRA studies, people are rational enough to their attitudes and subjective norm that influence their behaviour intention, which will induces a high correlation to actual behaviour. Besides, TRA also has been suitable to analyse and predict technology acceptance for using information system (Fishbein & Ajzen, 1975).

Fishbein and Ajzen (1975) acknowledged that the TRA has some limitations. According to them, there are some limitation constrain that might influence the relationship between intention and behaviour. First limitation is the degree to which the measures if intention and behaviour correspond with respect to their levels of specificity of action,
target, context and time frame. Second limitation is the stability of intention between
time of measurement and performance of the behaviour, and the last limitation is the
degree to which carrying out the intention is under one’s volitional control.

2.4 Technology Acceptance Model

TAM is considered to be a well-established and powerful tool for predicting consumer
behaviour (Davis, 1989). It operates with solid measurement and empirical analysis
(Pavlou, 2003). This model is predicated on the assumption that factors influencing a
customer’s decision with regard to acceptance or refusal to accept a technical innovation
can be determined and quantified (Davis, 1989). The TAM was developed from the
original model of TRA (Davis, 1989). Davis stated that belief, attitude, intention
behaviour in TAM can estimate and describe the person’s acceptance of a technology.
Consequences, the behavioural intention of individual is caused by attitude. There are
two core construct in TAM which are perceived usefulness and perceived ease of use.
Perceived usefulness can be defined as “the degree to which a person believes that using
a particular system would enhance his or her job performance”. (Davis, 1989, p. 320).
Whereas, perceived ease of use was described as individual believes that using the
system will be free of mental effort (Davis, 1989). In summary, this theory includes
four factors to predict system usages which are perceived usefulness, perceived ease of
use, attitude, and behavioural intention (Davis, 1989). Behavioural intention is defined
as “a measure of the strength of one’s intention to perform a specified behaviour”
(Fishbein & Ajzen, 1975, p. 288). Behavioural intention is involving a person’s attitude
toward using the system and its perceived usefulness.