SOCIAL INFLUENCE TO CONSUMER BUYING DECISION A QUALITATIVE METHOD ON SAMSUNG GALAXY SERIES CUSTOMERS IN MANADO

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ABSTRACT

Consumers tend to do a long process of buying decision in order to buy a luxury product, and this process can be influenced by product attribute offered by the product itself or influenced by social references. The purpose of this study is to analyze the factors which influence consumer buying decision of Samsung Galaxy Series customers in Manado. This research was conducted qualitatively through in-depth interview with 30 informants. All the data and information gathered was analyzed using data Tri-angulation which data were gathered from the interview with difference informants, different places of observation, and review from several literatures of various researchers. The result of this study revealed the buying decision of Samsung Galaxy Series in Manado is mostly influenced by product attribute concern such as quality, design and style, feature, advertisement, and service center. Product attribute becomes the judgment tool in order to guide and help the prospective consumer through decision making process. The study also shows the impact of social influences to consumer buying decision through family members nor friend’s persuasion. It is better for management to improve their product development by developing the quality of product and adding creative features based on consumer’s needs and wants.

Keywords: consumer buying decision, product attribute, social influence

INTRODUCTION

The development of technology nowadays is increasing rapidly. One of many industries that develops together with technology is communication. Smartphone is a communication tool which categorized as a luxury product because it has higher price than a common cellphone devices. Smartphone has all the solutions for make calls, mailing, document editor, information management, and internet access. Samsung is one of the famous developers of Android Smartphone in the world. Samsung Galaxy is the name for android based Smartphone series developed by Samsung. Samsung Brand is also well-known among Indonesian people. Start from the air conditioner, laptop, and television until its android Smartphone are being used and become popular among Indonesian people. The popularity of Samsung is also known in Manado. The types of consumer in Manado who pay more attention to their appearance, love to follow the trend, and love to socialize with other people, these circumstances make Samsung Galaxy series become preferred product. Considering about that identification, Samsung Galaxy Series are matched to be the concerned product for this research.

Marketers are demanded to create product attributes as attractive as possible and then able to show the attribute details clearly to the target market. Product attribute become the judgment tool in order to guide and help the prospective consumer through decision making process. Samsung Galaxy series offer a lot of product attributes to attract customers such as good quality, fashionable design, various prices, interesting advertisement, etc. Through the various types of Samsung Galaxy series, consumers have many options to choose what product which can satisfy and fulfill his or her needs. Beside from product attribute, consumers also consider the participation of his or her social references through decision making process. The social
Research Objective

The objective of this research is to analyze the influencing factors on consumer buying decision of Samsung Galaxy Series.

THEORETICAL REVIEW

Theories

Consumer Buying Decision

Peter & Olson (2005:165) stated that consumer decision making is the cognitive processes by which consumers interpret product information and integrate that knowledge to make choice among alternatives. In order to satisfy consumers’ needs and wants, company have to understand well about consumer behaviors. Consumer behavior explains how people will make their buying decision and how they use the purchased product or service. There are 5 process of consumer buying decision based on McDaniel, et al. (2011:191) those are need recognition, information research, evaluation of alternatives, buying decision, and post-buying behavior.

Product Attribute

Kotler & Armstrong (2012:231) noted that the way the product is defined by consumers on important attributes. Through attributes a product or service can deliver its benefits. These benefits are communicated and delivered by product attributes such as quality, feature, and style and design. Product attribute shows the value to the consumers not by delivering the product itself but also delivering the consequences that will be obtained in time consumers use the product. Attribute gives advantage to the company because it can aid consumer awareness and recognition for the product. Kotler & Armstrong (2012:33) defined product concept is the idea that consumer will favor products that offer the most quality, performance, and features and the organization should therefore devote its energy to making continuous product improvements. In this concept, company focuses on the attributes of the product that will be marketed. In this case, company must be innovative and creative in order to produce modified or new product. Few consumers rely to several pieces of information which are considered as the guidance in order to help them to evaluate how a product might perform and decide which brand has the more beneficial things.

Social Influence

Kotler & Keller (2011:175) stated that virtually all human societies exhibit social stratification, most often in the form of social classes which is homogeneous and enduring divisions in a society, which are hierarchically ordered and whose member share similar values, interest, and behavior. McDaniel, et al. (2011:209) noted reference group can be categorized into direct and indirect. Primary membership group is a reference group whereby a person interacts informally and face-to-face in daily life, such as family, friends, or fellow employees. Secondary membership group is reference group whereby a person does a formal interaction with other members regularly, such as a club, professional group, or religious group. Consumers interact socially with reference group, opinion leader, and family members to obtain product information and decision approval. This interaction could have influence to individual’s behavior until the buying decision making. A society can influence and shape the consumption pattern, such as a person who has a good experience after consumed a certain product will tell his friend to buy it considering the beneficial things he obtained.

Previous Research

Ackaradejuangsri (2012) studied about the effects of product quality attribute dimension on Thailand consumers’ buying decision especially in electronics/IT products, automobile, and home appliances. He analyzed that there are seven attribute dimensions which are function, easy to use, reliability, design, durability, eco-friendliness proved to have credible effects on the consumer buying decision especially for those 3 types of
product. The other result is demographic is also have a significant impact on consumer buying decision and the seven attributes. Lay-Yee, et al. (2013) about the factors affecting Smartphone buying decision among Malaysian generation Y. This study investigate the buying decision and its relation with brand concern, convenience concern, dependency concern, price concern, product feature concern, and social concern. This study also revealed that Social influence also has significant impact on Smartphone users buying decision, whereby the users referring to friends, family, and people around them in order to obtain information and know their opinion about a brand. Reza, et al. (2013) studied about the influence of social reference group on automobile buying decision in Pakistan especially for young executives. This study seeks to evaluate the influence of three major types of reference group influences which are informational influence, utilitarian influence, and value expressive influence. The informational influence is the way consumer sees his or her reference groups as the informants in order to obtain some information about a certain products.

Conceptual Framework

![Figure 1. Conceptual Framework](source)

The figure above shows about the conceptual framework of this research to analyze the impact of product attribute to consumer buying decision and the impact of social influence to consumer buying decision.

RESEARCH METHOD

Type of Research

This research was conducted qualitatively. Hair, et al (2007:370) noted qualitative study is research involving analysis of data or information that are descriptive in nature and not readily quantifiable. This research generated and expanded factors which are influencing people through decision making process, because of that it is quite hard to use quantitative research method. According to the objective of qualitative data analysis is to identify, examine, compare and interpret patterns and themes. This research used a descriptive study method. Sekaran & Bougie (2009:106) noted the goal of descriptive study is to offer to the researchers a profile or to describe relevant aspects of the phenomenon of interest from an individual, organizational, industry-oriented, or the perspective. The descriptive study method was found to be appropriate for this research, because the purpose of this study is to analyze the phenomenon of the impact of product attribute and social influences when people do buying decision on Samsung Galaxy Series.

Place and Time of Research

This study was conducted in Manado, North Sulawesi between June to August 2014.

Social Situation

In qualitative research, social situation can be considered as the population. Spradley (1980) in Sugiyono (2013:389) stated that social situation consists of 3 elements those are: Place, Actors, and Activity which have synergetic interaction. Those 3 elements can be expanded to Space, Object, Act, Event, Time, Goal, and feeling. The sample of this research is named participant or informant. The informants are people who are owned and using Samsung Galaxy series Smartphone. The informants are determined by purposive sampling and snowball sampling. Sugiyono (2013:394) defined purposive sampling is sample choosing technique by consideration and
certain purpose. Snowball sampling is a method where participants or informants use their social networks to refer the researcher to other people who could potentially participate in or contribute to the study. The size of sample in this case the number of informants was controlled by saturation of the data. The total of informants in this research is 30 people from several clusters based on occupation which are students, employees, housewife, and entrepreneurs.

Data Collection Method

This study used 2 types of data source which are primary data and secondary data. The primary data of this research is obtained by Interview with the selected informants and through observation. Sekaran & Bougie (2009:184) stated that there are three main data collection method in survey research; those are interviewing, administering questionnaires, and observing people. Qualitative data are generally collected using some type of unstructured interviews or observation. The secondary data for this research were obtained from theory in several economic text books especially marketing, several journals as the literature review, and information from internet.

Method of Analysis

Data Tri-Angulation

This research used Data Triangulation in order to analyze the impact of product attribute and social influence, data were gathered from the interview with several informants, different places of observation, and review from several literatures of various researchers. Sekaran & Bougie (2009:385) stated that to ensure reliability and validity of qualitative research, it is helpful to use triangulation. Data triangulation requires collecting data from several different source at different time and comparing it. Rugg, D (2010:14) Data triangulation is the use of a variety of data sources, including time, space and persons, in a study. Findings can be corroborated and any weaknesses in the data can be compensated for by the strengths of other data, thereby increasing the validity and reliability of the results. The approach has been used in many sectors to strengthen conclusions about findings and to reduce the risk of false interpretations. The purpose of this triangulation is to make sure that the research has evidences to make valid claims. The second purpose is to make sure that the researcher already had better understanding about the findings.

RESULT AND DISCUSSION

Result

The result of the interviews revealed that product attributes and social influence have significant impact to consumer buying decision. 18 of 30 informants were influenced by product attribute and 12 of them were influenced by social influence. Based on the attribute of the product, there are six main attributes mentioned as the consideration in evaluation and buying decision process by the informants those are quality, design and style, feature, advertisement, price, and service center. All 18 informants who choose product attribute mentioned design and style as the one of several attributes that attracted them to buy the product. There are also 11 informants considered about the feature, 7 informant considered about the price, 4 informants attracted by the advertisement, and 2 informant considered about the service center. In the time of interview, when the researcher asked about the quality of Samsung Galaxy Series, all the informants answered that Samsung has a good quality and durability. The brand is reliable so that all the informants tend to skip about the quality when purchasing it because the brand “Samsung” is already being famous in the world and it is trusted by them. This study showed that with product attributes, the prospective buyers will consider about bad or good of this product to be consumed or applied. Product attribute is one of many ways for company to win the competition, because product attribute is the tool to differentiate company’s product and competitor’s. Through product attribute, all the elements considered to be important by consumers are consisted in that product and a company can guarantee the consumers that their product can satisfy the need and want. Meanwhile, few people seek the opinion from their friends, family members, and colleagues to search information and to ensure their choice.
Product Attribute

Product is something that has attribute and benefit that may be considered or not considered by consumers in decision making process. The findings from the interviews showed that product attribute has higher influence to consumer buying decision than social influence. Product attribute can be divided into 2 part, those are intrinsic and extrinsic. Intrinsic parts of the product are the quality, design and style, and feature. Whereas the extrinsic parts are price, advertisement, and service center.

Social Influence

The result revealed that although consumers already have intention to a product or brand, but this intention could be changed by the persuasion, opinion, or suggestion by another person. Consumers in buying decision stage especially in the process of purchasing luxury products such as smartphone would like to ask some information from the people around them. Based on the social influence, the influence was come from their family members such as wife, children, siblings, and relatives. Whereby the other social influence was come from their friends such as classmate, bestfriend, and colleagues.

Discussion

Product attribute influences consumer buying decision

(a) Quality

Each 30 informant was asked the same question about the quality of Samsung Galaxy series. After analyzed the answers, all the informants answered that the quality of Samsung is reliable. It is found that every informant has the same perception about Samsung Galaxy Series’ quality. Although several informants did not mention the quality as the first attribute to be considered in purchasing the product, all of them agreed that the quality is the basic consideration to buy something especially electronic products. In Android Smartphone categories especially for Samsung Galaxy Series; product quality is talking about how reliable the product is, how durable the product will be, and how precious the product is. This fact could be caused by the good performance of Samsung electronic products such as TV, refrigerator, air conditioner and laptop which were launched first by Samsung from many years ago. The good history of Samsung as a trustworthy brand gives good impact to the Samsung Galaxy Series in the market even Samsung is an Asian company. From this fact, the impulsive buying behavior influences all the customers of Samsung Galaxy Series when they did buying decision process. Kotler & Armstrong (2012:254) defined product quality is the characteristic of a product or service that bear on its ability to satisfy stated or implied customer’s needs. Quality of a product means how well a product performs and satisfies consumers’ need and want. Quality also reflects the amount of elements used to create the product in order to give expected result of consumers.

(b) Design and Style

Kotler & Armstrong (2012:254) defined style simply describes the appearance of a product, while design is more than skin deep – it goes to the very heart of a product. From that understanding, style is the way company creates the outlook of the product to be more attractive, such as trendy, classy and fashionable. When it comes to the design and style, people generally will think about the size because Samsung Galaxy Series are touchscreen model whereby the size of the screen tend to be the main consideration on this part. The researcher found two reasons which motivated these informants to buy Samsung Galaxy Series based on the size of product. After analyzed the answers, it revealed that 11 of 18 informants looked at the size as needs which should be considered in order to evaluate the best alternative products, meanwhile the rest 7 informants were only attracted by the size of the product or just followed their wants. Those informants who looked at the size as the consideration matter have their own purposes about the usage of the products based on their circumstances.

(c) Feature

Many features offered by Samsung Galaxy Series, however there are several features which attract these informants are Android system, camera, connectivity, dual SIM cards feature, and screen resolution. Android is the most popular Smartphone’s basic system created by Google. This Android system allows people to access many applications through internet connection. There are various type of application that offered by Android
system which are social media, games, e-book, magazine, photography, musics, and many more. Other feature is camera which considered have a good pixel by these informants. Samsung adjusts the camera to each device of Samsung Galaxy Series based on the type of devices. For the High-end series, those devices have 5 up to 18 mega pixels for rear camera and 1.3 up to 2 mega pixels for front camera. For the Low-end series, those devices have 2 up to 5 mega pixels for rear camera and VGA or 1.3 mega pixels for front camera. Customers only have to pick which one of the series that meet their needs or wants. Answer of several informants the connectivity of Samsung Galaxy series is better and faster than others. Dual SIM cards feature is also become the consideration to buy this product. Dual SIM cards feature is a feature which designed by Samsung Electronics only into several type of Samsung Galaxy Series. Informants thought it is another advantage for them because they could use two phone numbers in one device. The last feature is screen resolution of Samsung Galaxy Series which is considered has a better resolution than other brand’s devices. Samsung Galaxy Series have their own advantage of super AMOLED screens (active-matrix organic light-emitting diode) which not only eliminates the air gap that cause glare but it also detects touch and is integrated into the screen. This Super AMOLED screen is a new technology of Samsung Electronic that lets people embraces the sunlight with one glare-free touch screen. Product features can make the value of the product itself increases and make it stands out from the competitors’ products. Features can communicate the product ability to the consumers, but it will be more valuable if the consumers see the feature of product is valuable for them. A company needs to maintain their product development in order to create new features that can be the uniqueness so that the product will be preferable by customers. Designing a product and adding features into a product should be based on the consumer’s needs and wants.

(d) Price

McDaniel, et al (2011:629) defined price is that which is given up in an exchange to acquire a good or service. In their book also identified that price plays two roles in the evaluation of product alternatives; as a measure of sacrifice and as an information cue. The scarification is not only amount of money, but also includes the time lost the energy used while purchasing product or service. Price as the information cue means the exchange of the amount of scarification and the product or service is worthy. In the time of interview, all the informants were asked a question about the price of the product they owned. All of them agreed that the price of Samsung Galaxy Series is worthy compared with the quality, performance, and benefit offered by the products. Kotler & Armstrong (2012:349) defined about buyer-oriented pricing which involves understanding how much value consumers place on the benefits they receive from the product and setting a price that fits his value. In this research, few consumers will use their values of a product to evaluate the price. If the consumers perceive that the value is greater than the price, they will buy it.

(e) Advertisement

McDaniel, et al. (2011:555) defined advertising is impersonal, one-way mass communication about a product or organization that is paid by a marketer. From this approach, advertising is the medium to communicate a product or service to the public. The benefits of advertising are to inform, persuade, and remain. Advertisement informs product information to a large number of people at one time. Advertisement persuades the people to buy the product. Advertisement remains the product or service inside consumers’ mind and creates consumers’ awareness about the product. Based on the findings, few people answered that they saw the advertisement of Samsung Galaxy Series in internet. Meanwhile several of them only answered they ever saw the advertisement on newspaper and TV commercial. Samsung uses the popularity of Korean dramas to inform and introduce people about their products in international scale. Roll (2006) defined brand endorsement can be simply defined as a persuasive communications strategy used by companies to have their products and services represented by a spokesperson. This can be a paid, a value in kind or an unpaid activity. The main aim of product endorsement is to persuade consumers to buy a particular product/service, to shape their perceptions toward it and position it more as a lifestyle product or service rather than solely on its application merits.

(f) Service Center

All 30 informants agreed that quality of Samsung Galaxy Series is reliable. Based on that fact, many people bought Samsung Galaxy Series without any fear of damage that can be found in the product. However, that fact does not guarantee those products will not be broken or damaged someday. Grönroos (2009) defined that other processes, such as service interactions, repair and maintenance, logistics, call centres, service recovery and complaints handling, have an often critical responsibility for supporting customers’ value
Social Influence affects consumer buying decision

(a) Family
Kotler & Armstrong (2012:165) noted family is the most important consumer buying organization in society, and family members constitute the most influential primary reference group. McDaniel, et al. (2011:212) noted family is responsible for the socialization process, the passing down of cultural values and norms to children. A person’s character is basically formed by his or her family. Every member of family has their own influence one to another. Few parents depend on their children’s choice in buying decision especially on buying Smartphone because they believe that their children have better understanding in electronic items. Meanwhile, the consumption products of parents will also be the consumption product of their children, which means that children especially kids until teenagers tend to consume or use the same product as their parents use. Few people were persuaded by their siblings or relatives because of the closer relationship which will make they want to be the same or want to have the same item with that person. This study agreed with a study conducted by Lay-Yee, et al. (2013) who concluded that Social Influence especially form family has a significant impact on buying decision of Smartphone users in Malaysia. The consumers might listen to the people who close to them in order to get information or opinion about a product. A family’s economic situation is also important through preferring consumption products. A high-income family consumes higher quality product with a higher price, however a low-income family will prefer to consume lower quality product with a lower price.

(b) Friend
Reference group is a group or community in society that has impact to shape and influence a person’s buying behavior. Primary membership group is a reference group whereby a person interacts informally and face-to-face in daily life, such as family, friends, or fellow employees (McDaniel, et al. 2011:209). Few people want to prove themselves to work environment by do the same thing as their work colleagues tend to do. Meanwhile few people tend to follow the group’s behavior and value to keep acceptable to the group they belong to. The theory used in the study of Reza, et al. (2013) that mentioned value-expressive influence that may best be explained by the “identification process” in which people are willing to better express themselves to society in a manner that makes them appear to be similar to the group they want to belong society in a manner that makes them appear to be similar to the group they want to belong. Moreover, this research also agrees with the theory used in the study of Reza, et al. (2013) which stated the influence which is based on the craving to make informed decisions and optimize the choice is called informational influence. Few people use their friends in such as classmates and colleagues to get information and to ensure choice they made.

CONCLUSION AND RECOMENDATION

Conclusion
The conclusions from the research above are:

1. Product Attribute.
The impact of product attribute has higher influence to consumer buying decision than the impact of social influence. There are several attributes which influence consumer buying decision of Samsung Galaxy Series those are quality, design and style, feature, price, advertisement, and service center. Customers have impulsive buying behavior about the quality of Samsung Galaxy Series. Consumers also have their own perception of quality, few people measure the quality of product based on the price.

2. Social influence
Other factor that influences consumer buying decision is social influence which come from social reference. The opinion or behavior from family members such as wife, children, siblings and opinion or behavior of classmate, best friend, even colleagues could influence consumer buying decision. Consumers
in buying decision stage especially in the process of purchasing luxury products such as smartphone would like to ask some information from the people around them. Few people use their friends in order to get information and opinion about a product or brand. However, few people might buy a certain product to express themselves to other people in their environment to keep acceptable.

Recommendation

Several recommendations from this research are listed below:

1. It is important for company especially Samsung Electronic., Ltd to maintain the quality of product and improve the product development by adding creative attributes to a new product. Adding more features to product can create higher level models that can attract consumers’ attention. It is better for company to do product development based on the consumer’s needs and wants so that the product will be accepted in the market.

2. For the future researcher, it is better to consider reinvestigate the impact of product attribute and social influence to consumer buying decision by expanding the sample in other population, add or change the variables, use another research object, and analyze it with different method.

REFERENCE


