2011년 8월

석사학위논문

A Comparative study between Korea and Kazakhstan on the effects of Usage pattern and Functional possession on Perceived Value and Preference

조선대학교 대학원

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선호도에 미치는 영향에 대한 한국과 카자흐스탄
소비자 비교연구

2011년 8월 25일

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2011년 4월 일

조선대학교 대학원

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2011年　5月　　日

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This study aimed to reveal a difference in mobile phones usage pattern among consumers in Korea and Kazakhstan. Overall, findings from the study suggest the functional, situational and frequent usage to be important factors in consumer's mobile phone preferences.

Specifically, a positive influence of self efficacy on functional usage has been found in both countries. However, no significant result of self efficacy has been found in Kazakhstan for situational and frequency usage. On the other hand, Korean results showed a positive effect of self

efficacy on situation and frequency usage. A tendency of mobile phone change has been found significantly neither in Korea nor in Kazakhstan. Similarly, frequency usage has no positive effect on enjoyment and perceived value in both counties. Another plausible finding is that functional usage appears to be the important factor for perceived value only in Kazakhstan and has no effect in Korea. Situational usage appears to have significant effect on enjoyment in both counties. In terms of perceived value, a positive effect of situational usage has been found only in Kazakhstan and functional possession significantly influences both enjoyment and perceived value only in case of Korean consumers. A positive effect of enjoyment on perceived value has been found in both countries. Surprisingly, country of origin appears to have no significant effect on perceived value. Neither Kazakhstan nor Korean participants indicated that this factor plays an important role for perceived value. In Conclusion, perceived value and enjoyment play a crucial role in consumers' mobile phone preferences.

ABSTRACT

휴대폰 사용패턴과 기능소유가 지각된 가치 및 선호도에 미치는 영향에 대한 한국과 카자흐스탄 소비자 비교연구

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본 연구는 소비자의 휴대폰 사용에 있어 자기효능감과 휴대폰 교체기간이 기능적사용과 사용빈도, 상황적 사용, 상징적 기능에 미치는 영향을 검증하고 후속하여 즐거움과 지각된 가치, 국가원산지 이미지에 미치는 영향, 그리고 이들 영향이 선호도에 미치는 영향을 한국과 카자흐스탄 소비자들을 대상으로 이들 국가 간의 휴대폰 사용에 대한 행동의 차이를 밝히고자 하였다. 이를 위해 자료의 수집은 한국과 카자흐스탄 양 국가에서 실제 휴대폰을 사용한 소비자를 대상으로 조사를 실시하였다. 총 370부를 배포하여 현장에서

332부를 직접 회수하였으며, 이 중 불성실한 응답자의 자료 18부를 제외한 314부를 최종분석에 사용하였다. 실증분석한 결과는 다음과 같다.

첫째, 자기효능감이 기능적 사용 및 사용빈도, 상황적 사용에 모두 유의한 영향을 미치는 것으로 나타났다. 이러한 결과는 자기효능감이 높은 소비자일수록 휴대폰 사용의 다양한 기능과 다양한 상황에서 활발하게 사용이 되고 있음을 알 수 있다. 둘째, 휴대폰 교체기간은 기능적 사용 및 사용빈도에 유의한 영향을 미치는 것으로 나타났으나 상황적 사용에는 유의한 영향을 미치지 않는 것으로 나타났다. 이는 최근 휴대폰의 기능들이 갈수록 최첨단화되고 다양해짐에 따라 소비자의 휴대폰 사용기간이 짧아지고 있어 이 같은 결과가 나타난 것으로 이해할 수 있다. 그러나 휴대폰 교체는 소비자들의 상황에 따른 사용을 증대시키지 않는 것으로 나타나 휴대폰을 사용하는 개인의 기기사용의 능숙도 또는 어플리케이션의 활용 등이 뒷받침되어야 하기 때문에 이 같은 결과가 나타난 것으로 판단된다. 셋째, 휴대폰의 기능적 사용은 소비자의 휴대폰 사용에 대한 즐거움에는 유의한 영향을 미치지 않았으나 사용빈도 및 상황적 사용은 즐거움에 유의한 영향을 미치는 것으로 나타나 차이를 나타냈다. 이는 다양한 기능은 소비자의 사용에 대한 즐거움을 증대시키지만 이로인해 사용을 더 한다거나 상황적 사용을 증대시키지는 않고 있음을 알 수 있다.

넷째, 사용빈도는 지각된 가치에 유의한 영향을 미치지 않는 것으로 나타났으나 기능적 사용, 상황적 사용은 지각된 가치에 유의한 영향을 미치는 것으로 나타나 단순히 사용의 횟수가 많다고 해서 가치를 지각하지 않는 다는 것을 알 수 있다. 반면에 사용의 빈도는 기능적이고 상황적인 사용을 통해 가치를 더욱 높게 지각함을 나타내고 있다. 다섯째, 상징적 기능이 즐거움과 지각된 가치에 유의한 영향을 미치는 것으로 나타났다. 반면에 국가원산지 이미지는 지각된 가치에 유의한 영향을 미치지 않는 것으로 나타나 차이를 보였다. 이는 휴대폰 사용을 통해 얻게 되는 즐거움은 소비자에게 가치를 더욱 높게 지각하게 하지만 이미 상징적 기능자체가 생산되는 국가에 대한 이미지

가 내포되어 있기 때문에 국가원산지이미지에 영향을 미치지 않는 것으로 이해된다. 또한 지각된 즐거움은 지각된 가치와 소비자 선호도에 모두 유의한 영향을 미치는 것으로 나타났으며 지각된 가치 또한 소비자 선호도에 유의한 영향을 미치는 것으로 나타났다. 마지막으로 한국과 국가 간에 휴대폰 사용을 통한 선호도의 차이가 있음을 밝혀냈다. 한국소비자의 경우 자기효능감이 사용빈도를 높이는 것으로 나타났으며, 상황적 사용이 즐거움과 상징적 기능에 유의한 영향을 미치는 것으로 나타났다. 카자흐스탄 소비자의 경우는 상황적 사용이 즐거움에 미치는 영향과 즐거움과 지각된 가치가 선호도에 미치는 영향에서만 유의적 영향을 나타내 두 국가 간의 차이를 보였다. 특히 국가원산지이미지가 지각된 가치에 양 국가 모두 유의적 영향을 미치지 않아 휴대폰 생산국가에 대한 이미지가 소비자에게 크게 중요하게 인식되지 않고 있음을 나타내 기업체 측면에서는 원산지이미지를 강조하기보다는 제품의 품질과 기능적 측면을 강조하거나 편리성을 강조하는 마케팅전략을 수립하는 것이 효과적임을 알 수 있다.

Chapter I Introduction

1. Research background

According to recently released UN report, 60% of the world's citizens have an access to mobile phones, this figure correspondents to approximately 4.1 billion mobile phone subscribers worldwide. This number of subscribers around the world makes the mobile phone industry develop and increasingly apply new technologies in mobile phones as well, and so creating a new generation of mobile phones, known as "smart phone." Smart phone is a mobile phone that offers more advanced computing ability and connectivity than a contemporary basic features phone (Nusca, 2009). Nowadays, with a rapid mobile technology development, traditional ways and needs of using mobile phones are greatly challenged by the fast-changing environment, which provides consumers of today with ever greater access to the internet, social networks and computing resources. Mobile phones have become not just our lifeline to the outside world, but our alarm clocks, our mP3 players, internet connections, mobile books, mobile TV and much more. They play a major role for work, leisure, pleasure, maintaining social and familial relationships, and keeping up with modern times.

This study examines the differences in mobile phone usage pattern between mature and emerging markets. Particularly, it aims at investigating a usage pattern in two countries, South Korea and

Kazakhstan. While South Korea is a mature market, Kazakhstan is a developing market, which is needed to be explored as a new market place for mobile phone industry. According to the Korea Communications Commission (KCC) a number of subscribers in Korea is exceeding the country's estimated population of 48.88 million. On the other hand, Kazakhstan number of mobile phone users reached only 15 million people. It is worth while to note, that Kazakhstan's population is approximately 16.50 million people; therefore, like South Korea, the number of mobile phone subscribers correspondents to the country's estimated population of about 16.50 million. Moreover, apparently Kazakhstan has become to play a significant role among central Asian countries. We believe this point will be interesting for marketers to investigate Kazakhstan as a potential mobile phone market.

2 Research objectives

This study explores the usage pattern and factors that influence consumers' preference of mobile phones. The core of this study is also to reveal the results across two countries.

The following research questions are addressed in our investigation:

1. A few research papers about mobile phone usage pattern have been done in a literature so far, except the research about private or public mobile phone usage and etc. Therefore we would like to focus on mobile phone usage pattern by defining it as functional, situational, frequent usage.

2. To explore the influence of self-efficacy and duration of phone's change on defined usage pattern. We believe that both this factors have a significant influence on usage pattern. Moreover it is important to define which usage pattern will be influenced more by self efficacy and duration of device's change, specifically, the last one has to be precisely investigated, due to its novelty in the literature.
3. To find the different effect of usage pattern on enjoyment and perceived value. We believe that consumers might enjoy and perceive a value of mobile phone differently in terms of the process of functional usage, situational usage and frequent usage. Additionally, we posit that functional possession has an impact on enjoyment and perceived value.
4. Finally, current research focuses on what Kazakhstan and Korean consumers have in mind about brands and country's image of the mobile phones.

3. Structure of the thesis

The thesis begins with the introduction of this study. Within the first part of the thesis, the research background and the research objectives are introduced conjointly.

Chapter 2 presents the theoretical framework of this study. Firstly, an overview of mobile phones "smart phone" development is presented. Then a main concepts of the research - usage pattern, self - efficacy, duration of mobile phone change, functional possession, enjoyment,

perceived value, country image and preferences are precisely explained. Research methodology is followed by a research model and hypotheses development. Empirical analysis is presented in Chapter 5. It is concluded with a detailed description of the data collection, measurement development, procedures and data analysis techniques followed. The next chapter reports the results which are described in the summary section and provides a conclusion, limitations and suggestions for the future research

Chapter 2 Theoretical framework

1 Smart phones introduction

1.1 Mobile phone development

A smart phone is a mobile phone that offers more advanced computing ability and connectivity than a contemporary feature phone (Nusca, 2009). Smart phones usually allow the user to install and run more advanced applications. It can combine the functions of a camera phone and a personal digital assistant. Additionally, it has an external display and keyboard to create a desktop or laptop environment. From the <Figure 1> we see the how global mobile companies strengthen their positions on Asia Pacific market. It demonstrates a rapid development of smart phones all over the world.

Asia Pacific smart phone market
Market share forecast 2010, 2009

OS vendor	2010 forecasts (millions)	% share	2009 shipments (millions)	% share	Growth 2010/2009
Total	76.7	100.0%	50.2	100.0%	52.8%
Symbian Foundation	48.1	62.7%	37.6	75.0%	27.8%
Apple	9.1	11.9%	4.8	9.6%	89.5%
OHA	7.1	9.2%	0.7	1.5%	861.0%
Microsoft	6.1	8.0%	4.0	8.0%	53.4%
RIM	5.4	7.0%	1.6	3.1%	246.2%
Others	0.9	1.2%	1.5	2.9%	-39.4%

Source: Canalys estimates, © Canalys 2010

<Figure 1> Asia Pacific smart phone market

The first smartphone was designed in 1992 by IBM Simon. It was released to the public in 1993 and sold by BellSouth. Besides being a mobile phone, it also contained a calendar, address book, world clock, calculator, note pad, e-mail, send and receive fax, and games. It had no physical buttons to dial with. Instead customers used a touchscreen to select telephone numbers with a finger or create facsimiles and memos with an optional stylus. Text was entered with a unique on-screen "predictive" keyboard. By today's standards, the Simon would be a fairly low-end product, lacking for example the camera now considered usual. However, its feature set at the time was highly advanced. (Schneidawind,, 1992).

Another hit product of mobile phone was Nokia's smartphone released in 1996. This distinctive palmtop computer style smartphone was the result of a collaborative effort of an early successful and costly personal digital assistant (PDA) by Hewlett-Packard combined with Nokia's bestselling phone around that time, and early prototype models had the two devices fixed via a hinge. The Nokia 9210 was

the first color screen Communicator model which was the first true smartphone with an open operating system. Next generations of smart phone included Wi-Fi internet connection and GPS navigator system (Nokia smart phone official website). However In 1997 Ericsson released the concept phone GS88, the first device labelled as 'smart phone'.

In 2000 Ericsson released the touchscreen smart phone R380, the first device to use the new Symbian OS. It was followed up by P800 in 2002, the first camera smart phone (Geek.com, 2011).

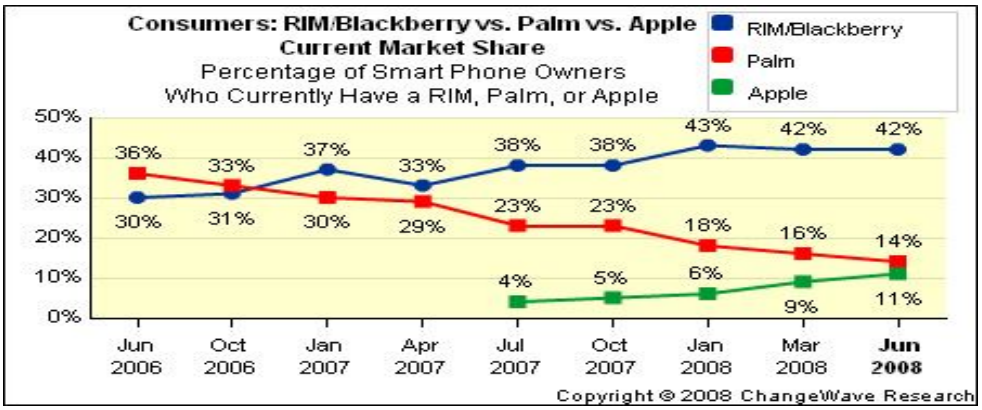
In early 2001, Palm, Inc. introduced the Kyocera 6035, the first smart phone to be deployed in widespread use in the United States. This device combined the features of a personal digital assistant (PDA) with a wireless phone that operated on the Verizon Wireless network. For example, a user could select a name from the PDA contact list, and the device would dial that contact's phone number. The device also supported limited web browsing. The device received a very positive reception from technology publications.

In 2001 Microsoft announced its Windows CE Pocket PC OS would be offered as "Microsoft Windows Powered Smartphone 2002." Microsoft originally defined its Windows Smartphone products as lacking a touchscreen and offering a lower screen resolution compared to its sibling Pocket PC devices.

In early 2002 Handspring released the Palm OS Treo smartphone, utilizing a full keyboard that combined wireless web browsing, email, calendar, and contact organizer with mobile third-party applications

that could be downloaded or synchronizes with a computer.

In 2002 RIM released the first BlackBerry which was the first smartphone optimized for wireless email use and had achieved a total customer base of 32 million subscribers by December 2009.



<Figure 2> Percentage of smart phone owners: Blackberry, Palm, Apple

In 2007 Nokia launched the Nokia N95 which integrated a wide range of features into a consumer-oriented smartphone: GPS, a 5 megapixel camera with autofocus and LED flash, 3G and Wi-Fi connectivity and TV-out. In the next few years these features would become standard on high-end smart phones.

In 2010 Nokia released the Nokia N8 smartphone, the first device to use the new Symbian OS. It featured a camera that Mobile Burn described as the best camera in a phone, and satellite navigation that Mobile Choice described as the best on any phone.

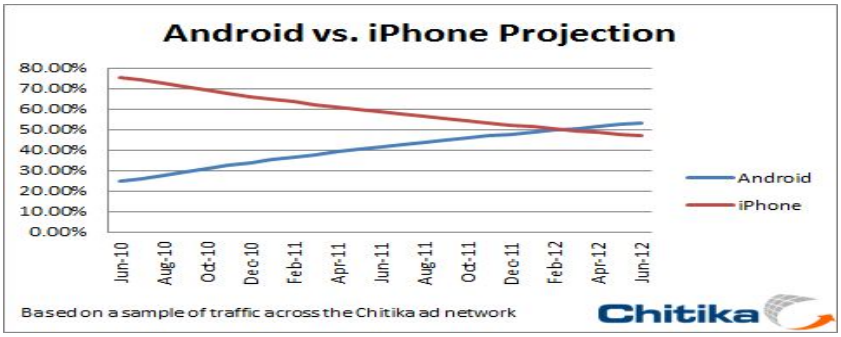
In 2007, Apple Inc. introduced its first iPhone. It was one of the first smartphones to be mainly controlled through its touchscreen, the others being the LG Prada and the HTC Touch (also released in

2007). It was the first mobile phone to use a multi-touch interface, and it featured a web browser that Ars Technica then described as "far superior" to anything offered by that of its competitors. At the time of the launch of the iPhone it was arguable whether it was actually a smartphone as the first generation lacked the ability to officially use third-party applications. A process called jailbreaking emerged quickly to provide unofficial third-party applications. Steve Jobs publicly stated that the iPhone lacked 3G support due to the immaturity, power use, and physical size requirements of 3G chipsets at the time. However, it has been rumored that the CDMA2000 Network Providers (Verizon, Sprint) refused to allow the iPhone on their network because Jobs wanted total control of the application store associated with the iPhone (Ars Technica. CondeNast, 2010).

The Android operating system for smartphones was released in 2008. Android is an open source platform backed by Google, along with major hardware and software developers (such as Intel, HTC, ARM, Motorola and Samsung, to name a few), that form the Open Handset Alliance. The first phone to use Android was the HTC Dream, branded for distribution by T-Mobile as the G1. The software suite included on the phone consists of integration with Google's proprietary applications, such as Maps, Calendar, and Gmail, and a full HTML web browser. Third-party applications are available via the Android Market (released October 2008), including both free and paid applications. In July 2008, Apple introduced its second generation iPhone which had a lower list price and 3G support. Released with it,

Apple also created the App Store with both free and paid applications.

The App Store can deliver smartphone applications developed by third parties directly to the iPhone or iPod Touch over Wi-Fi or cellular network without using a PC to download. The App Store has been a huge success for Apple and by April 2010 hosted more than 185,000 applications. The App Store hit three billion application downloads in early January 2010 and 10 billion by January 2011.



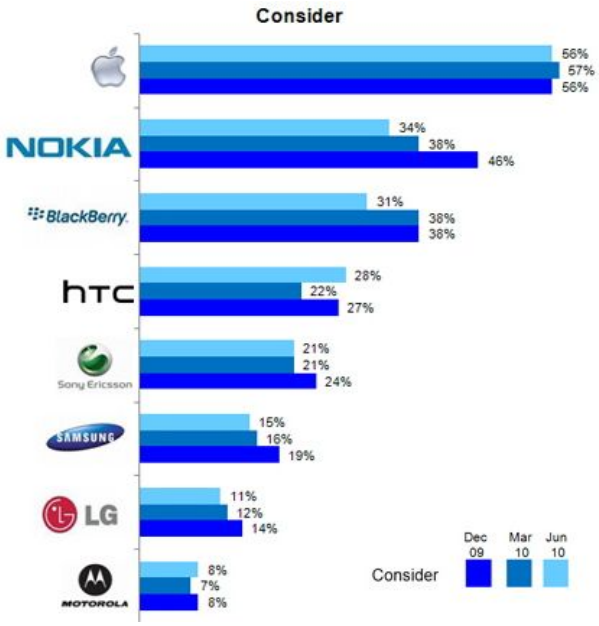
<FIgure 3> Android vs. iPhone

In January 2010, Google launched the Nexus One smartphone using its Android OS. (Wikipedia, Smartphones)

<Figure 4> Mobile phone development

From the <Figure 4> we see how mobile phones has been changed and it affects not only a size of the device but mainly design and creative features.

1.2 Popular trends of mobile phones



<Figure 5> Popular trends

2 Usage pattern

According to our research of various sources, there are three distinct perspectives of how consumers use products. One of them is the Social Interaction perspective, which defined as dealing with the symbolic aspects of usage. (Belk et. al. 1983; Solomon 1983). Second is an Experiential Consumption Perspective, which examines

post-purchase usage, whereas consumers experiences such as fantasies, feelings and fun (Holbrook and Hirschman 1982). The last one is a Functional Utilization Perspective, which examines usage product attributes in different situations (McAlister and Pessemier 1982; Srivastava, Shocker and Day 1978). In 1991 Ram and Jung defined usage pattern, as usage frequency, situational and functional. This conceptualization of usage is consistent with other proposed concepts of usage in the marketing literature. In 1985 Gatignon and Robertson proposed a depth of usage and width of usage and in 1985 Zaichkowsky suggested a depth of consumption and width of consumption which are similar to usage frequency and usage function and usage situation. However they focus primarily on product usage at the aggregate (or macro) level in the context of innovation diffusion, and usage frequency, usage function and usage situation focus on the usage of consumer durables at the individual (or micro) level (Ram and Jung, 1991). Ram and Jung (1991) in their research stated that products, such as personal computers and cameras, satisfy the variety-seeking need of consumers by providing them usage of novel product features in newer usage situations. However, we would like to add here a product such as mobile phone as well, specifically newly resealed phones, such as "smart phones." Newly released mobile phones provide consumers of novel features in newer usage situations.

From the prior research about mobile phone's usage, we have also found that Issac, Nickerson, and Tarasewich (2004) studied cell phone usage in social settings in two developed countries - United States

and France. Their research focused on the cell phones used in social settings, the perception of the acceptable use of mobile phones in social settings. They studied whether the use and attitudes related to the use of cell phones vary by country. Their survey indicated significant differences between users in United States and France when it came to using phones in public streets or while driving an automobile. French users had a significantly negative view of using mobile phones while driving, this may be attributed to the fact that it is illegal in France to drive and talk on a phone simultaneously. Variances were also observed in the use of and attitudes toward the use of mobile phones for both voice calls and text messaging. French users were more likely to use text messaging in all the scenarios studied except while driving. The researchers explained that, some of the differences may be attributed to cultural and legal differences between these countries, other factors such as age or the length of time that someone has used a cell phone may be important. Hofvenschiold (2003) studied the affect of cultural background and occupational status on the way people interact and perceive technology. She surveyed university students and young professionals from Germany and the United Kingdom to study the attitude to and use of cell phones. Differences in attitudes were measurable when emotional and motivational aspects of mobile phone use were explored. After reviewing a literature, we found that such conceptualization of mobile phone usage has not been widely explored by scholars. Therefore, we believe that proposed by Ram and Jung (1991) dimensions of product

usage - usage frequency, usage function and usage situation are relevant for mobile phone usage as well

2.1 Usage frequency

Usage frequency refers to how often the product is used, regardless of the product functions used, or the different applications for which the product is used (Ram and Jung, 1991)

2.2 Usage function

Usage function refers to what extent the product features/functions are utilized by consumer, regardless of how often the product is used (Ram and Jung, 1991)

2.3 Usage situation

Usage situation refers to the different applications for which product is used, and the different situations in which a product is used regardless of either usage frequency or usage function (Ram and Jung, 1991)

3. Self - Efficacy

According to Badura, self-efficacy is the belief "in one's capabilities to organize and execute the courses of action required to product given attainments." A social cognitive theory describes self-efficacy as a form of self-evaluation that influences decisions about what behaviors to undertake, the amount of effort and persistence put forth when faced with obstacles, and finally, the mastery of the behavior. b

Most of the research has been done to find the impact of self-efficacy on computer - related use. It is important to note, that is concerned not the skills a person has, but what individuals believe they can do with the skills they possess. Prior studies provided support for the relationship between computer self-efficacy and decisions involving computer usage and adoption (Igbaria and Iivari 1995). Several studies have investigated the impact of self - efficacy on consumer decision making and behavior (Bearden, Hardesty, and Roses 2001; Bettman, Johnson, and Payne 1991; Fleming and Courtney 1984), but a little research have been done to examine the role self - efficacy in mobile phone usage. Barbalet in 1998 suggested that it self - efficacy may refer to a person's trust in another, another person's ability to perform a task, a person's judgment about a future event, or even a belief in a person's own ability (i.e., self - confidence). The feeling of confidence in one's own ability is an essential for any behavior to take place, because this belief serves as a form of self - assurance (Dequech 2000). With regard to using the Internet, personal

confidence in an ability to understand, navigate, and evaluate content successfully should alleviate doubts and suspicion when dealing with user - generated content sites. In terms of mobile phones, people's level of mobile phone self efficacy should relate to their heightened beliefs about the functions and applications they manage by interacting with the device. Literature on self-efficacy also suggests that the construct has different meanings, depending on the context

4. Duration of mobile phone change

We have additionally proposed two factors such as duration of mobile phone change and functional possession. For the duration of mobile phone change, we have been searching in internet forums and found out that for the question, "how often do you change your mobile phone?", some people change it often in order to stay in style or they change it so often so they don't even notice it. We defined it as a period of time or duration that consumer usually uses the mobile phone and then upgrade it or change for another model

5. Functional possession

In terms of mobile phone's functional possession, we defined it as consumer desires to own a multifunctional device in spite of its actual functional usage. In other words, once you have purchased the product,

you have rights to use the product as intended. Or just to feel yourself satisfied just by the fact that you have a newly released product.

6. Enjoyment

Perceived enjoyment is conceived as the extent to which the activity of using product is perceived to be enjoyable in its own right, apart from any performance consequences that may be anticipated (Davis et al., 1992). It has been also confirmed that Perceived Enjoyment plays an important role in user technology acceptance and has great implications, especially for hedonic systems. Individuals, who experience immediate pleasure or joy from using a technology and perceive any activity involving the technology to be personally enjoyable in its own right aside from the instrumental value of the technology, are more likely to adopt the technology and use it more extensively than others (Davis, Bagozzi and Warshaw 1992). Past studies have verified that the use of computer technology was influenced by perceived enjoyment (Davis et al. 1992; Igbaria, Schiffman, and Wieckowshi 1994). Petrick (2002) characterized what customers receive as emotional response/joy received from purchase and product quality. Past research has also shown that the benefit component comprises perceived enjoyment, (Sweeney and Soutar, 2001), and that enjoyment and fun have a significant effect on technology acceptance (Davis, Bagozzi and Warshaw 1989).

7. Perceived value

Compared to service quality and satisfaction, perceived value of products is a new concept receiving growing attention from academicians and practitioners (Cronin, Brady & Hult, 2000). Consumers′ perceived value have attracted little attention from consumer behavior researchers despite its accepted importance (Holbrook, 1999). Perceived value is defined as the consumer's overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given (Zeitham,l 1988). Sneth and Newman (1991) defined five dimensions, such as social, emotional, functional, epistemic and conditional value. Generally, perceived value is a customer's opinion of a product, which depends on the product's ability to satisfy his or her needs or requirements. Value may have little or nothing to do with the product's market price, and depends on the product's ability to satisfy consumer's needs or requirements. Moreover, perceived value may occur at various stages of the purchase process, including the prepurchase stage (Woodruff, 1997). As a consequence, value perceptions can be generated without the product or service being bought or used (Sweeney and Soutar, 2001).

8. Country of origin

The impact of product's country of origin on consumers' purchase decisions has been as issue of increasing importance of marketing and consumer behavior researchers, as well as to marketing managers. As more companies move the production of their goods to foreign locations, the way their brands are perceived by consumers change (Cordell, 1993; Tse and Gorn, 1993). Prior studies on country - of-origin effects found that country stereotypes do exist and that they have some impact on product evaluations and purchase decisions.

Current research specifically explores the country image. We believe this factor plays a major role in this study, due to its research in two countries. Moreover, there are many mobile phone brands which represent different countries. As a consequence, consumers are affected by the information they receive about country.

8.1 Country image

Country image was defined by scholars as a generic construct consisting of generalized images created not only by representative products but also by the degree of economic and political maturity, historical events and relationships, culture and traditions and the degree of technological virtuosity and industrialization (Allred et at., 1999; Bannister and Saunders, 1978; Desborde, 1990). However, the above mentioned factors refer to cognitive beliefs about a particular

country. In the other studies, Askegaard and Ger (1998) and Berlegh (2001) explicitly mentioned an affective component of country image, the latter capturing emotions and feelings about a particular country. Some other scholars defined country image as “consumers’ images of different countries and of products made in these countries.”

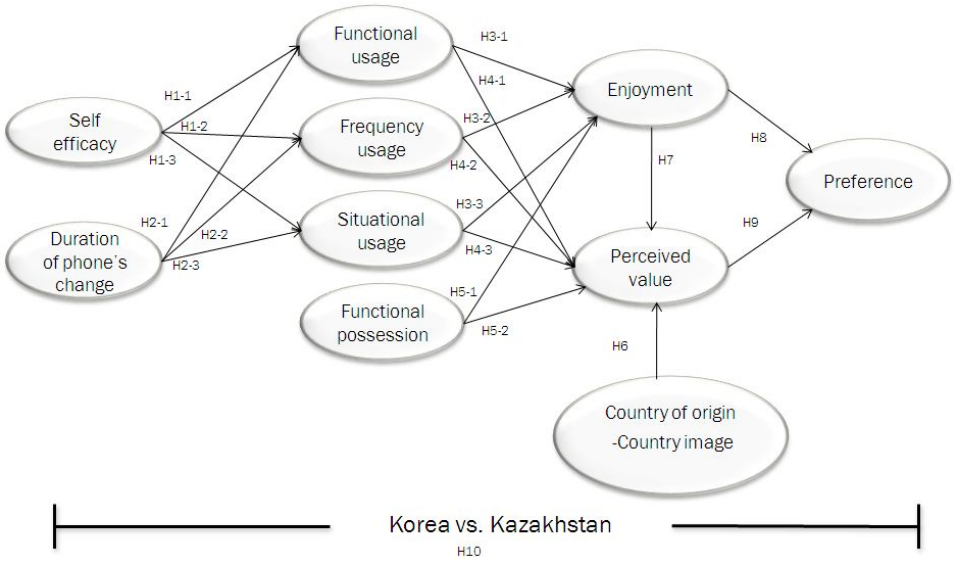
9. Preference

According to theory of consumer preference, preference is defined as the subjective (individual) tastes, as measured by utility, of various bundles of goods. Similarly to Hsu and Lu (2007) we define preference as the degree of users’ positive feelings about using mobile phones. For mobile phone preference, to increase consumer’s preference, his or her feeling about using mobile phones, we believe that perceived value has an effect on preference

Chapter 3 Research methodology

1. Research model and hypotheses development

1.1. Model research



<Figure 6> Model research

1.2. Hypotheses development

1.2.1 Self - efficacy and usage pattern

Beliefs about self - efficacy have a significant impact on our goals and accomplishments by influencing personal choice, motivation, and out patterns and emotional reactions. Self-efficacy also affects how successfully goals are accomplished by influencing the level of effort and persistence a person will demonstrate in the face of obstacles. Igbaria (1995) explored the effects of self - efficacy on computer

usage, he suggested that individuals who consider computers too complex and believe that they will never be able to control these computers will prefer to avoid them and are less likely to use them. On the other hand, self-efficacy is an important motivational variable, which influences individual affect, effort persistence and motivation (Gist). We believe that it will consistent to the mobile phone usage as well. For smart phones, which replaces in some cases computer usage, it will play a significant role due its complex functionality and situation variety. Proposed by Ram and Jung (1991) usage pattern – usage function, usage frequency and usage situation will be affected by the effect of self – efficacy.

Therefore, we are going to find a relationship between mobile phone self efficacy and functional usage, situational usage and frequent usage. As a result the following hypotheses are proposed.

H1-1 : Self efficacy positively influences consumers' functional usage
H1-2 : Self efficacy positively influences consumers' frequent usage
H1-3 : Self efficacy positively influences consumers' situational usage

1.2.2 Duration of mobile phone change and usage pattern

Nowadays new mobile phones, such as iPhone, Galaxy and Blackberry have been used widely and valued for the variety of functions and applications that are used by consumers in different

situations. Upgraded versions of mobile phone are changing each others very fast and offer to its customer's new features, design and functions. We believe that mobile phone users by following new trends and devices' features are willing to change their devises more often and therefore our focus lies on this tendency of changing phone which effects usage pattern. We propose that the duration or period of mobile phone change affects mobile phone's functional, situational and frequent usage patterns. As a result following hypotheses are proposed.

H2-1 : Duration of phone's change positively influences consumers' functional usage

H2-2 : Duration of phone's change positively influences consumers' frequent usage

H2-3 : Duration of phone's change positively influences consumers' situational usage

1.2.3 Usage Pattern and Enjoyment

Perceived enjoyment is defined as "the extent to which the activity of using mobile phone is perceived to be pleasure and satisfaction" (Hsu and Lu, 2007). A new mobile phones offer to consumers multiple features and functions. A 3 Generation smart phones consist of multiple features and function, which enable consumers to use combination of them thus enjoy usage variety in the form of different applications (e.g. synchronization with PC, application, such as social

networks, camera). Consumer can also create different situations for each application, for instance, picture that was taken with the camera can be immediately uploaded to a social network (e.g. Facebook) and by connecting to the PC be printed out. Hence, a feel of enjoyment and pleasure by using a mobile phone will be affected by mobile phone usage pattern. Accordingly, we hypothesized

H3-1 : Functional usage positively influences consumer's Enjoyment.
H3-2 : Frequent usage positively influences consumer's Enjoyment.
H3-3 : Situational usage positively influences consumer's Enjoyment

1.2.4 Usage pattern and perceived value

We also propose that usage dimensions, usage frequency, usage function and usage situation, influence consumer perceived value. Perceived value is defined as the consumer's overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given (Zeitham,l 1988). Sneth and Newman (1991) defined five dimensions, such as social, emotional, functional, epistemic and conditional value. Generally, perceived value is a customer's opinion of a product, which depends on the product's ability to satisfy his or her needs or requirements. According to Ram and Jung (1991), the three dimensions of product usage - usage frequency, usage function and usage situation - are related to each other. We attempt to investigate each dimension's influence on

consumers' perceived value. Accordingly, we hypothesized:

H4-1 : Frequency usage positively influences consumer's perceived value.

H4-2 : Situational usage positively influences consumer's perceived value

H4-3 : Situational usage positively influences consumer's perceived value.

1.2.5 Functional possession, Enjoyment and Perceived Value

In terms of mobile phone's functional possession, consumer desires to own a multifunctional device in spite of its actual functional usage. In other words, once you have purchased the product, you have rights to use the product as intended. Or just to feel yourself satisfied just by the fact that you have a newly released model. Therefore, we believe that functional possession will have a significant impact on enjoyment and perceived value. Moreover, a perceived value will be affected by functional possession more significantly than enjoyment, for the fact that consumer does not fully use the functions and features of the phone. As a result the following hypotheses are proposed.

H5-1 : Functional possession positively influences consumer's Enjoyment.

H5-2 : Functional possession positively influences consumer's Perceived Value.

1.2.6 Country of origin and Perceived value

In general favorable or unfavorable evaluations of a country associated with a product leads to a corresponding favorable or unfavorable evaluations of the product (Gürhan- Canli and Maheswaran 2000b; Hong and Wyer 1989, 1990; Maheswaran 1994). Country-of-origin information presented in the context of general information about a product's specific attributes is thought to have effects on product evaluations known as country-of-origin effects. As Ayyildiz and Cengiz (2007) noted that country image affects customer product evaluation, in other words, country image influences customer perceived value and loyalty, satisfaction and perceived quality etc. Accordingly, we propose that brand and country image plays an important role in consumer's mobile phone evaluation, especially in terms of consumers in different countries, like Korea and Kazakhstan:

H6 : Country image positively influences consumer's perceived value.

1.2.7 Enjoyment and Perceived Value

Further, we propose that Perceived Enjoyment will influence Perceived Value. Individuals, who experience immediate pleasure or joy

from using a technology and perceive any activity involving the technology to be personally enjoyable in its own right aside from the instrumental value of the technology, are more likely to adopt the technology and use it more extensively than others (Davis, Bagozzi and Warshaw 1992). This notion is in line with popular definitions of emotional value. Sweeney and Soutar (2001) defined emotional value as the utility derived from feelings or affective states that a product generates. Enjoyment refers to the extent to which the activity of using a product is perceived to be enjoyable in its own right, apart from any performance consequences that may be anticipated (Davis, Bagozzi and Warshaw 1992). Enjoyment thus represents an affective and intrinsic benefit. Past studies have verified that the use of computer technology was influenced by perceived enjoyment (Davis et al. 1992; Igbaria, Schiffman, and Wieckowshi 1994). Petrick (2002) characterized what customers receive as emotional response/joy received from purchase and product quality. Past research has also shown that the benefit component comprises perceived enjoyment, (Sweeney and Soutar, 2001), and that enjoyment and fun have a significant effect on technology acceptance (Davis, Bagozzi and Warshaw 1989).

We therefore hypothesize:

H7 : Perceived Enjoyment positively influences consumer's perceived value.

1.2.8 Enjoyment and Preference

There is an evidence that enjoyment of one's interactions with technology has important consequences on perception of the technology and subsequent evaluations (Blythe et. al. 2003; Hoffman and Novak 1996) and thus such enjoyment can be manipulated through design (Huang 2003; Shedroff 2001). We assume that as much enjoyment individual receives from the mobile phone consumption, as his/her preference of the product will be increased. Hence, a following hypothesize has been developed:

H8 : Perceived enjoyment positively influences consumer's preference.

1.2.9 Perceived value and Preference

According to theory of consumer preference, preference is defined as the subjective (individual) tastes, as measured by utility, of various bundles of goods. Similarly to Hsu and Lu (2007) we define preference as the degree of users' positive feelings about using mobile phones. For mobile phone preference, to increase consumer's preference, his or her feeling about using mobile phones, we believe that perceived value has an effect on preference. Kim (2009) highlighted the significant antecedent role of perceived value in customers' satisfaction and brand preference formation, and the pivotal role of customer brand preference

in customers' purchase decision process. In the wireless services domain, a narrower conceptualization of perceived value was shown to directly affect intentions to adopt Third Generation mobile services (Xin 2004). Therefore, we made the following hypothesis:

H9 : Perceived Value positively influences consumer's Preference.

1.2.10 Kazakhstan and Korea

<Figure 7> Map of Kazakhstan and Korea

The motivation for this study is to reveal any significant difference between the mobile phone users of South Korea and Kazakhstan in terms of the actual influence on preference of mobile phones - due to the different cultural and social and economical aspects. Lindholm, Keinone and Kiljander (2003) at Nokia insist that, Customers in Japan differ from customers in the US, who differ from customers in China. Different preferences and needs may be crucial in terms of usability of mobile devices. Users in different countries have distinct usability

criteria. Evidence of the different preferences is seen in Europe, where Nokia is most popular (BBC, 2004) and Samsung is one of the most popular mobile phones among Korean consumers (Brandstock, 2004).

H10 : There is a significant difference between Kazakhstan mobile phone users and South Korea mobile phone users.

Chapter 4 Empirical Analysis

1. Data collection and measurement development

1.1. Data collection

To random people from Kazakhstan and South Korea 314 questionnaires were distributed rather via email, or directly. Main target group mainly consists of office workers and university students.

1.2. Measurement development

Table <1> Measurement development

Variables	Measurement description	Source
Self	Mobile phone self efficacy in terms	Joo et al. (2000)

efficacy	of using device, managing functions and applications – I have enough skills to fully manage my phone no matter how complex it is – I feel confident managing mobile phone even in deferent language – I have enough skills to manage any new model of mobile phone	and Torkzadeh and Van Dyke (2001)
Duration of model change	Refers to how often a mobile phone user change a phone, upgrade a model	
Frequent usage	Frequency use and amount of time – What is the average duration for one time of using your mobile phone (ex. Games, calls etc) (_____) min / hour	Ginzberg (1981), Ram and Jung (1990, 1991)
Functional usage	Functions and features that are used by mobile phone user – Calls and text messages – Organizer – Games – Dictionary	Ram and Jung (1990, 1991)
Situational usage	Applications and situations when mobile phone is used – Watching TV – Taking pictures – Reading books	Ram and Jung (1990, 1991)
Functional possession	It refers to one's desire to own a multifunctional device in spite of actual functional usage	

Brand and country image	Information about a product's specific attributes that affects on product evaluations - People from the above mentioned country are well educated - I feel familiar with people from the above mentioned country	Han (1989)
	They are similarly defined as the mental pictures of brands and countries, respectively	Jaffe and Nebenzahl (2001)
Perceived Enjoyment	The extent to which the activity of using mobile phone is perceived to be pleasure and satisfaction - I have fun using my mobile phone -I think using a mobile phone is an interesting activity	Davis et al (1992) and Jsu and Lu (2007)
Perceived Value	Consumer's overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given - mobile phone is well performed - Mobile phone offers value for money - Mobile phone offers a great value for me - I perceive my mobile phone as a valuable product	Sweeney and Soutar (2001)
Preference	The degree of users' positive feelings about using mobile phones - I like my mobile phone	Hsu and Lu (2007)

	−I feel good about my mobile phone − I would recommend to buy the same phone to my friends and family	

The items in the instrument were derived from the existing literature and modified to suit the context of mobile phone preference in Kazakhstan and South Korea. Each item was measured on a five-point Likert scale, ranging from “strongly disagree” (1) to “strongly agree” (5).

A computer statistic program SPSS will be used to test the significance of the hypotheses. An Exploratory factor analysis was conducted to validate reliability of variables. For hypothesis verification a leaner regression analysis is performed.

2. Validity and reliability of variables

<Table 2> shows the results of the validity and reliability analysis of variables. Country of origin variable consists of 6 items, perceived enjoyment derived with 4 items, further, for perceived value (PV) derived with 4, preference consists of 3 items, self efficacy consists of 4 items and functional possession derived with 2 items. 6 Factors explained 78.749% of the variance. Reliability for these constructive concepts were verified and secured with Cronbach’s and displaying

between .830 ~ .972.

<Table 2> Exploratory factor analysis

Item	1	2	3	4	5	6
	α = .921	α=.908	α=.889	α=.830	α=.972	α=.853
Country of origin 1	.907	−.050	−.002	.083	−.054	.124
2	.874	.006	.034	.040	−.022	.086
3	.866	−.014	.008	.049	−.029	.111
4	.860	−.093	−.068	.130	−.002	.038
5	.793	.134	.228	.066	.052	−.149
6	.749	.037	.234	−.025	.017	−.153
Enjoyment 1	−.007	.899	.007	.101	−.037	.141
2	−.017	.863	−.043	.033	.188	.154
3	.041	.858	.043	.036	.172	.201
4	−.036	.754	−.050	.174	.354	.232
Perceived Value 1	.137	.005	.866	.116	.175	.168
2	.128	.025	.865	.074	−.129	.007
3	.045	−.107	.857	.011	−.043	.039
4	.015	.097	.789	.090	.203	.314
Self − Efficacy 1	.065	.042	.012	.912	.063	.063
2	.177	.029	−065	.895	.067	.031
3	−.097	.040	.194	.772	.079	−.064
4	.227	.235	.176	.607	−.162	.150
	.					
Functional possession						

1	−.014	.220	.051	.002	.929	.194
2	−.030	.254	.060	.078	.913	.176
Preference						
1	−.019	.441	.114	−.134	.058	.749
2	.031	.283	.246	.137	.319	.742
3	.106	.326	.279	.206	.258	.696
Eigen values	6.003	4.555	2.819	2.372	1.457	.907
% of Variance	26.100	19.804	12.257	10.312	6.335	3.942
Cumulative %	26.100	45.904	58.160	68.472	74.807	78.749

Table 3 shows that all the correlations were in the predicted direction, and all the correlations were statistically significant.

<Table 3> Correlation analysis

Item	1	2	3	4	5	6	7	8	9	10
change	1									
frequency	-.058	1								
COO	-.166	.026	1							
Enjoyment	.072	.136*	-.006	1						
Efficacy	-.368	.254**	.175**	.197**	1					
Preference	-.023	.055	.079	.591**	.191**	1				
functionpossesion	-.004	.098	-.008	.459**	.116	.488**	1			
PValue	-.136	.112	.047	.455**	.230**	.543**	.292**	1		
functional usage	.094	.305**	-.075	.435**	.265**	.303**	.330**	.292**	1	
situational usage	.100	.344**	-.133	.563**	.300**	.344**	.384**	.395**	.769**	1

* <.05 ** p<.01

2.1. Verification of hypothesis: Total overview of results in Kazakhstan and Korea

In the following section hypotheses verification is presented

<Table 4> the effect of self - efficacy and duration of mobile phone change on usage pattern

Dependent Independent	Functional Usage			Situational Usage			Frequency usage		
	Stand. Beta	t-value	VIF	Stand. Beta	t-value	VIF	Stand. Beta	t-value	VIF
Self efficacy	. 306	4.811***	1.150	. 352	5.622***	1.150	.262	4.068***	1.150
Change of mobile phone (frequency)	. 197	3.090**	1.150	. 220	3.512**	1.150	.036	.565 n/s	1.150
R^2	.089			.116			0.63		
Adj R^2	.082			.110			.056		

(*p<0.05, **p<0.01, ***p<0.001 n/s : not significant)

Leaner regression analysis was conducted to verify how self efficacy and duration of mobile phone change influence Usage pattern. Significant effect has been observed in case of Usage Function and Usage Situation. However in terms of frequency usage only one significant effect of self efficacy has been identified.

<Table 5> the effect of Usage frequency, Usage Function, Usage Situation, Functional possession on Perceived Value and Enjoyment

Dependent / Independent	Perceived Value			Enjoyment		
	Standardized Beta	t-value	VIF	Standardized Beta	t-value	VIF
Functional Usage	-. 041	- . 455 n/s	2. 467	-.042	-. 522 n/s	2. 544
Situational Usage	. 369	3.967***	2. 556	. 479	5.798***	2. 740
Functional Possession	. 166	2.677**	1.180	. 278	5.099***	1.191
Frequency usage	-. 019	-. 305 n/s	1.142	- . 046	- . 868 n/s	1.141
R^2	.180			.360		
Adj R^2	.167			350		

(*p<0.05, **p<0.01, ***p<0.001 n/s : not significant)

The results from the <Table 5> indicate a significant effect of situational usage and functional possession on perceived Value, however no significant effects have been found in case of influence of functional and frequency usage on perceived value. The same results show that situational usage and functional possession positively influence consumers' enjoyment.

<Table 6> verifies the effect of country of origin and enjoyment on perceived value. The results indicate that both only enjoyment positively affects Perceived Value. The second part of the table shows

that both enjoyment and perceived value positively influence preference.

<Table6> the effect of Country of origin and Enjoyment on Perceived Value; The effect of Enjoyment and Perceived value on Preference

Dependent / Independent	Perceived Value			Dependent / Independent	Preference		
	Standardized Beta	t-value	VIF		Standardized Beta	t-value	VIF
COO	. 050	.888 n/s	.1000	Enjoyment	.434	8.247 ***	1.262
Enjoyment	.456	8.172 ***	.1000	Perceived Value	.345	6.569 ***	1.262
R^2	.210				.444		
Adj R^2	.204			Adj	.439		

(*p<0.05, **p<0.01, ***p<0.001 n/s : not significant)

2.2. Verification of hypothesis: Kazakhstan and South Korea

<Table 7> The effect of Self efficacy and duration of mobile phone change on Usage pattern (functional, situational, frequency usage)

Dependent Independent	Functional Usage				Situational Usage			
	Korea		Kazakhstan		Korea		Kazakhstan	
	Stand. Beta/t-value	VIF	Stand. Beta/t-value	VIF	Stand. Beta/t-value	VIF	Stand. Beta/t-value	VIF

Self efficacy	. 485/ 6.136 ***	1.026	.183 / 2.115*	1.022	. 568 / 7.627***	1.026	.146 / 1.668 n/s	1.022
Change of mobile phone	-. 017 / -.211 n/s	1.026	-.022 / -. 258 n/s	1.022	-. 016 / -.214 n/s	1.026	.048 / .545 n/s	1.022
R^2	.238		.035		.325		.021	
Adj R^2	.226		.021		.315		.007	

(*p<0.05, **p<0.01, ***p<0.001 n/s : not significant)

Significant result has been found both in Kazakhstan and Korea for the effect of self efficacy on functional usage, however the self efficacy significant effect on situational usage has been found only in Korea.

Dependent / Independent	Frequency Usage			
	Korea		Kazakhstan	
	Standardized Beta/t-value	VIF	Standardized Beta/t-value	VIF
Self efficacy	.416 /5.200 ***	1.026	.049 /558 n/s	1.022
Change of mobile phone (frequency)	-. 157 /-1.959 n/s	1.026	-.129 / - 1.477 n/s	1.022
R^2	.219		.021	
Adj R^2	.206		.006	

(*p<0.05, **p<0.01, ***p<0.001 n/s : not significant)

Similarly, only Korea shows a significant effect of self efficacy on frequency usage.

<Table 8> the effect of Usage pattern and functional possession on Enjoyment and Perceived Value

Dependent /Independent	Enjoyment				Perceived Value			
	Korea		Kazakhstan		Korea		Kazakhstan	
	Stand. Beta / t-value	VIF	Stand. Beta/ t-value	VIF	Stand. Beta/ t-value	VIF	Stand. Beta/ t-value	VIF
Usage Frequency	.021 / .327 n/s	1.219	-. 109/ -1.347 n/s	1.114	.0.12 / .131 n/s	1.219	-.085/ -.993 n/s	1.116
Usage Function	.023 / 266 n/s	2.124	-.053 / -.394 n/s	3.023	.084/ .704 n/s	2.124	.255/ 1.862+	1.146
Usage Situation	. 344 / 3.703***	2.542	.526 / 3.987 ***	2.956	-.021/ -.161 n/s	2.542	.252/ 1.863+	2.813
Functional possession	. 525 / 7.996***	1.267	.048/ .554 n/s	1.248	.390/ 4.227***	1.267	-.077/ -.869n/s	1.218
R^2	.581		.239		.314		.192	
Adj R^2	.568		.216		.292		.166	

* p<.05, + p<.1, ***p<.001, n/s : not significant

According to the <Table 8> effects in Kazakhstan and South Korea have been verified. >, the following

Usage frequency and functional usage have no any significant effect on Enjoyment neither in Kazakhstan nor in Korea. However, functional possession has been found significantly in Korea. Usage situation have been found significantly in both counties.

Similarly to enjoyment, No significant effect of usage frequency and

functional usage has been found neither in Kazakhstan nor in Korea. For Usage situation, significant effect has been found in Kazakhstan only, and a significant effect of functional possession is significant in both countries.

<Table 9> the effect of enjoyment and country of origin on perceived value; The effect of Enjoyment and Perceived value on Preference

Dep. Indep	Perceived Value				Preference			
	Korean		Kazakhstan		Korean		Kazakhstan	
	Stand. Beta/ t-value	VIF	Stand. Beta /t-value	VIF	Stand. Beta / t-value	VIF	Stand. Beta / t-value	VIF
Enjoyment	.606/ 8.515***	1.020	.367 / 4.422***	1.011	.617/ 8.067***	1.604	.306 3.958***	1.161
COO	.055 / . 768 n/s	1.020	-.055/ - . 663 n/s	1.011	-	-	-	-
Perceived Value	-	-	-	-	.177 / 2.311*	1.604	.408/ 5.282***	1.161
R^2	.380		.142		.545		.353	
Adj R^2	.370		.128		.538		.343	

* : p<.05, ** : p<.01 , *** : p<.001, n/s : not significant

According to the results <Table 9>, the following effects in Kazakhstan and South Korea have been verified.

Perceived enjoyment has significant effect in both countries and country of origin has no effect on perceived value neither in Kazakhstan nor Korea.

However a significant effect of enjoyment and perceived value has

been found in both counties.

Chapter 5 Conclusion and Implementation

1. Research summary

<Table 10> Model results

Hypotheses	Result
H1-1 : Self efficacy positively influences consumers' functional usage	Supported
H1-2 : Self efficacy positively influences consumers' frequent usage	Supported
H1-3 : Self efficacy positively influences consumers' situational usage	Supported
H2-1 : Duration of phone's change positively influences consumers' functional usage	Supported
H2-2 : Duration of phone's change positively influences consumers' frequent usage	Supported
H2-3 : Duration of phone's change positively influences consumers' situational usage	Rejected
H3-1 : Functional usage positively influences consumer's Enjoyment	Rejected
H3-2 : Frequent usage positively influences consumer's Enjoyment.	Supported
H3-3 : Situational usage positively influences consumer's Enjoyment	Supported
H4-1 : Frequency usage positively influences consumer's perceived value.	Rejected
H4-2 : Functional usage positively influences consumer's perceived value	Supported

H4-3 : Situational usage positively influences consumer's perceived value.	Supported
H5-1 : Functional possession positively influences consumer's Enjoyment. H5-2 : Functional possession positively influences consumer's Perceived Value.	Supported Supported
H6 : Country image positively influences consumer's perceived value.	Rejected
. H7 : Perceived Enjoyment positively influences consumer's perceived value.	Supported
H8 : Perceived enjoyment positively influences consumer's preference.	Supported
H9 : Perceived Value positively influences consumer's Preference.	Supported

Hypothesis 10

Korea	H1-1 : Self efficacy positively influences consumers' functional usage H1-2 : Self efficacy positively influences consumers' frequent usage H1-3 : Self efficacy positively influences consumers' situational usage	H1-1: Supported H1-2 : Supported H1-3: Supported
Kazakhstan		H1-1: Supported H1-2 : Rejected H1-3: Rejected
Korea	H2-1 : Duration of phone's change positively influences consumers' functional usage H2-2 : Duration of phone's change positively influences consumers' frequent usage H2-3 : Duration of phone's change positively influences consumers' situational usage	H2-1: Rejected H2-2: Rejected H2-3: Rejected
Kazakhstan		H2-1: Rejected H2-2: Rejected H2-3: Rejected

Korea	H3-1 : Functional usage positively influences consumer's Enjoyment H3-2 : Frequent usage positively influences consumer's Enjoyment. H3-3 : Situational usage positively influences consumer's Enjoyment	H3-1: Rejected H3-2: Rejected H3-3: Supported
Kazakhstan		H3-1: Rejected H3-2: Rejected H3-3: Supported
Korea	H4-1 : Frequency usage positively influences consumer's perceived value. H4-2 : Functional usage positively influences consumer's perceived value H4-3 : Situational usage positively influences consumer's perceived value.	H4-1: Rejected H4-2: Rejected H4-3: Rejected
Kazakhstan		H4-1: Rejected H4-2: Supported H4-3: Supported
Korea	H5-1 : Functional possession positively influences consumer's Enjoyment. H5-2 : Functional possession positively influences consumer's Perceived Value	H5-1: Supported H5-2: Supported
Kazakhstan		H5-1: Rejected H5-2: Rejected
Korea	H6 : Country image positively influences consumer's perceived value.	H6: Rejected
Kazakhstan		H6: Rejected
Korea	. H7 : Perceived Enjoyment positively influences consumer's perceived value.	H7: Supported
Kazakhstan		H7: Supported
Korea	H8 : Perceived enjoyment positively influences consumer's preference.	H8: Supported
Kazakhstan		H8: Supported
Korea	H9 : Perceived Value positively influences consumer's Preference.	H9: Supported
Kazakhstan		H9: Supported

The objective of the thesis is to demonstrate current Kazakhstan and Korean consumers' usage of mobile phones and investigate factors that influence consumers' preference. Most of consumers could be the target respondents of the survey and be involved in data collection. With the responses that obtained from 257 participants, the main research problem of this study has been answered. By analyzing primary data which was collected with a survey, research questions of what factors affect to mobile phone consumer preference, enjoyment, perceived value, what usage pattern presents in Korea and Kazakhstan and what consumers have in their mind about certain mobile phone brands are all clarified.

Main findings of the result in two countries are:

1) Respondents indicated that self efficacy plays a major role in consumers' mobile phone usage. It affects frequency usage, functional and situational usage. Newly released mobile devises require consumers to learn and master the skills of using phone. It contained variety of features and functions that are needed to be precisely learned by consumers first.

2) A duration of mobile phone change has been found significantly only for functional and situational usage. Consumers are affected by environment around them. Smart phones are becoming a trend and users change their phones mostly to keep the trends and stay in a line of fashion. Therefore, duration of mobile phone change influences functional and situational usage.

3) Functional possession and situational usage influence consumers perceived value and enjoyment. Consumers feel a sense of joy when they own a multifunctional device. They do not think if they really needed all those functional however, the fact they purchased it provides them enjoyment and support the value of the device.

4) Enjoyment influences consumer's perceived value. This result strongly supports the hypothesis. In spite the fact that country of origin effect has not been found significantly, we believe for Kazakhstan consumers the brand image plays a role in mobile phone's evaluation. It can be possibly a suggestion for the future research.

5) Both enjoyment and perceived value are relevant for consumer's preference. They significantly affect consumer's preference of mobile phone and strongly support the proposed hypothesis.

A primary goal of the study was to reveal the difference of mobile phone usage in two countries. Hence, we have examined research model separately for each country. There are indications that there are several aspects of mobile phone usage which are similar in both countries. Staying in touch with friends / family is the highest ranked usage scenario in both countries. Palen, Salzman, and Youngs (2000), while studying new users of mobile phones found that the social use of mobile phones especially with friends and family increases over time. Another similarity across countries is that most respondents indicated that self efficacy plays an important role for functional usage. A belief in their capabilities to organize and execute the tasks of action required to mobile phones applications or features significantly

influence functional usage. Another similar result across two countries revealed that duration of mobile phone has no any significant effect neither for Kazakhstan consumers nor Korean consumers. It does not affect mobile phone usage pattern at all.

Regarding the influence of usage pattern and functional possession on enjoyment and perceived value, we have found that usage situation positively affects enjoyment in both countries. Another similar result have been found in terms of the effect of enjoyment on perceived value and preference, the effect of perceived value on preference. Additionally, respondents in both countries showed no effect of country of origin on perceived value. This result might be interesting for further investigation. We believe that for Kazakhstan a brand image perceived more importantly that country image. As for Korean respondents, this result can be explained by the fact that majority of mobile phones are made in Korean. They produce their own products which are popular all over the world. Therefore the factor of country of origin is less important for them. They do not base a purchasing choice on country of origin, but on functions, design and price.

Most respondents across both the countries expressed satisfaction with their mobile phones. The experience with mobile phones was consistent across both the countries, the average number of the respondents from both countries have more than 12 months of experience using mobile phones. There was general agreement between respondents from both countries that talking on the phone in public should not be banned. At the same time both agreed that only talking

discreetly and quietly should be allowed.

However, there are a few areas in which there are substantial differences. To use mobile phone for games and entertainment is more prevalent among the Korean respondents with 57,8% of them reporting using it multiple times a day compared to the corresponding 12% of Kazakhstan participants. Moreover, Korean respondents spend more time for entertainment than for calling and text messaging. It is opposite to the results of Kazakhstan respondents whereas, calls and texts are much more prevalent among the Kazakhstan respondents with 83,7 % of them reporting using it multiple times a day compared to the corresponding 44, 5& of Korean participants. The survey also reported that a large number of Korean respondents keep their phones always turned on.

It is also interesting to note that self efficacy does't not affect Kazakhstan respondents in terms of situational usage however does affect Korean users. In fact Korea offers more services for mobile phone users, such as faster internet, mobile TV and so forth, and so users in Korea are motivated to learn and manage device deeply than Kazakhstan users, who use mobile phone for more common reasons. In terms of effect of usage pattern and functional possession on enjoyment and perceived value, we found that functional usage has a positive effect on perceived value in Kazakhstan. However, functional possession has no effect in Kazakhstan but only significantly influences Korean respondents. Korea is IT developed country and IT technology development increases chances for Korean users to perceive

joy and satisfaction by using mobile phone and as a result influence perceived value as well.

Most of the respondents in Korea indicated their mobile phones as a smart phone as multifunctional device. But on the other hand, Kazakhstan respondents indicated uselessness of smart phones due to its complexity and price. Some of these differences can be attributed to the fact that Kazakhstan is still an emerging market with rapid development tendency. This country is dominating among other central Asian countries; however, still the mobile industry requires much more efforts to achieve the same level with Korean mobile phone market.

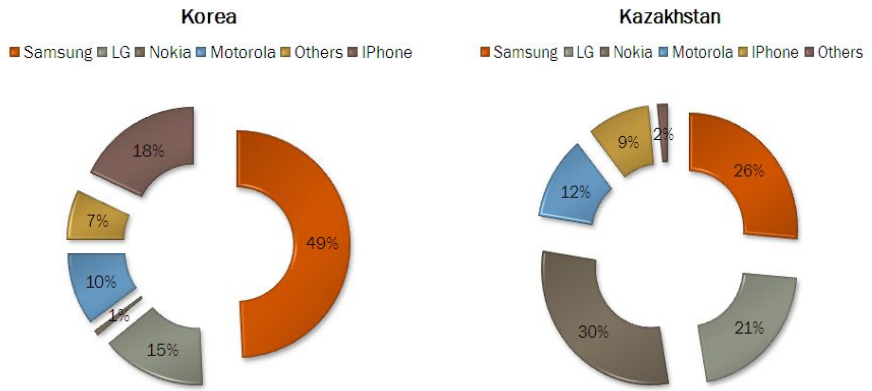
When respondents were asked about their mobile phone usage, particularly internet surfing and social networks, there was marked difference in opinion. More Korean respondents indicated that they sometimes use the phone or talk on the phone than respondents from Kazakhstan. Moreover 24% of respondents from Kazakhstan indicated they never use a phone while driving compared to 10% of Korea respondents. We explain it as more restricted rules and fines for drivers in Kazakhstan.

<Table 11> Functional and Situational Usage

Country	Mobile phone usage	Result
Korea	Functional usage	11.15 / 14.00
Kazakhstan		9.41 / 14.00
Korea	Situational usage	12.11 / 14.00
Kazakhstan		6.60 / 14.00

* Total situations and functions number is 14

The following figure describes brands preferences in Korea and Kazakhstan. Samsung is a leader in Korean mobile phone market. 49% of respondents indicated Samsung as their favorite mobile phone brand. However, Nokia is the most famous mobile phone brand among Kazakhstan users..



<Figure 8> Mobile phone brands preference in Korea and Kazakhstan

The general managerial conclusion of this thesis is that defining main characteristics that influence target customers in their product evaluation, preference and feelings toward the product. It is essential to reveal a usage pattern in different market, especially, fast growing and already developed markets. A device that is used by consumers and makes them feel happy and satisfied is a main goal for companies and managers. Therefore, the managerial implications are summarized into the following steps:

1) Create a mobile phone user's profile and reveal essential factors that make his/her usage pattern significantly important for multifunctional device such as mobile phone.

2) Communicate effectively and keep updated the products main functions that create more ways and situations to use the phone and moreover to feel enjoyment towards the device and as a result appreciate its value.

Consumers enjoy variety of function and situations, like surfing internet, participating in social network and playing games. So the factors Moreover, Country of origin such as brand and country image plays an important role when consumers make an overall assessment of the product.

2. Research limitations and future research

We would like to recommend some other studies that could be performed and which could strengthen our results or dismiss them. Since we chose to follow a survey method we are well aware that our results can not be generalized and some factors could be left undone. We would like to recommend an experiment study which stretches all over the countries of Korea and Kazakhstan for the purpose of confirming our findings and making them statistically significant.

Another recommendation that we believe could serve our thesis is to conduct a research by examining factor of country of origin more precisely. We also suggest to pay more attention on cultural aspects of two countries. Moreover, it would be useful to examine more than 2 countries. This should be done with the purpose of comparing mobile phone usage pattern. We believe this could open up new fields of

research and could clarify if there are other factors that influence consumers preference and choice of purchasing mobile phone device.

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■ Internet recourse

Wikipedia (http://wikipedia.org)

Marketing research

«A mobile phone usage pattern in Korea and Kazakhstan»

We would like to ask you to participate in marketing research of mobile phone preferences and usage pattern.
We promise the answers will be used for research purpose only.

Thank you beforehand for Your time and sincere answers

Advisor professor: Dr. Jung Hyun Shik

Graduate student: Li Yekaterina

I. General information

1) Do you have a mobile phone? 1 - Yes 2 - No

2) What are the brand names of all the mobile phones that you use now (* multiple)

Samsung LG Nokia Motorola IPHONE Others _____

3) How long do you use your current mobile phone

1- 3 month 4 - 6 month More than 7 m. More than 1 year More than 2 years

4) What is the average duration for one time of using your mobile phone (ex. Games, calls etc) (_____) min / hour

5) How often do you change you mobile phone

3 month- 6 month 6month- 1 year More than 1 year More than 2 years

II. Functional variety

Please, indicate the most suitable for you answer

Question	Highly disagree	Disagree	Neutral	Agree	Highly agree
1) My mobile phone has many functions	1	2	3	4	5
2) My mobile phone has a different functions	1	2	3	4	5

III. Perceived enjoyment

Please indicate the most suitable for you answer

Question	Highly disagree	Disagree	Neutral	Agree	Highly agree
1) I enjoy using my mobile phone for its entertainment applications (game, messenger, etc)	1	2	3	4	5
2) I have fun using my mobile phone	1	2	3	4	5
3) Using mobile phone is make me feel fun	1	2	3	4	5
4) I find using mobile phone to be enjoyable	1	2	3	4	5
5) I think using mobile phone is interesting	1	2	3	4	5

IV. Functional usage

Please indicate the most suitable for you answer

Item	Use : Yes/ No	Highly disagree	Disagree	Neutral	Agree	Highly agree
·Calls and message function	(O. X)	1	2	3	4	5
· Organizer	(O. X)	1	2	3	4	5
· Games	(O. X)	1	2	3	4	5
· Dictionary	(O. X)	1	2	3	4	5
·Personalized/custom sounds	(O. X)	1	2	3	4	5
· Wireless Internet	(O. X)	1	2	3	4	5

. PC synchronization	(O. X)	1	2	3	4	5
· Microsoft offices synchronization	(O. X)	1	2	3	4	5
· DMB	(O. X)	1	2	3	4	5
· MP3 player	(O. X)	1	2	3	4	5
GPS receiver	(O. X)	1	2	3	4	5
· Camera	(O. X)	1	2	3	4	5
· Video	(O. X)	1	2	3	4	5
Social networking	(O. X)	1	2	3	4	5

- What do you think about your mobile phone's functions?

Question	Too complex	Complex	Average	Easy	Very easy
1) what do you think about your mobile phone's functions	1	2	3	4	5

V. Situational usage

Score the each of the given usage situation

Item	Use : Yes/ No	Highly disagree	Disagree	Neutral	Agree	Highly agree
Making calls	(O. X)	1	2	3	4	5
Texting	(O. X)	1	2	3	4	5
Playing games	(O. X)	1	2	3	4	5

Making a schedule	(O. X)	1	2	3	4	5
Emailing	(O. X)	1	2	3	4	5
Listening to music	(O. X)	1	2	3	4	5
Internet browsing	(O. X)	1	2	3	4	5
Connecting to PC	(O. X)	1	2	3	4	5
Talking to people when driving (ex. Bluetooth)	(O. X)	1	2	3	4	5
Looking for location (ex. GPS navigator)	(O. X)	1	2	3	4	5
·Reading books	(O. X)	1	2	3	4	5
Working with doc	(O. X)	1	2	3	4	5
Taking pictures	(O. X)	1	2	3	4	5
Shooting a video	(O. X)	1	2	3	4	5
Watching TV	(O. X)	1	2	3	4	5
Listen to radio	(O. X)	1	2	3	4	5

VI. Country of origin effect

Please indicate the most suitable for you answer

1) Please indicate your mobile phone country of origin	ðKorea	ð Finland	ð USA	ð Other _____
2) I feel familiar with people from the above mentioned country	1	2	3	4	5
3) People from the above mentioned country are well educated	1	2	3	4	5
4) The above mentioned country has a high standard of living	1	2	3	4	5
5) The above mentioned country has advanced technical skills	1	2	3	4	5
6) The above mentioned country produces high quality products	1	2	3	4	5
7) I can be assumed that products produced by the above mentioned country are well performed	1	2	3	4	5
8) I can be assured that products from the mentioned above country will be supported with excellent customer service	1	2	3	4	5

VII. Self efficacy

Please indicate the most suitable for you answer

Question	Highly disagree	Disagree	Neutral	Agree	Highly agree
1) I can manage my mobile	1	2	3	4	5

phone even when I drive my car					
2) I can manage my phone, even being doing other tasks	1	2	3	4	5
3) I have enough skills to fully manage my phone no matter how complex it is	1	2	3	4	5
4) I have enough skills to manage any new model of mobile phone	1	2	3	4	5
5) I feel confident managing mobile phone even in different language	1	2	3	4	5

VI. Preference

The following questions are about your preferences. Please indicate the most suitable for you statements, which can describe your attachment to the mobile phone

Question	Highly disagree	Disagree	Neutral	Agree	Highly agree
1) I like using my mobile phone	1	2	3	4	5
2) I feel good about using mobile phone	1	2	3	4	5
3) I like my mobile phone	1	2	3	4	5

VII. Please indicate the most suitable for you answer

Question	Highly disagree	Disagree	Neutral	Agree	Highly agree
	1	2	3	4	5

1) Mobile phone has consistent quality					
2) My mobile phone is well done	1	2	3	4	5
3) My mobile phone has an acceptance standard of quality	1	2	3	4	5
4) My mobile phone has poor workmanship	1	2	3	4	5
5) My mobile phone will not last for a long time	1	2	3	4	5
6) My mobile phone performs consistently	1	2	3	4	5
7) Mobile phone is one that I enjoy	1	2	3	4	5
8) Mobile phone makes me want to use it	1	2	3	4	5
9) Mobile phone is one that I feel relaxed about using	1	2	3	4	5
10) Mobile phone makes me feel good	1	2	3	4	5
11) Mobile phone gives a pleasure	1	2	3	4	5
12) My mobile phone is reasonably priced	1	2	3	4	5
13) My mobile phone offers value for money	1	2	3	4	5
14) My mobile phone is a good product for the price	1	2	3	4	5

VIII. Demographic information

1) Gender: 1) male 2) female

2) Citizenship: 1) Kazakhstan2)SouthKorea3)other

3) Age: (_____)

4) Academic level:

5) Job description:

1) Unemployed 2) office worker 3) specialized job 4) student 5) teacher and professor 6) artist 7) student 8) civil servant 9) other

6) What is your average monthly salary?

1) $ 500 2) $ 500 - 1000 3) $ 1500 -2000 4) $2500 - 3000 5) $4000-5000