The Impact of Product Quality on Perceived Value, Trust and Students' Intention to Purchase Electronic Gadgets

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Abstract

Increasing attention on the role played by product quality on desirable customer behavioural outcomes has been empirically examined over the past decades. Nevertheless, there are significant issues yet to be addressed and resolved, one of which relates to the influences of the quality of electronic gadgets on students' perceived value, trust and their intention to purchase. In view of this research gap, five posited hypotheses are empirically tested using a sample of 151 in South Africa. The results supports all the posited hypotheses except hypothesis four which although positive as postulated, is insignificant. Managerial implications of the findings are discussed and limitations and future research directions are indicated.

Keywords: Strategic purchasing, Information technology, Logistics integration, Business performance, Small and Medium Enterprises (SMEs).

1. Introduction

The past decade has witnessed a barrage of studies focusing on customer purchase intention (Lin & Wang, 2006; Chu & Lu, 2007; Kim, Chan, & Gupta, 2007; & Lu & Hsiao, 2010; Kumar, Lee & Kim, 2009 & Paul, Wu, Yeh & Hsiao, 2011; Wang, Yeh, & Liao, 2013). The received wisdom is that purchase intention can be regarded as an indicative lead of the actual future purchase (Kanuk, 2007 & Paul, Wua, Yeh, & Hsiao 2011). Thus, purchase intention represents the possibility that consumers will plan or be willing to purchase a certain product or service in the future (Wang, Yeh, & Yi-Wen Liaob 2013). Further to that, an increase in perceived future customer purchase intention can used by business practitioners as a measuring barometer of the business’ future survival and possible profitability prospects (Bao, Bao & Sheng 2011). Owing to this recognized importance of customer purchase intentions, academicians and business practitioners alike, have been interested in understanding the factors that influence customer purchase intentions (Kumar, Lee & Kim, 2009 & Paul, Wu, Yeh & Hsiao, 2011). Among some of the noted predictors of customer purchase intentions in the marketing literature are customer trust in some brands (Chu & Lu, 2007; Chen, 2008; Lin & Wang, 2006; Lu & Hsiao, 2010; Wang, 2008), customer perceived value of the products to be purchased (Wang, Yeh, & Yi-Wen Liaob 2013; Lu & Hsiao, 2010) and their overall perception of the quality of the products they need to purchase (Steenkamp, 1990; Miyazaki, Grewal, Dhruv, Goodstein & Ronald, 2005; Bao, Bao & Sheng 2011; Roest & Rindfleisch 2010; Carrillat, 2009)

While most of the previous studies have examined the antecedents of customer or consumer purchase intentions in general, this study is unique in that it focuses on the purchase intention of electronic gadgets such as laptops from a student perspective. In the information and technologically oriented age we live today, the student community is fast becoming a booming and important market segment for electronic gadgets such as laptops. The student community is technologically savor and with the advent of e-learning and the proliferation of social media platforms where students
timely share information with their peers online – their demand for electronic gadgets such i-pods and laptops have been on the increase. Thus targeting this market segment for research purposes is deemed necessary in the current study and is expected to yield practical implication to both manufacturers and retailers of electronic gadgets utilized by the student community.

Against this backdrop, the purpose of the current study is to fill this void by investigating the influence of product quality on students’ purchase intention. Furthermore, this study seeks to explore the mediating role of perceived value and trust in this quality product – purchase intention relationship in the context of South Africa. Besides, the current study is expected to make academic and practical contributions to the existing marketing management literature and provide practical implications to retailers and manufacturers of electronic gadgets desired for use by students in developing countries – South Africa in particular.

The remainder of the paper is structured as follows. The next section presents a literature review section. The research methodology section which include data collection procedure, construct operationalization and measurement, follows thereafter. The subsequent section offers data analysis and results, and discussion and implications of the study findings. Lastly, in the concluding section, the limitations of the study along with suggestions for future research are highlighted.

2. Literature Review

2.1 Product Quality

In today’s highly competitive marketplace buyers heavily rely upon product cues such as price, and brand image in order to deduce the quality of products they purchase (Paulins, & Ann 2005; Oxoby & Finnigan, 2007). The marketing literature assert that these cues are observable product or service characteristics that allow buyers to make inferences about unobservable attributes of products such as product durability or service quality, which guide buyers to determine the perceived product quality (Iyengar & Lepper, 2000; Schwartz, 2000; Roest & Rindfleisch 2010). A study by Toivonen (2012) reveals that the quality of a tangible product can be determined by its technical characteristics and its performance aspects. However, some studies such as one by Sweeney, Soutar, and Johnson (1999) identified the ease of use and suitability of product features to the individual’s needs as important contributors to product quality. In addition to that, aspects such as product flawlessness, durability, appearance and distinctiveness are among some of attributes associated with product quality (Grewal, 1997; Miyazaki et al., 2005; Roest & Rindfleisch 2010; Bao, Bao & Sheng 2011). In this study, product quality is defined as the consumer’s judgment about a product overall excellence or superiority (Bei & Chiao, 2001). Furthermore, perceived quality correlates with consumer purchase intention (Bao, Bao & Sheng 2011).

2.2 Perceived Value

Perceived value has become a catchy concept used to explain consumer buying behavior in the marketing literature. More so, a growing body of empirical research seem to agree that business enterprises can actual achieve a competitive advantage by delivering superior value to consumers (Sweeney & Soutar, 2001; Lin & Wang, 2006; Chen, Shang,, & Lin, 2008; Kuo, Deng & Wu, 2009; Lu & Hsiao, 2010). Thus, according to Levenburg (2005) and Sanchez-Fernandez and Iniesta-Bonillo (2009), perceived value has become a new strategic imperative for retailers and marketers alike. While there is no general consensus of what constitute customer value in the extant literature, some converging viewpoints present monetary value, quality, and expected benefits – psychological or economical as possible indicators of customer perceived value (Lin & Wang, 2006; Kim, Chan, & Gupta, 2007; Wang, 2008; Kuo, Deng & Wu, 2009 Lu & Hsiao, 2010). Some behavioral outcomes associated with customer perceived value include among others customer satisfaction, trust and purchase intention (Cronin, Brady, & Hult, 2000; Oh, 2000; Petrick & Backman, 2002; Sanchez-Fernandez & Iniesta-Bonillo, 2007; Chen, Shang, & Lin, 2008). In the current study, 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 (Chen & Chen, 2010).

2.3 Trust

Empirical evidence from the existing body of literature indicate that trust plays an important role in helping buyers to overcome perceptions of risk and uncertainty in the use and acceptance of the products they purchase (Gefen,
Karahanna & Straub, 2003; Pavlou & Gefen, 2004; McKnight, 2005; Wang & Benbasat, 2005; Jones, Lori & Leonard 2008). While trust is a broad and multi-faceted concept that has been widely studied in many disciplines, the current study adopts Chinomona and Cheng, (2013) definition of trust. Trust in this study refers to “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party” (Chinomona & Cheng, 2013). Among some of the behavioral outcomes of trust identified in the retailing literature especially brand trust are brand loyalty, brand attachment, purchase intention and impulsive buying (Hong & Cho, 2011; Chinomona, 2013).

2.4 Purchase intention

Purchase intention represents the possibility that consumers will plan or be willing to purchase a certain product or service in the future. An increase in purchase intention means an increase in the possibility of purchasing (Dodds, Monroe, & Grewal, 1991; Schiffman & Kanuk, 2007; Carrillat et al., 2009). According to Hong and Cho (2011), purchase intention is a strong proxy of making an actual purchase. The extant literature identifies among the common antecedents of buyers purchase intentions as are brand image, brand satisfaction, brand loyalty and product or brand quality (Chu & Lu, 2007; Kim et al., 2007; Kumar, Lee, & Kim, 2009; Lu & Hsiao, 2010; Bian & Forsythe, 2012; Diallo, 2012). In this current study, purchase intention is defined in the context of this study as the willingness of consumers to plan the purchase of a particular product (Carrillat et al., 2009).

3. Conceptual Model and Hypothesis Development

Drawing form the foregoing literature reviewed the following conceptual model has been conceptualized. Hypothesized relationships between research variables are developed thereafter. In the conceptualized model product quality is the predictor construct, student perceived product value and trust are the mediators while student purchase intention is the sole outcome construct.

Figure 1: Conceptual Model

3.1 Product Quality and Student Perceived Product Value

There is a linkage between product quality and product value (Chen & Chen, 2010). This is so because the quality of a product is a subjective evaluation of the degree of the overall excellence of the total product (Toivonen, 2012). In other words, the perceived product quality is a function of what the buyers perceive to be valuable attributes of the products (Woodall, 2003; Kuo, Deng & Wu, 2009; Lu & Hsiao, 2010). It is therefore expected that rational buyers choose the product providing the highest value with regard to the utility that the total product provides them (Toivonen, 2012). As a result of this, perceived product value has sometimes conceptualized the buyer’s judgement regarding perceived product quality and market price, and the relationship between them (Sweeney & Soutar, 2001; Woodall, 2003). Accordingly in this study, it is expected that when students perceive a product to be of good quality in terms of its attributes the students are likely to perceive it to be valuable. Thus, it is hypothesized that

H1: Perceived product quality is positively related to the students’ perceived value of electronic gadgets.

3.2 Perceived Product Quality and Student Product Trust

According to Li, Hess, & Valacich (2006), product quality is an important construct influencing consumers purchasing choice as well as impacting on their overall product satisfaction (Zeithaml, Valerie, Berry, Leonard, & Parasuraman 1996; Brucks, Merrie, Zeithaml, Valerie, Naylor, Gilian, 2000). Trust involves a degree of cognitive familiarity with the product
that the buyers want to purchase (Li, Hess, & Valacich, 2006). In this regard, buyers will establish their cognitive
familiarity based on second-hand knowledge, impressions, cognitive cues, and cognitive processes (Gefen, 2000). In the
context of this study, it is expected that when students have information on an electronic gadget’s quality or are satisfied
with the quality of the product based on their previous experience, they are likely to trust the product (electronic gadget)
they seek to purchase. Therefore, based on the empirical evidence in the extant literature it is hypothesized that:

**H2: Perceived product quality is positively related to the students’ trust of electronic gadgets.**

### 3.3 Student Perceived Product Value and Student Trust

Studies done by Singh and Sirdeshmukh (2000) and Harris and Goode (2004), perceived value and trust have a direct
positive association. Buttressing the same notion Karjaluoto, Jayawardhena, Leppaniemi, and Phlstrom (2012) and
Sirdeshmukh, Singh, and Sabol (2002) assert that when buyers perceive value in a product they are likely to trust that
product. In the same vein, it is expected in the current study, that students are likely to trust electronic gadgets that they
perceive to be valuable. It is therefore posited that the more the student perceive an electronic gadget to be valuable the
more they can be expected to trust that electronic gadget. Hence the following hypothesis can be posited:

**H3: Student perceived product value is positively related to the students’ trust of electronic gadgets.**

### 3.4 Student Perceived Value and Purchase Intention

Based on the exchange theory in marketing studies, it is believed that consumer’s perceived value is the prerequisite of
purchase intention (Wang, Yeh, & Liao, 2013). Furthermore, as a result of a trade-off evaluation of the benefits and
costs, a buyer may conclude whether a product is valuable (Kim et al., 2007). Eventually, the buyer will use this as a
premise for behavioral decisions such as purchase intention (.). This possible linkage has been supported in the empirical
literature, for example, Chu and Lu (2007) and Lu and Hsiao (2010) found that perceived value is positively related to
purchase intention in a significant way. Thus, drawing from this empirical evidence in the extent literature the current
study hypothesize that:

**H4: Student perceived product value is positively related to the students’ purchase intention of electronic gadgets.**

### 3.5 Student Product Trust and Purchase Intention

The theory of reasoned action (TRA) assert that the buyer’s attitude strongly influences the behavioral intention (Fishbein
& Ajzen, 1975), and thus, attitude towards purchasing is positively associated with purchasing intention (Chong, Yang, &
Wong, 2003). It is argued in the marketing literature that trust influence the buyer’s behaviour, in that buyers’ trust
reduces perceived risk and somewhat increases transaction intentions (Pavlou & Gefen, 2004). In this study it is put
forward that students will be expected to purchase electronic gadgets they trust. addition, trust plays a critical role in
determining consumers’ purchase decisions (Wu, 2013) in that a perception of trustfulness that a specific product or item
has in the consumer’s mind may provide the confidence of it sound performance and therefore motivate it purchase.
Therefore, deducing from the aforementioned empirical evidence, the following hypothesis can be stated:

**H5: Student perceived product value is positively related to the students’ purchase intention of electronic gadgets.**

### 4. Research Methodology

#### 4.1 Target Population, Sampling Method and Size

Since the current study is a student perspective, the student community was used as the target population. A simple
random probability sampling method was used. According to Burns and Bush (2006) with simple random sampling the
probability of being selected into the sample is equal for all members of the population. A list of the Vaal University of
Technology registered students was used as a sampling frame. A total of 150 usable questionnaires were the sample
size for the current study.

#### 4.2 Measurement instruments

Research scales were operationalized on the basis of previous work. Proper modifications were made in order to fit the
current research context and purpose. “Trust” measure used six-item scales adapted from Suh and Han, “Perceived value” and “Intention to purchase” used a four-item scale measure adapted respectively from Lia and Hsieh; Hellier, Geursen, Carr and Rickard. Laptop quality used a five-item scale measure adopted from Lee and Chung. All the measurement items were measured on a five-point Likert-type scales that was anchored by 1= strongly disagree to 5= strongly agree to express the degree of agreement.

### 4.3 Respondent Profile

Table 1 presents the profile of the participants. The profile indicates that 81 of the participants were male which represents 54% of the total population targeted. 12% of the respondents were aged between 18-20; 67.3% of the participants were aged 21-25, 4% were aged between 26-30, while 22% were aged 31-35 and finally 3.3% were aged above 36 years of age. In addition to that, 57.3% were matriculates, 7.3% were of certificate level, and 26.7% had diplomas and undergraduate degrees while 3.3% held postgraduate degrees.

**Table 1: Sample Demographic Characteristics**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>81</td>
<td>54%</td>
</tr>
<tr>
<td>Female</td>
<td>69</td>
<td>46%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>150</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
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<tr>
<td>18-20</td>
<td>18</td>
<td>12%</td>
</tr>
<tr>
<td>21-25</td>
<td>101</td>
<td>67.3%</td>
</tr>
<tr>
<td>26-30</td>
<td>22</td>
<td>14.7%</td>
</tr>
<tr>
<td>31-35</td>
<td>4</td>
<td>2.7%</td>
</tr>
<tr>
<td>36 &amp; older</td>
<td>5</td>
<td>3.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>150</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Academic qualification</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matriculation</td>
<td>86</td>
<td>57.3%</td>
</tr>
<tr>
<td>Certificate</td>
<td>11</td>
<td>7.3%</td>
</tr>
<tr>
<td>Diploma</td>
<td>40</td>
<td>26.7%</td>
</tr>
<tr>
<td>Degree</td>
<td>8</td>
<td>5.3%</td>
</tr>
<tr>
<td>Post graduate degree</td>
<td>5</td>
<td>3.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>150</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### 5. Data Analysis

Structural equation modeling (SEM) approach using Smart PLS statistical software (Ringle, Wende & Will 2005) was used to test the research model. PLS is a component-based approach to structural equation modeling. Unlike the covariance-based approach to structural equation modeling using e.g. AMOS or LISREL statistical software, the main advantage of Smart PLS is that relatively complex, exploratory models can be developed where the main objective is predictive rather than confirmatory analysis (Chin, 1999). More so, Smart PLS is robust even with a small sample size and does not require normal distribution of the manifest variables. Since the current study sample size is relatively small (166) Smart PLS was found more appropriate and befitting when compared to AMOS and LISREL statistical software which require large data sample size. A two stage procedure to hypothesis testing using SEM recommended by Anderson and Gerbing (1988) is followed in this study. First, the study examines the measurement model by assessing the convergent and discriminant validity of items and constructs. Finally, an examination of the structural model by assessing the path coefficients between constructs is performed.

#### 5.1 Measurement model

To ensure convergent validity, items should load on their respective (a priori) constructs with loadings greater than 0.6, and to ensure discriminant validity there should be no significant cross-loadings (Chin, 1998). As can be seen (Table 2), all items have loadings greater than 0.6, with no cross-loadings greater than 0.6, while t-statistics derived from
bootstrapping (300 resamples) suggest all loadings are significant at pb0.001. As such, this confirms that all the measurement items converged well on their respective constructs.

Table 2: Accuracy Analysis Statistics

<table>
<thead>
<tr>
<th>Research Construct</th>
<th>LV Index Value</th>
<th>R-Squared Value</th>
<th>Cronbach’s α value</th>
<th>C.R. Value</th>
<th>AVE Value</th>
<th>Communalilty</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>PQ</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ 1</td>
<td>4.273</td>
<td>0.000</td>
<td>0.6</td>
<td>0.803</td>
<td>0.5</td>
<td>0.5</td>
<td>0.856</td>
</tr>
<tr>
<td>PQ 2</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td>0.655</td>
</tr>
<tr>
<td>PQ 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.727</td>
</tr>
<tr>
<td>PQ 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.587</td>
</tr>
<tr>
<td>PV</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>PV 1</td>
<td>4.349</td>
<td>0.225</td>
<td>0.8</td>
<td>0.896</td>
<td>0.6</td>
<td>0.6</td>
<td>0.796</td>
</tr>
<tr>
<td>PV 2</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.665</td>
</tr>
<tr>
<td>PV 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.863</td>
</tr>
<tr>
<td>PV 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.808</td>
</tr>
<tr>
<td>TR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TR 1</td>
<td>4.328</td>
<td>0.505</td>
<td>0.8</td>
<td>0.901</td>
<td>0.6</td>
<td>0.6</td>
<td>0.766</td>
</tr>
<tr>
<td>TR 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.766</td>
</tr>
<tr>
<td>TR 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.811</td>
</tr>
<tr>
<td>TR 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.852</td>
</tr>
<tr>
<td>TR 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.714</td>
</tr>
<tr>
<td>TR 6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.659</td>
</tr>
<tr>
<td>PI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PI 1</td>
<td>4.589</td>
<td>0.356</td>
<td>0.8</td>
<td>0.905</td>
<td>0.7</td>
<td>0.7</td>
<td>0.826</td>
</tr>
<tr>
<td>PI 2</td>
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<td>0.812</td>
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<td>PI 3</td>
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<td>0.831</td>
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<td></td>
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<td></td>
<td></td>
<td>0.850</td>
</tr>
</tbody>
</table>

Note: PQ=Product Quality; PV=Perceived Value; TR=Trust; PI=Purchase Intention
C.R.: Composite Reliability; AVE: Average Variance Reliability
* Scores: 1 – Strongly Disagree; 3 – Neutral; 5 – Strongly Agree

Constructs should have an average variance extracted (AVE) of more than 0.5 and a composite reliability of more than 0.7 (convergent validity), and inter-construct correlations should be less than the square-root of the AVE (discriminant validity) (Chin, 1998). As can be seen (Table 2), all constructs exceed these criteria, with AVE and CR generally slightly equal or greater than 0.6 and 0.9, respectively, and the square-root of the AVE being at least 0.77 greater than the inter-construct correlations (Table 3). All in all, these results confirm the existence of discriminant validity of the measurement used in this study.

Table 3: Correlations between Constructs

<table>
<thead>
<tr>
<th>Research Constructs</th>
<th>PQ</th>
<th>PV</th>
<th>TR</th>
<th>PI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Quality (PQ)</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Value (PV)</td>
<td>0.473</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust (TR)</td>
<td>0.684</td>
<td>0.493</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Purchase Intention (PI)</td>
<td>0.554</td>
<td>0.602</td>
<td>0.413</td>
<td>1.000</td>
</tr>
</tbody>
</table>

5.2 Structural model

The results of the PLS analysis is shown in Figure 2 and Table 4. Standardized path coefficients are expected to be at least 0.2, and preferably greater than 0.3 (Chin, 1998). The reliability of each coefficient is assessed from bootstrapping (300 resamples). Support is provided for all the five hypotheses (H1, H2, H3, H4 and H5). All other path coefficients are above 0.2 and significant (pb0.001). As indicated in Figure 2 and Table 4, the path coefficients are 0.474, 0.582, 0.217, 0.170 and 0.494 for H1, H2, H3, H4 and H5 respectively.
Table 4 provides the T-statistics for the hypothesised relationships. The minimum T-statistics is 4.445 and therefore exceeds the recommended threshold of 2. This further confirms that all the hypothesised relationships are statistically significant and hence are supported.

Table 4: Results of Structural Equation Model Analysis

<table>
<thead>
<tr>
<th>Proposed Hypothesis Relationship</th>
<th>Hypothesis</th>
<th>Path Coefficients</th>
<th>T-Statistics</th>
<th>Rejected / Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Quality (PQ) → Perceived Value (PV)</td>
<td>H1</td>
<td>0.474</td>
<td>6.263</td>
<td>Supported</td>
</tr>
<tr>
<td>Product Quality (PQ) → Trust (TR)</td>
<td>H2</td>
<td>0.582</td>
<td>9.498</td>
<td>Supported</td>
</tr>
<tr>
<td>Perceived Value (PV) → Trust (TR)</td>
<td>H3</td>
<td>0.217</td>
<td>2.810</td>
<td>Supported</td>
</tr>
<tr>
<td>Perceived Value (PV) → Purchase Intention (PI)</td>
<td>H4</td>
<td>0.170</td>
<td>1.805</td>
<td>Not Supported</td>
</tr>
<tr>
<td>Trust (TR) → Purchase Intention (PI)</td>
<td>H5</td>
<td>0.494</td>
<td>5.268</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Overall, R² for student perceived product value, student product trust and purchase intention in Figure 2, indicate that the research model explains 22.5%, 50.5% and 35.6% respectively of the variance in the endogenous variables. Following formulae provided by Tenenhaus, Vinzi, Chatelin & Lauro, (2005), the global goodness-of-fit (GoF) statistic for the research model was calculated using the equation:

\[ \text{GoF} = \sqrt{\text{AVE} \times R^2} \]

Where AVE represent the average of all AVE values for the research variables while R² represents the average of all R² values in the full path model.

The calculated global goodness of fit (GoF) is 0.41, which exceed the threshold of GoF>0.36 suggested by Wetzels, Odekerken-Schröder & van Oppen (2009). Thus, this study concludes that the research model has a good overall fit.

6. Discussion and Conclusion

The purpose of the current research was to examine the influence of quality product, perceived value, and trust on students' intention to purchase electronic gadgets. In particular, five hypotheses were posited. To test the hypothesis data were collected from the Vaal University of Technology registered students in the Gauteng province in South Africa. The empirical results supported all the postulated research hypotheses in a significant way except H4 which although found a positive relationship between student perceived product value and purchase, the relationship was insignificant.

Important to note about the study findings is the fact that the product quality has a stronger effects on student product trust (0.582) than on perceived product value (0.474). Perceived product value influences on trust (0.217) in a significant way but has an insignificant influence on purchase intention (0.170). However, trust has also a significant influence on purchase intention (0.494).
6.1 Implications of the study

The current research is one of the first to study these relationships using data collected from students at the Vaal University of Technology in South Africa. Because of the growing importance in terms of the size of the students’ population, it represents a very attractive and highly profitable market for businesses operating in the electronic gadgets industry, hence these findings provide fruitful implications for both businessmen and other practitioners and academicians.

On the academic side, this study makes a significant contribution by adding new literature to the existing marketing and retailing literature from a student perspective. On the practitioners’ side, the findings bear practical implications. Manufacturers and retailers of electronic gadgets such laptops needed by students should adopt strategies that enhance the quality of their products since this has a significant influence on the student’s products’ trust and their purchase intention.

6.2 Limitations and Future Research

Although this study makes significant contributions to both academia and practice, it was limited in some ways, and therefore some future research directions are suggested. First, the data were gathered from the students registered at the Vaal University of Technology confined within the Gauteng province. Perhaps, the results would be more informative if data from students in other major cities of the country are included. Future studies may be conducted by using data from other tertiary institutions across the country. Second, the current study was limited to university students. Subsequent research should contemplate replicating this study in other developing countries for results comparisons. Future studies can also extend the current study conceptual framework by studying the effects of a larger set of variables. For instance, the influence of brand image and brand preference associated with the identified variables as constructs explaining purchase intention could be investigated.

References


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