THE INFLUENCE OF BRAND IMAGE, PERCEIVED QUALITY AND COUNTRY OF ORIGIN TOWARD CONSUMER PURCHASE DECISION OF SMARTPHONE PRODUCT IN MANADO

PENGARUH CITRA MEREK, PERSEPSI KUALITAS DAN NEGARA ASAL TERHADAP KEPUTUSAN PEMBELIAN PRODUK SMARTPHONE DI MANADO

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ABSTRACT

Smartphone is one of communication tools that often used by people around the world. People buy a smartphone not only because of their needs, but also consider about another aspect of the smartphone. When consumer selecting the smartphone, they also consider about the brand image, perceive quality and the country of origin of the smartphone. This study aims to understand the influence of brand image, perceived quality and country of origin toward consumer purchase decision of smartphone in Manado. 100 customers were surveyed as samples. Multiple regression analysis was used to test the relationship among variables. The result indicated that brand image, perceived quality and country of origin simultaneously and significantly influence the consumer purchase decision of smartphone product in Manado. The characteristic of brand image and perceived quality has a significant effect on consumer purchase decision while country of origin has no significant effect on consumer purchase decision.

Keywords: smartphone, brand image, perceived quality, country of origin, consumer purchase decision.

ABSTRAK

Smartphone merupakan salah satu alat komunikasi yang sering digunakan oleh semua orang di seluruh dunia. Orang-orang membeli smartphone bukan saja hanya karena kebutuhan, tetapi juga mempunyai alasan lain terkait dengan aspek dari smartphone tersebut. Saat konsumen memilih smartphone, mereka juga memerhatikan citra merek, persepsi kualitas dan negara asal dari smartphone tersebut. Tujuan dari penelitian ini adalah untuk memahami pengaruh dari citra merek, persepsi kualitas dan negara asal terhadap keputusan pembelian konsumen atas smartphone di Manado. Data-data dikumpulkan dari 100 responden yang membeli smartphone dan analisis regresi berganda digunakan untuk menguji hubungan antar variabel. Hasil dari uji coba tersebut menunjukkan bahwa citra merek, persepsi kualitas dan negara secara simultan dan signifikan mempengaruhi keputusan pembelian konsumen terhadap produk smartphone di Manado. Karakteristik citra merek dan persepsi kualitas mempunyai efek yang signifikan terhadap keputusan pembelian konsumen, sebaliknya negara asal tidak mempunyai efek yang signifikan terhadap keputusan pembelian konsumen.

Kata Kunci: smartphone, citra merek, persepsi kualitas, negara asal, keputusan pembelian

1. INTRODUCTION

Research Background

Humans are social creatures who cannot live alone. One of the important requirements for humans as social beings that is communications needed. Nowadays, people really need to communicate with other people. Communication is needed to get any kind of information and to switch information one to another. One of communication tools are now often used by humans to communicate over long distances is a mobile phone. Over time, the mobile phone continues to innovate by looking at human needs with communication continues to increase. And now we can see mobile phone has been metamorphosed to device called Smartphone.

Smartphone almost used by all people around the world. Because of the big demand on long distance communication makes smartphone users increase. Because of the high population in Indonesia make the users of smartphone are at the same state too, quite much than other ASEAN countries. People buy a smartphone not only because of their needs, but also consider about another aspect of the smartphone. Such as the model or design, color, or the feature that exist in the smartphone. Not only because of that, when consumer selecting the smartphone, they also consider about the brand image, perceive quality and the country of origin of the smartphone.

Hsieh, Pan, and Setiono (2004) argued, brand image helps consumer in recognizing their needs and satisfaction regarding the brand, it also distinguishes the brand from other rivals motivating customer to buy the brand. Brand image is very important because it serves to explain the character of the company and the products or services of the company. Consumer consider that a product of superior brand has far better quality than other brand product.

Quality can be defined broadly as superiority or excellence, by extension, perceive quality can be defined as the consumer's judgment about a product's overall excellence or superiority (Zeithaml, 1988). People tent to buy things or in this case smartphone that have good quality and not easily broken in order to be used for quite long time.

All the smartphone brand that already entered in Indonesia, not only have brand different but also have country of origin different. Country-of-origin is defined as the country where the product is made. Country-of-origin can be consumers evaluate judgments of the products. When consumers have experienced with the products that have good quality, customers got positive perception of the country that the products is made. For the example, people usually have positive perception about some countries with good technology can make a good product of smartphone. It makes the country of origin into consideration for the customers in deciding which smartphone they want to buy.

Manado is one of the city in Indonesia that became the target of smartphone sales market. Right now, in Manado city it is easy to find so many smartphone brands, such as Apple, Samsung, Sony, LG, Blackberry, Asus, Oppo, and Lenovo, Evercoss, Mito and many more. With many companies that sell their smartphone product in Manado, it is making an issue and challenge at the same time for those company among the same circle because they have to compete with each other. Based on the background above, the title of this research is "The influence of Brand Image, Perceived Quality and Country of Origin toward Consumer Purchase Decision of Smartphone Product in Manado".

Research Objective

1. To analyze if there is a simultaneous effect of Brand Image, Perceived Quality and Country of Origin have significant effect on Consumer Purchase Decision of Smartphone Product in Manado.
2. To analyze if there is a partial effect of Brand Image on Consumer Purchase Decision.
3. To analyze if there is a partial effect of Perceived Quality on Consumer Purchase Decision.
4. To analyze if there is a partial effect of Country of Origin on Consumer Purchase Decision.

Theoretical Framework

Marketing

Kotler and Armstrong (2012) defines marketing as the process by which companies create value for customer and build strong customer relationship in order to capture value from customer in return. According to Chawla (2003) the key points of marketing are managerial process involving analysis, plan, and control to carefully formulate the program instead of randomly act, selecting target market, rather than quixotic attempts, and the purpose of marketing is to achieve organizational objectives.

Brand Image

Keller (1993) considered brand image as a set of perception about a brand as reflected by brand associations in consumer's memory. According to Tepeci (1999), a good and strong brand image which comprises of logo, color and motto is very crucial for all retailers and customers to differentiate one product from others. So, brand image is the consumer perception or picture of a product in consumer's mind that have high impact toward the product profitability and popularity especially in the part of marketing

Perceived Quality

Perceived quality is a critical element for consumer decision making; consequently, consumers will compare the quality of alternatives with regard to price within a category (Jin and Yong, 2005). Bhuian (1997) argues that Perceived quality is a judgment on the consistency of product specification or an evaluation on added value of a product. Based from the experts explanation, it tells that perception quality is very important toward the successfulness of a company and the perception quality is created when consumer feel the advantage of a product or services.

Country of Origin

The country-of-origin defined as the country where the location of head office of the corporation marketing the product or brand is in the country itself (Aydin et al, 2007). Country of origin has become a significant phenomenon in consumer behavior studies recently. Originally, the concept of Country-of- Origin (COO) was considered as the Made-in country (Nebenzahl et al., 1997). Therefore, country of origin putting great value in consumers mind of a product or services because it can be a reliable product if it comes from development country by putting trust value to the consumer.

Previous Research

Liu T-L (2005) indicated that different country-of-origin image (appealing or unappealing), price level (high or low), and advertising information content (abundant or usual) had different impact on consumer purchase behavior (e.g., perceived sacrifice, perceived value, and perceived

intention). Findings also specify that among the three extrinsic cues, advertising information content was most highly stressed, and the next was country-of-origin image, and price level was least stressed. Ghani et al (2008) shows that the country of origin of a product has a considerable influence on the quality perceptions of a product. It can be seen that consumer's perceptions of various countries are related to product quality, and tend to be product specific as well as country specific. The study shows that in different categories, different countries have highest demand for its products, Japan is preferred for watches and electronic items, Pakistan for fabrics and Finland for Mobile Phones. It can be seen that consumers' perceptions of various countries are related to inferences of product quality, and tend to be product specific as well as country specific.

## 2. RESEARCH METHOD

Type of Research

This research using a quantitative method that formed from the respondents responses by a questionnaire.

Place and Time of Research

The study was conducted in Manado from the period of June - July 2016.

Research Framework

This research is to analyze about the influence of Brand Image, Perceived Quality and Country of Origin toward Consumer Purchase Decision. The research procedure will be explained by this following conceptual framework.
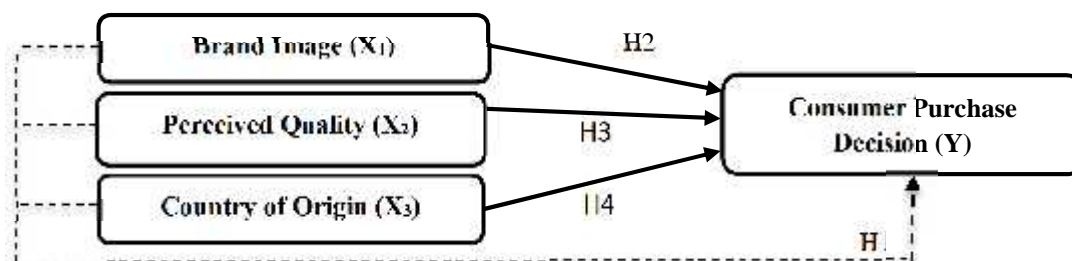
Pictures 1. Framework
Source: Data analysis, 2016

Population and Sample

The population in this research is consumer of smartphone in Manado. The sample of this research are customers who already buy and used smartphone, as many as 100 customers or respondents. The sampling method is simple random sampling

Multiple Regression Analysis Model

Multiple regression analysis provide relationship between the independents variables and the dependents variable, the regression coefficients indicate the relative importance of each the independent variables in the prediction of the dependent variable. The formula of multiple regression models in this research is shown as follows:

$$Y = a + b_1x_1 + b_2x_2 + b_{3x3} + e$$

Whereas :

      Y : Customer Purchase Decision

      A : Intercept

      b_1, b_2, b_3 : The regression coefficient of each variable

      X_1 : Brand Image

      X_2 : Perceived Quality

      X_3 : Country of Origin

      e : error

3. RESULT AND DISCUSSION

Validity Test Result

Table 1. Validity Test

			Correlation
			Variable_1
Brand Image	Variable 1	Statement 1	863[**]
		Statement 2	812[**]
		Statement 3	887[**]
		Statement 4	897[**]
Perceived Quality			Correlation
			Variable_2
	Variable 2	Statement 1	720[**]
		Statement 2	862[**]
		Statement 3	870[**]
		Statement 4	742[**]
Country of Origin			Correlation
			Variable_3
	Variable 3	Statement 1	852[**]
		Statement 2	932[**]
		Statement 3	902[**]
		Statement 4	842[**]
Consumer Purchase Decision			Correlation
			Variable_4
	Variable 4	Statement 1	659[**]
		Statement 2	589[**]
		Statement 3	635[**]
		Statement 4	604[**]

Source: Data processed, 2016

From the table above can be seen, that the correlation index is greater than 0.3 and below the significance level of 5% therefore the data is considered as valid. It shows that variable Brand Image in statement 1 is 0.863, statement 2 is 0.812, statement 3 is 0.887, and statement 4 is 0.897. Perceived Quality in statement 1 is 0.720, statement 2 is 0.862, statement 3 is 0.870, and statement 4 is 0.742. Country of Origin in statement 1 is 0.852, statement 2 is 0.932, statement 3 is 0.902, and statement 4 is 0.842. Consumer Purchase Decision in statement 1 is 0.659, statement 2 is 0.589, statement 3 is 0.635, and statement 4 is 0.604.

Reliabilty Result

Table 2. Reliable Test

	Reliability Statistic	
brand image (X1)	Cronbach's Alpha	N of Items
	0.834	5
Perceived Quality (X2)	Reliability Statistic	
	Cronbach's Alpha	N of Items
	0.816	5
Country-of-Origin (X3)	Reliability Statistic	
	Cronbach's Alpha	N of Items
	0.836	5
Consumer Purchase Decision (Y)	Reliability Statistic	
	Cronbach's Alpha	N of Items
	0.726	5

Source: Data processed, 2016

In this research shows that Alpha Cronbach for Brand Image is 0.834, Perceived Quality is 0.816, Country-of-Origin is 0.836, and Consumer Purchase Decision is 0.726. Which mean that value of Alpha Cronbach is higher than the acceptance limit of 0.6 and it indicates that the data is acceptable or indicates good internal consistency. Therefore the research instrument is reliable.

Multiple Regression Result

Table 3. Multiple Regression Result

Coefficients^a

	Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.749	1.234		5.468	.000
	Brand Image	.210	.087	.280	2.408	.018
	Perceived Quality	.203	.099	.241	2.051	.043
	Country of Origin	.117	.061	.173	1.925	.057

a. Dependent Variable: Consumer_Purchase_Decision

Source: Data processed, 2016

Hypothesis Testing
Ftest

Table 4. Simultaneous Test (F-test Output)

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	181.770	3	60.590	14.826	.000^b
	Residual	392.340	96	4.087		
	Total	574.110	99			

a. Dependent Variable: Consumer_Purchase_Decision

b. Predictors: (Constant), Brand_image, Perceived_Quality, Country_of_Origin

Source: Data processed, 2016

F_{table} = FInv (0.05, k-1, n-k)
     = FInv (0.05,4-1,100-4)
     = 2,76

In table 4, the value is 14.826, the degree of freedom 1 (numerator) is 3 and degree of freedom 2 (denumerator) is 96 with level of significance is 0.05 (= 0,05) and the level of confidence is

95% then F_{table} is 2.76. The result is: F_{count} (14.826) > F_{table} (2.76). Since F_{count} is greater than F_{table}, H_o is rejected and H_1 is accepted means the independent variables simultaneously influence the dependent variable. Therefore, hypothesis 1 is accepted.

Ttest

Table 5. T-test Result

Variable	T count	T table	Description
Brand Image (X1)	2.408	1.99	Accepted
Perceived Quality (X2)	2.051	1.99	Accepted
Country-of-Origin(X3)	1.925	1.99	Rejected

Source: Data Processed, 2016

T_{Table} = TInv (0.05, n-k)   = TInv (0.05, 100-4) = 1,99

1. Brand Image (X_1) and Consumer Purchase Decision (Y)
   - H_1 Accepted if $T_{count} > T_{table}$
     Brand Image (X_1) significantly influences Consumer Purchase Decision (Y)
   - H_1 Rejected if $T_{count} < T_{table}$
     Brand Image (X_1) does not significantly influences Consumer Purchase Decision (Y)
     From the table above, T_{count} for each independent variable, which for Brand Image (X_1) T_{count} = 2.408 and T_{table} = 1.99 which $T_{count} > T_{table}$ 1.99. Therefore, H_o is rejected and H_1 accepted, that means Brand Image (X_1) significantly influences Consumer Purchase Decision (Y).
2. Perceived Quality (X_2) and Consumer Purchase Decision (Y)
   - H_1 Accepted if $T_{count} > T_{table}$
     Perceived Quality (X_2) significantly influences Consumer Purchase Decision (Y)
   - H_1 Rejected if $T_{count} < T_{table}$
     Perceived Quality (X_2) does not significantly influences Consumer Purchase Decision (Y).
     From the table above, T_{count} for each independent variable, which for Perceived Quality (X_2) T_{count} = 2.051 and T_{table} = 1.99 which $T_{count} > T_{table}$ 1.99. Therefore, H_o is rejected and H_1 accepted, that means Perceived Quality (X_2) significantly influences Consumer Purchase Decision (Y).
3. Country of Origin (X_3) and Consumer Purchase Decision (Y)
   - H_1 Accepted if $T_{count} > T_{table}$
     Country of Origin (X_3) significantly influences Consumer Purchase Decision (Y)
   - H_1 Rejected if $T_{count} < T_{table}$
     Country of Origin (X_3) does not significantly influences Consumer Purchase Decision (Y).
     From the table above, T_{count} for each independent variable, which for Country of Origin (X_3) T_{count} = 1.925 and T_{table} = 1.99 which $T_{count} < T_{table}$ 1.99. Therefore, H_o is accepted and H_1 rejected, that means Country of Origin (X_3) does not significantly influence Consumer Purchase Decision (Y).

Discussion

Following the formula of Multiple Linear Regression, this research was found the result that independent variable Brand Image (X_1) and Perceived Quality (X_2) increase than dependent variable Y, but independent variable X_3 decrease than dependent variable Y.

Brand Image toward Consumer Purchase Decision

The result of multiple regression analysis shows that there is a significant influence of Brand Image (X_1) toward Consumer Purchase Decision. This result is supported by previous research of Retno and Ismail (2010) which stated that the brand image are influence the consumer purchase decision. Based on the result, brand image plays a significant role in order to attract the consumers to buy products that are offered by company. From the data that has been gathered before, tells consumer tend to buy a smartphone made by companies that have a good corporate image and good product image. Therefor a good brand image is very impactful toward consumer purchase decision.

Perceived Quality toward Consumer Purchase Decision

The result of multiple regression analysis shows that there is a significant influence of Perceived Quality (X_2) toward Consumer Purchase Decision. The result explain that customer in Manado is highly concerned about the perceived quality that they will get later. From the data that has been gathered, the consumer tend to buy smartphone with good quality and not easily broken. That is why perceived quality have a big influence on consumer purchase decision. This result is supported by previous research of Yee and San (2011) who indicated that perceived quality have positive association with purchase decision.

Country of Origin toward Consumer Purchase Decision

The result of multiple regression analysis shows that there is no significant influence of Country of Origin (X_3) toward Consumer Purchase Decision. In this research it is represented by the Advanced of Technology, Country Image, and Country Prestige Level. Follow by the result of the data, the customer in Manado is not very affected by the country of origin of a smartphone. They tend to looking at the quality and the brand image when they are making a purchase decision. The customer have less of awareness of the country of origin as long as the product have a good quality and a trusted brand image. For example, the consumer of Xiao Mi bought the product without seeing the country image and the country prestige level of China.

4.   CONCLUSION AND RECOMMENDATION

Conclusion

From the overall result, some important findings can be concluded, which are listed as follow:
1. Brand Image, Perceived Quality and Country of Origin simultaneously and significantly influence the Consumer Purchase Decision of smartphone product in Manado.
2. Brand Image partially and significantly influence to Consumer Purchase Decision of smartphone product in Manado.
3. Perceived Quality partially and significantly influence to Consumer Purchase Decision of smartphone product in Manado.
4. Country of Origin partially and not significantly influence to Consumer Purchase Decision of smartphone product in Manado.

Recommendation

According to the result of this research, there are several recommendations.
1. The company that produce smartphone should try to build a good brand image, starting from corporate image and product image therefore the consumer can easily remember their

brand. And according to the result of this research, a brand image positively affect the consumer purchase decision.

2. Perceived quality also well impact toward the consumer purchase decision. The quality, performance, superiority and consistency of the smartphone is very important for the consumer when they buy the product.

3. The country of origin is not affect toward the consumer purchase decision. It proves that the consumer of smartphone in Manado right now does not give attention the country of origin of the product that they purchase. Therefore, it will give advantage to the company that produce smartphone to better fully attention for their brand image and the quality of the smartphone so they can compete with other company that produce smartphone too.

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