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Identifying the Factors Affecting Customer Purchase Intention

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Abstract- In the worst competitive market the consumer products manufacturing industries pay attention on customer purchase intention for maintain their reput in market and enhanced their goodwill. Because loyal customer are good source for create revenue. This study learns and contributes the factors that affect customer purchase intention. The purpose of this study is to observe the effect of independent variable (customer knowledge ,purchase intention, celebrity endorsement and perceived value) on dependent variable (purchase intention).The study describe that the relation between dependent variable have significant relationship with purchase intention. This is quantitative study and sample size of this study is 100. And 100 questionnaires were used for collection of data. The results of this study shows that perceived value, customer knowledge, celebrity endorsement have significant relationship with purchase intention.

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Identifying the Factors Affecting Customer Purchase Intention

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Abstract- In the worst competitive market the consumer products manufacturing industries pay attention on customer purchase intention for maintain their reputé in market and enhanced their goodwill. Because loyal customer are good source for create revenue. This study learns and contributes the factors that affect customer purchase intention. The purpose of this study is to observe the effect of independent variable (customer knowledge ,purchase intention, celebrity endorsement and perceived value) on dependent variable (purchase intention).The study describe that the relation between dependent variable have significant relationship with purchase intention. This is quantitative study and sample size of this study is 100. And 100 questionnaires were used for collection of data. The results of this study shows that perceived value, customer knowledge, celebrity endorsement have significant relationship with purchase intention.

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I. INTRODUCTION

The purchasing process to buy a particular brand or product is affected by various factors such as price of the product, design, packaging, knowledge about product, quality, celebrity endorsement, fashion and sometimes family relation as well (Shafiq et al., 2011). In developed countries of the world, the retail market is mature (Berner et al., 2001). But in Asian markets like Japan, China, India and South Korea, the people of these countries are sensitive about product or brand and have some questions in their minds such as what the brand offers? And how the brand fulfills their needs? (Anholt, 2000). According to Blackwell et al., (2001) that the decision making of consumers about particular brand based on searching for the internal and external environment. With reference of internal information, it is collected from previous experiences due to advertisement etc and external information may be gathered from peers or market place etc. In addition, previous studies argued that the external factors for instance, demographic, group and geographic have the influence on purchase intention. However, some there are some problems in applying these factors and also

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some issues regarding the measurements of purchase intention. The influence of demographic on purchase intention is difficult that needs to be examined. For example, consumers under the age of 18 to 24 years old likely to buy a product at the spot or change the brand if the mood strikes (Abdul Razak & Kamarulzaman, 2009). Zaal, (2009) elaborates that different economic conditions have pushed the companies to make efficient its operations and make sure the right product for the right market unlike capturing only those markets from where high returns rise.

Madahi and Sukati (2012) describe that the purchase intention has become complicated and significant in recent era. Consumers have know how from different advertisements, reports and articles about products. Moreover, different kind of brands, products, superstores etc have complicated and difficult decision making.

II. LITERATURE REVIEW

Purchase intention is the preference of consumer to buy the product or service. In another words, purchase intention has another aspect that the consumer will purchase a product after evaluation. Many factors affect the consumer's intention while selecting the product and the ultimate decision depends on consumers' intention with large external factors (Keller, 2001). Decision making about purchase is affected by the group in selection procedure of a brand for known products. The selection of a brand based on group cohesiveness of the brand (Witt & Bruce, 1972). The information about the brand have been used by the other group members also affect the decision to skip the existing brand and to move on to the purchase those brand that is using by other group members (Witt, 1969). So the great orientation to consumer's members impact to other members to buy particular brand used by the other group members (Moschis, 1976). Many factors intended to purchase intention which is customer knowledge, perception of consumers, product packaging or design and celebrity endorsement etc.

The study conducted by Satish and Peter (2004) explains that knowledge about the product by the consumer plays an integral role during product purchase decision. Other studies like Rao and Monroe (1988) argued that knowledge of the product is the main factor in product purchasing decision. Product

packaging in which one thought is simple outlook and second thought is to prepare attractive packaging. These factors are also very important and have influenced on consumer purchase intention (Ann, 2008). Another research of Fung et al., (2004) revealed that consumer's feelings attached with design and packaging. Moreover, in company's point of view packaging or design build the good will of company and it also shows the quality of the product (Dileep, 2006). Many authors have great importance of celebrity endorsement. But the main point, it should be relevant to the product with reasonable logic about the product (David & Benedikte, 2004). Another factor of purchase intention is the perceived value which implies the relationship with product and consumers (Payne and Holt, 2001). It is ultimate conclusion that higher the perceived value resulting higher the intention of purchase (Tung et al. 1994). Perceived value of the product has different dimensions that are tangible and intangible (Snoj et al. 2004). James, (2002) elaborates that the higher perceived value enhancement to purchase decision. However, on the basis of knowledge of product, consumers assess the product and make decision (Nah Hong, 2007). According to the Tun Zong

et al. (1994) that purchase intention has positive affect with perceived value.

III. HYPOTHESIS DEVELOPMENT

H₁: Celebrity endorsement has significant relation with purchase intention.

H₂: Customer knowledge about the product has significant relation with purchase intention.

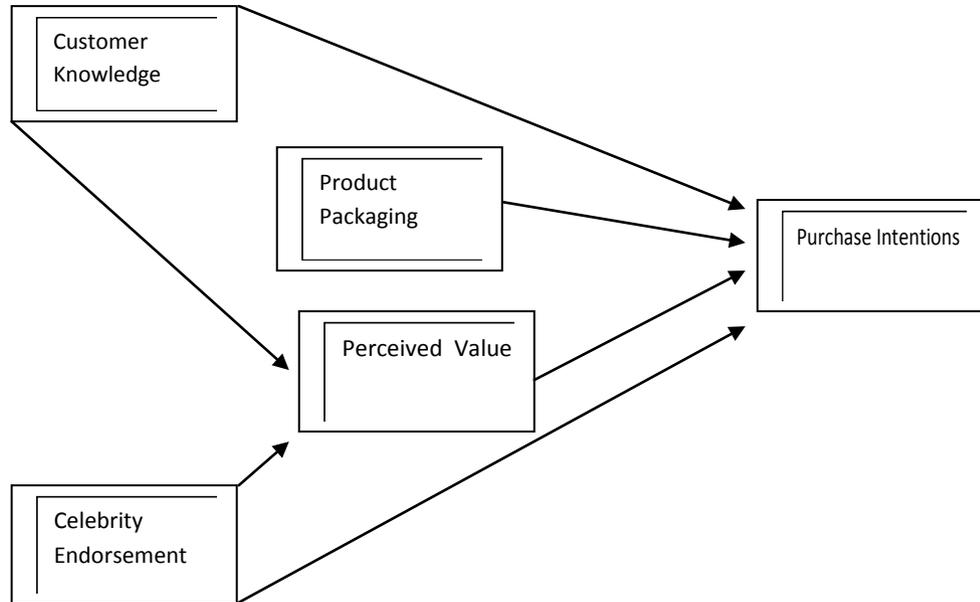
H₃: Product packing has significant relation with purchase intention.

H₄: Perceived value has the direct relation with the purchase intention and has significant relation.

IV. RESEARCH METHODOLOGY

This study follows the quantitative method; questionnaire was filled by 100 respondents. The population of our study consists of the self earning and self spending people. The question used measurement by likert scale of 1 to 5. Regression analysis was executed to get the results. The descriptive research is known about the effect of all independent variable on dependent variable.

Model



V. RESULTS

Table No.01: Descriptive Statistics

| | Mean | Std. Deviation | Skewness | | Kurtosis | |
|---------------|-----------|----------------|-----------|------------|-----------|------------|
| | Statistic | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Gender | 1.67 | .471 | -.729 | .172 | -1.484 | .342 |
| Age | 1.03 | .222 | 7.923 | .172 | 64.785 | .342 |
| Qualification | 1.50 | .687 | 1.032 | .172 | -.202 | .342 |
| CK | 2.1733 | .84205 | .945 | .172 | .292 | .342 |
| CE | 2.5980 | .74294 | .499 | .172 | -.114 | .342 |
| PP | 2.4675 | .69605 | .209 | .172 | -.185 | .342 |
| PV | 2.5267 | .68023 | .733 | .172 | .108 | .342 |
| PI | 2.6375 | .62443 | .132 | .172 | -.323 | .342 |

The descriptive statistics of the variables has been displayed in table no 01. There are the 200 valid numbers of observations. Most of the costal variables have mean greater than 2.5 which indicate that

respondents have positive intentions towards variables. The low levels of standard deviation and coefficients of skewness and kurtosis indicate that the distribution of the variables is normal and ready for further analysis.

Table No. 02 : Correlations Analysis

| | | CK | CE | PP | PV | PI |
|----|--|--------|--------|--------|--------|--------|
| CK | | 1 | .335** | .391** | .495** | .362** |
| | | | .001 | .000 | .000 | .000 |
| CE | | .335** | 1 | .433** | .405** | .233* |
| | | .001 | | .000 | .000 | .019 |
| PP | | .391** | .433** | 1 | .452** | .314** |
| | | .000 | .000 | | .000 | .001 |
| PV | | .495** | .405** | .452** | 1 | .227* |
| | | .000 | .000 | .000 | | .023 |
| PI | | .362** | .233* | .314** | .227* | 1 |
| | | .000 | .019 | .001 | .023 | |

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

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

Customer knowledge about any product and purchase intention is positively correlated and highly significant. Celebrity endorsement and purchase intention are positively correlated and also giving highly significant result. Product packaging and purchase intention are positively correlated and highly significant but perceived value with purchase intention are not highly significant because perceived value is not

introduced in Pakistan yet. The regression results show that there is a strong relationship between the customer knowledge and purchase intention. Beta is .269. It is good and show that how much variation comes in dependent variable due to independent variable. Adjusted R² is .122 means that how much variation comes in overall model due to independent variables.

Table No.03 : Regression Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|-------------------|-----------------------------|-------------------|----------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.054 | .163 | | 12.624 | .000 |
| | CK | .269 | .070 | .362 | 3.847 | .000 |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | | |
| 1 | .362 ^a | .131 | .122 | .58647 | | |

a. Predictors: (Constant), CK

Table No.04 : Regression Coefficients (Model 02)

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-------------------|-----------------------------|-------------------|----------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.128 | .223 | | 9.540 | .000 |
| | CE | .196 | .083 | .233 | 2.377 | .019 |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | | |
| 1 | .233 ^a | .055 | .045 | .61180 | | |

a. Predictors: (Constant), CE

Beta is .196 which shows that there is there is 19.6% variation intensity in purchase intention due to independent. Regression results show that celebrity endorsement and purchase intention have significant result. Adjusted R2 is .045 .It shows that the overall variation in model due to independent variables.

Table No. 04 : Regression Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-------------------|-----------------------------|-------------------|----------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.943 | .221 | | 8.809 | .000 |
| | PP | .282 | .086 | .314 | 3.272 | .001 |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | | |
| 1 | .314 ^a | .098 | .089 | .59741 | | |

a. Predictors: (Constant), PP

Beta is .282. It shows that there is 28.2% variation intensity in purchase intention due to independent. Regression results show that product packaging and purchase intention have significant results. Adjusted R2 is .089 .It shows that the overall variation in model due to independent variable.

Table No. 05: Regression Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-------------------|-----------------------------|-------------------|----------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.111 | .236 | | 8.935 | .000 |
| | PV | .208 | .090 | .227 | 2.307 | .023 |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | | |
| 1 | .227 ^a | .052 | .042 | .61278 | | |

Here the beta is .208. It shows that there is there is 20.8% variation intensity in purchase intention due to independent variable. Regression results show that perceived value and purchase intention have no much strong significant results. Because perceived value has no significant importance in Pakistan yet .Adjusted R2 is .042 .It shows that the overall variation in model due to independent variable.

VI. CONCLUSION

The study's main purpose was to discover the relationship between the independent variable (celebrity endorsement, product packaging, and customer knowledge) and customer purchase intention. This study investigate the factors effecting customers purchase intention .The main purpose of this research was to explore above behavior in consumer products in order to arrive at a reliable and accurate results. This paper study was conducted for questionnaire

improvement and development. The sample size was 100 questionnaires in such type of studies which was considered as an average. Data found reliable to all variable. Regression process was executed to find out the results. In this study all independent variable (customer knowledge, celebrity endorsement, product packaging, and perceived value) and dependent variable (purchase intention) are positively correlated with each another and shows the significant results, but one of the independent variable perceived value does not show the highly significant results because this variable is not really common in Pakistan. If a customer has knowledge about the product and know about its features it's obviously increase its purchase intention. Celebrity endorsement also influences on purchase intention because when a celebrity attach with any product it increases the products worthiness and reliability in consumer's mind.

Product packaging have effect on conscious customer because they rely on product's packaging product packaging are of two types one include the simple packaging and the other include the colorful packaging the customer attracts toward colorful packaging than simple packaging. Company must disclose all benefits and features of product that it will increase the customer knowledge. Its ultimately increase the customer's purchase intention. There is a good chance for company to catch customer attention towards product by advertised it with the celebrity.

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