

CONSUMER PERCEPTION, BRAND EXPERIENCE AND PURCHASE INTENTION OF CHINESE MOBILE PHONES IN MANADO

by:

Milka Yodiah Limbongan¹
David Paul Elia Saerang²
Peggy Adeline Mekel³

^{1,2,3}Faculty of Economics and Business,
International Business Administration (IBA) Program
University of Sam Ratulangi Manado
email: ¹milkalimbongan@gmail.com
²d_saerang@lycos.com
³peggyadeline@yahoo.com

ABSTRACT

The growth of mobile phone users are increasing tremendously every year. The fact also shows that many vendors compete to sell mobile phone products including Chinese vendors. With the cheap image of Chinese products and their product quality have raised the issue to investigate the perception among customer and brand experience that people got. The aim of this study is to analyze the impact of consumer perception and brand experience on purchase intention of Chinese mobile phones in Manado. This study implements qualitative research, and there are 8 informants as research samples. The result shows that both, consumer perception and brand experience give an influence to people to have intention to purchase Chinese mobile phones and also shows that brand experience give the most influence to people not only to have intention but also to decide to purchase product. This research suggests Chinese mobile phones seller to build a good perception about Chinese mobile phone in terms of quality and drafting various managerial strategies to increase the purchase intention, by emphasizing the different perspectives of customer brand experience.

Keywords: *consumer perception, brand experience, purchase intention*

INTRODUCTION

Research Background

The technology in Indonesia nowadays is developing rapidly and dynamically. The development of mobile phone technology has changed the needs and wants of people. Mobile phone users are increasing tremendously every year. Market share of local mobile phone brands (made in China) in Indonesia have been able to seize portions of nearly 30 % of the vendors that used to ruled the gadget market in Indonesia. With cheaper prices, plus resemblance of top existing mobile phones near to perfection, made-in-China mobile phones are a very intriguing yet pocket-friendly alternative for the majority of Indonesian consumers and Manadonese consumers, which specifically are classified as mid-to-low economy backgrounds.

Consumer perception is very important for some products as people tend to believe the products with good perception within the society. For Chinese mobile phone perception by some people, Chinese mobile phone quality is very bad. This is an obstacle in the mobile phone market in the area where people prefer quality over price. Not only about people's perceptions, but also brand experience has become the main consideration for people to purchase products. That is why it is important to seek out whether consumer perceptions and brand experience have impacts on purchase intention and which of them that will impact the most on the intention of people to purchase.

Research Objectives

The Objectives of this research is to analyze the effect of consumer perception and brand experience on purchase intention of Chinese mobile phones in Manado simultaneously and also to identify which of consumer perception and brand experience that has the most significant effects on purchase intention of Chinese mobile phones in Manado.

THEORETICAL FRAMEWORK

Theories

Consumer Behavior

Reid and Bojanic (2009:105) defined that, Consumer behavior is the study of how an individual's thoughts, feelings, attitudes, opinions and patterns of behavior affect what he buys, when he buys, why he buys, and how he uses the product or service he purchases. Purchasing decision from the consumers based on the various considerations between one to another where the chosen-product or service is what the customers comfort with. Besides, consumer behavior can be affected by a skillful marketing due to this kind of marketing can enhance motivation and even behavior if products and services with very attractive designs on it can persuade people to do action, as stated by Solomon (2011:34).

Consumer Perception

Zeithaml (1998) stated that, How human recognize and interpret stimuli known as Perception. Consumers' perception of quality is a measured essential determinant of product choice. Munnukka (2008) defined that, in other words perception is the first impression that individual draw and on the basis of it select, and interpret information to form a meaningful picture of the world

Brand Experience

Brakus et al. (2009) explained that Brand Experience has recently been defined in the marketing literature as the sensations, feelings, cognitions, and behavioral responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications, and environments. Brand experience has been shown to have a significant effect on consumer perceptions of the brand and purchasing decisions. Neumeier (2005:86) also defined Brand experience is all the interactions people have with a product, service, or organization; the raw material of a brand. Chattopadhyay and Laborie (2005) explained that Consumers may experience brands by coming in contact with them through a number of mediums, including the internet.

Purchase Intention

Intent to purchase is a kind of decision in which studied why a customer purchases a brand in particular. Constructs like considering something purchasing a brand and anticipating to purchase a brand aids to scope the intentions of purchasing (Porter, 1974). Porter (1974) also elaborated customers' intention to purchase a focused brand is not merely by his same brand attitude, but also by his attitudes leading to other brands in choice of set considered. Bachler (2004) explained a type of loyal customer, whose purchase decision is insensitive to pricing and the show their loyalty by suggesting positive recommendations to firm and even investing money in the brand which show their extreme trust in the brand.

Previous Research

Tariq et all. (2013) found that the relationship between brand images from customers on customers purchase intention. According to research there is a moderate significant relationship between brand images from customers on customers purchase intention as logically thinking, brand images from customers will lead to ongoing purchase to loyal customers for the better-known products known through the brand of products. Mostly people as loyal customers who are using certain products and satisfied with the products will be waiting for the upcoming new and innovative products with higher augmentation than previous ones. It proves that branding image on customers' eyes about products is essential for higher purchase intention from customers. Gabisch and Gwebu (2011) findings in the Impact of virtual brand experience on purchase intentions: the role of multichannel congruence that multichannel effects exist between virtual world brand experience and real world purchasing decisions, and that cross-channel consistencies are important factors that contribute to these effects. In accordance with the predictions from prior research, the results of this study demonstrate that brand

experiences in virtual world marketing channels may have a strong influence on real-world purchasing decisions. It proves that brand experience from customers affects on purchase intention. Either people intent to buy or not to buy, they have to experience the brand's products first, when they get good impression, there is possibility for them to buy products still in the same brand but different products, but while the impression is not good enough, the possibility of customers to purchase the upcoming products is lowered. It all depends on customers' eyes and experiences.

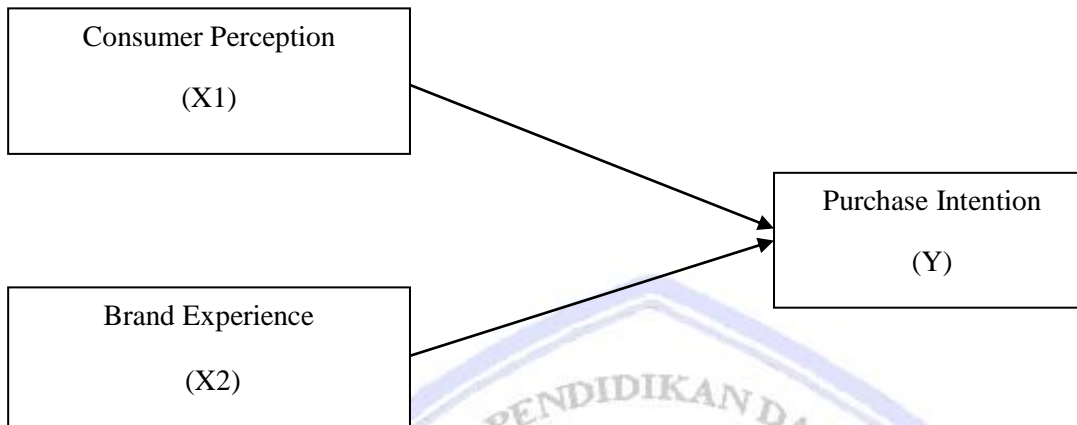


Figure 1. Conceptual Framework

Source: Theoretical Review

The figure above shows the conceptual framework of this research to analyze the impact of consumer perception to purchase intention and the impact of brand experience to purchase intention and which of them will give the significant effect to purchase intention.

RESEARCH METHOD

Types of Research

This research is based on collecting interviewee's perspective and arguments with qualitative method to investigate and figure out of what is happening, why it is happening and how it is happening. The goal of this research is to discover the impact of consumer perception and brand experience on purchase intention to people in Manado.

Place and Time of Research

The study is located in Manado, North Sulawesi since the researcher lives and studies in Manado so researcher thinks that it will be easier to collect data from the informants. The time duration to do the research starts from November to December 2013.

Population and Sample

The population of this research is people who have past experiences of using, buying and familiar with Chinese mobile phones under the age of 35 and currently reside in Manado. There are 8 informants as research samples.

Data Collection Method

Data analysis of qualitative research is done by gathering data, organizing data, sorting the data into units that can be managed, synthesizing, searching for and finding patterns, finding what is important to learn and deciding what can be shared to others. Hancock (1998) Stated about qualitative data collection as raw qualitative data cannot be analyzed statistically. The data from qualitative studies often derives from face-to-face interviews, focus groups or observation and so tends to be time consuming to collect. Samples are usually smaller than with quantitative studies and are often locally based. Data analysis is also time consuming and consequently expensive.

RESULT AND DISCUSSION**Result**

This research is to investigate whether consumer perception affects the intention to purchase Chinese mobile phone or not, whether brand experience affects the intention to purchase Chinese mobile phone or not, what factors drive people to have intention to purchase and or why people do not like to purchase Chinese mobile phone or why they have the intention to purchase, what is on people mind about Chinese mobile phone, and how people can have the intention to purchase by seeing other's perception or by the experience they had before. And which of the consumer perception and brand experience that affects the most to the intention to purchase.

The result of the interview shows that in the answers and reasons are similar. But it is found that every single respondent is unique and had their own experiences and thoughts. By seeing the diversity of reason they brought up, it is also found that even the different answer they gave, the reasons behind the answer could be correlated one another.

Consumer Perception

Consumer perception is defined as the way that customers usually view or feel about certain services and products. It is found that the perception of majority respondent about Chinese mobile phones is having a bad quality in terms of their product, because it is not durable and easily damaged. The findings within the interviews also showed that most respondents agreed that negative perception has been attached to Chinese mobile phone by majority of people in Manado. In spite of the negative or positive perception by people in Manado, consumer perception still affects the intention of people to purchase products because the cheap price that offered by Chinese mobile phone.

Brand Experience

During the interviews it is concluded about what people think about Brand Experience and the effect of brand experience on purchase intention. Brand experience on what people think about is the cumulative brand impressions garnered from visual, verbal and experiential encounters with the brand and the product. When the consumers search, choose and use products and/or services, they are exposed to various specific brand-related stimuli, such as identity elements, community recommendations, communication tools and other environmental aspects. These are the main learning sources of customer responses that generate the brand experience.

Discussion**Consumer Perception**

Consumer perception is defined as the way that customers usually view or feel about certain services and products. It is found that the perception of majority informant about Chinese mobile phones is having a bad quality in terms of their product, because it is not durable and easily damaged. The findings within the interviews also showed that most informants agreed that negative perception has been attached to Chinese mobile phone by majority of people in Manado. In spite of the negative or positive perception by people in Manado, consumer perception still affects the intention of people to purchase products because the cheap price that offered by Chinese mobile phone. It is found that total 5 out of 8 informants claimed that the quality of Chinese mobile phone is bad and also total 7 out of 8 informants affirmed that consumer perception does affect the intention to purchase Chinese mobile phone. Informant 4 explained that others opinion about the product will become people's attraction to buy a product, if so many people have positive perception then the product will be saleable. On the contrary if others have negative perception then it will affect the intention of someone to not buy the product.

In overall majority of the informant agreed that consumer perception does affect people intention to purchase Chinese mobile phone, they used the information from others perception as their consideration to purchase Chinese mobile phone. These findings are consistent with Mathwick and Ridgdon (2001), perceived value is a primary motivation for consumers to perform consumption actions. It is also an essential outcome of marketing activities. Manipulation of marketing attributes (i.e. price, brandname) can enhance (or reduce) consumers' perception of value, which in turn leads to a behavioral intention such as purchase intention and the intention to return to a retail outlet.

The success of a business depends upon its ability to attract and retain customers that are willing to purchase goods and services at prices that are profitable to the company. Consumer perception describes how customers and potential customers view a company and its products and services. Consumer perception is important to businesses since it can influence consumer behavior, which ultimately affects the profitability of a business. Many businesses spend large amounts of resources to influence consumer perceptions. A consumer's motivation for buying a particular product or service often comes down to image. People wish to be perceived as having the ability to make the right choices and pick the right products.

Brand Experience

Brand experience on what people think about is the cumulative brand impressions garnered from visual, verbal and experiential encounters with the brand and the product. When the customers search, choose and use products and/or services, they are exposed to various specific brand-related stimuli, such as identity elements, community recommendations, communication tools and other environmental aspects. These are the main learning sources of customer responses that generate the brand experience.

It is found that most of all informants feel that brand experience is needed and total 8 out of 8 informants claimed that brand experience affects purchase intention. Total 6 out of 8 informants affirmed that brand experience is having the highest influence compare with consumer perception as the factors that makes people to have intention to purchase Chinese mobile phone. Informant 5 said that brand experience affects purchase intention due to that people need complete information to assure about the product that they will buy.

The majority of the informant agreed that brand experience affects purchase intention and decision making. These findings are consistent with Brakus et al. (2009), Brand experience has been shown to have a significant effect on consumer perceptions of the brand and purchasing decisions. It is also found that that the most significant effects on purchase intention of Chinese mobile phone in Manado come from the brand experience that consumer's have.

CONCLUSION AND RECOMMENDATION

Conclusion

The conclusions from the result are:

1. Consumer Perception

Consumer perception affects negatively the intention to purchase Chinese mobile phone which means the negative perception of consumer about Chinese mobile phone makes people do not want to buy the product.

2. Brand Experience

Brand Experience affects purchase intention of Chinese mobile phone due to the brand experience shares knowledge of product directly and indirectly, where the knowledge is needed by people to stimuli the willingness to buy. Buyers need information from direct experience using Chinese mobile phone to analyze whether the products are qualified, needed and able to fulfill their current basic needs of communication, or not. The result also shows that brand experience gives the most significant effects on purchase intention of Chinese mobile phone in Manado.

Recommendation

There are some recommendations for individuals or business that active in purchasing or selling Chinese mobile phone in Manado that are:

1. It is recommended for business to have an insight into what is the expectation of the buyers about Chinese mobile phone that they sell and the perception or the opinion of people in Manado about Chinese mobile phone after become the users.
2. The customers in Manado are very conscious about quality and price of Chinese products. Therefore, marketers of Chinese product in Manado should be very careful about the price, quality and technology advancement of product they are offering in the market place.

3. For other researchers who want to conduct a research about Consumer Perception or Brand Experience or Purchase Intention, this research is expected to be a good reference in the research about consumer behavior. It is also recommended in future research that sampling size should be increased. Moreover, sampling from higher income group might explore different issues which had been ignored in this study.

REFERENCES

- Brakus, J.J., Schmitt, B.H., and Zarantonello, L., 2009. Brand Experience: What is It? How do We Measure It? And Does It Affect Loyalty? *Journal of Marketing*. Retrieved on December 9th, 2013, available on: <http://bear.warrington.ufl.edu/weitz/mar7786/Articles/brakus%20et%20al%202009%20brand%20experience.pdf>. Vol. 73, Pp. 52-68.
- Chattopadhyay, Amitava and Laborie, Jean-Louis, 2005. Managing Brand Experience: The Market Contact Audit™. *Journal of Advertising Research*. ISSN 0021-8499. Retrieved on January 10th, 2014. Vol. 45(1), Pp. 9–16.
- Gabisch, J. and Gwebu, K., 2011. Impact of Virtual Brand Experience on Purchase Intentions: The Role of Multichannel Congruence. *Journal of Electronic Commerce Research*. Retrieved on December 9th 2013, available on: http://jecr.ribosome.com.tw/sites/default/files/paper5_1.pdf. Vol. 12(4), Pp. 302-319.
- Hancock, B., 1998. *Trent Focus for Research and Development in Primary Health Care: An Introduction to Qualitative Research*. Trent Focus Group. Retrieved on January 10th, 2014. Pp. 1-27.
- Mathwick, C., Malhotra, N. K., & Rigdon, E., 2001. Experiential value, conceptualization, measurement and application in the catalog and internet shopping environment. *Journal of Retailing*. ISSN: 0022-4359. Retrieved on January 10th, 2014. Vol. 77, Pp. 39-56.
- Munnukka, J., 2008. Customers' purchase intentions as a reflection of price perception. *Journal of Product & Brand Management*. DOI: 10.1108/10610420810875106. Retrieved on January 10th, 2014. Vol. 17(3), Pp. 188 – 196.
- Neumeier, M., 2005. *The Brand Gap, Revised Edition* 2nd Edition. Peachpit Press, San Francisco. ISBN 9780321648822. Retrieved on January 10th, 2014.
- Porter, M.E., 1974. *Consumer behavior, retailer power and market performance in consumer goods industries*. Retrieved December 5th 2013, available on: <http://www.jstor.org/discover/10.2307/1924458?uid=3738224&uid=2134&uid=2&uid=70&uid=4&sid=21103463676647>. Vol. 56(4), Pp. 419-436.
- Reid, R. and Bojanic, D., 2009. *Hospitality Marketing Management*, 5th Edition. John Wiley & Sons, Inc., New York. Retrieved on January 10th, 2014.
- Schoenbachler, D.D., G. L. Gordon and T.W. Aurand., 2004. Building brand loyalty through individual stock ownership. *Journal of Product & Brand Management*. ISSN 1061-0421. Retrieved on January 10th, 2014. Vol. 13(7), Pp. 488-497.
- Solomon, Michael R., 2011. *Consumer Behavior - Buying, Having, and Being*. Prentice Hall, London. ISBN 9780136110941. Retrieved on January 10th, 2014.
- Tariq, M., Nawaz, M.R., Nawaz, M.M., and Butt, H.A., 2013. Customer Perceptions about Branding and Purchase Intention: A study of FMCG in an Emerging Market. *Journal of Basic and Applied Scientific Research*. ISSN 2090-4304. Retrieved on December 9th, 2013. Vol. 3(2), Pp. 340-347.
- Zeithaml, V.A., 1998. Consumer Perceptions of price - Quality and value. a means-end model and synthesis of evidence. *Journal of marketing*, ISSN: 00222429. Retrieved on January 10th, 2014. Vol. 52(3). Pp. 2-22.