



The Motivation Buying Behavior Influence The Chinese People Purchase Apple's Merchandise: A Survey of Apple Store in China

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Abstract:

This article talk about the motivation and buying behavior that influences the young people to buy Apple's product in china. We do a survey of young people who have high interest about Apple in He Nan. This research used quantitative research methodology. We through IBM SPSS Statistics 20 to test the validity of questionnaire. From the results, we get the Apple product attractive characteristics, young people buying behavior and motivation of people has a significant influence in the success of Apple taken Chinese market.

1 : INTRODUCTION

With the development of science and technology, and the rapid economic development in recent years in China, Apple's products are highly sought after by people. According to the Xinhua News Agency reported that only in 2011 year,

Apple's revenue in China is as high as \$13 billion (Apple's benefit in China, 2012).

People pursuit of Apple's products can be described as very intense. Some people even willing to sell their kidneys to buy apples, why Apple's products in China received so strongly sought after? In the following report will explain to you.

Apple's CEO Tim Cook has said, the Chinese people's demand for Apple products is "incredible". Data show that the cut-off on 2012 March 31 in the first quarter, apple's revenue in China reached \$7.9 billion, a record high. (Zhongguancun Online News, 2012) So he at April 2012 visits to China, and visited the government officials and vendors, to the Chinese market very seriously. (ZhongHuaNet,online,Wang Jianhua, 2012)As far as we know, Apple's products in China are very expensive, but there are still many people buy, which also includes some of the middle and lower income earners. What is so appealing to everyone competing to buy Apple products? There are has some reporters investigated many consumers using apple mobile phone, to understand the reason of

choose and buy apple mobile phone. According to the reporters survey found that a lot of people buy apple mobile phones because the pursuit of fashionable, they think apple mobile phone is able to show the identity. Another part of the rational consumers to buy apple mobile phone is understands the iphone or from other ways to learn about the performance advantages.

(News.xinhuanet.com, 2013).

Research Objective

Overview the past research about the “apple” selling status in China, we can found that the main controversies are Consists of the following 3 points

1, The Technology innovation and product development 2, Consumer buying behavior.

3, Service and customer purchase motivation.

During Steve jobs as apple's CEO , he trying hard to help the company to launch the most innovative products. Most people also agree that jobs in the achievement of innovation is unparalleled (William L. Simon, 1999).

The reason of Apple became one of the world's most valuable brands, its products high profit margins is inalienable. As is known to all, since the iPhone listing, have bring seen contribution for the company's profits.(Owen Linzmayer, 2004), If it were not for the huge profit margins, apple may be unable to achieve today's achievement.

Apple’s current CEO Tim cook is a master of supply chain management before he as the CEO of Apple, Cook had taken measures to cut costs for many times since he appear on the stage, most of them are completed by suppliers (Lashinsky, Adam ,October 29, 2012). From the point of the present situation, apple can achieve today's achievement, the effective supply chain management are inseparable.

From so on, we can found a concise blueprint as a background.

According to this background, the main goal for this research is trying to explain “why does the Chinese people such aficionado with Apple”, and we focus on two specific objectives to guiding the research

1. To analysis customer behavior in the process purchase Apple’s production.
2. To compare the production and service of Apple between China and Indonesia, trying to find the reason make Chinese people crazy in Apple.

And the concept of customer perception about “apple fever” in China could related the promotion process and as a sample in operate individual store. In this study, we are trying to analysis the customer behavior while they buying the Apple’s production in China, and try to find the reason that Apple can create a case called “Big sell”

All of these papers are consist by 4 parts; the first part is literature review that relevant our study, then, we will do the analysis of marketing mix and retail mix about the case and data. Then, summary and discussion, make conclusion for the topic, and last, to show the reference.

2 : Literature Review

Theories of definition

To satisfy customer needs, retailers must thoroughly understand how customer choose retailer to patronize, channels to use, and merchandise to buy. (John, 2007). The buying process of consumers influenced by their personal beliefs, attitudes, and values and by their social environment. The primary social influences are provided by consumer's family, reference group and culture.

The needs that motivate customers to go shopping can be classified as utilitarian or hedonic. When consumers go shopping to accomplish a specific task, (Salvador, 2013). For example Anna buying a suit for job interview, that is a utilitarian needs. When consumer goes shopping for pleasure, they are seeking to satisfy their hedonic needs. Thus, from the consumer's perspective utilitarian needs are associated with work, and the hedonic needs are associated with fun. That we look at Apple's production, it satisfy both of the utilitarian and hedonic needs of their consumer.

Social factor influenced by the customer are family, reference groups and culture. Many purchase decisions involve products that the entire family will consume or use. (Weyhrich, 2002). The previous discussion of the buying process focused on how one

person makes purchase decision; they often consider the needs of all family members.

Child plays an important role in family buying decision. Like we said before, young people occupy a big proportion in Apple's market in China (2011). Social culture and family income also influence people purchase power in normal life, such as Chinese people have habits to save money, if the price is equal of higher than their income, usually they choose to give up this production. For example, an iphone sold RMB5000 in China, Jack have income RMB 5000 every month, after tax and living expense, it is less than RMB5000, so he may not to buy the iphone. And if Jack get income RMB 10000 per month, after tax and living expense, he can keep around RMB 5000, maybe he will also not buy the iphone

because he want to save some money for the future use. But if now, Jack have income RMB 20000 per month, after all, he can less more than RMB 10000, he will be happily to buy an iphone. So, Apple Company builds the price in a boundary of social group depending on their income.

Hypothesis

1. The relationship between Apple's merchandise and service.

Customers don't always patronize a store or purchase a brand or item of merchandise with the highest overall evaluation. The product or service offering the greatest benefits may not be available from the retailer, or the customer may feel that its risks outweigh the potential benefits. (Thomas.2007). Today's, hand-phone had became a very important part of people's life, some people even said that "I cannot living without hand-phone" (CNN, February 3, 2008), it build a social system and blend in people life. So, consider about the merchandise of hand-phone, we usually focus on the function and appearance while purchase process. Apple be known as own excellent R & D (research and develop) team and using the latest technology, provide a powerful feature production with classical exterior (Bryan, 2008). From another hand we consider about the service, Apple Company provides systematic management before and after the customer purchases their product.

H1: Apple not only selling their product, but also selling their service, and for the customer, they will not refuse good merchandise with a kind service.

2. Relationship between consumer group and apple products.

Apple products consumption object, in addition to the requirements of the fashion consumer, still has a great attraction for consumers in specific areas, their specific needs in the market for such consumers with more demand (XinHuanet, Hu Chunhua, 2012). So apple's market with consumers such as pillar will become more and more broad, market segmentation for Apple has an important role.

H2: Consumers' psychological needs can bring the huge market and benefit to apple.

3. Relationship between location advantages and the resident's purchases. According to the Xinhua News Agency reported that since July 2008 the Apple opened its first store in Beijing sanlitun, it will herald the effects of apple in the Chinese market is huge (2011). Sanlitun area belongs to the CBD commercial center and embassy district, which from afar Apple is undoubtedly its greatest strength. CBD commercial center area that is Apple's main consumer target, the consumption of this area personnel is mainly to the pursuit of material life has certain users, and apple's product positioning and product design characteristics are conform to the user, in addition, for the users in this area,

Apple's product price for such consumers is what they can accept. Apple in the Sanlitun location from consumer objects, dominated by white-collar consumer object is Apple's biggest potential customers (Apple in China, Joseph, 2012).

H3: Location advantages will increase the number of consumer group

3 : METHODOLOGY

1.SAMPLING

The population for this study is consisted by the young people from 15-50 in China during 2005-2013. The units of analysis are the reason of Chinese peoples such crazy in apple's production.

A production purchase desire research for last year could show us some clue to help us find the truth, and this research could also be our sampling frame, to find out the reason make apple being succeded. To account the main reason that people considered when they want to purchase a telephone and the advantage of apple to attract consumer make trade with them. We discussed user centric design as the fundamental tenet of new product development under Jobs. We talked about how a long-term vision, bound by user centric design and supported by deep understanding of technology road maps is critical to long-term success. We also talked about how a leader has to be engaged in R&D to make the vision of a user centric design practical. we are trying to do Sampling survey, 258 people from 2000 young people in He Nan province, from 1-9-2013 to 1-10-2013 the data is about the research what are the motivation for consumers to buy apple, in order to reduce the error, chose the three sites of different cities, and the different gender, age, occupation of consumers. The table had show a socio-demographic profile of the respondent who participated in the study. The sample had been fallen in the information of the respondents and the responses provided: Strongly Agree (1), Agree (2), Neutral (3), Disagree (4), and Strongly Disagree (5).

1. DATA COLLECTION

Our survey was carried out in the domestic online apple's after-sales service, we sampled 258 consumers. The main research data, is what was the reason for the consumer to buy apple products. Before in carrying out the investigation, first we get a site manager's permission. In order to avoid potential bias, we chose three different sites of the city, and the different gender, age, professional of the customers. And asked them to fill out the online questionnaire.

2. MEASURES

Product demand

In a sample survey which we can find research focused on the reasons to buy Apple products, we are given 5 above options, exquisite appearance, excellent touch. Powerful unique ISO system. Very expensive, is a status symbol. Powerful, high utilization rate. Follow the trend of purchase. At the same time there is also the option.

"Other", the customers can write their other reasons. These options mainly divided into two inside, one because of the high quality of Apple products, another one is to follow the trend of consumer psychology. Through consumer choice, we will find that in China, why people are crazy to buy apple products.

Ensure authenticity

Because the survey to investigate the cause of the consumers to buy apple products. Therefore we must ensure the integrity of the investigation, in order to avoid false information of consumers, we take the form of a questionnaire submitted anonymously, and we will inform the consumers, we will protect their privacy, Take the way of do not public investigation questionnaire. But for consumer's gender, age and job, consumers still need to fill out. In order to ensure the authenticity of the questionnaire.

Demographic variables

In order to investigate the real consumer psychology of consumers, so this survey mainly chose between 15-50 years of age, different gender and different professional consumers. To obtain a more realistic consumption causes. But different people have different reason to choose apple products, so the analysis of the survey report, must pay attention to the population statistic variables.

4 Results Respondents Profile

From the questionnaire research, there have 258 people respond us. We found the most responders are in 18-35, and most of the male. And most of the research populations are undergraduate. From the research, we can find the young men who have the high education like use the Apple's product.

Validity Table 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy .

Table 1 shows two tests that indicate the suitability of our data for structure detection. The Kaiser-

Meyer-Olkin Measure of Sampling Adequacy is a statistic that indicates the proportion of variance in our data that might be caused by underlying factors. The next step is evaluating which variables are appropriate to be included in the next analysis. The measurement is based on the communalities table.

Table 2:
Communalities

	Initial	Extraction	Validity
FB1	1.000	.882	valid
FB2	1.000	.640	valid
HC1	1.000	.695	valid
HC2	1.000	.681	valid
HC4	1.000	.806	valid
WC2	1.000	.706	valid
WC3	1.000	.936	valid
WCC1	1.000	.655	valid
WCC2	1.000	.680	valid
WCC3	1.000	.640	valid
M1	1.000	.930	valid
M2	1.000	.651	valid
M3	1.000	.865	valid
M4	1.000	.958	valid

Extraction Method: Principal Component

Analysis.

Initial communalities are for relation analyses, the proportion of variance accounted for in each variable by the rest of the variables. Extraction communalities are estimates of variance in each variable accounted for by the factor in the factor solution. Because small values indicate variables that do not fit well with the factor solution, so this table is already dropped the small values from the analysis. The extraction communalities for this solution are acceptable

Table 3 Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.261	39.752	42.682	6.981	49.722	44.722	6.142	45.872	45.872
2	2.590	13.836	54.068	1.895	11.528	58.078	1.585	14.322	58.194
3	2.065	7.493	68.570	1.033	7.373	65.470	1.030	7.355	62.549
4	1.905	7.200	70.670	1.006	7.255	72.670	1.022	7.307	69.856
5	.92	6.47	77.15	.965	6.486	77.155	1.022	7.299	74.155
6	.75	5.00	82.58						
7	.65	4.77	89.35						
8	.55	4.18	93.54						
9	.48	3.05	96.59						
10	.27	2.06	96.67						
11	.19	1.48	98.08						
12	.16	1.19	99.27						
13	.07	.51	99.78						
14	.03	.21	100.00						

Extraction Method: Principal Component Analysis.

In order to get easier and simpler way in making variance explained interpretation. In table 3, the leftmost section shows the variance explained by the initial solution. Only four factors in the initial solution have Eigen values over than 1, together, they account is 66.05 of the variability in the original variables. This suggests that four

latent influences are associated with service usage, but there remains room for a lot of unexplained variation. The second section of this table shows the variance explained by the extracted factor before rotation. The cumulative variability explained by these five factors in the extracted solution is about 72.604%, a difference of 6.554% from the initial solution. Thus, about 6.554% of the variation explained by the initial solution is lost due to latent factors unique to the original variables and variability that simply cannot be explained by the factor model. The rightmost section of this table shows the variance explained by the extracted factors after rotation.

Table 4: Rotated Component Matrix

	Component				
	1	2	3	4	5
A	.918				
A	.907				
SP1	.897				
SP2	.889				
SP3	.880				
MP1	.792				
MP2	.783				
MP3	.771				
EB1		.754			
EB2		.733			
EB3		.711			
A			.923		
SP4				.87	
T1				1	.95

In table 4, we can find the young people choose Apple's product mainly depend on the technology, appearance, sold price, motivation and promotion, and education background.

Reliability:

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.813	.787	12

The minimal value for reliability test using Cronbach Alpha is 0.7, and there the research result is 0.775, so the questionnaire is relatively consistence.

Discussion:

By this research result, we can find in the five reasons, in China most of the young men care about the appearance and technology more than the price. And by the research, we find in China, the education background has a less significant influence in the buying process.

5: Conclusion and Recommendation

Conclusions

In the research, we have 258 respondents, and combine the data analysis; we have the conclusion as below:

Young people care about the appearance and technology more than the price, but the price still is an important factor to be considered in the buying process.

Apple's production characteristic has a significant influence in the success of taken Chinese market.

Motivation and promotion has a significant influence in the success of attract Chinese young people.

Education background has a less significant influence in the buying process of Chinese young people.

Regarding to variables, all of them have several indicators in this research. About education background experience, we finds no matter the people after University or the people just finish primary high school who both like the Apple's product in usually, so the education background is has a less significant influence in the buying process of Chinese young people. About human capital, one important indicator is „If I have a good monthly income, I will change my electric product within the time chang and holding the new product“, so we consider about the price will influence the buying

process. About women characteristic, one important indicator is „I more consider about the appearance is easy to be looked nice with clothes.“, especially for the female, the nice appearance would be attractive. About motivation, one important indicator is “My heart to be catch by the variety advantage that Apple had build when I compare with other brands.” So we could see the technology is an important impact for customer consider and judge the product.

1. Recommendation for young people in He Nan who support the Apple’s product.

Recommendation for young people in He Nan who support the Apple’s product.

For those young people who interest in Apple’s product, they should focus on the function and will it be really helpful in their social life. Do not just follow the other people to buy the production

For those young people who already have the Apple’s product, they should and need focus on Understand use the function maximize, avoid to buying products that have same function.

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Questionnaire:

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<http://tieba.baidu.com/p/2272721627> <http://www.xici.net/d138567343.htm>

<http://www.doc88.com/p-6029952358116.html>

Questionnaire: the research of Chinese people buying behavior about the Apple

Part I:

Before starting the investigation report, please fill in your brief personal information. (Please gives market (√) the answer that you choose)

1. What is your age group?

A 12-20 B 20-30 C 30-40 D 40-50

2. What is your gender? A Female B Male

3. What is your income every month? (RMB)

A 800-1500 B 1500-3000 C 3000-5000 D 5000-8000 E >8000

4. How many Apple's products that you have? A none B 1-3

C 3-5 D 5-8 E > 8

5. What is your highest level of education?

A Primary B secondary C High school D Undergraduate E Postgraduate
and above

Part II:

Please give your opinion in accordance with the following requirements. Instructions for filing:

If you think the statement said let you "**Strongly Disagree**", please circle **SD**. If you think the

statement said let you “Disagree”, please circle **D**.

If you think the statement said let you "Neutral", please circle **N**. If you think the statement said let you “Agree”, please circle **A**.

If you think the statement said let you “Strongly Agree”, please circle **SA**.

No.	Item	Agreement Scale				
		SA	A	N	SD	D
1	Are you satisfied with the Apple’s product quality?					
2	The Apple’s product has plenty of models available.					
3	Are you satisfied with the Apple’s product service?					
4	Does the price of Apple’s products worth their products?					
5	Will you pay for the product premium price?					
6	Is that the classify appearance attracts you to buy?					
7	Is the Apple's quality could be confirmed by using long time?					
8	Would you like to buy the new production in the first time with high price?					
9	Is the after-sale service is kind?					
10	Is the Apple store layout attracting you to have a visit?					
11	Will you buy another production after you buy a kind of production in Apple?					
12	Will you purchase product from Apple in the future?					
13	Is the technology that Apple using could stratify your need?					
14	Is the fashion appearance will attract you to buy the product?					
15	Do you think Apple,s product is better than other brands?					
16	Is the promotion information will attract you to buy?					
17	Do you think the tachnology is the most important character that attract you to buy					
18	Improve of after sale service will help you to make the buying decision about Apple's					
19	Do you think only one Apple product is enough for your need?					
20	Does the Apple's product really helpful to your social life?					

