

Review to Determinants of the Purchase Intention to HUAWEI Products in Malaysia Consumer Market

Wang Yimeng, Guan Yuchen

Abstract — The purpose of this proposal is to review to the determinants of the purchase intention to HUAWEI products, like the smartphone, tablets, the laptops, and the other electronic devices in the consumer market in Malaysia. As HUAWEI brand has great development in Malaysia market with their consumer market in Malaysia, the purchase intention is significant for the revenue increase in the current market and for the consumer business expanded in the further market. Based on the literature review to the past researches, the research scope will be determined in this article for the further research to explore the relationship between the determinants which consist of the brand image, convenience, the technical innovation, and the media richness, to the purchase intention among the current customers and potential customers in Malaysia.

Index Terms — Purchase Intention, Technical Innovation, Media Richness, Brand Image, Convenience.

1 INTRODUCTION

1.1 BACKGROUND

IN the recent years, HUAWEI becomes a popular Chinese brand in Malaysia market providing with their communication technology and the smartphone products (Shenzhen China, 2019). As Shenzhen China reported in 2019, there are three main business in Huawei, including the carrier business, enterprise business, and consumer business. In the carrier business, Huawei got sales about CNY146.5 billion in 2019, with the production and shipment of equipment for wireless networks, optical transmission, data communications, IT, and related product domains. The enterprise business enhances its ICT portfolio across multiple domains, including cloud, artificial intelligence, campus networks, data centers, Internet of Things, and intelligent computing, and with the sales CNY31.6 billion in 2019. Then the consumer business is about the smartphone shipment (with Honor phone) reaching 118 million unit in 2019, together with the tablets, PCs, and wearables. The sales revenue hit CNY220.8 billion in 2019. To date, the Huawei Mobile Services ecosystem has more than 800,000 registered developers, and 500 million users worldwide.

Furthermore, HUAWEI has great development in the recent years in Chinese market, Malaysia market and other international market. Why this brand is quickly accepted by the customers in the market can be studied for other companies references to develop their business. As the Statista figure below, revenue increased from 123.08 billion Yuan in 2008 to 721.2 billion Yuan in 2018, with a quick speed growth during the ten years.

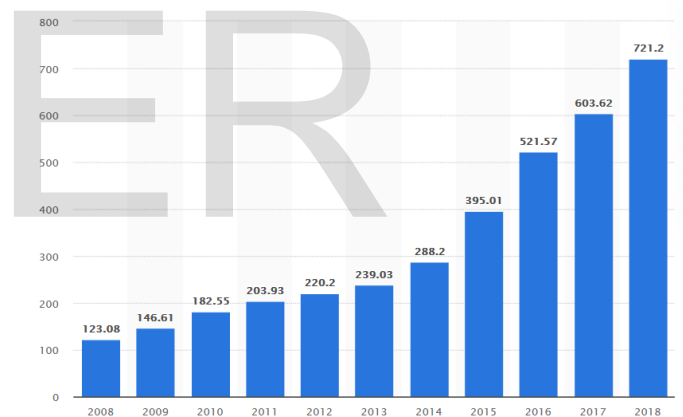


Figure1 Revenue of Huawei from 2008 to 2018 (in billion yuan)
(Source: <https://www.statista.com/statistics/233071/revenue-of-huawei/>)

HUAWEI started the business from 2011 in Malaysia market (HUAWEI, 2011). Brand image is important to increase the brand equity in the company, but in the foreign market, there are many barriers for the companies to build standardised brand image, and when this brand is strong in the home market, it is rarely suitable in the international market entry (Brecic, R et al., 2013). As the previous studies, the brand image was studied within the brand management in the corporate-level perspective (Liu, Y. et al., 2018). Machado et al., (2019) researched the brand is part of brand as a person metaphor that consisting of the personality, the demographics and the behaviour, and consumers are connect with brands (Radler, 2018). However, these are on the theoretical studies, then the brand should be studied among the consumers who are in different culture background in the further studies, instead of the one

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single culture (Centeno, et. al., 2019).

1.2 PRACTICE RESEARCH PROBLEMS

The purchase intention is important in for any companies to increase their revenues and develop in the current market, especially for brand HUAWEI entering the new market, Malaysia, within different background and market situation from China. When HUAWEI consumer products, like smartphone, tablets, laptops, and other products related service enter Malaysia market, there are some challenges for this brand. Based on the SWOT analysis and PESTLE analysis, they faced the different market environment and different company management in Malaysia. For instance, how do they quick build the positive brand image in Malaysia market to increase the purchase intention? How does this brand make their products accepted by the local customers in Malaysia?

2 PROBLEM OF STATEMENT

There are many HUAWEI products in the market to attract the current customer and make the customers confused to select the products, because they conducted the product innovation (Zhang, et al., 2018). Hence, to study the purchase intention to HUAWEI products can contribute to HUAWEI adjusting their current marketing strategies to increase their revenues in Malaysia. Based on Yeo (2020), the fourth Industrial Revolution (IR 4.0) changed the way how we live, work and communicate with others, and Huawei, a private Chinese firm has risen and dominate the world's most important emerging technology. Whether the technical innovation can increase the customer purchase intention or nor, should be studied and to what extent to influence the customers' purchase intention to HUAWEI products in Malaysia market.

3 RESEARCH OBJECTIVES

Based on these practical questions, the research objectives in this research are:

- (1) To review the relationship between the brand image and the purchase intention to HUAWEI products among the customers in Malaysia.
- (2) To review the relationship between the convenience and the purchase intention to HUAWEI products among the customers in Malaysia.
- (3) To review the relationship between the technical innovation and the purchase intention to HUAWEI products among the customers in Malaysia.
- (4) To review the relationship between the media richness and the purchase intention to HUAWEI products among the customers in Malaysia.

4 LITERATURE REVIEW

Purchase Intention

The purchase intention means the degree of the perceptual conviction of the customers to purchase the goods and services from this organization, and this can reflect the customer's biased behavior to this brand (Rajaobelina and

Bergeron, 2009). In the past research, Pappas et al., (2014) found that the high purchase intention can drive the firms to gain the high profits, and it is critical to determine the key factors which can impact the customer's purchase intention. Shrawan and Mohit (2018) conducted the research with Y generation and found that there are variables, like ease of use, can have the positive relationship with purchase intention with the mediation of customer satisfaction. Hence, this article will be the proposal to determine the predictors to the purchase intention to HUAWEI products in Malaysia.

Brand Image

Brand image can basically describe the way of thinking by the consumer on this brand and the customer's feelings when the consumer thinks about this brand (Roy and Banerjee, 2007). Based on them, these are some fundamental characteristics on the company's developing their competitive advantages for the brand. The industrial brand image is the intangible association that the customers can be with the brand or this industry to make their own evaluation on their performances of this brand (Syed Alwi, et al., 2016).

Convenience

Convenience means the speed and the ease of shopping. There are five dimensions to measure the convenience by Brown (1990), and these five dimensions are time convenience, place convenience, acquisition convenience, use convenience, and execution convenience. After that, Gehrt and Yale (1993) also found the three distinct dimensions: time convenience, place convenience, and the effort convenience. On the convenience, Beauchamp and Ponder (2010) examined the convenience with the different situation between in the physical store and online, and found that the customers are more convenient to purchasing the products online on the access convenience and search convenience, not in transaction convenience. In this article, the research proposal will be explore the customers' purchase intention to HUAWEI products for both online shopping and physical stores in Malaysia market.

Technical Innovation

Technical innovation is the integration of new technology applied into the products and the process (Zhou et al., 2005) and the technical innovation can consist of the product innovation and the process innovation (Tohidi and Jabbari, 2012). In the product aspect, the technical innovation can drive to make the new product and increase the current product quality (Birasnav et al., 2013), and the technical innovation can be important factor to influence the company to apply the differentiation strategy in the market (Terziovski and Guerrero, 2014) Then on the process, the technical innovation is the enhancement internal production targets, such as the production revenue increase, production cost decrease, quality enhancement (Lager, 2002). The technical innovation can improve the product quality, the product process effectiveness, and the productivity. In this article, the technical innovation is on the technology applied in the HUAWEI products and services to make their products differentiate from other brands' prod-

ucts in the market.

Media Richness

The media richness is the ability of the medium to carry the information (Trevino et al., 1987) and Min Li et. al., (2012) defined the media richness as one of the environment inputs which can influence the customers with the affection around the customers to have the purchasing action. Similarly, the media richness in online shopping is the ability of online organizations to carry the related information to the customers and becomes an environmental factor for the customers and drive then to behave with the information around the customers (Guan, et al., 2019). Davis (2010) also found that the customer purchasing experience would have more fun when it is easily to communicate between the customers and sellers, to easily seek the related information and to be entertained ubiquitously. In this article, the media richness is the company HUAWEI's ability to advertise their products information to customers in Malaysia, and the market environment created by HUAWEI company to influence the customers in Malaysia.

5 THEORETICAL FRAMEWORK

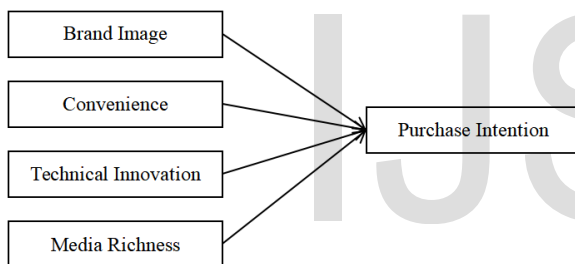


FIGURE 2 FRAMEWORK

Based on the review, the past studied show that there is a relationship between the independent variables and dependent variable in this topic on the purchase intention to HUAWEI products in Malaysia. Hence, the further research design and research process will be conducted in the further research.

6 RECOMMENDATION

In this article, with the review, the HUAWEI has great development in the current market. How do they success can give more implications to the related organizations to adjust their marketing strategies to increase their revenues in the market with the practical implications. With the further study on the data analysis, the final results can contribute to HUAWEI brand improvement with their technology, brand image, convenience, and media richness, these intangible and tangible factors to the customer purchase intention. Hence, the further research can complete the data analysis, and with the results, the research will have more contributions in the practical.

7 FURTHER SCOPE

The further research can be conducted with the target respondents who are the customers of HUAWEI products and services in consumer market. The survey can be conducted among these customers to collect the data, and the data analysis will be important to generate the final results. With the data analysis in the SPSS, the further research result can give the practical implication to the organization HUAWEI and similar organizations, and the theoretical implication may also get with the data analysis in the market. Then their marketing strategies may be adjusted to fulfill the customers' demands to increase the HUAWEI products revenues and profits in Malaysia.

8 CONCLUSIONS

In conclusion, this is a research proposal to review the determinants of purchase intention to HUAWEI products in Malaysia market, and review the relationship between the independent variables and dependent variable. Then the further research is recommended and designed to generate the further results and contribute more practical implications to the organization HUAWEI in the future.

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