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SMART PHONE BUSINESS IN  
VIETNAM:  
THE ROLES OF BRANDS AND  
CULTURES IN CONSUMER  
DECISIONS

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## DESCRIPTION

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<b>Name of the bachelor's thesis</b> Smart Phone Business in Vietnam: The Role of Brands and Culture in Consumer Decisions		
<b>Abstract</b>  <p>The main objectives of this study were to discover the purchasing incentives of the Vietnamese smart phone consumers, as well as their major concerns during the decision-making process. Brands and culture are the main aspects that were taken into consideration in order to highlight the differences behaviour between the Vietnamese consumers and those from other countries, especially the more developed countries. Therefore, Finland was used in the research as a reference group from developed countries. Moreover, a profile of Vietnamese smart phone buyers and the performance of some smart phone brands in Vietnamese market were also developed.</p> <p>By revising previous studies, the paper developed a theoretical framework of the smart phone consumer behavior. In the model, buying motivation was expected to come from utilitarian and/or social, discretionary needs, whereas marketing strategies, reference groups, word-of-mouth, country-of-origin, brand knowledge and social values were proposed to be the driving factors. The framework was later tested in an empirical approach, which involved the interviews of two anonymous customers from both Vietnam and Finland; and the surveys were answered by 35 and 45 people from Vietnam and Finland respectively. Several analyzing methods, such as crosstab and correlations tests were executed to examine the data collected. Lastly, the results and limitations of the study were discussed while suggestions for further research and implications for managers were also mentioned.</p> <p>It was found that the motivation and characteristics in the decision making process for the product differed between Vietnam and Finland greatly even though the final purchase decision of the product was somewhat similar. Vietnamese consumers tend to see smart phones as a tool for better quality of life both practically and socially, with the buying intention mainly coming from the need to support work and daily life. Also, Vietnamese customers along with Finnish customers concentrate on attributes of a smart phone such as capacity, design, function, along with brand, and price are observed to have the most impact on the final decision. Finally, the United States of American and South Korean smart phones are highly valued by both Vietnamese and Finnish people.</p>		
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# **1 INTRODUCTION**

## **1.1 Background**

The operation of the first mobile network was introduced in Vietnam, approximately 17 years ago. It was the beginning of tremendous developments in mobile products in this market. Currently, Vietnam is the 8<sup>th</sup> largest market in the world with 127.318 million mobile phones (CIA 2011); or 16 percent market penetration according to Ericsson Consumer Lab. (Hanoi Times 2012). Given the current population with approximately 91.5 million people and the development of technology, the market is predicted to grow remarkably. However, the Vietnamese economy has been impacted by the global financial crisis which affected to the country's GDP to decrease 7% comparing to the remaining average level of its economy for years (CIA 2011). Surprisingly, the Governor of the State Bank of Vietnam showed the evidence on the generous spending attitude of his country's consumers as very high spending was recorded in the Lunar New Year 2011(VNECONOMY 2011). Being aware of the raising purchasing power and acknowledging the hunger for entertainment, many manufacturers have paid a lot of attention to attract new markets while some of them concentrate on developing their recent customer's experiences with improved products and services.

As mentioned, Vietnam used one of the poorest countries in which the presence of high-tech products is the most difficult to be found. It is interesting and incomprehensible at the same time to analyze how the Vietnamese mobile, especially smart phone market has been promptly developing over the last few years. From the management point of view, the key for success in doing business is to understand your customer. Consequently, the overall psychology and behavior of smart phone consumers are to be discussed thoroughly in this paper.

## **1.2 Thesis objectives and research questions**

Consumer behavior is analyzed out in many studies by numerous researchers and practitioners. Their studies are either about products or services in general or a specific product or service category since the determinants of the consumer behavior vary among product

or service and depend on certain environmental factors of industries. In Vietnam, product specific consumer behavior studies especially high-tech products like the smart phone sector has received little attention from experts and scholars. Moreover, there is no prior study about effects of brand and culture with its components on Vietnamese consumers. Consequently, this thesis aims at conducting an empirical study of the role of brand and culture towards Vietnamese consumers with following objectives:

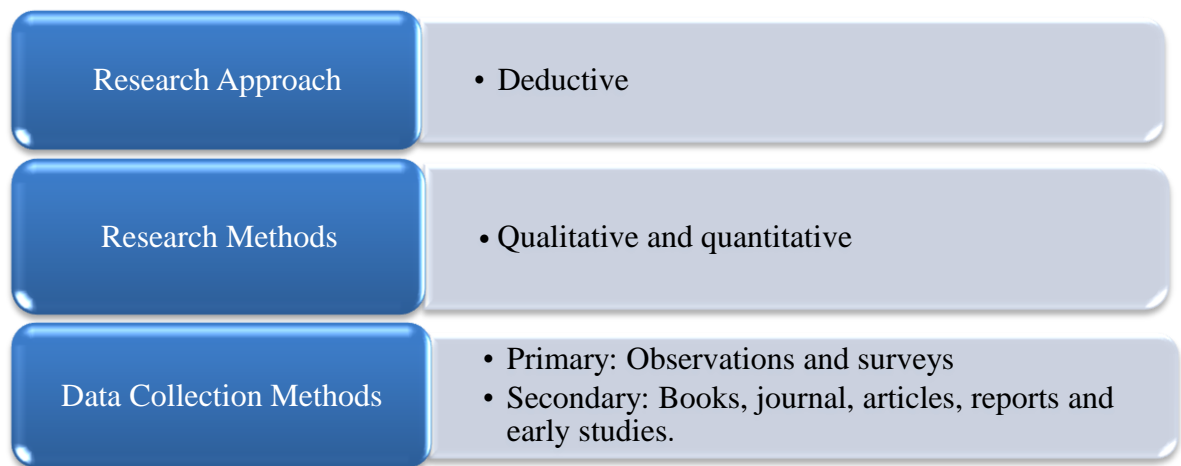
1. Determine the attitude towards owning and using a smart phone in Vietnam
2. Illustrate the key factors upon which Vietnamese prospects base their choice during the decision-making process of purchasing a smart phone
3. Determine a profile of Vietnamese prospect who own a smart phone and the one who is going to purchase a smart phone
4. Determine some of brands of smart phone that are popular in Vietnamese market, and why they are successful

In order to achieve these objectives, the study aims to answer the following research questions:

1. What makes people in a developing country like Vietnam willing to spend a large proportion of their income to buy a smart phone?
2. What are the factors that Vietnamese people take into account when they want to choose a brand for their smart phone?
3. Who are those people who own smart phones or intend to buy a smart phone in the near future? What is their income, household status, occupation, age, etc.?
4. Which specific smart phones brands are popular in the Vietnamese market? What are their advantages and disadvantages in comparison with their competitors?

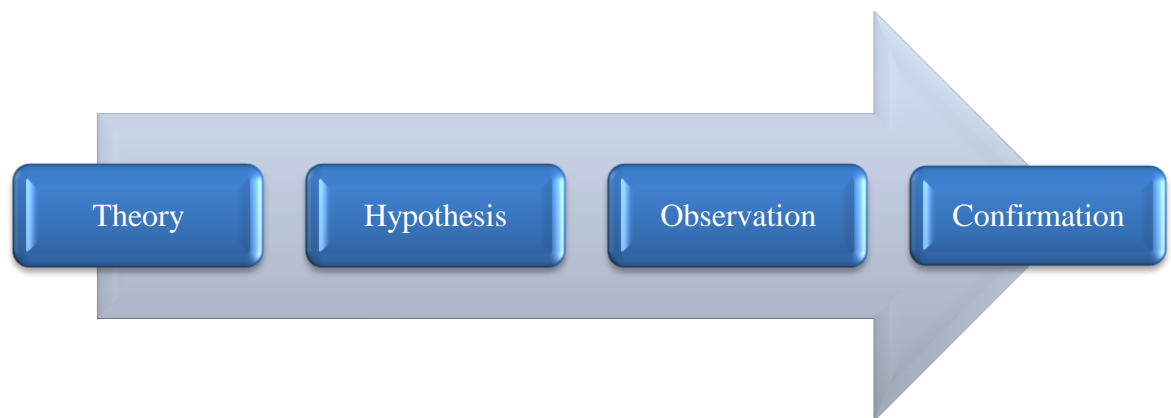
## **1.2 Research methodology**

An overview of this study's methodology is presented in the Figure 1:



**FIGURE 1: Research Methodology**

The paper is conducted by deductive analysis of facts instead on the inductive method. According to Albert, Gabrielle and Eiden (2009, 814), in a deductive approach, the researchers build the hypothesis from the existing theories and then explore the empirical part. In contrast, concerning inductive research, researchers develop a set of preconceptions and using theories to emerge from the collected data. Consequently, due to the nature of the research, this thesis will employ the deductive research approach which is clearly indicated in Figure 2:



**FIGURE 2: Deductive Approach Model**

Next, moving on the research method, qualitative research represents the support information and data to interpret personal experiences or reaction, interviews, and observational phenomena. On the other side, quantitative research tends to conclude the overall

hypotheses by basing on numerical measurements and statistical methods (Thomas 2003, 1-2). The study is going to applied both interviews and surveys in order to provide probably general views about Vietnamese smart phone consumers. However, the quantitative research method will take the priority basing on the research's purpose of this study, and qualitative will simultaneously support for that method.

Last but not least important, there are different types of reference will be collected to provide adequate information and a comprehensive understanding about the topic of this paper. The primary and secondary sources are different between the theoretical framework and empirical part. The primary references for the theoretically framework is author's observation and will be interviews and surveys for empirical study. Additionally, the secondary sources for the theoretically framework are books, journals, articles, and previous conducted researches, whereas company's reports and earlier researches will take the role as secondary references.

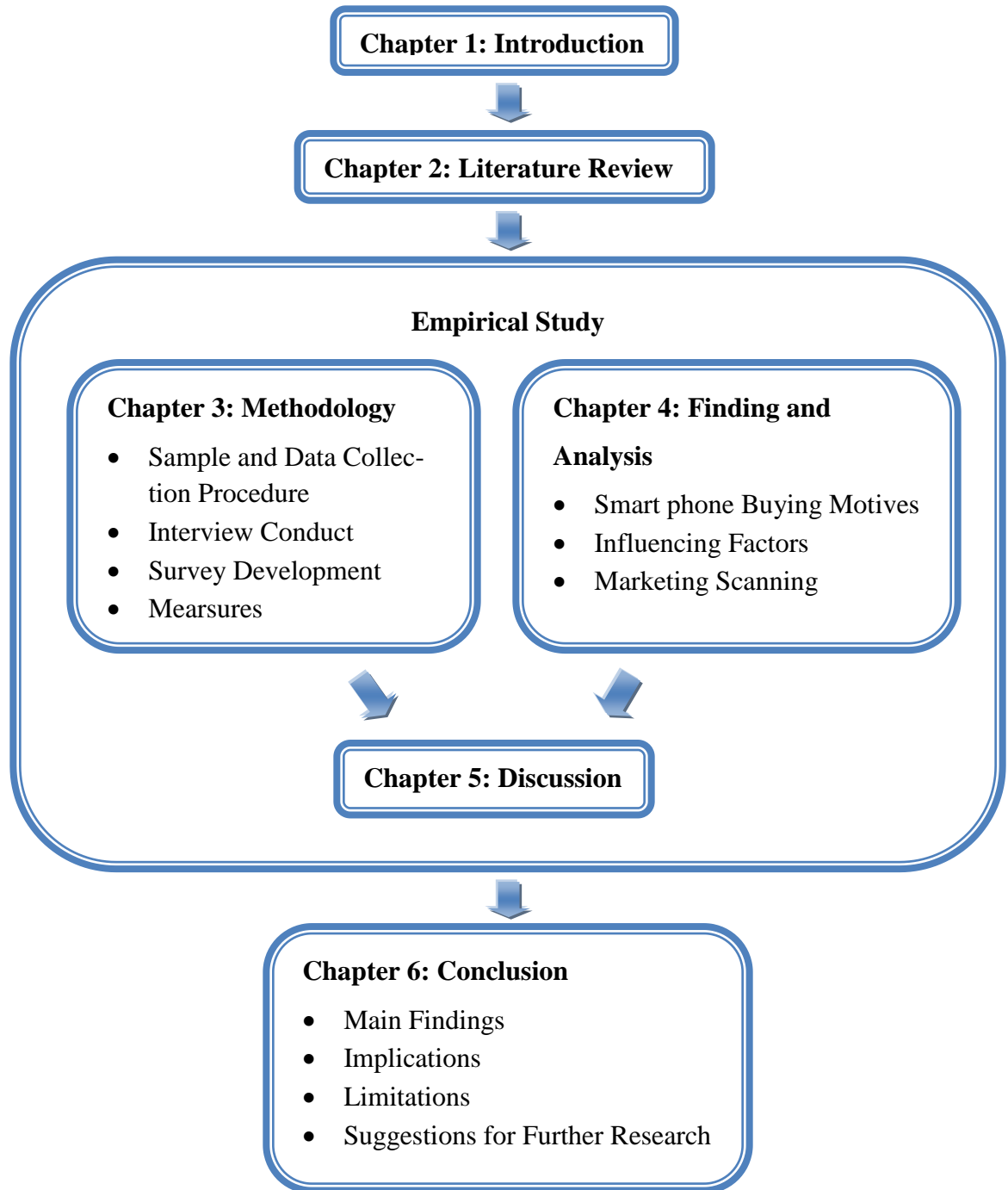
#### **1.4 Structure of the study**

The paper is consists of two main sections, namely theoretical and empirical study. First section is the theoretical framework which is identified in Chapter 2. All the theories needed to capture the empirical issues in the second section are reviewed. These theories are: consumer choice behavior, consumer brand choice, and culture.

Chapter 3 highlights the research methodology of the study. It includes sample and data collection procedure, interview conduct, survey development and measurements. After that, Chapter 4 refers to findings and analysis. It provides an exploratory description of motives, influencing factors of Vietnamese smart phone consumers as well as the scanning of Vietnamese market. Next, Chapter 5 is aim to have a discussion on the answer for the research's questions.

Chapter 6 is conclusions which fulfill the core objectives of this thesis. Beside, this chapter also state scopes and limitation of the paper then provide suggestions for further research. Furthermore, the structure of this thesis is illustrated in the following Figure 3:





**FIGURE 3: Thesis Structure**

## 2 LITERATURE REVIEW

### 2.1 CONSUMER CHOICE BEHAVIOR

#### 2.1.1 Consumer Purchase Motives

It is useful and significant for marketers to have a deep understanding about buying behavior of the customer. Purchasing behavior is a decision making process and act, including purchasing and using products, or in a comprehensive way as to why a consumer makes his/her purchase to get advantage from it. Consequently, the marketers will know how to set objectives, design and plan in order to sell their products in the most appropriate way, especially when the purchaser motives are obviously defined.

In economists' eyes, a consumer is described as "a man with a problem" (Bell 1968, 433). Naturally, the man usually goes through the following processes: identifying, searching, evaluating, and decision making to respond for his problem. Thanks to Sandhusen (2000, 218), the nature of consumer behavior is clearly identified by a simple but powerful model including environmental factors and buyer factors that motivate the consumer purchase decision (see Table 1 below):

**TABLE 1: Nature of Consumer Behavior (Sandhusen 2000, 218)**

Environmental Factors	Buyer's Black Box	Buyer's Responses
<ul style="list-style-type: none"><li>• Marketing Stimuli:<ul style="list-style-type: none"><li>• Product</li><li>• Price</li><li>• Place</li><li>• Promotion</li></ul></li><li>• Environmental Stimuli<ul style="list-style-type: none"><li>• Economic</li><li>• Technical</li><li>• Political</li><li>• Cultural</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Buyer Characteristics<ul style="list-style-type: none"><li>• Attitudes</li><li>• Motivation</li><li>• Perceptions</li><li>• Personality</li><li>• Lifestyle</li></ul></li><li>• Decision Processes<ul style="list-style-type: none"><li>• Problem recognition</li><li>• Information search</li><li>• Alternative evaluation</li><li>• Purchase decision</li><li>• Post-purchase behavior</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Product choice</li><li>• Brand choice</li><li>• Dealer choice</li><li>• Purchase timing</li><li>• Purchase amount</li></ul>

Sandhusen conducted the study based on Dewey first proposal on this model in the early 20<sup>th</sup> century, and it gradually become popular theory in consumer behavior research. The decision processes includes following five stages: problem recognition, information search, alternative evaluation, purchase decision and post-purchase behavior. Apparently, the first stage namely problem recognition is the main motive for the purchase decision. During information search and alternative evaluation stages, the consumer gradually goes through the consideration to purchase a specific product in responding for the initial problem (Jacoby and Kyner 1973, 7).

Besides solving the problems, consumer purchasing decision might come from needs and wants. It is argued that the consumers make purchases to please their needs and desires (Hong and McCullough 2010, 148; Ratchford and Vaughn 1989, 293). It might be well-explained and understood that people buy cosmetic products because they have utilitarian motives or needs to improve their appearance as an example. However, consumers do not always understand themselves and notice the needs (Danziger 2004, 1). Danziger (2004, 4) named products and services on which the consumer does not necessary spend the money as “discretionary”. In other words, the consumer does spend the money for some unnecessary needs because he or she desires the specific product or service. These desires may satisfy for the utilitarian purpose, emotional satisfaction, inexpensive items, luxuries lifestyle, or “aspirational luxuries” (Danziger 2004, 6-7).

In general, the purchase motive mainly starts from the consumer’s practical needs and wants in order to address for a specific problem. Those needs and wants are complex and not transparent, and they may be affected by reference groups such as family members, co-workers, friends or trends (Bell 1968, 433).

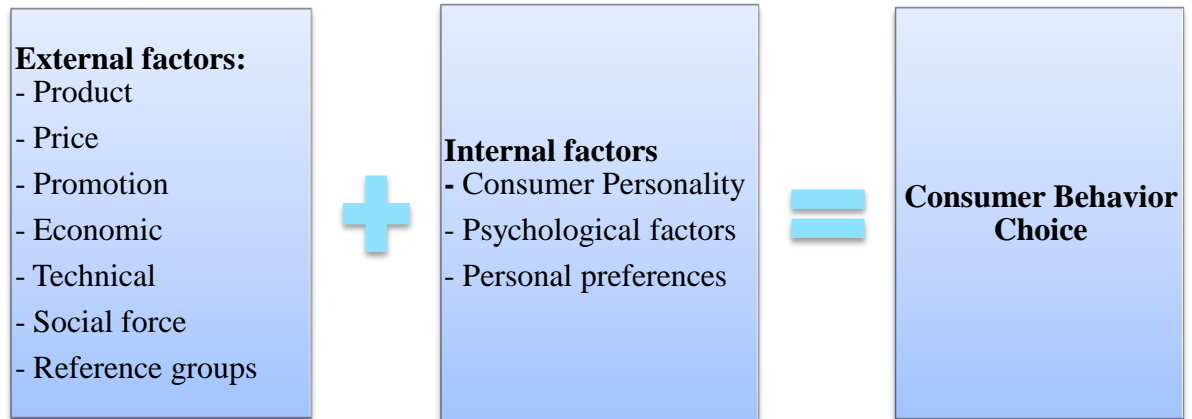
### **2.1.2 Determinants of Consumer Choice Behavior**

Sheth, Newman and Gross (1991, 159) have conducted a comprehensive study on determinants of consumer choice behavior. They introduced the impacts on why people decide to make a purchase and when they do not or why this specific product is chosen but not the others by consumers (1991, 159). In detail, there are five categories of consumption

values, named respectively functional value, social value, emotional value, epistemic value and conditional value. A choice is usually developed with combined values, but sometimes only few values have impacts on the decision. More details concerning each value is given below for better understanding (Sheth et al. 1991, 161-162).

- **Functional value** means the choice is made basically in concern to the capacity of the goods such as functional, utilitarian, or physical performance. For example, people who decide to buy a cell phone because they need the convenient from the portability compared to the landline phone.
- **Social value** describes choices which associate with one or more than one specific social groups. For instance, these days in society, there are people who would like to be different and they are interested in unique products that create such a distinctive social value group (Amaldoss and Jain 2005, 30).
- **Emotional value** refers choices which are affected by feelings towards specific products or services.
- **Epistemic value** concentrates on the choices which bring out the full filled feeling for curiosity or the knowledge.
- **Conditional value** represents the choices are made when the alternatives facing to the purchasers in particular circumstances.

Besides, determinants of consumer choice behaviour can also be approached based on external and internal factors. An overview of external-internal theory is presented in Figure 4:



**FIGURE 4: Determinants of Consumer Behavior Choice** (The model was observed from various studies such as Sandhusen 2000, and Sheth et all 1991)

According to Sandhusen (2000, 218), external factors can be allocated to environment factors such as product, price, and promotion, economic, technical. Similarly, Pride and Ferrel (2008, 61-91) have extended the study further to the importance and influence of environment forces which involve the social force, reference groups, marketing strategies and other forces concerning politic, law, and government as well.

To illustrate, Lynch and Zauberman (2007, 107) have given comprehensive examples to address “desirability is greater in the more distant future”. In detail, they demonstrated an example in “within-individual shifts in psychological distance and regret” (2007, 109). In their example, a woman took her kids to the theater in the holiday and later on had regret for her decision. She lost her previous excitement because of the obstacle facts: waking up the kids and taking care for the transportation to get to theatre. Furthermore, reference groups also have impacts on consumer making decision by several ways. It varies from necessity to luxury product as well as be seen or not be seen by others when it comes to brand (Bearden and Etzel 1982, 184-192).

On the other side, internal factors refer to buyer factors such as consumer personality, psychological factors, and personal preferences (Hong and McCullough 2010, 148). Apparently, these internal factors have a fundamental role leading to the consumer behavior.

No one is similar, and obviously each of us has a different personality and life style which impact mainly to his/her own purchase behavior. Bell (1968, 435), for example, has addressed that educated and non-educated people are different in the buying behavior. In addition, the older people are, the longer established options are preferred (Cole et al 2008, 362). Furthermore, Bauer, Sauer and Becker have explored findings in this field by suggesting evident that how a consumer makes purchasing decision may vary considerably based on the product categories and product involvement felt (2006, 344).

To sum up, there are several approaching methods to demonstrate the determinants of consumer behavior choice such as consumption values or external-internal theory. All of them are useful for marketing managers or researchers to have a profound understanding on different specific consumer behavior segment. Challenge is required at the same time because of the fluctuation. Each factor has its importance in different situations, or different kind of products. In the next section, some relevant determinant factors influencing to decision making process of a smart phone will be mentioned.

### **2.1.3 Consumer Behavior towards Life-changing Products like Smart Phone**

A consumer has different behavior when buying necessity or luxury products as mentioned as an external factor which determinate consumer choice behavior, according to Bearden and Etzel (1982, 184-192). Additionally, Hong, Soun, and McCullough, who have conducted a study on differences in consumer decision process for life-changing products and significant products, supposed that:

*“People are spending less time on the choice process for nondurables than for durable and that they have different strategies for analyzing an external.”* (Hong, Soun and McCullough 2010, 147)

It is obvious that people usually use a long decision making process for expensive products or services or products which bring enormous value in exchange. They are identified as life-changing products or durable products. One of the reasons leading to the high involvement, intensive information-searching process for life-changing products is the un-

certainty in the safety and quality of products or services (145). A smart phone is defined as a high technical product which the quality only can be evaluated in the future; meanwhile its cost is pretty expensive compared to normal cell phone. Since it only can be seen the consequences in the future, the consumer is pushed to face with the uncertainty or risk through his choice making process (Taylor 1974, 54). Therefore, risk perceiving plays a significant role in decision making process of the customer. This notion was first emphasized by Raymond Bauer in 1960, and he proposed that:

*“Consumer behavior involves risk in the sense that any action of a consumer will produce consequences which he cannot anticipate with anything approximating certainty, and some of which at least are likely to be unpleasant.”* (Bauer 1960, 24)

Let us take an example of a man’s behavior when buying a birthday cake compared to a life-changing product as a smart phone. A birthday cake is evidently decided with not much consideration whereas it is an intensive information-searching process to a smart phone. The reason is the risk from the birthday cake is low in contrast with a smart phone which is illustrated as a life-changing or durable product (Hong, Soun, and Jim McCullough 2010, 153). Additionally, Michell has broken down the risks taking into categorized such as social risk, psychological risk, time risk, financial risk, and performance risk, according to (2010, 164).

The time spent by consumers for information search depends on the level of risks. It is interesting that the behavior in information searching for diverse level of perceived risks for a specific product is not huge different in various social classes. The difference is the quantities of information sources. Hugstad, Taylor and Bruce (1987) have carried out an empirical study on various social classes female consumers. They conducted that the upper social class women use more sources of information than the lower class did. These upper class women mainly rely on personal sources in high levels of perceived risks, and more on impersonal sources in low-risk situations. In comparison, the lower class heavily influenced by personal source no matter what the level of risk in the purchasing situation is (Hugstad, Taylor and Bruce 1987, 42). They also found out that information is collected more affluently from reference groups such as friends, relative, especially salesmen

and experts for the high perceived risks, whereas the trust in newspaper, magazines, media advertisements tend to take the leading trust in the low perceived risks (1987, 44).

Social value and reference groups also come along in influencing consumer making decisions in several ways (Bearden and Etzel 1982, 185). For example with a smart phone, which is considered as a durable, life-changing product, a risk acquisition can bring enormous value in return for a consumer (Hong and McCullough 2010, 155). The reference groups concern friends, family members, neighbors, colleagues, salesmen, and experts.

Furthermore, word of mouth (WOM) is another significant factor which heavily shape the consumer decision for high value, life-changing product such as smart phones. It is said that “word of mouth (WOM) is the most important and effective communication channel”, according to Ed Keller (2007, 448). It has been cited that the influence from WOM is much more than the given results from print, radio, and even personal selling (Lam, Mizerski, and Lee 2005, 9). Similarly, Allsop, Bassett and Hoskins (2007, 398) also have the same thought with Keller and claimed that the power of this channel based in its credibility because it is perceived as an unbiased source. Suggestion from family members usually have strongly affected in consumer decision (Hong and McCullough 2010, 148). In addition, in a high-context and low-context culture, there is a different in the level of WOM’s influence toward the consumers. For example, in high-context cultures where exist several casual everyday conversations, it is evident that people might discuss their opinions, and experiences on a specific product or service. Therefore, most of relevant culture issues impacting on the decision making process of a smart phone should be discussed in the next section.

## **2.2 CONSUMER BRAND CHOICES**

### **2.2.1 Brand Equity**

Branding is all about creating differences. In the competitive market, the more positive and impressive brand the company have, the more successful its business may result.



Brand is the critical sign for consumer to select and recognize the difference in value between products and services. According to Argenti and Drukenmiller (2004, 368), a promise or an expectation which company creates to deliver to its customer is namely brand. To build a positive brand which delivers the precise expected values to the consumer requires a great effort, time, and patience.

Furthermore, brand equity is a concept of a given brand which adds values to products (Farquhar 1989, 7). Brand equity can also be identified as a respond to the question “*why different outcomes result from the marketing of a branded product or service than if it were not branded*” (Keller 2008, 37). As important as the role of brand equity is in strategic marketing, customer-based brand equity attracts tremendous attentions from many scholars and marketing experts when it comes to the bottom line of the business (Erdem and Swait 131-157, Keller and Lehmann 2006, 753, Keller 1993, 8-17). It is evident that consumers are the final ones who receive the company’s promise and also takes the lead in deciding what value they want or what brand they prefer to go. Therefore, the one drives the final decision might be the most powerful impact to the company, and that is why many scholars and experts concentrate on the study of customer-based brand equity. It can be said that brand equity is shaped by customer’s expectation other than what companies promise. Thanks to the scholar Keller, customer-based brand equity is straightforward identified as the differential effect of consumers’ brand knowledge on their response to the marketing activities of the brand (1993, 8). In other word, if the brand could drive the customers for its product or service’s expectation, it could earn the willingness to buy its product or service. Similarly, if there are few smart phones in alternative price or features, the consumers will outweigh their decision toward the brand they have the most trust in. Nevertheless, brand awareness and brand image are two strong factors which define the brand knowledge (Keller 1993, 12).

Firstly, stated by Aaker (1996, 10), brand awareness associates with customer’s recognition and reminding a specific brand. The more precise and distinctive awareness brand has in customer’s recognition mind, the better and sophisticated level the brand has. Consequently, companies with positive high brand awareness level will obviously have better competitive advantages compared to other lower level one. For instance: Nedungadi

(1990, 263-274) has proposed that brand awareness can improve consideration opportunities. It likewise helps to develop the probability for the brand to be stand out from other considerable brands. Besides, intimate or high respected brand also have better advantages to be selected be the purchase's decision (Keller 2008, 55).

On the other side, the marketing expert Keller (1993, 12) has indicated that brand image is a notion referring to a specific brand, and associate closely with the customer's memory for that brand. Meanwhile, brand image is defined slightly different as a customer's concept regarding a subjective and intuitive product (Lee 2009, 28). Hence, a positive brand image can be understood so that a brand has strong, favorable, and distinctive perception in customer's memory (Keller 1993, 3-5). It is also diverse in consumer's behavior toward various brands due to the differentiation in the level of strong, favorable, and distinctive brand relations. This brand image theory is clearly illustrated in the fashion industry for an example. In this industry, there are high end brands like Hermès, Louis Vuitton, Chanel, and Prada which can price a handbag up to thousands of dollars. In comparison to Zara, H&M or Forever21, the price of these brands is normally around hundreds dollar and rarely more than one thousand dollar. Hermès, Louis Vuitton, Chanel and Prada's handbags are not a ten or hundred time quality and design better than the handbags of Zara, H&M and Forever21 that cause the difference in the price. However, brand image is the key in the price gap between high end brands and others. Hermès as well as other high end handbag brands is known as a luxury brand which only rich social class can afford. Besides, promotions with famous celebrities in top brands also create in customer's perception an exclusive brand image. It might be said that high ends consumers may not only purchase the product because of its quality, unique designs, or specific feature, but also wish to improve their social values like prestige.

### **2.2.2 Brand's Country of Origin**

Today the country of origin (COO) may affect on consumer quality evaluation. Li and Wyer (1994, 187) stated that numerous marketers have gained effective strategies' results in promoting a brand of a product from a country having a positive reputation for manufacturing high level quality of goods. There are great amount of companies which can

produce good, high quality products coming from the same country. Without a doubt, it is indeed precise when customers have a good evaluation, judging a product category as a good origin when it is produced from a country with positive reputation. Furthermore, the issue has gotten many arguments along with given evidence as well to assist that country of origin truly has a thorough impacts on the way product comes being aware by consumers (Nagashima 1970, 69-74, Hong and Brian 2010, 184; Li and Wyer 1994, 195-211).

On the other side, due to the outsourcing tendency as well as globalization trend, many big manufacturers from strong and famous industrialized countries like USA, Finland, Germany, and Japan have located their assembling facilities to the less famous industrialized countries such as China, India, and Thailand for the aim of reducing the production costs. The issue of the country-of-origin has affected considerably by these trends. The classification of this issue is broken down into detailed segments such as country of assembly, country of design (Chao 1993, 292), and country of manufacture (Samiee 1994, 580). As a consequence, consumer's behavior towards a final product is not only basing on the COO effects but different segments impact for different situations.

Besides, there are recently another issue highlighted by many marketing experts concerning consumer ethnocentrism (Shimp and Sharma 1987, 280-289, and Yagci 2001, 69). Ethnocentrism is stated as a judging phenomenon in which domestic brands and products are preferred than foreign, oversea brands and products (Shimp and Sharma 1987, 287-288; Yagci 2001, 79-80). Moreover, the scholar Yagci (1970, 69-74) also conducted that consumers are heavily affected by ethnocentrism when the product from the country origin that is not as developed as their country. It was conducted through the consequence of Nagashima's study, which illustrates that Germany is more likely to buy products from USA rather than South Korea.

However, Johansson, Douglas and Nonaka (1985, 388) have disagreed slightly to the previous scholars in their prior studies. They argued that there is a limitation in respondents' evaluation because they were supplied with just the country of origin information in the studies. Hence, they introduced a new diversified assemble of factors that can scope the real importance of country-of-origin issue in a different methodology. The consequence

presents that COO is not the main affected factors in consumer's product evaluation. It is also pointing out that there is no ethnocentric bias regarding to home-country brands and products (Douglas and Nonaka 1985, 395).

Briefly, there is a shortage in comprehensive studies concerning COO effects. The previous studies did not enclose adequate diverse determinant impacts, product types and respondents. As a result, its limitation causes the argument among scholars and experts on the COO issue.

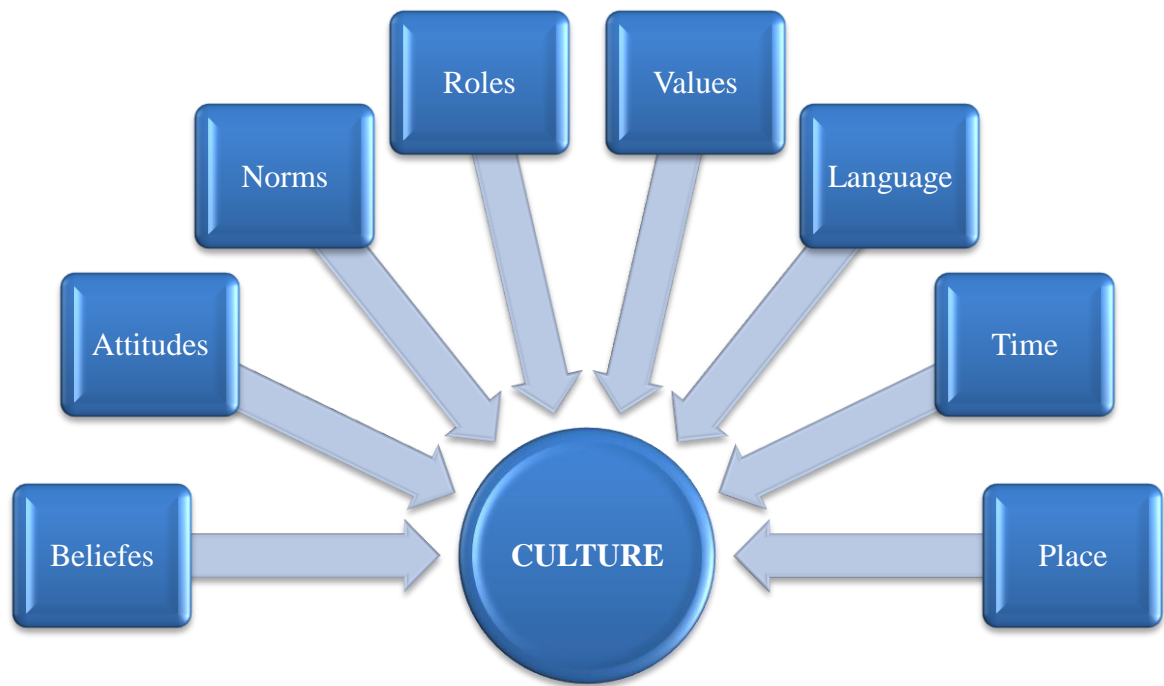
## **2.3 CULTURE ON CONSUMER BEHAVIOR**

### **2.3.1 Cultural Overview**

Consumer behavior is a study being conducted at the individual level. However, individual holds a single part of a particular culture as well as the social grouping. According to the scholar Mooij (2003, 26), culture which is a guideline for individual behavior is involving human community either in individual and social level. In line with the culture's definition, it is comprehensively described by Hofstede that:

*“Culture is the collective mental programming of the people in an environment. Culture is not a characteristic of individuals; it encompasses a number of people who were conditioned by the same education and life experience”* (Hofstede 1991, 5).

Additionally, culture is shaped by different elements which are illustrated better in the following Figure 5:



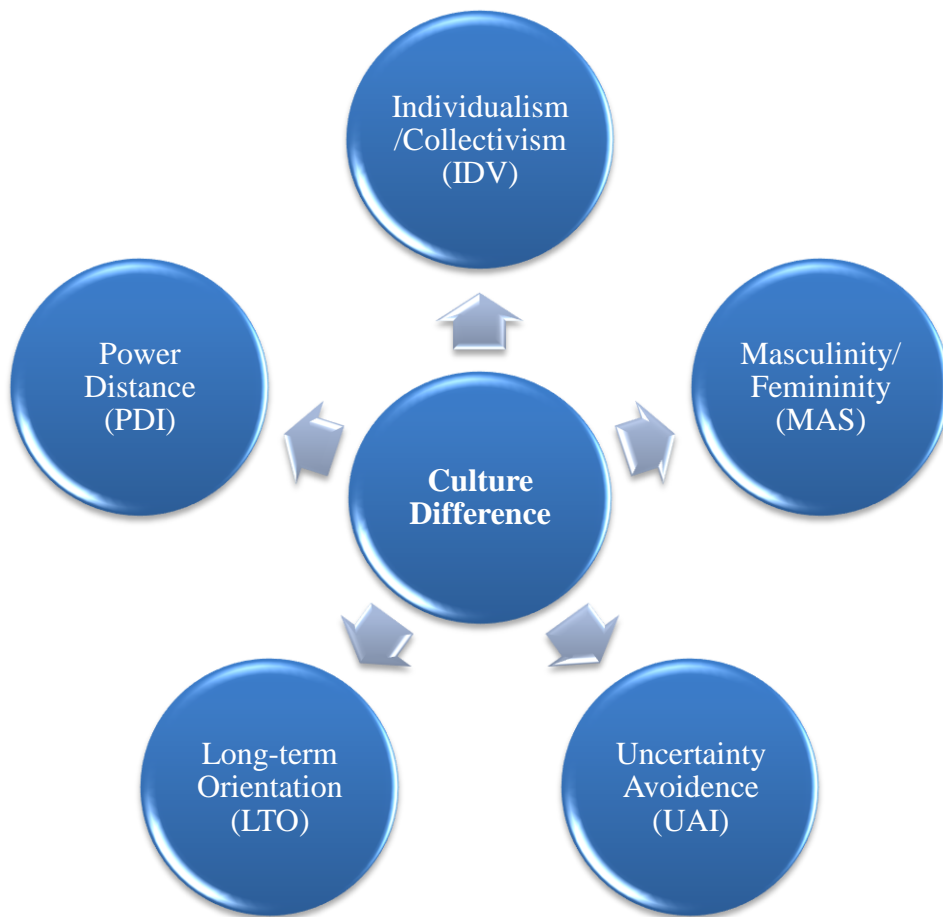
**FIGURE 5: Elements of Culture** (Based on the model in Mooij 2003)

These elements were introduced by Triandis, and gathered in the same historical period and geographic region. They are usually transferred from generation to generation (Mooij 2003, 26). Without a doubt, it is evident that people from different cultures have different point of views as well as value orientation that lead to the diversity in the precedence of products and brands. Therefore, it is truly important to analyze and understand the value concepts and differences in consumer behavior which are influenced by the culture.

### **2.3.2 Dimensions of National Culture Hofstede**

Hofstede's five dimensions of national culture is a well known tool that is used to have a comprehensive understanding on individual level or within culture differences. Therefore, in the empirical part of the paper, the five dimensions of national culture will be applied to analyze the Vietnamese consumers in order to determine the most importance forces driving their buying decision.

The model basically consists of five dimensions as illustrated in the Figure 6.



**FIGURE 6: Hofstede’s Five Dimensions of National Culture (Hofstede, 1991)**

As can be seen in the model overview, all the five dimensions help to analyze the differences at culture level. To a certain extent, these dimensions can support to discover relationships between country’s scores on the cultural dimensions and data on consumption and consumer behavior (Mooij 2003, 46). More details concerning each of these dimensions is given below for better understanding.

**Power distance (PDI)** shows the way members in a society dealing with the power relationships (Hofstede 1983, 50-52). This dimension affects the attitude of people in accepting and giving authority in society, (Mooij 2003, 34). In high power distance cultures, people have rightful authority in society; relationships between parents and children or professors and students are strongly dependent; and status shapes the social’s position significantly like older people are highly respected. On the other hand, in cultures of low

power distance, the equality is stressed heavily in rights and opportunities; parents teach children to be independent since they are very young; people attempt to be less powerful (Mooij 2003, 34).

**Individualism/Collectivism (IDV)** defines the level of personal independence in a group (Hofstede 1983, 54). The difference between individualistic and collectivistic cultures is the differentiation of members among a group. People want to be different compared to others (Mooij 2003, 34). It is obviously that people use “I” in the expression toward the individualistic cultures, whereas “We” is used more frequently in collectivistic cultures. It is interesting that most western countries’ score in group of individualism, while Asian and Latin American countries stays in collectivistic culture (Mooij 2003, 34).

**Uncertainty avoidance (UAI)** deals with the anxiety which is created by the feeling of uncertainty (Hofstede 1983, 53). The research Mooij (2003, 35) identified this dimension as the ambiguity’s level among social’s members. Some does not mind, whereas others create rules and prescribe behavior to avoid the ambiguity. People prefer the purity; like to have a form of rules as well as formal communication in the cultures with strong uncertainty avoidance. Apparently, people in this culture have high level of anxiety and aggressiveness. In contrast, in low-scoring UAI cultures, result-oriented is preferred then less ritual behavior is required (Mooij 2003, 35).

**Masculinity/Femininity (MAS)**, or sometimes referred to “The gender of nations: Tough versus Tender”, represents the dominant pattern of sex roles in the society (Hofstede 1983, 55). This dimension varies in the degree of role differentiation in society (Mooij 2003, 35). In masculine cultures, children are taught to applaud the strong and enjoy being a winner, while children in feminine culture learn sympathy and not a positive thing to be a winner. Moreover, people consumes for show in masculine cultures, whereas use is the main reason people consume in feminine cultures (Mooij 2003, 35).

**Long-term orientation (LTO)** describes the long-term versus short-term orientation in life and being called as “Confucian Work Dynamism” by both Hofstede and Minkov in 1988 (1988, 496). In long-term orientation, people are comfortable with changing, and

perseverance. In the opposite, the short-term oriented people tend to spend in the present rather than prepare and save for the future (Mooij 2003, 35-36).

### **2.3.3 A Closer Look at Vietnamese Culture**

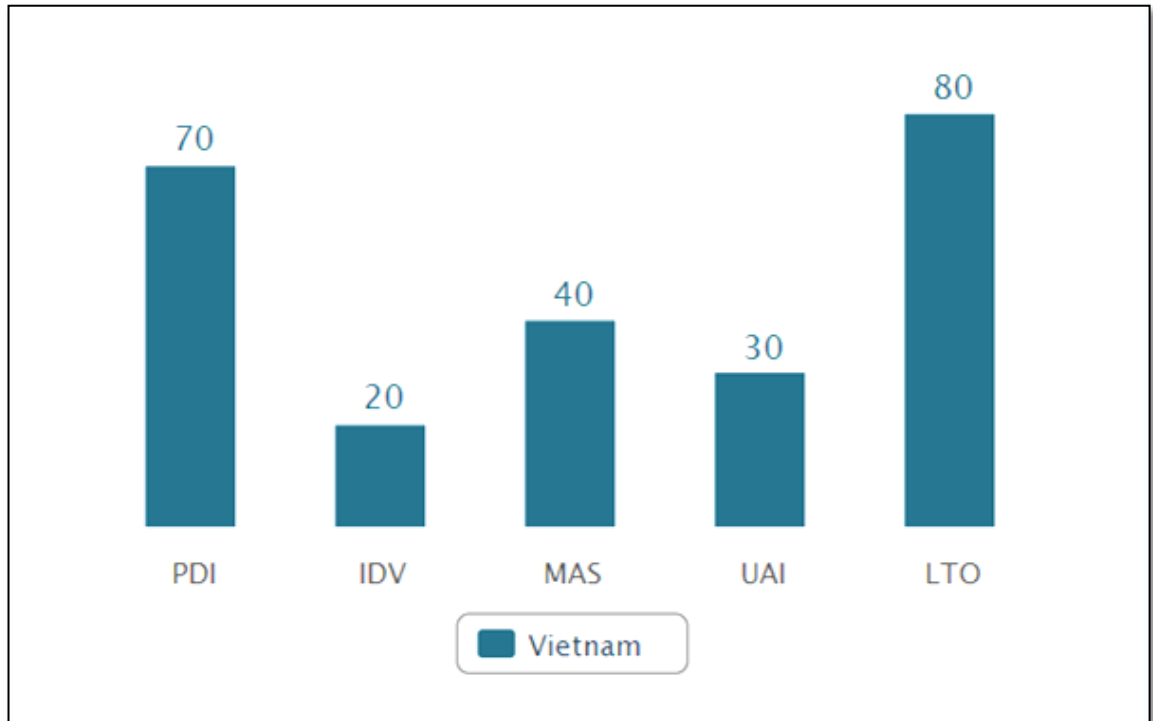
#### **2.3.3.1 Country overview**

Vietnam is one of most the inhabited nations in the world with more than 90 million people in the country. It is a young population with approximately 50% under 30. The country has a diverse culture with 54 ethnic groups, but the group of Kinh people is the largest and most effective culture accounting for 85.7% of the population (CIA 2011). Although Vietnam had been through thousands years under various feudal dynasties, the culture still was conserved its traditional values, customs, rituals and beliefs in a good shape. However, it is also being influenced by Western culture as globalization's effects nowadays.

#### **2.3.3.2 Application of Hofstede's five Dimensions on Vietnamese Culture**

The input information of Vietnamese culture for the 5-D Model is conducted by the empirical research of expert Hofstede. The below figure is the overview of 5-D Model in Vietnamese culture.





**FIGURE 7: Hofstede's 5-D Model of Vietnamese culture** (The Hofstede Center 2001).

Put in the context of Vietnamese culture, the 5-D Model seems to have a deep view of driving aspects in Vietnamese culture.

**Power distance.** Vietnam has a large power-distance culture at the high score (70). It shows that there is an existing order in society where people have and know their ordered position. As stated in the previous section, in high power-distance culture, the relationships between parents and children, or managers and employees are strongly dependent.

**Individualism/Collectivism.** According to the consequence of the research, it is obvious that Vietnam belongs to the collectivistic culture. It describes a fact of Vietnamese people who emotionally integrate into a level of social group, and take responsible for group's member. Moreover, social rules and regulations are mainly driven by loyalty in this culture. Hence, it can be said that the reference groups such as family's members, co-workers, and friends play an important influent role in consumer behavior.

**Masculinity/Femininity.** Vietnamese culture is conducted as a feminine society with the score 40. It means Vietnamese people care for others and concentrate on the quality of their life. The culture is not aggressive and conflicts are preferred to be solved by negotiations.

**Uncertainty avoidance.** At the score 30, Vietnam is a low uncertainty avoidance country which means the uncertainty is more taken as a fact or people have willingness to take risks in the society. People tend to have relaxed attitude with flexible schedules; hence punctuality is not their strength.

**Long-term orientation.** Vietnam is a long-term oriented culture with high score (80) in the rank. The traditional values and norms are well-preserved along with the adaptation of modern culture.

### **2.3.4 A Closer Look at Insight of Finnish Culture**

Finland is taken into consideration of the research in order to develop a comprehensive view on differences in consumer behavior between the developed and developing country. As a major impact on consumer behavior, Finnish culture was also considered in the theories' chapter.

#### **2.3.4.1 Country overview**

Finland is a Northern European country which has nearly 5.3 million people with the median age around 42.7 years. The main ethnic group is Finn people accounting for 93.4% in total population, followed by Swedes at 5.6%, Russians at 0.5%, Estonian at 0.3 %, Roma (Gypsy) and Sami respectively at 0.1%. Moreover, Finland is well known as a high industrialized country which is strongly competitive in high-tech exports such as mobile phones (CIA 2012). Additionally, it is ranked to be the best country in the world in terms of living conditions such as high standard education, health care, equality, economy and political environment. (Yle Uutiset 2010).

### 2.3.4.2 Application of Hofstede's five Dimensions on Finnish Culture

The input information of Finnish culture for the 5-D Model is conducted by the empirical research of Hofstede. Together, these five characteristics form of the dimensions of Finnish culture. The overview of 5-D Model in Finnish culture is presented in the following Figure 7.

**Power distance.** Finland is a country with low score on the power distance. It shows that people are independent and strongly stress for the equal rights. Power is decentralized in this low power distance culture. Managers decide upon the team member's opinions; likewise employees are seen as consultants and not under any control. The communication is prefer to be direct and high participation.

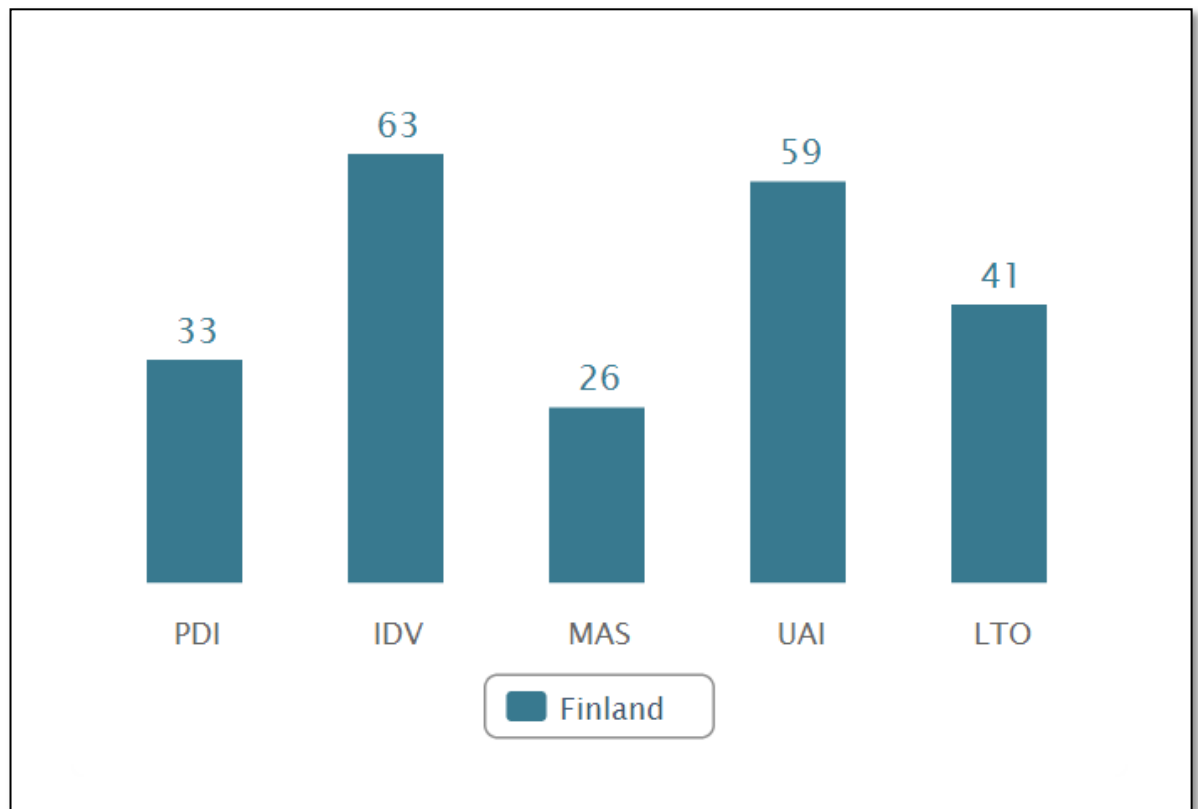
**Individualism/Collectivism.** Finland is apparently an individualistic society as most of other western countries, with the high score at 63 in the research. It represents that Finnish people value themselves over the group more than others; likewise especially define themselves as uniqueness or difference among the group. In this society, people take care only for themselves and their relative families. Relationship is built on mutual advantages.

**Masculinity/Femininity.** At the score 26 in range, Finland is in countries' group have femininity dimension. In this culture, people concentrate on the well-being and quality of life, thus they are working to live not to use as the main reason. Conflicts usually prefer being solved by negotiation.

**Uncertainty avoidance.** Finland has a medium high preference for avoiding uncertainty. Hence, security significantly takes account into individual motivation. In this culture, time is valued as money, thus people tend to be busy and have a working hard attitude. Furthermore, precision and punctuality are highly appreciated.

**Long-term orientation.** Finland scores 41 on this dimension and is thus considered as a short-term orientated culture. This culture highly respects on traditions. Moreover, it is

also shows that Finnish people prefer enjoying and concentrating on the present more than saving for the future.

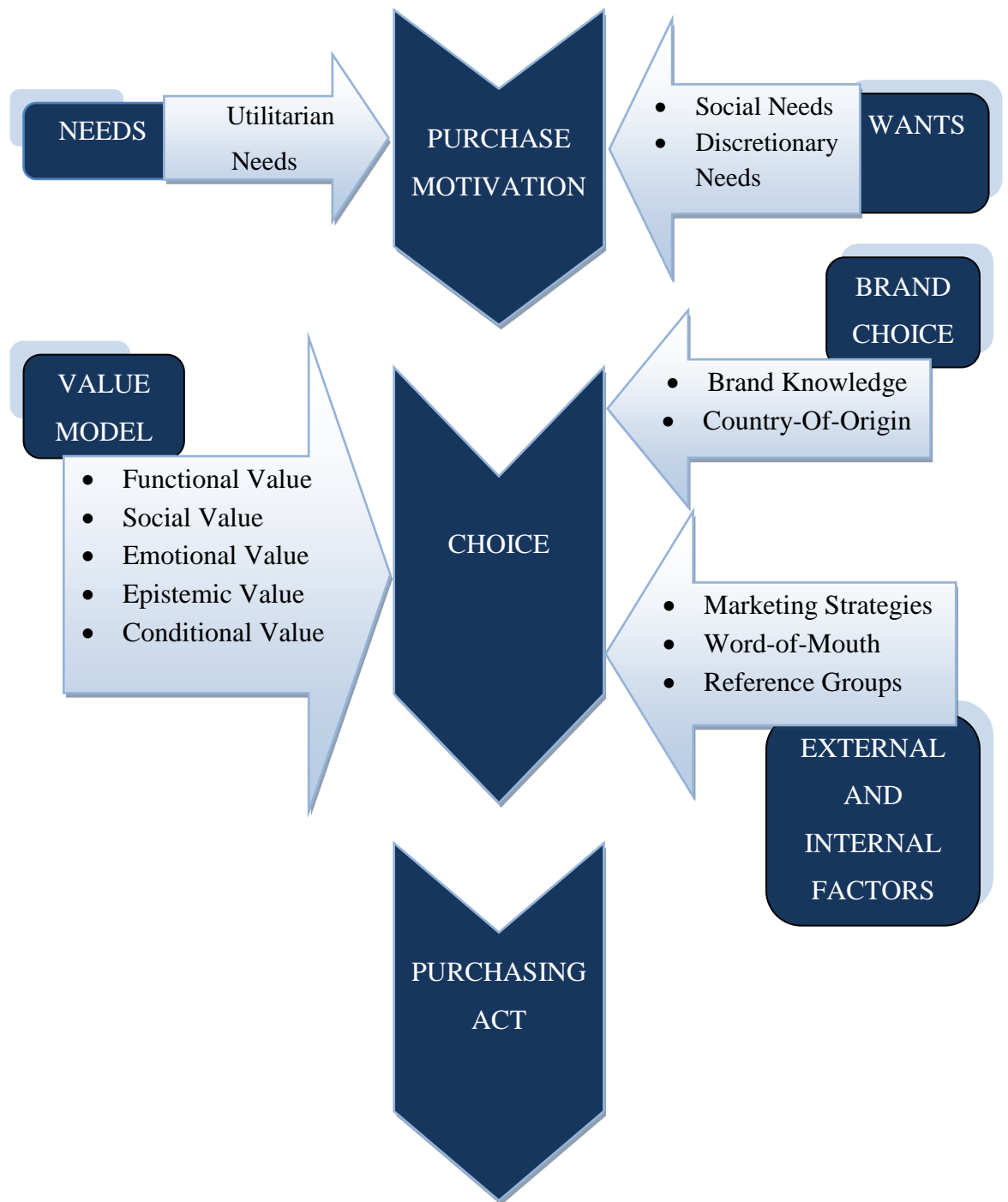


**FIGURE 8: Hofstede's 5-D Model of Finnish culture** (The Hofstede Center 2001)

### **3 RESEARCH METHODOLOGY**

#### **3.1 Thesis Theoretical Framework**

As pointed out in the introduction, the aim of the study is to analyze the role of brand and culture in motivations and choice factors in smart phone buying process. To be able to study the process in a systematic way, the thesis theoretical framework is created. The framework is based on theories introduced in Chapter 2. Figure 7 gives a structured view to this framework.



**FIGURE 9: Consumer Behavior Model**

As shown in Figure 9, the purchase decision process of a smart phone begins with three steps which are purchase motivation, choice and finally to the purchasing act.

The framework identifies two motivational factor groups which strongly affect to the purchase intention. They are utilitarian needs and discretionary needs or wants such as social needs. Firstly, utilitarian needs represent the consumers' needs for a smart phone like possibility to improve his or her life, support for job, or high-tech related convenience. On the other side, external factors like impressions, trends, or improved social status are identified as discretionary or social needs. However, other factors, like a hobby for instance, can also trigger the consumer purchase intention, but those factors are out of the scope of my thesis and therefore not covered here in any more detail.

Furthermore, there are a number of influences which are divided into three groups were observed to impact on the choice behavior. The first group is based on the value model introduced in Chapter 2. This model demonstrates clearly the influences of main values on consumer choice. The value can be seen as capacity or association with other social groups of the product. Moreover, these values also help to explain why the motive leads to the choices and also reasons behind the choices. The second group of factors is named as brand choice and it includes factors, such as brand knowledge, and country-of-origin, as determinate in the previous section. Third, consumer choice is influenced by external and internal factors such as marketing strategies of the companies, word-of-mouth information and reference group factors or personal preferences. In particularly, marketing strategies such as products, promotion, and price are factors being under marketers' control, whereas word-of-mouth and reference group are factors that marketers hardly manage.

Also, culture plays a significant part in the decision making process. Culture can influence the customers purchase in many ways. In some instances it can turn the want into a need in societal point of view. Furthermore, among these influences toward choices such as word-of-mouth and reference groups, they are also further influenced by the culture. Therefore, culture seems to be one of the main driving factors in customer decisions.

### 3.2 Sample and Data Collection Procedure

In my empirical part, my main focus is to understand how brand and culture affect to the motivations and choice factors in smart phone buying process. To be able to do that I analyze the situation in two different cultural environments: in Vietnam and in Finland. As stated in the introduction, the main research method I use is a survey which is preceded by interviews before in Vietnam and in Finland.

A combined strategy including both quantitative and qualitative methods was implemented to experiment the wise consequence. Firstly, there were two Vietnamese and two Finnish people take part in the face to face interviews. The outcomes from the interviews helped the author to gain understanding about Vietnamese and Finnish consumer behavior. The results of the interviews were used to create the questionnaire used in the survey. The survey was done in two largest cities in Vietnam in terms of population, namely Hanoi and Ho Chi Minh City. Besides, there was a group of participant in Finland which was taken into the research to develop a comprehensive view on differences in consumer behavior between the developed and developing country.

The survey was carried out in Vietnam mainly by the electronic survey. The electronic survey was created by Google Drive and sent through the social network namely Facebook. In Finland, it was carried out by using questionnaire both internet and the paper version. The paper survey contained the same questions as the electronic one, and it was handed over to 45 Finnish students in Mikkeli University of Applied Sciences and Aalto University at Mikkeli campus. All respondents selected were required to at least own a smart phone or have the intention to buy one during next 24 months.

The researcher aims to concentrate the study on the early adapters. Therefore, the researcher has chosen the channel through the social network namely Facebook to approach to the young generation in Vietnam. So were the Finnish customers, the survey was mainly carried out in the University then most of customers analyzed were young generation as well. As a consequence, in both countries, the people taking part in the survey were young. Although the sample does not represent the whole population of these two

countries, the early adapter model is able to reveal some weak signals about market developments in the future.

### **3.3 Interview Conduct**

The author applied the means-end approach by using the laddering method to conduct the interview. This method supports to bring out the main motives and influence factors of consumer behavior. At the beginning, the questions about the reasons which drive consumers to the plan to purchase a smart phone were asked. After that, interviewees were asked to list significant factors which they considered during the smart phone purchasing decision. Following the repetition of the question “why is it important to you?” an increasing level of abstraction was created. This method aims to discover consumer actual goals and motivations from insight which they may not be fully conscious about (Zanoli and Naspetti 2002, 645). The author was able to interview with four smart phone owners; each interview lasted for almost one hour. All the finding from the answers would then be used as the basis for the questionnaire development.

### **3.4 Survey Development**

The survey had 12 questions and it can be found in Appendix 1. The questions are divided into three groups which contain the motivation factors, choice influencing factors and information of the respondents. All the questions were first developed in English and then were translated into Vietnamese. The questionnaire was designed in different question types such as multiple choices, Likert scales, categorical scales, ranking order scales and open answer questions. The first group of questions purposely concentrates on the incentives leading to buy a smart phone. The second group was possible determinants which may have influenced on choice. These questions revealed the importance of the different factors during consumer decision making process. Respondents were also asked to rank the quality of eight smart phone brands according to their own perception. The last group of questions was concerned about the demographic information of respondents such as age, income, education level, city they live, etc. in order to help build a general profile of Vietnamese smart phone consumers.

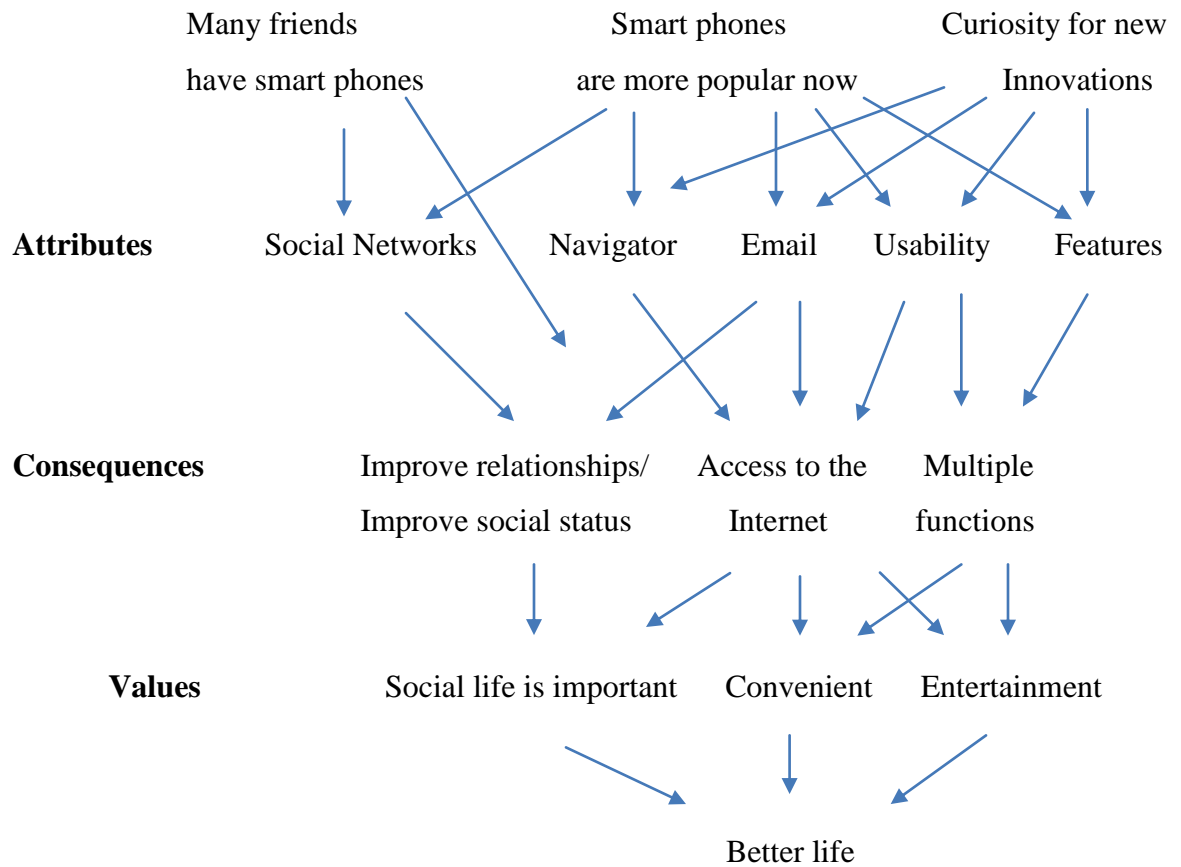


### **3.5 Interviews and Their Results**

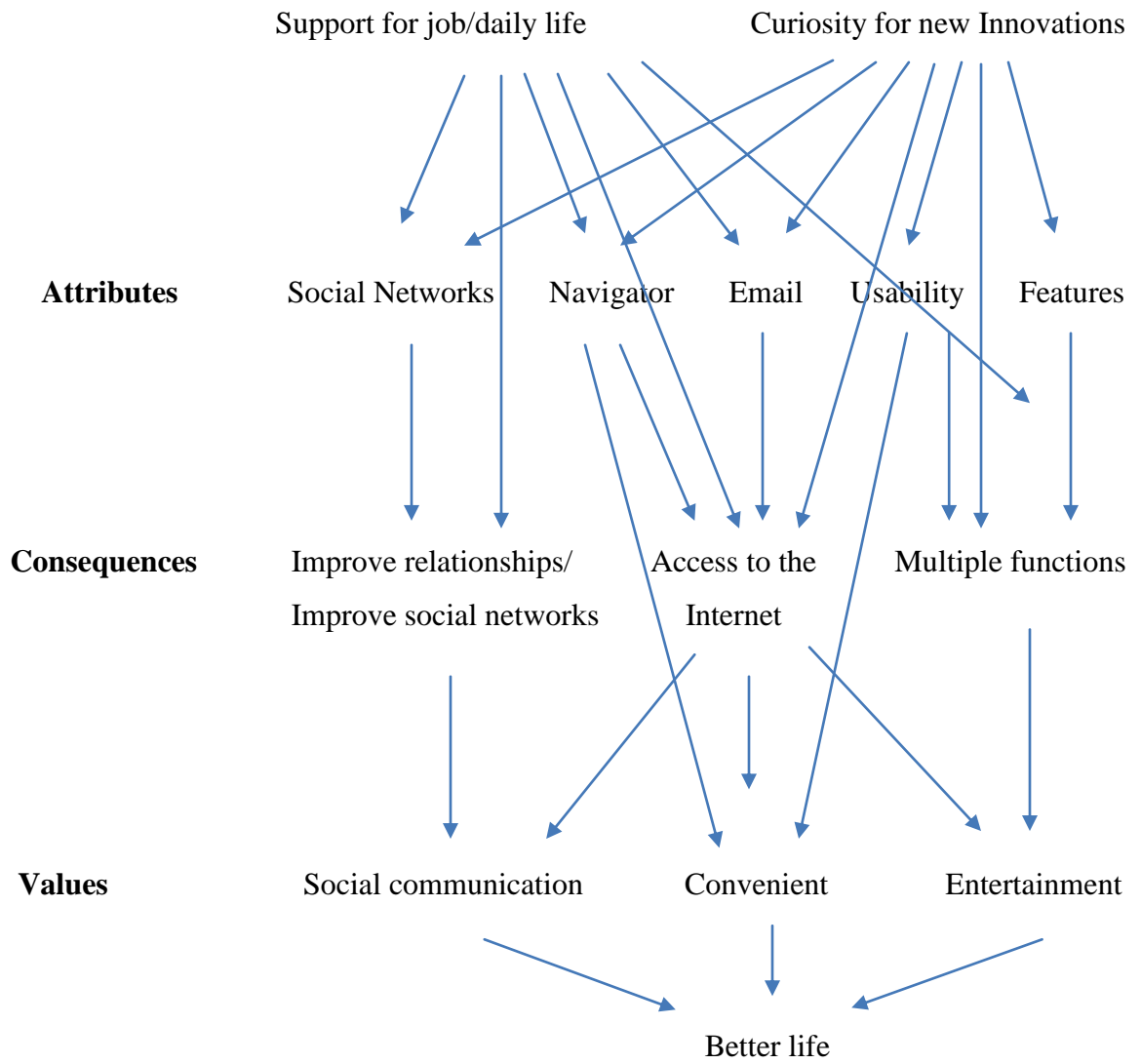
This study was conducted by both qualitative and quantitative methods. However, the number of customers being interviewed was in a limit; hence the results obtained from the interviews were principally used for the purpose of developing the questionnaire. These figures below was created by using the means-end chain which will demonstrate a summary of the main issues raised from the four interviews, two from Vietnam and two from Finland. The means-end chain is a knowledge structure that shows the relationship between consumers' knowledge about product attributes with their personal knowledge about consequences and values (Zanoli and Naspetti 2002, 644). The questions were tied with the purchasing motivation and potential determinants.

The maps of purchase motives and influencing factors of Vietnamese and Finnish respondents are shown in Figures 10 - 13, where the motives were separated from the influencing factors for the purpose of study. In particular, both purchase motives maps of two groups of respondents obviously suggest that aspects linked to improving the quality of life occupy a final position. That is evidently that these values are the most important motivation for the purchase of smart phone products, as appear at all levels attributes, consequences, and values.

## Purchase motives

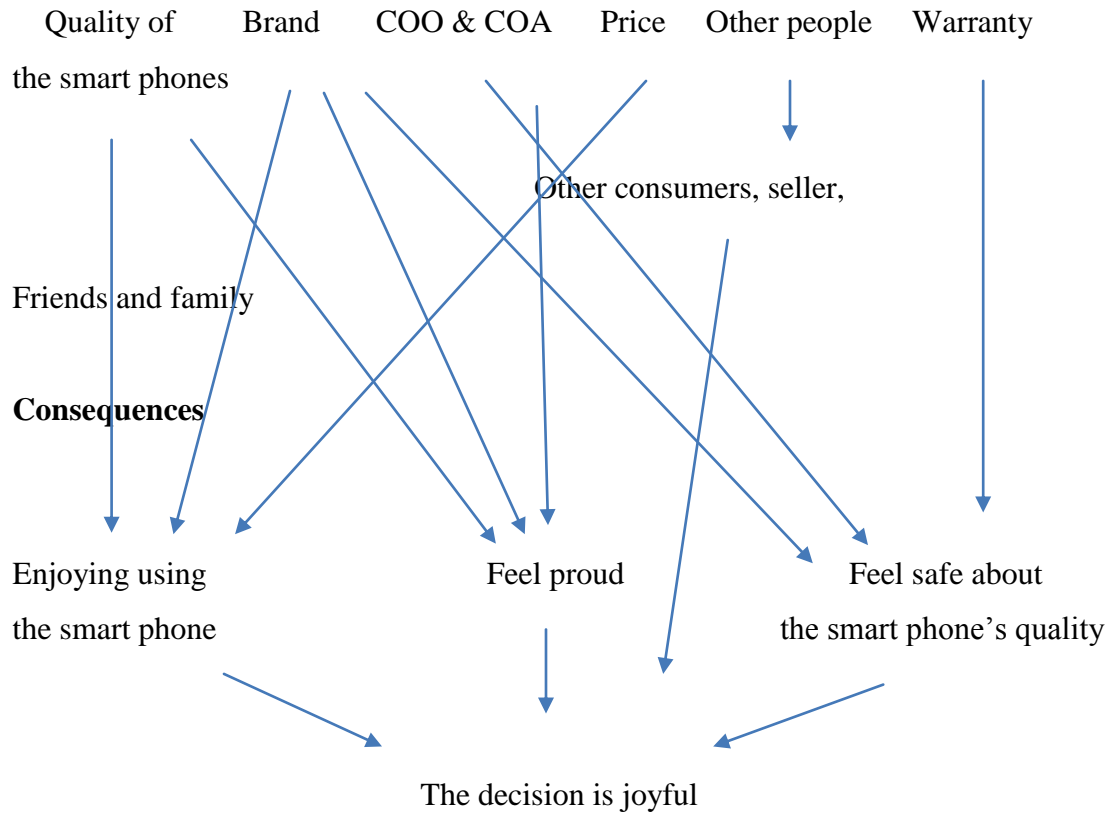


**FIGURE 10: Purchasing motivation of Vietnamese customers** (resulted from the interviews)



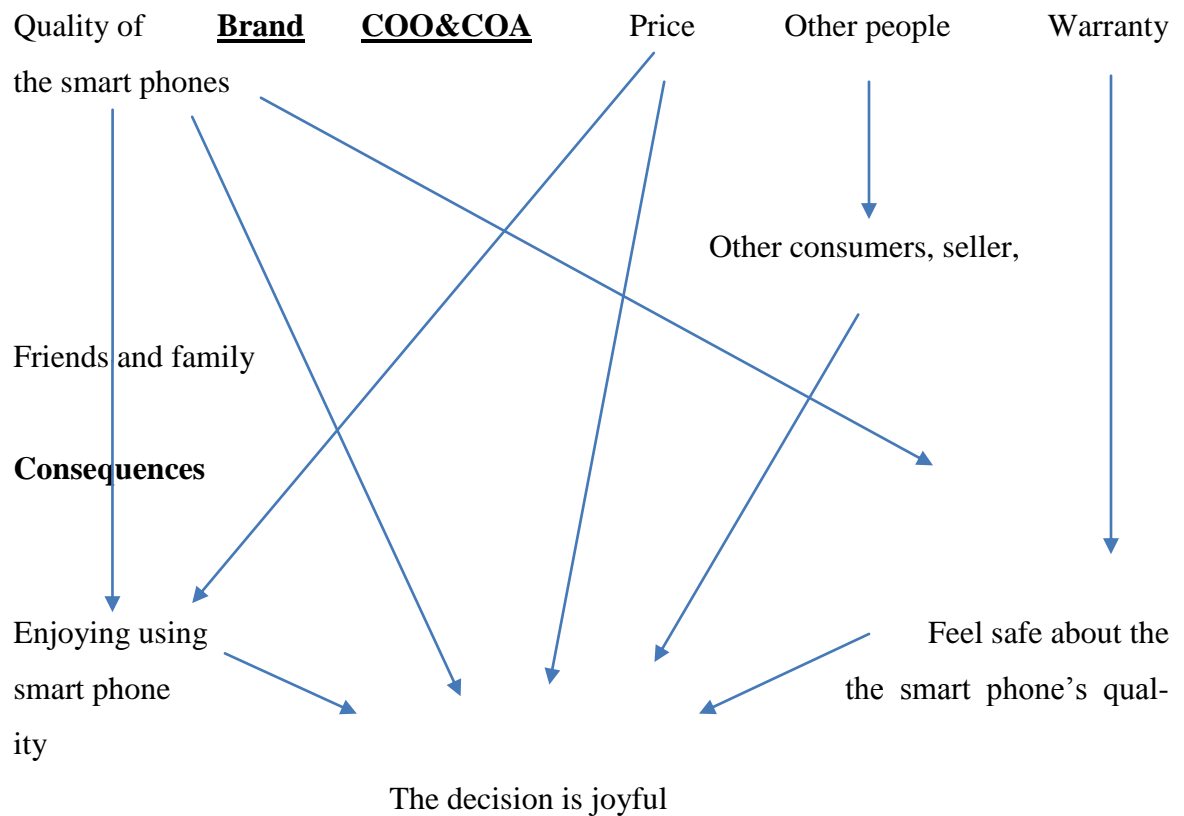
**FIGURE 11: Purchasing motivation of Finnish customers** (resulted from interviews)

## Influencing factors



**FIGURE 12: Influencing factors on Vietnamese customers** (resulted from interviews)

## Influencing factors



**FIGURE 13: Influencing factors on Finnish customers** (resulted from interviews)

The interviewees in Vietnam have firstly mentioned that the main reason leading them to the plan buying a smart phone is to improve the quality of their life. Researcher found out the values behind the purpose, which is convenience, entertainment, and better connecting with the social life. As it was stated in the Chapter 3.3, the question “why is it important to you” has been asked constantly during the interviews, in order to reveal the attributes and consequences. That is, the element gradually explains clearly the purchasing motives pictures. For instance, the value of Vietnamese interviewee about the social life was supported by the consequences in accessing to the Internet which help the smart phone user can socialize in many social network and so on. In particular, those consequences are created by the attributes such as capacity or features of the smart phones.

### 3.6 Survey and Its Implementation

In the survey, 12 questions in total were asked in an attempt to find the answer for the four main objectives of the study. Overall, there were 35 and 45 respondents in Vietnam and Finland respectively taking the survey in 10 days, from 27<sup>th</sup> March 2013 to 6<sup>th</sup> April 2013. After excluding incomplete responses, a sample of 35 and 33 smart phones customers in Vietnam and Finland in order were established. The descriptive information about the sample in the present research is illustrated in Tables 2 and 3.

**TABLE 2: Distribution Statistics in Vietnam**

Variables	Values	Number	Percentage
<b>Gender</b>	Male	18	51.4
	Female	17	48.6
<b>Total</b>		35	100
<b>Age</b>	22 and under	14	40.0
	23 - 30	21	60.0
	31- 40	0	0.0
	41 and over	0	0.0
<b>Total</b>		35	100
<b>Education</b>	High school or lower	7	20.0
	Undergraduate	23	65.7
	Postgraduate	5	14.3
<b>Total</b>		35	100
<b>Number of smart phone owned</b>	0	7	20.0
	1	28	80.0
<b>Total</b>		35	100

**TABLE 3: Distribution statistics in Finland**

Variables	Values	Number	Percentage
<b>Gender</b>	Male	24	72.7
	Female	9	27.3
<b>Total</b>		33	100
<b>Age</b>	22 and under	16	48.5
	23 - 30	13	39.4
	31 - 40	3	9.1
	41 and over	1	3.00
<b>Total</b>		33	100
<b>Education</b>	High school or lower	1	3.00
	Undergraduate	26	78.8
	Postgraduate	6	18.2
<b>Total</b>		33	100
<b>Number of smart phone owned</b>	0	4	12.1
	1	29	87.9
<b>Total</b>		33	100

Firstly, the main concern of the study was respondents' purchasing smart phone motives and major determinants during their decision making process. In order to find data on this matter, questions 3 and 4 were used (see Figures 14 and 15).

**Question 3:** In what situations have mainly led you to the plan of buying a smart phone?

- I need a smart phone to support for my job and daily life
- I want a phone with good multiple functions and can get access to the Internet
- I want to buy a smart phone because many friends and relatives of mine have owned one
- I want to buy a smart phone because I believe that it brings me to a better social status
- I want to buy a smart phone because smart phone has better quality and more convenient compared to normal phone
- I want to experiment new high-tech innovations like smart phones
- Other (please specify): \_\_\_\_\_

**FIGURE 14: Question number 3 in the survey**

**Question 4:** When choosing a smart phone to buy, what is the influence of the following factors upon your decision?

	Not at all important	Not important	Somewhat important	Important	Extremely important
<b>Brand</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Country of Origin</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Country of Assembly</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Price</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Sales/Promotions</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Designs, feature index</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Warranty system</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Social status</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Word of Mouth</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Recommendations</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Reference group</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**FIGURE 15: Question number 4 in the survey**



In terms of purchasing motivation, the measurement was based on the a four-item measure of utilitarian needs which are illustrated by functional values, emotional value and epistemic value (e.g., “I need a smart phone to support for my job and daily life), and a two-item measure of social needs which are demonstrated by social values (e.g., “I want to buy a smart phone because many friends and relatives of mine have owned one”). On the other side, concerning influencing factors during decision making process, the measurement bases on five-point scales (1 = “not at all important”; 5 = “extremely important”). Diverse factors were given to respondents to be rated in terms of significance as to measure their roles (e.g., “Brand”; “Price”). Moreover, in order to have deeper finding for the consumer behavior in the risk perceiving towards life-changing products as smart phones, two other questions about time in searching information (e.g., “How long it takes you to search the information for purchasing a smart phone?”) and time in deciding brand to purchase were also put to be measured.

Next, the last research question, which is “which specific smart phone brands are popular in Vietnamese market?” was revealed by two questions in the survey. Those respondents who currently own a smart phone were asked to inform the brand, and the model of their present smart phone in the question number two. The other question support to understand the customer perception about brands, based on a rank-order scales of eight major smart phone brands which are currently operating in the Vietnamese and Finnish market. The rank-order scale question which is the question number eight in the survey was created in terms of value for money. In specific, there are two brands from the United States of America, two from South Korea, one from Canada, Finland, Japan and Taiwan. This question was likewise used to measure the effects of country-of-origin phenomenon upon respondents’ subjective perceptions toward those brands.

Finally, basic questions concern demographic information of respondents (e.g., education level, income, age) were asked in order to clarify the third research question of this study. All collected data from the survey were recorded and analyzed by using the SPSS version 18.0. Various tests including identifying the mean, standard deviation, correlation tests between variables were made.

## 4. FINDINGS AND ANALYSIS

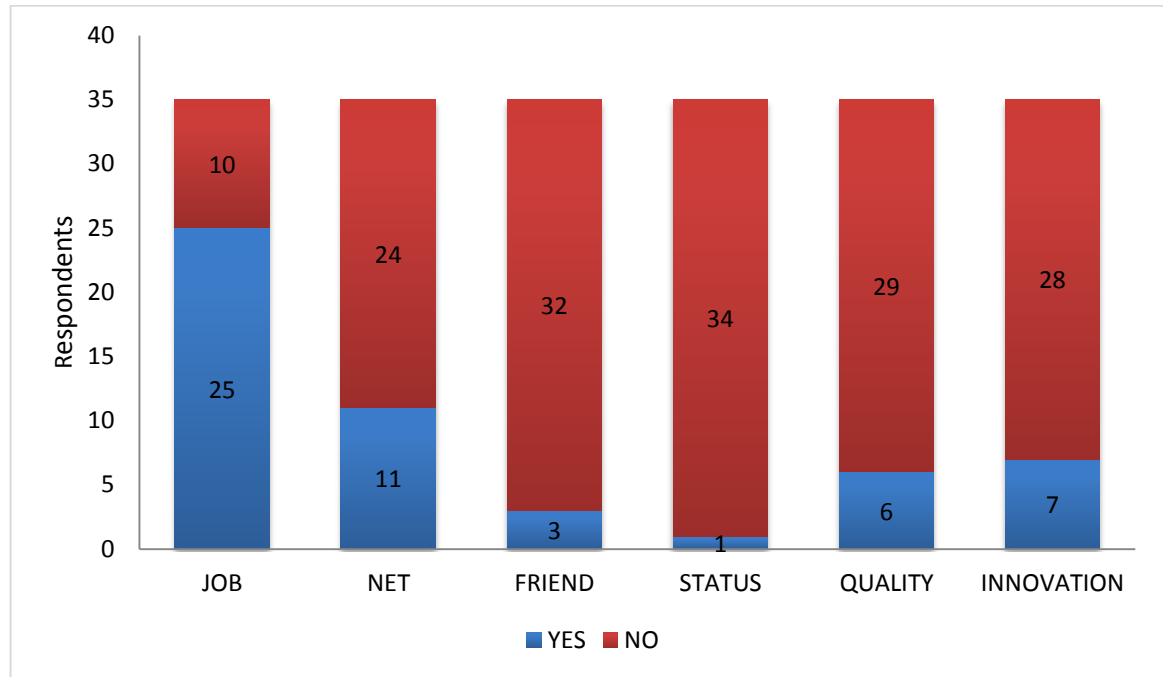
### 4.1 Smart phone buying motives

In the first part of the survey, the needs and wants of buying a smart phone were investigated. The answers to the questions were divided into two variables in SPSS which were 1 for “yes” answers, and 2 for “no” answers. In Vietnam, among motives to purchase a smart phone, the motive of supporting for job and daily life leads the score sheet with the mean value of 1.29 ( $\sigma = 0.458$ ). Followed by the desires for capacity to access to the Internet with an average score of 1.66 ( $\sigma = 0.482$ ). From the data, it could be observed that most of Vietnamese respondents believed these motives have led them to purchase a smart phone. The third main reason selected by Vietnamese respondents was the desires for high-tech innovations with a 1.80 mean value, which is pretty higher yet still lower than 2 points ( $\sigma = 0.406$ ). Although the motive was not standing out, it is worth to note that there were 7 out of 35 Vietnamese respondents (20%) has been motivated by this. The desires which are based on epistemic value for curiosity or the knowledge of high-tech innovations in a developing country like Vietnam are also remarkable, in comparison with a reference group in a developed country. Besides, Vietnamese respondents have selected the better quality of smart phone compared to normal phone also lead them to desires to own a smart phone. This motive was ranked in the fourth place with value of mean at 1.86 ( $\sigma = 0.355$ ).

More interestingly, social status motive was the only option that received only one vote by responders. This phenomenon is however predictable, mostly due to the cultural dimension affect. Accompanied by medium low living standard in a developing country and pretty small income, it is understandable that not many respondents see the importance in improving the social status while they also have many other necessary things to spend for.

Besides, few Vietnamese respondents (8.6%) voted for the suggestion that they want to buy a smart phone because many of their friends and relatives have already owned one. The result was about the same with the opinion claiming that the buying intention among

Vietnamese people might not be to impress other people. However, with a high power distance point in Hofstede’s dimensions, there is still a tendency of Vietnamese respondents in this group might want to buy a smart phone not only because many of their friends and relatives have already owned one, but also to maintain his or her class.



**FIGURE 16: Main reasons for smart phone purchasing in Vietnam**

This is predictable when four major purchasing motives (see Figure 16) in Vietnamese respondents belong to utilitarian needs which are determined by functional values and epistemic values (see Table 4) because Vietnam is a feminine culture which concentrates on the consuming for quality of life instead of consuming for showing off. The desires to own a smart phone to show off with friends and upgrade the social status are the two last motives among six suggested motives. They receive relatively identical mean values of 1.91 and 1.97; with standard deviation of 0.284 and 0.169 correspondingly.

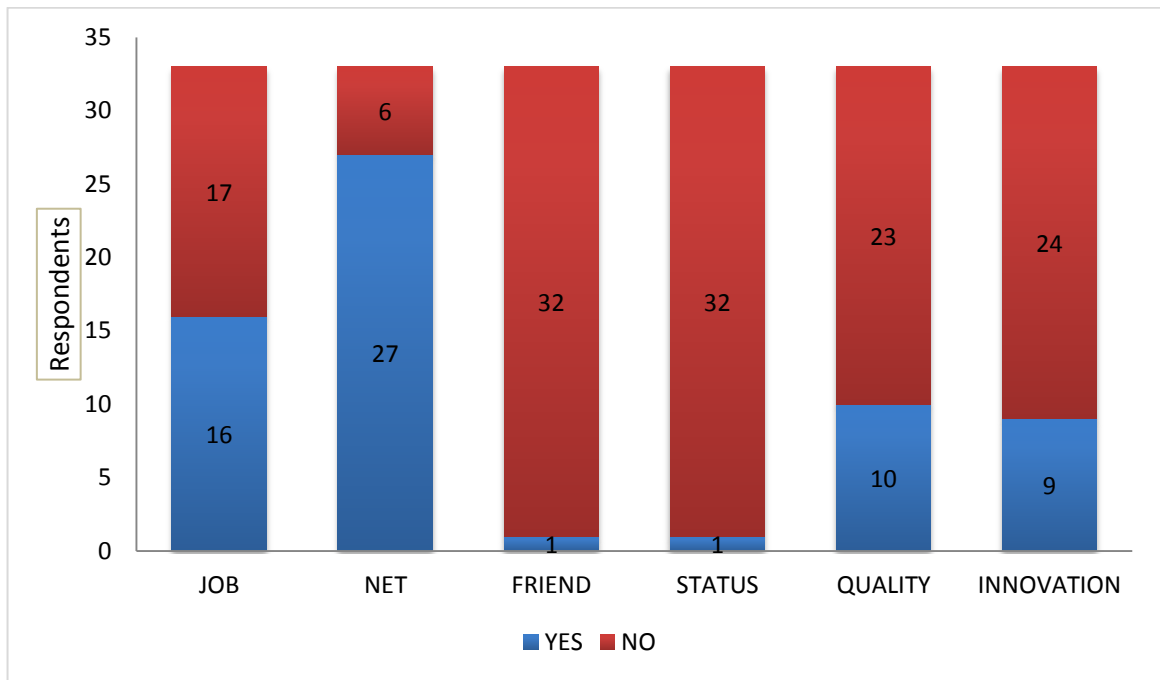
Other reasons which were stated by Vietnamese respondents were mostly related to personal inspirations, such as “because owning a smart phone is the dream that has been longing for a long time”. The researcher acknowledges the importance of these suggested

reasons. Normally, respondents are not interested in putting additional words for open answer questions. However, when it occurs, the reasons mentioned absolutely meaningful to respondents. Those suggestions may identify motives which are important for other customers too.

**TABLE 4: Categorization of buying motives of Vietnamese respondents**

Motivation	Utilitarian Need	Social Need	Mean	Average Mean
Support for job/daily life	X		1.29	<b>1.65</b>
Multiple functions and access to Internet	X		1.66	
High-tech innovations	X		1.80	
Good quality and convenience	X		1.86	
To own a smart phone like friends does		X	1.91	<b>1.94</b>
To improve social status		X	1.97	

Compared to the reference group in Finland - a developed country, the top three purchasing motives (see Figure 17) are respectively the desire to access Internet, support for job and daily life, and the better quality of smart phones comparison with normal phone. Surprisingly, with the mean value of 1.18 ( $\sigma = 0.392$ ), accessing to the Internet was the major motive among Finnish respondents while this is the second major motives among Vietnamese respondents. Meanwhile, the second in the score sheet of Finnish respondents' motivation was the utilitarian needs for supporting job and daily life with an average score of 1.52 ( $\sigma = 0.508$ ). At the top third major motive, it is concentrating on the quality of smart phone with a 1.70 mean value and a 0.467 standard deviation. All the top three major purchasing motives of Finnish respondents belong to the functional values. It strongly supports that Finland is a strong feminine society.



**FIGURE 17: Main reasons for smart phone purchasing in Finland**

In the succeeding step, correlations of all variables in the questions concerning influencing factors were tested to examine the degree to which they are related to each other. Blue shaded cells in the correlation in Table 5 indicate highly correlated pairs of variables in Vietnam ( $r > 0.2$ ) and in Finland ( $r > 0.4, p < 0.05$ ). In the correlation table, JOB stands for supporting job and daily life motive; NET stands for the multiple functions and get access to the Internet; FRI stands for encouragement from many friends and relatives; STA stands for the social status; QUA stands for the good quality and convenience of smart phone and INN stands for the innovation motive.

The most significant correlation was observed in the relation in between NET and STA ( $r(35) = 0.237$ ), followed by that of QUA and NET ( $r(35) = 0.221$ ) in Vietnam's results. Regarding the former, a close affiliation is suggested between the motivation of using the smart phone which can get access to the Internet and the desire to improve the social status. Along with Figure 16, it may show that there are two opposite groups in the relationship between NET and STA. The first group apparently belongs to those people who highly appreciate to improving social status are also those who want to use smart phones

to get access to the Internet. The second opposite group is about the close connection for those who are not interested in improving social status, neither to use smart phones for accessing into the Internet.

As for the latter pair, this is the desire to own a good and convenient smart phone; and the view of buying a smart phone for the possibility to access to the Internet. It also indicates that those who want to get access to the Internet are strongly considered by the quality of the smart phones, and vice versa.

**TABLE 5: Correlations of motives in Vietnam**

		JOB	NET	FRI	STA	QUA	INN
<b>JOB</b>	<b>Pearson Correlation</b>	1	-,076	-,258	,108	,077	-,316
	<b>Sig. (2-tailed)</b>		,664	,134	,535	,658	,064
	<b>N</b>	35	35	35	35	35	35
<b>NET</b>	<b>Pearson Correlation</b>	-,076	1	,209	,237	,221	,090
	<b>Sig. (2-tailed)</b>	,664		,229	,170	,202	,606
	<b>N</b>	35	35	35	35	35	35
<b>FRI</b>	<b>Pearson Correlation</b>	-,258	,209	1	-,053	,167	-,153
	<b>Sig. (2-tailed)</b>	,134	,229		,764	,339	,380
	<b>N</b>	35	35	35	35	35	35
<b>STA</b>	<b>Pearson Correlation</b>	,108	,237	-,053	1	-,070	-,086
	<b>Sig. (2-tailed)</b>	,535	,170	,764		,689	,624
	<b>N</b>	35	35	35	35	35	35
<b>QUA</b>	<b>Pearson Correlation</b>	,077	,221	,167	-,070	1	,000
	<b>Sig. (2-tailed)</b>	,658	,202	,339	,689		1,000
	<b>N</b>	35	35	35	35	35	35
<b>INN</b>	<b>Pearson Correlation</b>	-,316	,090	-,153	-,086	,000	1
	<b>Sig. (2-tailed)</b>	,064	,606	,380	,624	1,000	
	<b>N</b>	35	35	35	35	35	35

On the other side, in Finland's results, the strongest correlation was observed in the relation in between INN and STA ( $r(33) = 0.415$ ,  $p < 0.05$ ), followed by that of QUA and INN ( $r(33) = 0.188$ ). Inferring from the close affiliation between INN and STA, it shows the strong relationship between two variables. In other word, curiosity for updating new innovations is strongly appreciated by people who want to improve their social status, and vice versa. At the same time, the second most significant correlation also shows that it can be divided into two groups. First group is for people who reach for a better quality in smart phone, also want to satisfy for the curiosity to use new innovations like smart phone products. Second group is for those people who are not interested in quality, also do not have highly appreciate for innovation.

Interestingly, both the most significant correlation in Vietnam's results is related to the accessing to the Internet motive, meanwhile both the most significant correlation in Finland's results is concerned about the experiment new high-tech innovations.

**TABLE 6: Correlation of motives in Finland**

	JOB	NET	FRI	STA	QUA	INN
<b>JOB Pearson Correlation</b>	1	,143	-,171	,008	,020	,087
<b>Sig. (2-tailed)</b>		,428	,340	,966	,912	,632
<b>N</b>	33	33	33	33	33	33
<b>NET Pearson Correlation</b>	,143	1	,083	,120	-,031	-,064
<b>Sig. (2-tailed)</b>	,428		,645	,507	,864	,723
<b>N</b>	33	33	33	33	33	33
<b>FRI Pearson Correlation</b>	-,171	,083	1	-,045	-,117	-,108
<b>Sig. (2-tailed)</b>	,340	,645		,804	,518	,549
<b>N</b>	33	33	33	33	33	33
<b>STA Pearson Correlation</b>	,008	,120	-,045	1	,109	,415*
<b>Sig. (2-tailed)</b>	,966	,507	,804		,546	,016
<b>N</b>	33	33	33	33	33	33
<b>QUA Pearson Correlation</b>	,020	-,031	-,117	,109	1	,188
<b>Sig. (2-tailed)</b>	,912	,864	,518	,546		,294
<b>N</b>	33	33	33	33	33	33
<b>INN Pearson Correlation</b>	,087	-,064	-,108	,415*	,188	1
<b>Sig. (2-tailed)</b>	,632	,723	,549	,016	,294	
<b>N</b>	33	33	33	33	33	33

\*. Correlation is significant at the 0.05 level (2-tailed).

With respect to the buying incentives between different age groups in Vietnam, the author found out a tendency among people from 23 – 30 years old. They especially value smart phones for work and supporting their daily life (see Table 7). All 16 respondents in this age group selected the need to use smart phone for their job and daily life. The use of smart phone for work and daily life is also favored by people 22 and under years old, being regarded as a buying incentive by 8 out of 14 respondents in this age group. Moreover, in this age group, the proportions of respondents who are motivated by multiple



functions and accessing to the Internet were almost the same with those one who has motivation to buy a smart phone to support for the job.

**TABLE 7: Age group and Motive crosstabulation in Vietnam categories**

AGE GROUP	N	JOB	NET	FRI	STA	QUA	INN
<b>22 and under</b>	20	8	7	1	X	2	2
<b>23-30</b>	32	16	5	2	1	4	4
<b>31-40</b>	6	3	2	X	X	1	X
<b>41 and over</b>	3	1	1	X	X	1	X
<b>Total</b>		28	15	3	1	8	6

#### 4.2 Influencing factors

In this section, factors that may have influenced upon the ultimate choice of Vietnamese consumers were measured and compared by performing several analyzing approaches. Some of tests in the prior section were executed. In addition, the correlations of all variables in this question concerning influencing factors were also applied to examine the relationships to which they are related to each other. The answers to the questions were collected by using the Likert scales in which 1 stands for “not at all important”, 2 for “not important”, 3 for “somewhat important”, 4 for “important” and 5 for “extremely important” answers.

Firstly, arithmetic means of all factorial variables were assessed (see Table 8). Among the influence factors listed in the questionnaire, the three highest rated factors towards Vietnamese consumer, in order, were “design, capacity, and feature index” ( $M = 4.29$ ,  $\sigma = 1.178$ ), “brand” ( $M = 4.00$ ,  $\sigma = 0.767$ ), and “price” ( $M = 3.94$ ,  $\sigma = 0.873$ ). Impressively, all of these three factors belong to the group of marketing strategies which is under the control of marketers. The next four factors of which mean values are slightly smaller were “warranty policy” ( $M = 3.86$ ,  $\sigma = 0.974$ ), “opinion from family members, friends, co-workers, or other reference group” ( $M = 3.69$ ,  $\sigma = 0.796$ ), “sales and promotions” ( $M$

= 3.57,  $\sigma = 0.884$ ), and “word-of-mouth” ( $M = 3.46$ ,  $\sigma = 0.919$ ). Notably, with 4.0 being the points given for an “important” rating, the results indicate a pretty strong impact of these seven factors upon Vietnamese customers’ buying decision.

A slightly below 3.5 were the average values of “word-of-mouth” ( $M = 3.46$ ,  $\sigma = .919$ ), “country-of-origin” ( $M = 3.43$ ,  $\sigma = 0.884$ ), “country-of manufacture/assembly” ( $M = 3.11$ ,  $\sigma = 0.796$ ), and “social status of the smart phone” ( $M = 3.03$ ,  $\sigma = 1.150$ ). In other words, in terms of arithmetic mean, these factors are observed to be important by respondents, but not so much. In contrast, recommendation from seller or salesman was the factor that received the least appreciation from participants. Its average value ( $M = 2.71$ ,  $\sigma = 0.957$ ) was significantly lower than all other factors. Only 7 out of 35 respondents (20%) labeled the advice from seller as “important” or “extremely important”. In addition, every ten respondents, more than three would regard this factor as “not at all important” or “not important” which is the highest ratio among all the factors provided.

**TABLE 8: Descriptive Statistics of influencing factors in Vietnam**

Rank		N	Mean	Std. Deviation
1	Feature	35	4.29	1.178
2	Brand	35	4.00	.767
3	Price	35	3.94	.873
4	Warranty	35	3.86	.974
5	Reference Group	35	3,69	.796
6	Sale	35	3.57	.884
7	Word of Mouth	35	3.46	.919
8	Country of Origin	35	3.43	.884
9	Country of Assembly	35	3.11	.796
10	Social Status	35	3.03	1.150
11	Recommendations	35	2.71	.957
	Valid N (listwise)	35		

**TABLE 9: Descriptive Statistics of influencing factors in Finland**

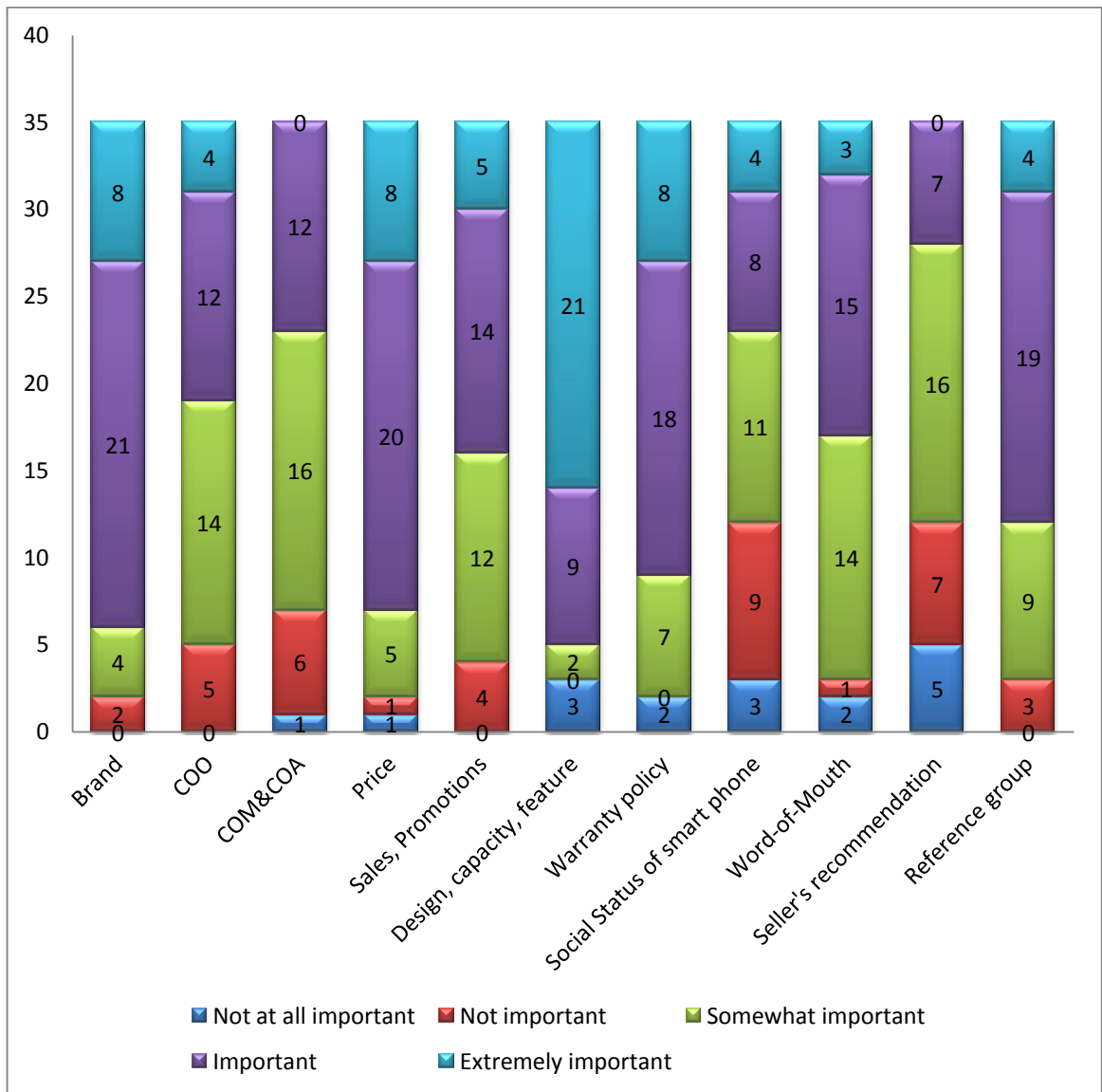
Rank		N	Mean	Std. Deviation
1	Feature	33	4.18	.727
2	Sale	33	3.33	1.021
3	Price	33	3,30	1.212
4	Brand	33	3.21	.696
5	Warranty	33	3.18	1.044
6	Reference Group	33	3,12	1.166
7	Word of Mouth	33	3,09	.947
8	Recommendation	33	2.58	.936
9	Social Status	33	2.27	1.126
10	Country-of-Origin	33	2.12	1.053
11	Country-of-Assembly	33	1.94	1.053
	Valid N (listwise)	33		

Meanwhile, there is a little bit difference about the three highest rated influencing factors in Finnish consumers (see Table 9). The highest and third rated factors were similar to Vietnamese consumer, in order, which were “feature” ( $M = 4.18$ ,  $\sigma = 0.727$ ), and “price” ( $M = 3.30$ ,  $\sigma = 1.212$ ). The difference is the second highest rated factor were “sales and promotions” ( $M = 3.33$ ,  $\sigma = 1.021$ ) was ranked at the sixth highest factors in Vietnamese participants. Meanwhile, the “brand” factor did not receive high appreciation from Finnish consumers with the mean value of 3.21,  $\sigma = 0.696$ , which on the contrary was ranked in the second highest among influencing factors of Vietnamese consumers. Notably, all of these factors also fall into the group of marketing strategies. The next three factors of which mean values are slight higher than the average rated at 3.0 were “warranty policy” ( $M = 3.18$ ,  $\sigma = 1.044$ ), “Opinion from family members, friends, co-workers, or other reference group” ( $M = 3.12$ ,  $\sigma = 1.166$ ), and “word-of-mouth” ( $M = 3.09$ ,  $\sigma = 0.947$ ). All these first ranked seven factors have the mean value above 3.0 point which is given for a

“somewhat important” rating. That is evident that these factors have good impact on Finnish consumers toward smart phone products.

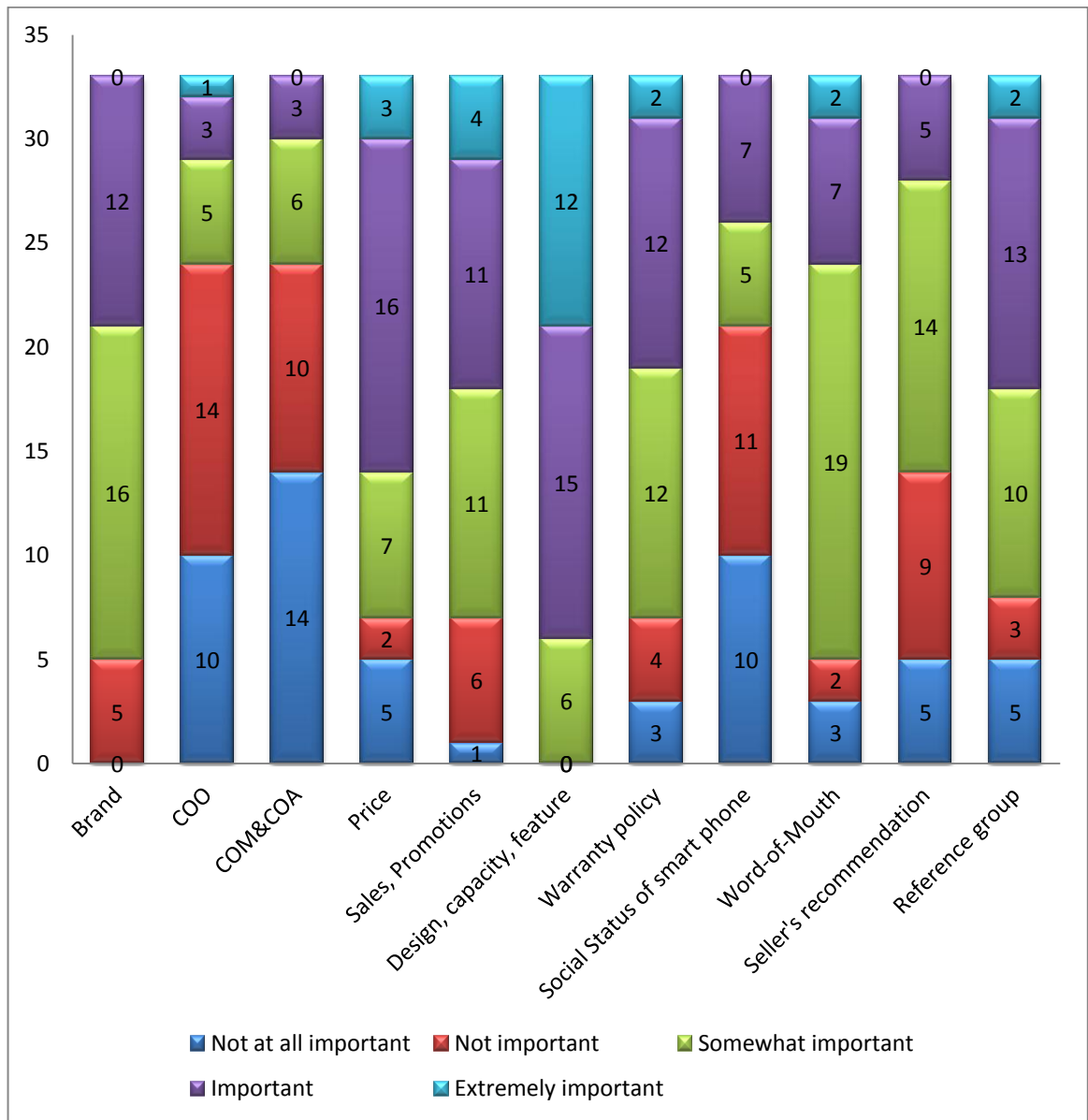
The factors, which were received less appreciation from participants, were “recommendation from seller or salesman” ( $M = 2.58$ ,  $\sigma = 0.936$ ), “social status of the smart phone” ( $M = 2.27$ ,  $\sigma = 1.126$ ), and “country-of-origin” ( $M = 2.12$ ,  $\sigma = 1.053$ ). These factors were not important toward Finnish respondents which all the mean values are mostly close to 2.0 point which is given as “not important” rating. The least influencing factor was “country-of-manufacture/assembly” with the mean value is 1.94 and the standard deviation is 1.053.

Some other interesting points could also be seen by interpreting the results in a different manner. In this case, the researcher attempted to count the number of times each factor was given positive and negative ratings. For example, when counting the “extremely important” ratings in Vietnamese participants, “design, capacity and feature index” is the factor that enjoyed the most time being valued such highly with 22 times out of 35 in total (see Figure 18). Followed by other three product attributes: “brand”, “price” and “warranty policy” which have the same amount of vote (8 times). Although the top four factors remained unchanged, which is reasonable, the bottom positions are rather worth mentioning as well. Despite scoring higher than sales and promotion averagely, opinion of reference group did not perform that better in this counting method. It has 4 out of 35 for “extremely important” votes from respondents, while sales and promotions received 5 out of 35. Similarly, even the score of “country of manufacture/assembly” is higher than “seller’s recommendation”, the factor of “country of manufacture/assembly” did not have much better in this counting figure. Both factors earned the smallest amount of “extremely important” votes from responses, which is none of respondents.



**FIGURE 18: Influencing factors during decision making process in Vietnam**

In comparison to Finnish responses, the influencing factor “design, capacity and feature index” was also received the most vote in the highest value “extremely important” with 12 answers. In addition, this “design, capacity and feature index” factor was found rejected by anyone.



**FIGURE 19: Influencing factors during decision making process in Finland**

When executing correlations test in Vietnam between all factors mentioned, the most significant correlation ( $r > 0.6$ ) found was in the relationship between the attitude toward price and design, capacity, and feature index (see Appendix B). The correlation index was 0.618, ( $p < 0.01$ ), which suggests a harmonization in the evaluation of the importance of price and design, capacity and feature index factors. Especially, respondents seem to increase the influence of price on their decision as warranty policy matters more to them, and vice versa. Followed by the relationship between price and sales or promotions, and

price with warranty policy factor, their values are just slightly smaller with the correlation index at 0.616 ( $p < 0.01$ ) and 0.613 ( $p < 0.01$ ) respectively. It indicates that those who pay attention to price strongly also considered by the design, capacity, feature and warranty policy of the smart phones, and vice versa.

Interestingly, among Finnish respondents, the best correlation was between the relationships of reference group and word-of-mouth at  $r(33) = 0.699$  ( $p < 0.01$ ). It shows the strongly relationship between these factors on Finnish consumers.

Crosstabulation analysis featuring gender, age group and education level was also considered in this stage of the study. With the intent to investigate all possible preferences of people in any particular gender, age group and education level, the analysis's results were unexpectedly remarkable. No significant difference was found between individuals in different genders, age groups or education levels, when the factors included in the survey were evaluated in both Vietnam and Finland. When asked, reaction of respondents appeared to be similar regardless of their profile. This result, however, maybe due to the small sample size of the study.

The performance of eight smart phone brands, which were asked to be ranked in the survey, was also inspected in an attempt to generally test the country-of-origin effect and the perceived position of those brands in the Vietnamese and Finnish market. Consistent with the result in Vietnamese market, regarding country-of origin factor mentioned above, respondents seemed to favor brands from particular countries over others (see Table 10). In specific, in Vietnamese market, United States of America is the country of origin that was valued the best. Two top ranked brands, which were Apple, and Motorola, both come from the United States of America. The third ranked brand was Samsung from South Korea. These three brands lead the ranking list by distance; furthermore, they owned the top three positions in most of responses recorded.

**TABLE 10: Ranking of smart phone brands in Vietnam**

Rank	Brand	Country of origin	Avg. ranking
1	Apple	United States of America	1.44
2	Motorola	United States of America	3.00
3	Samsung	South Korea	3.84
4	Nokia	Finland	4.184
5	Blackberry	Canada	4.189
6	Sony	Japan	5.13
7	LG	South Korea	7.13
8	HTC	Taiwan	7.18

Respondents were not overly biased for the United States of America, and South Korean smart phones, though. In fact, Apple is the world's second-largest information technology company by revenue after Samsung (Gartner 2012). Considering Apple, Motorola, Samsung and LG, being extremely well-known, and respected not only in Vietnam or Finland, but also all over the world, it would be improper to claim that respondents prefer these brand because they value the United States of America and South Korea smart phones better than others. That said, what reflects the perception of Vietnamese respondents more accurately is the performance of the remaining South Korea brand, LG. This brand was at seventh place, lying well behind Finnish, Canadian and Japanese brands which were Nokia, Blackberry and Sony. However, it was not the least favored value because it was valued higher than HTC which comes from Taiwan origin.

The evidence for country-of-origin phenomenon is clearer to be seen when considering unappreciated votes. HTC were selected for the bottom place most of the time, thus ranked substantially worse than all other brands. the poor position of this Taiwanese smart phone manufacturers suggests an unfavorable attitude of Vietnamese smart phone buyers toward brands from countries of which the high-tech industry is quite young.



**TABLE 11: Ranking of smart phone brands in Finland**

Rank	Brand	Country of origin	Avg. ranking
1	Samsung	South Korea	2.86
2	Apple	United States of America	3.30
3	HTC	Taiwan	3.65
4	Nokia	Finland	3.77
5	LG	South Korea	4.61
6	Sony	Japan	4.67
7	Blackberry	Canada	4.87
8	Motorola	United States of America	6.46

In comparison, the performance in ranking brands among Finnish responses was a bit different. However, inferring from the result, it shows that Finnish respondents have almost the same as Vietnamese respondents for the two most favourite brands from South Korea and the United States of America (see Table 11). It is similar with Nokia brand, both Finnish and Vietnamese respondents voted for this fourth best position.

According to the expectation (section 3.2) concerning to consumer ethnocentrism, domestic brands is preferred than foreign, oversea brands by consumers. Particularly, consumers are supposed to be heavily affected by ethnocentrism when the product from the country origin that is not as developed as their country. Together with what observed from the results of Finnish responses for the prior survey question concerning COO factor, it is evident that the ethnocentrism phenomenon was none of these assumptions in this case for Finnish consumers. Even though Nokia which origin from Finland, in fact is the world's third-largest mobile phone maker (Gartner 2012), it was ranked at fourth place in the ranking brand's performance by Finnish responses.

As mentioned before, a questionnaire was asked to gauge a consumer attitude in risk perceiving toward life-changing products like smart phones. In this question, responders were forced to reveal how long they spend for searching and deciding when choosing a

smart phone by selecting the options offered by the researcher as well as suggested by them. Most of Vietnamese respondents (42.9%) voted for a week maximum time to searching for information before making the purchase for a smart phone (see Table 12). Followed by the second amount of responses for “less than 3 days” option, that was 28.6%. Only 4 out of 35 (11.4%) of Vietnamese respondents would do the research for less than a month. Impressively, none of Vietnamese respondent voted for “less than an hour” option (see table 12). Nonetheless, a reasonable explanation can be provided: for a low uncertainty avoidance culture like Vietnam which owned a score at 30 in the Hofstede’s culture dimension, the willingness to take risks is pretty high, but still the need to be secure might also be important to some certain people in the society.

**TABLE 12: Frequency of time spending for searching a smart phone in Vietnam**  
(output from SPSS)

<b>N = 35</b>	<b>Frequency</b>	<b>Percent</b>
<b>Less than an hour</b>	0	0.0
<b>Less than 3 days</b>	10	28.6
<b>Less than a week</b>	15	42.9
<b>Less than 2 weeks</b>	6	17.1
<b>Less than a month</b>	4	11.4

In contrast, with what observed from Finnish responses (see Table 13), people are spending more time for searching before making their decision. More than half of respondents (54.6%) voted for “less than a month” option, while only few voted for “less than 3 days” or “less than a week” option. In similar to Vietnamese result, none response for the option “less than an hour”. It is understandable because Finland is a medium high preference for avoiding uncertainty. Therefore, security is significant factor for Finnish consumers.

**TABLE 13: Frequency of time spending for searching a smart phone in Finland**  
(output from SPSS)

N = 33		Frequency	Percent
<b>Valid</b>	<b>Less than an hour</b>	0	0.0
	<b>Less than 3 days</b>	4	12.1
	<b>Less than a week</b>	7	21.2
	<b>Less than 2 weeks</b>	4	12.1
	<b>Less than a month</b>	18	54.6

### 4.3 Market Scanning

This section reveals the results which have to do with a general view of the Vietnamese smart phone market. A profile of those consumers who are involved in the smart phone trading market and some popular smart phone brands were noted.

Firstly, the ratio of smart phone buyers is almost the same between male and female gender in Vietnam. Only four people (11.4%) with lower income than \$4000 stated the intention to buy a smart phone. From this point forth, there is no significant distinction in smart phone ownership status between people with different income level (see Table 14). In other words, any individual whose household income lies from \$4000 upwards can be a smart phone buyer.

**TABLE 14: Ownership status and Income crosstabulation in Vietnam**

Ownership status	Income (\$)					Total
	< 4,000	4,000 - 10,000	10,000 - 20,000	20,000 - 70,000	> 70,000	
<b>Yes</b>	8	13	5	1	1	28
<b>No</b>	4	2	1	0	0	7
<b>Total</b>	9	15	6	1	1	35

Secondly, people who are between 23 and 30 years old are more likely to own a smart phone than younger customers. 18 out of 35 respondents (51.4%) in this age group are smart phone owners, compared to none in 31 to 40 and over age group. There is 10 owners out of 35 respondents (28.6%) in under-22 age group (see Table 15).

**TABLE 15: Ownership status and Age group crosstabulation in Vietnam**

Ownership status	Age group				Total
	22 and under	23-30	31-40	41 and over	
<b>Yes</b>	10	18	0	0	28
<b>No</b>	4	3	0	0	7
<b>Total</b>	14	21	0	0	35

Thirdly, education level has practically no relationship with the ability to purchase a smart phone in Vietnam. Smart phone ownership was easy to be found in all three education levels, which are high school or lower, undergraduate and postgraduate (see Table 16).

**TABLE 16: Ownership status and education level crosstabulation in Vietnam**

Ownership status	Education level			Total
	High school or lower	Undergraduate	Postgraduate	
<b>Yes</b>	4	19	5	28
<b>No</b>	3	4	0	7
<b>Total</b>	7	23	5	35

Lastly, American smart phones are particularly popular in the Vietnamese market. 48.6 percent of participants who own a smart phone are using an American smart phone. To be more specific, 17 out of 35 respondents have an Iphone, six have a Samsung one, two own a smart phone of Blackberry, one has a Nokia, one has Sony and one possess a Motorola smart phone. From this result, it was apparent to realize the popularity of Apple smart phones in the market of Vietnam. Its success, as implied by many users, may be due to the good quality, constantly updating technology, the diversity in the Apps market and especially the lack of possible negative attributes, such as the availability of accessories or trustable warranty policy in the market, of the brand's products.

## **5. DISCUSSION**

Results of the present study have in part solved the research questions concerning consumer behavior of Vietnamese smart phone buyers. The first research question was what drives Vietnamese consumer to the intention of purchasing a smart phone. This is an important question as smart phones are still quite expensive to most citizens in Vietnam. Among these driving forces, some of the most noteworthy ones were revealed in the results. Three greatest reasons for buying a smart phone in Vietnam are the need to support for job, get access to the Internet, and the desire to experiment high-tech innovation. Interestingly, one of these reasons, which is the desire to experiment for high-tech innovation, is unlikely to be vital to the reference group in Finland where the purchase of smart phone is supposed to achieve a better quality from normal phone. Otherwise, the needs to use the smart phone for work and to get access to the Internet or to get the most benefits from the convenience of smart phone, which similarly applied for Finland also could be applied for other developed countries. Also, by showing that people want to buy a smart phone in order to enhance relationships was a bit less appreciated than to use for work, the result likewise indicates that it is not a big role of social needs in shaping the buying intention for consumer in Vietnam.

Following was the question what are the factors that have impacts on Vietnamese people when they go through the decision making process for a smart phone. The results suggest by the importance of several factors from different groups. The groups were based on the theoretical frameworks and the perspectives of many scholars, which were namely marketing strategies like price, sales or promotion; brand equity, country-of-origin/country-of-assembly, word-of-mouth, social values and reference groups. In particular, the group of previous theoretical framework are used such as the brand's impact from scholar K.Keller or Lam, Mizerski, and Lee (2005, 9) for the word-of-mouth effects on consumer behavior, for example. The findings from this study also indicate the difference in attitude of consumers toward seller's recommendation which was compared to the work of Hugstad, Taylor and Bruce. They claimed that buyers tend to have more trust on salesmen when the purchase possesses a higher in risk perceiving. However, this study clearly stated that seller's recommendation was under appreciated by the majority of Vietnamese as well as Finnish customers.

The two last research questions were aiming to discover the general profile of existing and potential Vietnamese smart phone buyers, as well as some popular smart phone brands in the Vietnamese market. The predominance of smart phones of the United States of American origin, especially Apple brand found in the results have contributed to the above finding about Vietnamese smart phone consumer behavior, namely buying motives, determinants, and country-of-origin effects.

## **6. CONCLUSION**

### **6.1 Main Findings**

The findings recommend the overall behavior of Vietnamese smart phone buyers, particularly their buying motives and the factors that have impacts on their decision. Firstly, the survey results show that consumers in developing countries like Vietnam want to own a smart phone which is somehow different to the reasons that from those in more developed countries like Finland. The most common reasons for buying a smart phone among Vietnamese consumers are the needs to support for their job and daily life as well as the pos-

sibility to get access to the Internet, and the desire to experiment high-tech innovations. In other words, Vietnamese consumers typically consume a smart phone as a tool for better quality of life both practically and socially, which was also suggested in the results of the interviews.

Next, the most important factors, which influencing impacted during the decision making process of Vietnamese consumers, were clarified in the research. Feature attributes of a smart phone, such as capacity, design, functions, along with the brand, and price, are the most important issues to Vietnamese customers. Other factors which are slightly less but still strongly significant are warranty policy, reference group, sales, word-of-mouth, country-of-origin and country-of-assembly. However, the recommendation from seller is the only factor that has the least impact on Vietnamese and Finnish smart phone's consumer, as they tend to not have trust on the sellers.

Finally, the mainstream of Vietnamese smart phone users are those who are belong in the group from 23 to 30 years old, with the household income of no less than \$4000 annually, and they come from all education levels. They tend to prefer the American brands over other brands, but still use South Korean smart phone in many cases. Majority of the smart phones traded in Vietnam are from either the United States of American or South Korean smart phones manufacturers, in which Apple and Samsung are the most popular brand in Vietnamese market.

## **6.2 Implications**

What was found from this research could provide managers in the smart phone market with an understanding of Vietnamese consumer behaviors. Initially, the buying motivation and general attitude of Vietnamese people toward owning and using a smart phone can be applied to the planning of marketing strategies. Marketers may concentrate on the main reasons which drive Vietnamese people to purchase a smart phone, and then develop communication strategies which raise the expectation of consumers to the highest possible level. For instance, advertisements should include a picture of a phone with multiple functions which clearly show the useful features like checking email or supporting

the daily life like navigator for car users. The results of the study suggest that features based advertising can be more effective than mental image campaigns which show mobile devices as luxury items.

Furthermore, managers can get substantial benefits by using the results concerning influencing factors in a proper way. Concentrating on the factors that are highly appreciated by customers and minimizing the efforts on insignificant ones are the steps marketing managers should consider and implement. In particular, smart phone manufacturers may wish to focus more on the improvement of features of the smart phone rather than on the brand, as in average Vietnamese consumers seem to strongly value the features and functions. On the other hand, the results indicate that Vietnamese customers have not much faith in sales man. As a result of this, marketing managers must rethink the use of delivery channels in the future.

Besides, concerning culture impacts on buying intention and choice, this should also be considered towards marketer. From the findings of the research, it demonstrated that culture somehow shape the motivations differently between countries, in this case is Vietnam and Finland. However, it is interesting to notice that influence determinants of consumer choice behavior which highly appreciated from both Vietnamese and Finnish people were not affected by culture aspects at all. Both Vietnamese and Finnish people voted for features, sale, price, brand, and warranty as the highest impacted factors to them. Therefore, it could be concluded that even local culture may affect the buying intention from different countries; it is global effects in terms of influence factors towards consumer.

Other results should gain some respects as well. The findings regarding to the profile of Vietnamese smart phone buyers are indeed helpful for the segmentation task. As an example, smart phone retailers may be happier with the increasing number of smart phones being sold every month by increasing the amount of the American smart phones in their stores, or by putting more concentration on customers from 23 to 30 years old age group.



From the viewpoint of business management, several possible implications can also be discussed. As the consequences reveal the evidence of COO effects in Vietnamese market, smart phone manufactures from countries which are less well-known for making smart phones should expect to face many difficulties in gaining market shares. Meanwhile, new brands from the United States of America and South Korea could take advantage from this to quickly boost their position in the mind of Vietnamese smart phone buyers.

### **6.3 Limitations**

The present research was not conducted without some limitations. First of all, most of the limitations of this research stem from the small size of the sample. Due to limited time frame, the researcher could not gather a greater number of participants for both the interview and the survey, hence causing problematic issues in performing sufficient analysis. For instance, the researcher was unable to conduct Chi-square test since the count of variables did not meet the minimum requirement.

The list of smart phone brands used in the questionnaire was also a source of limitations. Only eight brands were studied. Moreover, the numbers of smart phones from each country were unequal which might imply a bias towards the country which has more brands. In addition, the site of this study is limited to only two cities in Vietnam and one city in Finland, not to mention that majority of the sample in Vietnam come from two cities with close geographical and cultural distance. As the cultural differences exist throughout the country, generalizing consumers in the country as a whole might be an excessive assumption.

Lastly, the reliability of the data was a big concern of this study. In sensitive questions, such as the one about whether improving social status contribute is a buying incentive or not, it was a huge challenge to determine which respondent told the truth in their response. This is also a problem of the methodology used in this research where the findings merely rely on the survey's results.

#### **6.4 Suggestions for Future Researches**

Following the given recommendation in the above section, this study could be improved much comprehensive for other studies in the future by several possibilities. First and foremost, for the better accuracy and reliability, a good amount of size and diverse samples will be required. These samples will support for the researchers to analyze the results more intensely and have a comprehensive perspective and precisely. Second, a different approach, certain more qualitative, could be used in order to build a better understanding of smart phone consumers. Besides, the influence of social values on consumer behavior in developing country is a topic should be paid more attention since it has not received much recognition and hence need to be more studied.

In conclusion, this research is indeed the first research about Vietnamese smart phone consumer. It hence can be considered as a starting point for other future studies to discover the behavior of Vietnamese smart phone buyers in particular and of all the market in general.

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**Consumer Behavior of Vietnamese Smart Phone Buyers Questionnaire**

**1. Do you own a smart phone currently?**

- Yes
- No, but I intent to buy one sometime in the next 24 months.

**If you chose NO, please continue from question 3**

**2. Please mention the name of the smart phone(s) that you currently have (e.g. Iphone 4s)**

**3. In what situations have mainly leaded you to the plan of buying a smart phone?**

Check all that apply

- I need a smart phone to support for my job and daily life.
- I want a phone with good multiple functions and can get access to the Internet.
- I want to buy a smart phone because many friends and relative of mine have owned one.
- I want to buy a smart phone because I believe that it brings me to a better social status.
- I want to buy a smart phone because smart phone has better quality and more convenient compared to normal phone.
- I want to experiment new high-tech innovations like smart phones

Other (please specify): \_\_\_\_\_

**4. When choosing a smart phone to buy, what is the influence of the following factors upon your decision?**

The term “Country of Origin” refers to the country where the smart phones were produced and come from.

The term “Country of Assembly” refers to the country where the smart phones were either partially produced or assembled in some parts.

	Not at all important 1	Not important 2	Somewhat important 3	Important 4	Extremely important 5
Brand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Country of origin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Country of manufacture / assembly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales / Promotions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Design, capacity, feature index	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social status of the smart phone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Word of mouth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recommendation from seller / salesman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Opinion from family members, friends, co-workers, or online reviews.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**5. How long it takes you to search the information for purchasing a smart phone?**

- Less than an hour
- Less than 3 days
- Less than a week
- Less than 2 weeks
- Less than a month
- Other: \_\_\_\_\_

**Please consider your decision making process on a smart phone and respond to the following statements**

**6. Before I decide which brands to purchase, I spend ... to think**

- Less than an hour
- Less than 3 days
- Less than a week
- Less than 2 weeks
- Less than a month
- Other: \_\_\_\_\_

**7. I think ... about which brands to purchase**

- Not at all
- A little
- Fairly much
- Quite a lot
- A lot

**8. To what extent do you agree/disagree with the following statements about smart phones?**

	Totally Disagree	Disagree	Neutral	Agree	Totally Agree
	1	2	3	4	5
I trust well-known smart phone brands more than others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I only buy from my favorite phone brands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I think imported smart phones have higher quality than those produced domestically	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**9. Please rank the following brands in the terms of value for money, according to your own opinion:** (1 = best, 8 = worst)

- \_\_\_\_\_ Apple
- \_\_\_\_\_ BlackBerry
- \_\_\_\_\_ Nokia
- \_\_\_\_\_ Samsung
- \_\_\_\_\_ HTC
- \_\_\_\_\_ LG
- \_\_\_\_\_ Sony
- \_\_\_\_\_ Motorola

**10. Your current education level:**

- High school or lower
- Undergraduate
- Postgraduate
- Other

**11. Approximately, what is your household income annually?**

- Less than \$4,000
- \$4,000 - \$10,000
- \$10,000 - \$20,000
- \$20,000 - \$70,000
- More than \$70,000

**12. Finally, please write down your gender, current city and the year of birth:** (e.g.

Female, Ho Chi Minh City 1986)

## Appendix B

### Output from SPSS for Testing Correlations between Influencing Factors in Vietnam

		Vietnam Correlations										
		BRA	COO	COA	PRI	SALES	FEA	WAR	SOCIAL	WOM	REC	REF
BRA	Pearson Correlation	1	,347*	,193	,352*	-,130	,489**	,354*	,267	,000	,000	,000
	Sig. (2-tailed)		,041	,267	,038	,456	,003	,037	,121	1,000	1,000	1,000
	N	35	35	35	35	35	35	35	35	35	35	35
COO	Pearson Correlation	,347*	1	,597**	-,044	-,059	,472**	,312	,017	-,031	-,199	-,054
	Sig. (2-tailed)	,041		,000	,804	,736	,004	,068	,925	,859	,253	,759
	N	35	35	35	35	35	35	35	35	35	35	35
COA	Pearson Correlation	,193	,597**	1	,010	,197	,309	,363*	,189	,369*	,006	,012
	Sig. (2-tailed)	,267	,000		,956	,257	,071	,032	,277	,029	,975	,946
	N	35	35	35	35	35	35	35	35	35	35	35
PRI	Pearson Correlation	,352*	-,044	,010	1	,616**	,618**	,613**	-,174	-,040	-,161	,270
	Sig. (2-tailed)	,038	,804	,956		,000	,000	,000	,317	,820	,355	,117
	N	35	35	35	35	35	35	35	35	35	35	35
SALES	Pearson Correlation	-,130	-,059	,197	,616**	1	,206	,473**	-,132	,212	-,010	,346*
	Sig. (2-tailed)	,456	,736	,257	,000		,235	,004	,449	,221	,955	,042
	N	35	35	35	35	35	35	35	35	35	35	35
FEA	Pearson Correlation	,489**	,472**	,309	,618**	,206	1	,575**	-,158	-,070	-,369*	,036
	Sig. (2-tailed)	,003	,004	,071	,000	,235		,000	,364	,690	,029	,838
	N	35	35	35	35	35	35	35	35	35	35	35
WAR	Pearson Correlation	,354*	,312	,363*	,613**	,473**	,575**	1	,109	,141	-,014	,282
	Sig. (2-tailed)	,037	,068	,032	,000	,004	,000		,534	,420	,939	,101
	N	35	35	35	35	35	35	35	35	35	35	35
SOCIAL	Pearson Correlation	,267	,017	,189	-,174	-,132	-,158	,109	1	,488**	,355*	,042
	Sig. (2-tailed)	,121	,925	,277	,317	,449	,364	,534		,003	,036	,810
	N	35	35	35	35	35	35	35	35	35	35	35
WOM	Pearson Correlation	,000	-,031	,369*	-,040	,212	-,070	,141	,488**	1	,421*	,484**
	Sig. (2-tailed)	1,000	,859	,029	,820	,221	,690	,420	,003		,012	,003
	N	35	35	35	35	35	35	35	35	35	35	35
REC	Pearson Correlation	,000	-,199	,006	-,161	-,010	-,369*	-,014	,355*	,421*	1	,303
	Sig. (2-tailed)	1,000	,253	,975	,355	,955	,029	,939	,036	,012		,076
	N	35	35	35	35	35	35	35	35	35	35	35
REF	Pearson Correlation	,000	-,054	,012	,270	,346*	,036	,282	,042	,484**	,303	1
	Sig. (2-tailed)	1,000	,759	,946	,117	,042	,838	,101	,810	,003	,076	
	N	35	35	35	35	35	35	35	35	35	35	35

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\* . Correlation is significant at the 0.01 level (2-tailed).

## Appendix C

### Output from SPSS for Testing Correlations between Influencing Factors in Finland

		<u>Finland Correlations</u>										
		BRA	COO	COA	PRI	SALES	FEA	WAR	SOCIAL	WOM	REC	REF
BRA	Pearson Correlation	1	,134	,154	-,004	,161	,230	,074	,123	,349*	,190	,275
	Sig. (2-tailed)		,456	,392	,980	,370	,198	,681	,494	,047	,289	,121
	N	33	33	33	33	33	33	33	33	33	33	33
COO	Pearson Correlation	,134	1	,661**	,289	,078	,215	,377*	,235	,176	,497**	,369*
	Sig. (2-tailed)	,456		,000	,103	,668	,229	,031	,188	,326	,003	,034
	N	33	33	33	33	33	33	33	33	33	33	33
COA	Pearson Correlation	,154	,661**	1	,507**	,266	,231	,371*	,266	,336	,540**	,490**
	Sig. (2-tailed)	,392	,000		,003	,135	,196	,034	,135	,056	,001	,004
	N	33	33	33	33	33	33	33	33	33	33	33
PRI	Pearson Correlation	-,004	,289	,507**	1	,118	,255	,449**	-,017	,166	,282	,217
	Sig. (2-tailed)	,980	,103	,003		,513	,152	,009	,927	,356	,112	,226
	N	33	33	33	33	33	33	33	33	33	33	33
SALES	Pearson Correlation	,161	,078	,266	,118	1	,042	-,059	,136	,485**	,087	,280
	Sig. (2-tailed)	,370	,668	,135	,513		,816	,746	,450	,004	,629	,114
	N	33	33	33	33	33	33	33	33	33	33	33
FEA	Pearson Correlation	,230	,215	,231	,255	,042	1	,326	,205	,202	,392*	,526**
	Sig. (2-tailed)	,198	,229	,196	,152	,816		,065	,253	,259	,024	,002
	N	33	33	33	33	33	33	33	33	33	33	33
WAR	Pearson Correlation	,074	,377*	,371*	,449**	-,059	,326	1	-,256	,141	,177	,315
	Sig. (2-tailed)	,681	,031	,034	,009	,746	,065		,150	,435	,324	,074
	N	33	33	33	33	33	33	33	33	33	33	33
SOCIAL	Pearson Correlation	,123	,235	,266	-,017	,136	,205	-,256	1	,269	,261	,260
	Sig. (2-tailed)	,494	,188	,135	,927	,450	,253	,150		,130	,142	,144
	N	33	33	33	33	33	33	33	33	33	33	33
WOM	Pearson Correlation	,349*	,176	,336	,166	,485**	,202	,141	,269	1	,327	,669**
	Sig. (2-tailed)	,047	,326	,056	,356	,004	,259	,435	,130		,064	,000
	N	33	33	33	33	33	33	33	33	33	33	33
REC	Pearson Correlation	,190	,497**	,540**	,282	,087	,392*	,177	,261	,327	1	,506**
	Sig. (2-tailed)	,289	,003	,001	,112	,629	,024	,324	,142	,064		,003
	N	33	33	33	33	33	33	33	33	33	33	33
REF	Pearson Correlation	,275	,369*	,490**	,217	,280	,526**	,315	,260	,669**	,506**	1
	Sig. (2-tailed)	,121	,034	,004	,226	,114	,002	,074	,144	,000	,003	
	N	33	33	33	33	33	33	33	33	33	33	33

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).