THE INFLUENCE OF CONSUMER PERCEPTION ON PURCHASE INTENTION OF USING INDIHOME PRODUCT IN MANADO CITY

PENGARUH PERSEPSI KONSUMEN TERHADAP NIAT PEMBELIAN PADA PENGGUNAAN PRODUK INDIHOME DI KOTA MANADO

by:
Incha Restafanti Kahimpong
Maria V. J. Tielung

Faculty of Economics and Business,
International Business Administration (IBA) Program
University of Sam Ratulangi Manado
email: inchakahimpong@gmail.com
mariatielung@gmail.com

Abstract: The existence of this Triple Play Services or Telkom’s Fiber To The Home (FTTH) service which known by the trademark IndiHome has successfully attracted the public interest to use IndiHome, especially in Manado City. The way the customer uses this product will have an impact on interest in purchasing the IndiHome. This research is aimed to analyze the influence of customer perception of value, price and quality on customer purchase intention of using IndiHome. The data obtained from the sample of 110 respondents of IndiHome users in Manado City were analyzed with quantitative analysis by using questionnaires and Multiple Regression Analysis. The sample technique is Random Sampling, in order to get results quickly and efficiently obtain the information needed in this research. Result and conclusion show perceived value, perceived price and perceived quality have positive and significant influence on customer purchase intention simultaneously and partially. To marketing company, researcher to keep enhancing and maintain the product’s quality and value, also should be more consider about the price management.

Keywords: customer perception, customer purchase intention


Kata kunci: persepsi pelanggan, niat pembelian pelanggan
INTRODUCTION

Research Background

Currently we live in an era of communication with rapid expansion in the reach of mass media and techniques that has been improved for the interpersonal exchange of information. With such a rapid advances in communication technology, there are a lot of communication tools and mediums. As the time goes by and the technology gets more advanced, there are many ways to make communication, through Short Message Service (SMS), phone call or even via the internet as the communication channel. Nowadays, people most often use the internet to communicate because the costs are inexpensive and it can support multimedia-based content. By the existence of the internet, the process of sending and receiving information can be obtained quickly. We have to subscribe to an Internet Service Provider (ISP) to connect to an internet network that will make us be able to interact anytime, anywhere, with anyone and anything that we want.

Internet Service Provider (ISP) refers to a company that provides internet services to all the civilians, including personal or business access to internet. Initially, ISP is identical to the telephone network because earlier ISP selling connection through the telephone network. And currently the ISP technology has developed not only by using telephone network but also using latest technology such as wireless and fiber optic. The existed and well-known ISP in Indonesia is Telkom Speedy. In the early of 2015, the largest internet service Telkom Speedy changed its service into IndiHome.

IndiHome is a Triple Play services from Telkom. It consists of Internet on Fiber or High Speed Internet, Phone (Home Phone), and IPTV (UseTV Cable) also with some additional features such as IndiHome View, MelOn and Trend Micro Security System. The existence of IndiHome service in Manado has successfully attracted the public interest to use IndiHome. Information from news of Telkom Indonesia stated that since its launched in the earliest of 2015, IndiHome users in Sulutomalut (Sulawesi Utara, Gorontalo, Maluku Utara) has reached thousands and absolutely will increase continually along with the expansion of the fiber optic tool’s production that will cover the entire existing locations.

The behavior of the consumer will be revealed after perception of what the right decision will be taken in purchasing a product or service. It thus also taken part in considering decisions of a product purchase that are influenced the IndiHome psychological perceptions/motivations. Perceptions of consumers may not necessarily resulted the same appraisement as not all of consumers have knowledge about the condition of the product or service completely, which will have an impact on interest in purchasing the IndiHome.

Research Objectives
There are some objectives have to be achieved in this research which is to analyze the influence of:
1. Perceived Value, Perceived Price and Perceived Quality on Purchase Intention of using IndiHome in Manado City.
2. Perceived Value on Purchase Intention of using IndiHome in Manado City.
4. Perceived Quality on Purchase Intention of using IndiHome in Manado City.

THEORETICAL FRAMEWORK

Customer Purchase Intention

Purchase intention can be defined as a willingness of a consumer to purchase or to buy a certain brand in the future based on consumer consideration about the specification of a brand. Purchase intention defined as the probability that the consumer will purchase the product in given certain conditions (Morwitz, Steckel and Gupta, 2007). Zeithaml (1988) and Grewal, Krishnan, Baker and Borin (1998) state that price perception, quality perception and value perception had an influence on purchasing intention.

Customer Perception

Fill (2002) defines that perception is a process of how individual see and make sense of their environment. It is about the selection, organization and interpretation of stimuli by individual. Dillon and Reif (2004) concluded that consumer attitudes and perceptions influence on purchasing intentions.
Perceived Value

Perceived value that is defined as the consumers’ overall assessment of the utility of a product based on perceptions of what is received and what is given (Zeithaml, 1988; Cronin, Brady and Hult, 2000). Thaler (1985) also considered that perceived value is an important antecedent to influence consumer purchase intention.

Perceived Price

Kotler et, al (2012: 320) defines price as the amount of money charged for a product or a service; the sum of the values that consumers exchange for the benefits of having or using the product or service. Chang and Wildt (1994) in Ruslim (2015) defined perceived price as the consumers’ perceptual representation or subjective perception of the objective price of the product/service. Zeithaml (1988) defines perceived price as the price that is encoded by the customer. Grunert, Bredahl and Brunso (2004) stated that consumer intention is influenced by price.

Perceived Quality

Keller (2003) defines perceived quality as consumer perceptions of quality/superiority of the product as a whole is relatively associated with alternatives that are relevant and related to the expected goals. Perceived quality is a key criterion for product assessments; it influences buying decisions and behavior and in effect, purchase intentions (Cronin, Brady and Hult, 2000).

Previous Research

Kittilertpaisan and Chanchitpreecha (2013) Consumer Perception On Purchase Intention Towards Koa Hang: An Exploratory Survey In Sakon Nakhon Province, finds that perceived quality has a positive effect on purchasing intentions towards Koa Hang. Also, the perceived value has a positive effect, while the perceive price has an opposite effect towards purchasing intentions towards Koa Hang. Tih and Lee (2013) Perceptions and Predictors of Consumers’ Purchase Intentions for Store Brands: Evidence from Malaysia, indicated that only perceived quality variance has a significant impact on consumer purchase intention for the store brand. Younus et, al (2015) Identifying the Factors Affecting Customer Purchase Intention, all independent variable (customer knowledge, celebrity endorsement, product packaging, and perceived value) and dependent variable (purchase intention) are positively correlated with each another and shows the significant results, but one of the independent variable perceived value does not show the highly significant results because this variable is not really common in Pakistan.

Conceptual Framework

![Figure 1. Conceptual Framework](source: Data Processed, 2016)

Research Hypothesis

H1: Perceived value, perceived price and perceived quality affect customer purchase intention of IndiHome users simultaneously.

H2: Perceived value affects customer purchase intention of IndiHome users partially.

H3: Perceived price affects customer purchase intention of IndiHome users partially.

Jurnal EMBA
Vol.4 No.1 Maret 2016, Hal. 1381-1391
H1: Perceived quality affects customer purchase intention of IndiHome users partially.

**Type of Research**
This research is causal type of research with quantitative. The method analysis used in this study is ordinal regression analysis.

**Place and Time of Research**
This research is conducted in Manado during February - April 2016.

**Population and Sample**
Population is the entire group or people, events, or things that the researcher desires to investigate (Sekaran and Bougie 2010:443). The population in this research refers to the people of Manado that are the customers of PT. Telkom Indonesia, Tbk – Manado who are using the IndiHome. The sampling design is Random Sampling where each element of the population has an equal opportunity to be selected as a sample (Devi, 2010 in Korompis, 2015). According to Sekaran (2003) sample sizes larger than 30 and less than 500 are appropriate for most research. This research was conducted with 110 respondents.

**Data Collection Method**
Data collection technique used in this study is Questionnaire. Measurement scale used is the Likert Scale.

**Operational Definitions and Measurement of Research Variable**
Operational definitions of research variable are:
1. Perceived Value ($X_1$) refers to recognition of a customer on IndiHome’s utility. This variable measure by several indicators.
2. Perceived Price ($X_2$) refers to IndiHome’s price in the perspective of a customer. This variable measure by several indicators.
3. Perceived Quality ($X_3$) is the customer perception about the ability of IndiHome to meet expectation. This variable measure by several indicators.
4. Customer Purchase Intention ($Y$) intention is the intention of each consumer in using of IndiHome based on those variables.

**Data Analysis Method**

**Reliability and Validity Tests**
Reliability is a test of how consistency a measuring instrument measures whatever concept it is measuring. Validity is a test of how well an instrument measures that is developed measures the particular concept it is intended to measure.

**Multiple Regression Analysis**
Multiple regressions use to express the effect of independent variables and the dependent variable. The formula of linear regression (multiple linear regressions) in general as follows:

\[ Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \]

Where:
- $Y$ = Customer purchase intention
- $X_1$ = Perceived value
- $X_2$ = Perceived price
- $X_3$ = Perceived quality
- $\alpha$ = Constant
- $\beta_1, \beta_2, \beta_3$ = the regression coefficient of each variable
- $e$ = standard error
RESULT AND DISCUSSION

Result

Demographic Analysis

Most of respondents in this research are female respondents with 55% and the remaining is male with 45%. At age demographic, most of respondents in this research are aged 21-30 years old with 43%, and is followed by: respondents who are 15-20 years old with 13%, respondents who are 31-40 years old with 13%, respondents who are 41-50 years old with 20% and respondents who are >50 years old with 11%. At occupation level, most of respondents in this research are college student with 41% and followed by respondents who are work in other category with 24%, respondents who are government employee with 19%, respondents who are entrepreneur with 13% and respondents who are school student with 3%. Income level, most of respondents in this research at the range < Rp. 1.000.000 with 33%, and followed by respondents at the range Rp. 1.000.000-Rp. 3.000.000 with 30%, respondents at the range Rp. 3.000.000-Rp. 5.000.000 with 23% and respondents at the range > Rp. 5.000.000 with 14%.

Based on address, most of respondents in this research lives in Malalayang with 18%, and followed by respondents who are lives in Bahu with 17%, respondents who are lives in Kairagi and Samrat with 11%, respondents who are lives in Sario with 9%, respondents who are lives in Mapanget with 7%, respondents who are lives in Paniki with 6%, respondents who are lives in Teling Tingkulu and Bethesda with 5%, respondents who are lives in Winangun and Manado Centrum with 4% and respondents who are lives in Singkil, Batu Kota and Taas with 1%.

Validity and Reliability

For the validity test, all the variables are above 0.5 based on value of MSA (Measures of Sampling Adequacy), means that all variables are valid. The reliability test result is 0.911 (> 0.6) based on value of Alpha Cronbach, means that research instrument indicators of variable are reliable.

Test of Classical Assumption

Multicolinearity

Table 1. Multicolinearity

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>Collinearity Statistics</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Value</td>
<td>0.447</td>
<td>2.238</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Price</td>
<td>0.551</td>
<td>1.814</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Quality</td>
<td>0.375</td>
<td>2.664</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Purchase Intention

Source: Data Processed, 2016

This table shows that the tolerance and VIF values. Standard value for a data that free from multicolinearity is when tolerance greater than 0.2 and VIF value below than 10. The tolerance of perceived value is 0.447, perceived price is 0.551 and perceived quality is 0.375, meaning the tolerance value of each variable is more than 0.2. The VIF value of perceived value is 2.238, perceived price is 1.814 and perceived quality is 2.664, meaning the VIF value of each variable is lees than 10. These mean that there is no connection between the independent variables.
Heteroscedasticity

Heteroscedasticity occurs if there are dots which form a certain pattern regularly as waves. Homoscedasticity occurs if there are no certain patterns which are clear, and the dots spread above and below the 0 the Y-axis.

![Heteroscedasticity](image)

**Figure 2. Heteroscedasticity**  
*Source: Data processed 2016*

Figure 2 shows that the patterns of the dots are spreading and the dots are spreading above and below the zero point of Y-axis. Means that there is no heteroscedasticity in this regression.

Normality

Normality test can be identifying by using graph of P-P Plot. The data will distribute normally if the value of P-P Plot is near diagonal line of the graph.

![Normality](image)

**Figure 3. Normality**  
*Source: Data Processed, 2016*

Figure above shows that the dots spreading near the diagonal line and follow the direction of the diagonal line. Therefore, the normality test is completed.
Multiple Regression Analysis

Table 2. Unstandardized Coefficient Data

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficientsa</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unstandardized Coefficients</td>
<td>Standardized Coefficients</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>(Constant)</td>
<td>0.057</td>
<td>0.34</td>
<td>0.168</td>
<td>0.867</td>
<td>0.447</td>
</tr>
<tr>
<td>Perceived Value</td>
<td>0.344</td>
<td>0.122</td>
<td>0.261</td>
<td>2.819</td>
<td>0.006</td>
</tr>
<tr>
<td>Perceived Price</td>
<td>0.259</td>
<td>0.091</td>
<td>0.238</td>
<td>2.859</td>
<td>0.005</td>
</tr>
<tr>
<td>Perceived Quality</td>
<td>0.403</td>
<td>0.11</td>
<td>0.372</td>
<td>3.679</td>
<td>0</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Purchase Intention

Source: Data Processed, 2016

The result in the table 2 can be expressed in regression equation as:

\[ Y = 0.057 + 0.344 X_1 + 0.259 X_2 + 0.403 X_3 \]

From the multiple linear regression equation above, it can inform the interpretation as follows:

1. Constant value of 0.057 means that if the variables in this research of Variable X1 (Perceived Value), X2 (Perceived Price) and X3 (Perceived Quality) simultaneously increased by one scale or one unit will increase the Y (Customer Purchase Intention) at 0.057 point.
2. Coefficient value of 0.344 means that if the variables in this research of X1 (Perceived Value) increased by one scale or one unit, it will improve and increase Y (Customer Purchase Intention) at 0.344.
3. Coefficient value of 0.259 means that if the variables in this research of X2 (Perceived Price) increased by one scale or one unit, it will improve and increase Y (Customer Purchase Intention) at 0.259.
4. Coefficient value of 0.403 means that if the variables in this research of X3 (Perceived Quality) increased by one scale or one unit, it will improve and increase Y (Customer Purchase Intention) at 0.403.

Coefficient of Correlation (R) and Determination (R²)

Table 3. Coefficient Correlation (R) and (R²)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.770³</td>
<td>0.594</td>
<td>0.582</td>
<td>0.396</td>
<td>1.893</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Perceived Quality, Perceived Price, Perceived Value

b. Dependent Variable: Customer Purchase Intention

Source: Data Processed, 2016

The analysis of correlation (R) is equal to 0.770 indicating that the correlation of the influence of X₁, X₂ and X₃ on Y has a strong relationship. To determine the contribution the influence of Perceived Value (X₁), Perceived Price (X₂) and Perceived Quality (X₃) on Customer Purchase Intention (Y) can be seen that determinant of coefficient (R²) in the table above. The value of R² is 0.594 which means the perceived value,
perceived price and perceived quality as independent variables able to influence customer purchase intention as much as 59.4%, while the rest is explained by other factors not included in this research.

Hypothesis Testing
F-Test
Table 4. F-Test

ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>24.271</td>
<td>3</td>
<td>8.09</td>
<td>51.599</td>
<td>.000b</td>
</tr>
<tr>
<td>1</td>
<td>Residual</td>
<td>106</td>
<td>0.157</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>40.891</td>
<td>109</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Purchase Intention
b. Predictors: (Constant), Perceived Quality, Perceived Price, Perceived Value

Source: Data Processed, 2016

F Count value is 51.599 with a significance level of 0.000. So, since the 51.599 > 2.69 then H0 is rejected and H1 is accepted. It means that the independent variables of Perceived Value (X1), Perceived Price (X2) and Perceived Quality (X3) simultaneously influence the dependent variable of Customer Purchase Intention (Y).

T-Test
Table 5. T-Test

Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>0.168</td>
<td>0.867</td>
</tr>
<tr>
<td>Perceived Value</td>
<td>2.819</td>
<td>0.006</td>
</tr>
<tr>
<td>Perceived Price</td>
<td>2.859</td>
<td>0.005</td>
</tr>
<tr>
<td>Perceived Quality</td>
<td>3.679</td>
<td>0.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Purchase Intention

Source: Data Processed, 2016

T Test analysis results are as follows:

1. T Count value of Perceived Value (X1) is equal to 2.819 with a significance level of 0.006 while the T Table is 1.98. The results shows that T Count > T Table or 2.819 > 1.98. So, H0 is rejected. It means Perceived Value (X1) has influences on Customer Purchase Intention (Y).

2. T Count value of Perceived Price (X2) is equal to 2.859 with a significance level of 0.005 while the T Table is 1.98. The results shows that T Count > T Table or 2.859 > 1.98. So, H0 is rejected. It means Perceived Price (X2) has influences on Customer Purchase Intention (Y).

3. T Count value of Perceived Quality (X3) is equal to 3.679 with a significance level of 0.000 while the T Table is 1.98. The results shows that T Count > T Table or 3.679 > 1.98. So, H0 is rejected. It means Perceived Quality (X3) has influences on Customer Purchase Intention (Y).

Therefore, Perceived Value (X1), Perceived Price (X2) and Perceived Quality (X3) have influence to Customer Purchase Intention (Y). Meaning that Hypothesis 2, Hypothesis 3 and Hypothesis 4 are accepted.
Discussion

1. Perceived Value and Customer Purchase Intention

This research found that Perceived Value has influence on Customer Purchase Intention. It means that perceived value can be used as determining factor for measuring customer purchase intention of using IndiHome in Manado city. On other words, this means that the respondents are influenced by their judgment and assessment and also product’s utility. This result that customers’ perceived value has significantly positive influence on the purchase intention, which mutually proved the concepts brought up by Zeithaml (1988), Kaufman (1998), and Dumana & Mattilab (2005) citied in Wu and Chen (2014). The higher customers’ perceived value of IndiHome is, the higher the tendency to have IndiHome consumption is. So that, customers’ purchase intention depends on the perceived value of products, and whenever the perceived value is high, the purchase intention will also be high. The result is in accordance with the study of Kittilertpaisan and Chanchitpreecha (2013) that perceived value is very important since it involves the value of Koa Hang in the process of purchasing.

2. Perceived Price and Customer Purchase Intention

This research found that Perceived Price has influence on Customer Purchase Intention. It means that perceived price can be used as determining factor for measuring customer purchase intention of using IndiHome in Manado city. Referring to the contribution donated by the variable perceived price, it can be said that this variable measured are considered significant by the respondents. Previous study of Moslehpour et al (2015) supports this finding that perceived price also showed a significantly positive effect on purchase intention. The study finds out that customers gave more importance to product characteristic and perceived price. Jaafar, Lalp and Naba (2013) stated that extrinsic factor included perceived price, packaging, advertisement and store image and those factors play a main important role in influencing consumers’ purchasing intention (Chen, 2008 cited in Jaafar, Lalp and Naba, 2013). Perceived price shows a positive relationship with consumers’ motives ( Munusamy and Wong, 2008 in Jaafar, Lalp and Naba, 2013) and this motive will drive their behavior together stimulate their responses and bring them to the store (Kim and Jin, 2001 cited in Jaafar Lalp and Naba).

3. Perceived Quality and Customer Purchase Intention

This research found that Perceived Quality has influence on Customer Purchase Intention of using IndiHome because customer believe that the quality and ability of IndiHome suitable with customers’ expectation. The higher quality IndiHome shows higher perceived value and increases the customer purchase intention. It also mean that perceived quality can be used as determining factor for measuring customer purchase intention of using IndiHome. This finding is in accordance with the previous research findings of Kittilertpaisan and Chanchitpreecha (2013) that perceived quality has an influence on consumers’ purchasing intention because they believed that high quality product assures security of Koa Hang consumed, thus built a trust relationship to Koa Hang. Tielung and Tansil (2014) that customer perception of quality that does not reflects the feelings and the overall look of a brand. However, usually based on the perceived quality dimensions included in the characteristics of those products where the brand is associated with things such as reliability and performance. And also in accordance with the findings of Wu and Chen (2014), which confirmed by study addressed by Zeithaml (1998).

CONCLUSION AND RECCOMEDATION

Conclusion

The conclusions are driven from the overall result in this research, which are listed as follow:

1. All independent variables which are Perceived Value, Perceived Price and Perceived Quality are proven to significantly have a positive influence on Customer Purchase Intention of using IndiHome in Manado, simultaneously.

2. Perceived Value is proven to have a significant and positive influence on Customer Purchase Intention of using IndiHome in Manado, partially.

3. Perceived Price is proven to have a significant and positive influence on Customer Purchase Intention of using IndiHome in Manado, partially.
4. Perceived Quality is proven to have a significant and influence influence on Customer Purchase Intention of using IndiHome.

**Recommendation**

There are recommendations that can be concluded from the overall result in this research, which are listed as follow:

1. IndiHome must keep maintain and increase the perceived value that the customer receives because customer will have a judgment of IndiHome that leads to the value perception.
2. IndiHome should improve the price management, to keep the image that the price perception of IndiHome is reachable for the customer and suitable with the quality of this service.
3. IndiHome must be able to maintain a good quality performance and consistency of its features that customer perceives.
4. The future research might use many more sample and should add more variable or interviewing to make a better result for the influence on purchase intention.

**REFERENCES**


Ruslim, A. C. 2015. The Influence of Advertisement, Perceived Price and Brand Image on Consumer Buying Decision (Case Study of: ASUS Mobile Phone in Manado).


