

BRAND PREFERENCE BETWEEN APPLE AND SAMSUNG SMARTPHONE IN MANADO

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ABSTRACT

Branding is increasingly being used as a strategy for managing markets plays a very vital role in consumer buying decision. It has already proven that brands are the company's most important asset. The objective of this study is to provide the information about the brand preference of smartphone in Manado and to reveal which brand that become brand preference in Manado. This research uses two important indicators that are brand equity and brand image. The method that is used in this research is qualitative method in which, the primary data is collected using interview. The respondents of the study are Manado citizen who own Apple and Samsung smartphone. This study show that brand with high value of brand equity and image will result in having high brand preference among Manado people. The findings reveal that Apple has stronger brand preference more than Samsung among people in Manado. Hence, the findings provide a solid foundation for purchase decisions of Apple smartphone among Manado people, which is Apple smartphone would increase the products sales within the Manado market for smartphones.

Keywords: *brand equity, brand image, brand preference, smartphone, qualitative*

INTRODUCTION**Research Background**

Communication is one of the important activities of human beings, man will never be separated from the need to communicate. Communication technology continues to move forward make people can be able to communicate one to another, share informations one to another and it's all are more easily to achieved either across town or across the country through many communication tools such as mobile phone, telephone, internet, fax and etc. Most of the mobile phones nowadays are addressed as "smartphone", as they offer more sophisticated technology than a standard mobile phone. Cassavoy (2012) stated that smartphone can be defined to be a device that enables the user to make telephone call and at the same time has some features that allow the user to do some activities that in the past is not possible unless using a computer or a personal digital assistant (PDA), such as sending and receiving e-mails, amending an office document.

Davis (2002:351) stated that the most powerful corporations in the world have all had success related to their strong brands. Knapman (2012) stated that consumers of Smartphone are strongly influence by brand when it comes to choosing Smartphone. Brands are important not only because of how they reflect on an organization as a whole but also because of the wide-ranging effects they have on market share, price, communication, and middlemen. This research study compares between two major Smartphone brands, Apple and Samsung. Singh (2012) stated that these are the two largest Smartphone brands producers, who are constantly competing and challenging each other and in result of this competition they are providing consumers with best quality and cheaper products. Albanesius (2011) stated that on the day that Apple announced that it sold more than 4 million iPhone 4S, Samsung announced that it global sales for Galaxy S and Galaxy SII devices have reached more than 30 million, this is considered to be an incredible sales success. After releasing the success that Samsung has achieved so far, the company filed suit against Samsung earlier in 2011 for "slavishly" coping the look and feel of the iPhone and iPad with it series of Galaxy smartphones and tablets. Joe Wilcox (2013) note that according Neil Mawston, Strategy Analytics reckoning, Samsung shipped 106.6 million handsets during Q1, obtaining 28.6 percent global share. Apple ranked third, with 10 percent share from 37.4 million units. IDC puts Samsung

shipments higher (115 million) but share lower (27.5 percent). Apple's number is same as Strategy Analytics but market share less: 8.9 percent. Apple's global mobile phone market share is approaching a peak.

Table 1. Top Five Smartphone Vendors Q1 2013 (Units in Millions)

Vendor	1Q13 Unit Shipments	1Q13 Market Share	1Q12 Unit Shipments	1Q12 Market Share	Year-over-year Change
Samsung	70.7	32.7%	44.0	28.8%	60.7%
Apple	37.4	17.3%	35.1	23.0%	6.6%
LG	10.3	4.8%	4.9	3.2%	110.2%
Huawei	9.9	4.6%	5.1	3.3%	94.1%
ZTE	9.1	4.2%	6.1	4.0%	49.2%
Others	78.8	36.4%	57.5	37.7%	37.0%
Total	216.2	100.0%	152.7	100.0%	41.6%

The pervasiveness of smartphone penetration in Manado, surveys that have been carried out are still less. Moreover, the overall picture of smartphone brand preferences in Manado is unclear, and the statistics are hardly available.

Research Objectives

The objective of this research is to analyze which brands are the most popular and become the brand preference among the people in Manado by exploring the brand equity and brand image of both company.

THEORETICAL FRAMEWORK

Theories

Marketing

Kotler et al., (2009:45) stated that marketing can be found in almost everywhere, people and organizations in a various number of activities that bring them all together called marketing. Good marketing now is a vital ingredient for a success of a business, and also marketing had profoundly affected our day-to-day activities.

Brand Preferences

Hellier et al., (2003:1765) stated that brand preference is the extent to which the customer favors the designated service provided by a certain company, in comparison to the designated service provided by other companies in his or her consideration set.

Brand Equity

Aaker (1996:8) stated that brand equity is a set of asset and legal responsibility connected to the brand's name and figure that add to (or take away from) the value presented by the product or service to a company and/or that company's customers. According to (Aaker 1996:16) the main assets are grouped in the followings:

- a) Brand name awareness
- b) Brand Loyalty
- c) Perceived quality
- d) Brand associations

Brand Image

Joyce (1963:45) stated that brand image is defined and measured as a set of associations which a brand has acquired for an individual.

Previous Research

Anthony Dadzie (2011), The objective of this study was to assess the level of brand awareness and factors underlying brand preference of mobile phone service brands in Cape Coast market in Ghana. The findings of the study showed that most of the respondent consumers were aware of mobile phone operator brands despite having come across few operator service advertisements. Sara Djerv & Zeina Malla (2012), the problem of this research is Understanding what drives brand preferences within the dynamic smartphone market as key to formulating marketing efforts that influence purchase intentions. The objective of this research are to qualitative explore how brand's equity drives Uppsala University students' brand preferences within the Swedish smartphone market. The findings of this study indicate that the Swedish smartphone market appears to be functionally oriented. Perceived quality emerges as the main driver of brand preferences. Denford Chimboza and Denford Chimboza and Edward Mutandwa (2007), The objective of this study was to assess the level of brand awareness and factors underlying brand preference of dairy brands in Chitungwiza and Harare urban markets in Zimbabwe. The findings of the study showed that 52% of the respondent consumers were aware of ARDA dairy brands despite having come across few ARDA DDP advertisements. Four factors were identified as key determinants of dairy product choice namely promotion, price and availability of product, attractive packaging and product quality.

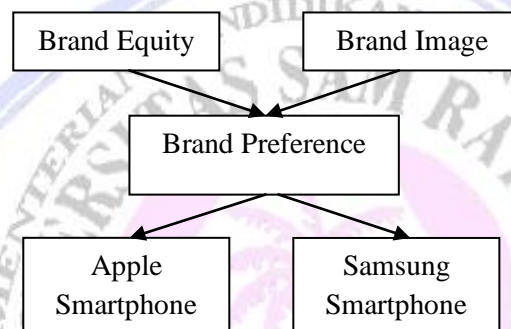


Figure 1. Conceptual Framework

RESEARCH METHOD

Type of Research

This research is based on collecting the interviewers' opinion and arguments using qualitative approach that will generalize the data collection and use descriptive method in writing the report. The purpose is to analyze the respondents' point of view and statement or opinion about the phenomenon. The data obtained was analyzed by comparing Samsung and Apple Smartphone on all the brand equity dimension and brand image by using the descriptive method.

Place and time of research

This research will be conducted randomly in Manado on August until September 2013.

Population and Sample

The population study is going to be Manado people hereafter referred to those who own Apple or Samsung smartphone. It is also why, from a managerial perspective, it is important to understand the brand preferences of people in Manado. Firstly, the choice of Manado people is from the researcher's point of view a convenience selection, as the researchers of this study itself are Manado people and the target group is the preferred population. The prerequisite for a respondent to participate in an interview is if the respondent who owned a Apple or Samsung smartphone latest products and as a Manado citizen.

Data Collection Techniques

Primary and secondary data are choose to collect the data that used in analyzed the research study. Given the nature of the research topic, it is most suitable to employ both primary and secondary data collection

method. Primary data are obtained through interview given to respondents' while the secondary data are gathered through books, journals and articles.

Techniques of Data Validity Checks

Sekaran and Bougie (2009) stated the idea of the triangulation method is that one can be more confident in a result if different methods or sources leads to the same result. The validity of data checked with:

1. Credibility: to prove the validity of this research process and result. This researcher using the triangulation method as explained in Sekaran and Bougie (2009) in order to obtain the maximum validity of the data collection.
2. Transferability: The result of this research can be implement in different condition and this researcher is responsible in providing accurate data systematically and trustworthy of the research result.
3. Conformability: The way of proving the validity of the result of the research which is match with the data collection on the field notes and make a discussion with people who is not involved with this research to give an objective opinion.

Operational Definition of Research Variable

The reason why the researcher choose brand equity is because according to Davis (2002:51) brand equity is the value associated with the marketing activities that enhanced the overall offering such that a premium could be earned over the same offering if it were unbranded. This indicates that customers see and interpret brands in different ways, giving brands meaning and validity. Ahmed (1991:25) stated that a strong and clear brand image can increase consumer confidence and convince consumers to purchase. Human beings are relational creatures with rich imaginations and desires. We identify ourselves and our aspirational goals through the brands we purchase and use. Therefore, a consumer is much likely to use brands to express how he/she is either similar to/different from people of their group.

Data Analysis Method

As explained in Sekaran and Bougie (2009) qualitative data are in form of words, for examples are interview notes, transcripts or focus groups, answers to open ended questions, transcriptions of video recordings and like. This study are created a complex picture, studying words, a detailed report of the views of respondents and do some study on the situation experienced.

RESULT AND DISCUSSION

Result

Brand Awareness

The overall measurements of the Apple and Samsung's brand awareness and also based on two questions that had been asked in the interview, the respondents stated that Apple has a very high brand awareness among Manado people who use smartphone. From fourteen respondents, ten respondents mentioned that Apple has high brand awareness. From those 10 respondents, seven respondents from iPhone users and three respondents from Samsung users, the remaining four respondents are Samsung users who choose Samsung smartphone. The first question is about the first smartphone that firstly comes up in their mind when smartphone is mentioned. This result supported by Keller (1998:91) who stated that one advantage of brand awareness is that consumer thinks about the product when they think about the category. Second measurements is about which logos that is familiar with them.

All Apple smartphone users agreed that they think about Apple smartphone when the smartphone is mentioned. According to respondent 1, "*iPhone for sure as the first smartphone*" and it supported by iPhone respondent 2 and respondent 4. That statement is also supported by Samsung smartphone users. According to respondent 1 "*I say iPhone, because I know that iPhone is the first smartphone*". According to respondent 2 "*i think about Apple smartphone, and i have no reason for it. It just directly comes up to my mind*". They said that iPhone comes first in their mind because Apple smartphone is the pioneer or the first smartphone in smartphone market, Apple's iPhone was introduced at MacWorld on January 2007 and officially went on sale on June 29,

2007. Arthur (2012) noted that on January 2007, Steve Jobs, chief executive of Apple, unveiled the iPhone, which he said "as a revolutionary and magical product that is literally five years ahead of any other mobile phone". Respondent 3, 6 and 7 said that the reason they choose Apple smartphone because they are the Apple smartphone users, "*i am an iPhone user so, i directly think about iPhone*". This answer supported by other five of the Samsung smartphone users who agreed that that they think about Samsung when Smartphone is mentioned. As stated by respondent 3 "*Samsung smartphone, because samsung has many smartphone products*". It is true that Samsung company produces more smartphones than Apple company. Samsung has a lot of different products with different prices. In a year, Samsung can produce three or more smartphone products while iPhone just produce at least one smartphone in a year.

Second session of the brand awareness discusses about Apple and Samsung logos and asks which logo they feel familiar with and why they become more familiar with the logo. Starting with the Apple users, respondent 1 said "*I am more familiar with the Apple logo since I am an iPhone users, Apple logo is very unique , eyecatching , and is different from its competitors logo*". That statement is supported by respondent 3 and 7. Apple logo is very iconic and different from other competitors because its logo is not a character or letter but they use Apple image with the bite taken out only to provide scale so the apple will not be mistaken for a cherry. Respondents often see the Apple logo because most of their group of friends use Apple products by considering the lack of Apple advertisement in Indonesia's local television. According to respondents 2 "*i often see the Apple logo in my everyday environment*" which is supported by respondent 6. Three of Samsung smartphone users (respondents 1, 2 and 3) agreed that Apple logo is more familiar than Samsung logo. According to respondents 1 "*I am more familiar with the logo of Apple because Apple logo is very unique*", it is supported by respondent 3. According to respondent 2 "*the design of the Apple logo is easy to remember*". Four respondents who are Samsung smartphone users are respondents 4, 5, 6 and 7 who said that Samsung logo are very familiar with them. According to respondent 4, she has almost all Samsung products, from Smartphone until TV and another electronic products, "*I am more familiar to the Samsung logo because i also have Samsung TV , CD player , DVD and computers that i use at work*". Respondent 7 said "*I often see Samsung advertisements rather than the advertisements of Apple*", she becomes more familiar with Samsung logo because Samsung advertisements are often being seen rather than iPhone advertisement.

Brand Loyalty

Apple commands a high brand loyalty and as the research result, seven Apple users choose to stay loyal to their current smartphone brand. According to Aaker (1991:46) the strongest brands, the one with extremely high quality, will have a large number of committed (loyal) customer. The respondents have various reasons and as the example, it is because they think that the iPhone quality is good. Some said that they love to become an iPhone users because of the status and some said because they are familiar with the iPhone operating system. Brand loyalty of Samsung smartphone users are very low. Five out of seven respondents choose not to be loyal to their current smartphone brand. For that choice, they have different answers. Some of them want to buy an iPhone, some of them want to buy other smartphones because they want to experience other operating systems. Two Samsung users stay loyal because Samsung is easy to use and also cheaper.

All the Apple smartphone users choose to be loyal to their current smartphone brand. According to respondent 1, he chooses to stay loyal to iPhone because iPhone is a good product and has a good quality of smartphone "*I will be loyal to the brand that i am using right now, because i have been experiencing the good quality of this product*". That statement is supported by respondent 3,5 and 6, while respondent 2 said that, she loved to be an iPhone users because as the general knowledge, Apple product brings a status since it has a luxury and exclusive brand, and also because it has full applications "*My iPhone also has a complete application, that makes me feel something special when using this iPhone*" It is supported by respondent 7 "*I feel special to be an iPhone user which is Apple products are identical with exlusive and expensive products*" further by respondent 7 who said that "*I purchased iPhone because it is the most popular smartphone within my group of friends. Honestly, I am blinded by the Apple brand*". From that statement, it is found that quality is a main factor that affects the customer brand loyalty. According to respondent 4, she will buy iPhone because she is already familiar with the iPhone operating system that uses IOS operating system "*I would buy Apple smartphone again . The reason is because I have already familiar with the operating system*".

Brand loyalty for Samsung smartphone is very low. There are just two of the Samsung users who stay loyal to their current smartphone brand. Seven of them choose to change their smartphone brand. As stated by respondent 1 *"If there is an opportunity to buy a smartphone from other brands I would buy iPhone because iPhone is superior than Samsung"*. She stated that Apple brand is superior than Samsung because she often reads an articles that mentioned the Apple smartphone quality. According to respondent 2, *"I plan to buy an iPhone or Nokia, the reason is because I want to feel the new and different operating system"* she wants to experience the new operating system, not to compare each smartphone but to search and find out which one has a better operating system. According to respondent 3, *"I want to switch my smartphone to iPhone, because I am very curious about what makes it so special"*. That statement is supported by respondent 7, *"I feel like "wow" everytime seeing the people who use iPhone"*. They both agreed that Apple is not just having a good quality but also can bring something more to the users such as prestige and social class. Two Samsung smartphone users stay loyal because Samsung smartphone is easy to use and it is suitable with the respondent personality. Respondent 4 said that her current smartphone brand is above standard and can help her with her daily activities, *"I would still buy Samsung smartphone as a brand that I am using right now since it is easy to use"*. Respondent 6 stated *"I would still buy Samsung smartphone because I think that there is no reason for me to buy an expensive smartphone, while a cheaper smartphone is able to make me satisfied"*. She still wants to buy Samsung smartphone brand because Samsung is cheaper than iPhone, and also the main reason which makes her loyal is because she is satisfied enough with the quality of her smartphone.

Perceived Quality

Regarding this dimension, both Apple and Samsung respondents were asked if the quality of their own Smartphone is good in order to ascertain the perceived quality of their Smartphone. Aaker (1991:85) stated that the perceived quality deals with the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternative. All iPhone users strongly agreed that their smartphone brand has a good quality and meets the modern smartphone standard. While for the perceived quality of Samsung is quite low because from seven respondents, there is one respondent who not satisfied enough with Samsung quality and one respondent who is disappointed with Samsung smartphone design quality. So, from the perceived quality dimension it can be concluded that Samsung has high perceived quality but not higher than Apple.

Perceived quality of iPhone from iPhone users perspective, according to respondent 1 *"the iPhone product has met the standard of smartphone since it has original and many supporting application"*. That statement is supported by respondent 2 and respondent 4. According to respondent 4, the features and applications of her smartphone is very complete and enough to support her daily activities. It is supported by the fact that Apple company creates its own features for its smartphone and also creates its own product such as iTunes. Another reason comes from respondent 3 who stated *"it is solid and not using plastic material . This iPhone also fits to my pocket since i do not like the big screen size"*. The comment is about the smartphone design. In this case iPhone user feel satisfied enough since iPhone design does not use plastic, she also loves the screen that is easy and simple to be carried. This opinion is similar with respondent 6, *"I love the iPhone since i do not want a big screen smartphone and it is because it will be very difficult for me to bring the big screen smartphone everywhere"*. But, from all opinions that supports iPhone, there is one different statement that comes from respondent 6. He said that he faced difficulties when using iPhone since he can not even sending or receiving files with his friends *"But, one thing that just bothers me now is because we can not even using bluetooth in iPhone"*.

Related with perceived quality of Samsung smartphone from the Samsung users perspective, respondent 1 said that she is satisfied with Samsung quality since she has the latest Samsung smartphone product, *"the quality has already met the standard"*. This statement is supported by respondent 2 *"this smartphone is easy to use"*. Samsung operating system allows the users to do everything they want even using the bluetooth. Respondent 4 said, *"I get a faster, bigger phone with higher resolution, more features and more customizable"*. Respondent 7 also supports the statement from respondent 4 who mentioned about the customizable of the Samsung operating system. Besides all good opinions about Samsung quality, the respondents also mentioned some shortages. Respondent 3 said about Samsung design that is not innovative, it keeps using plastic materials for its smartphone design *"This smartphone has a plastic material and it has no innovative design"*. Respondent 5 also stated the same problem *"I am a little bit disappointed with the appearance of Samsung's design"*. That

disappointments is supported by respondent 7 *“one thing that disappoints me is that the design of Samsung is not innovative, it just changes the screen size but never changes the design materials”*. That aspect could be the major problem that has to be solved by Samsung company. By considering that having a good, innovative and high quality design are important to increase customer purchase intention that can affect the company's profit. That statement is supported by Apéria & Back (2004:47) who noted that customer's perceived quality drives profitability while there is a strong correlation between the perceived quality and economic results.

Brand Association

Apple wants to be associated with high class brand of Smartphone and it is in line with the fact that it charges high price for its Smartphone. Apple users see the product as a reflection of their personality. From seven respondents, five of them agreed that Apple smartphone is related to the high-end market, luxury brand and an exclusive social class. On the other hand, Samsung users mentioned that they associated Samsung brand with middle class brand that reaches the middle class society. Samsung is related to the Android operating system and some say that Samsung is related to the various kind of products.

Apple is associated with Apple's inventor who is also one of the famous people in technology market. He is Steve Jobs. He has already passed away but his creation still exists. It is not surprising that Apple customers treat him as their idol and as a role model. According to respondent 1 *“I associated Apple with its inventor, the famous Steve Jobs, because I actually a big fan of him”*. Apple is strongly associated with premium price and categorized as high class brand, as stated by respondent 2 *“I think Apple is an exclusive brand that is associated with people who have good taste”*. That statement is supported by respondent 5, 6 and 7, who said that when the word iPhone is mentioned they directly think about high class brand and luxury brand that has expensive products, as stated by respondent 6 *“the first thing that comes to my mind when I hear about Apple is that it is an expensive product”*. That statement is related to the respondent 3's opinion that said that, *“Apple users are associated to a certain group of people”* it is supported by respondent 4, who said *“I associate Apple with Brand that bring status”* and respondent 5 *“Apple is quite expensive so can also depict capable people in financial terms”*. Apple company charges premium price for its smartphone and it is because it wants to increase the Apple standard so the iPhone users can be different with other smartphone users, as stated by respondents 3 *“we are belong to exclusive people. And as the iPhone users I love to be a part of them”*. The essence of the statement is that Apple users see that having an iPhone brand is a way of showing the social status.

There are various answers mentioned by Samsung smartphone users, but most of them agreed that Samsung smartphone is associated with middle class of brand that can reach middle class society of smartphone users. According to respondent 1, *“I associate Samsung with the middle class brand that reaches down the middle class society”*. That statement is supported by respondent 2, 3, 5 and 6. As stated by respondent 2 *“it can reach all the Smartphone market segments”* and respondent 3 *“with products that are affordable so that products from Samsung can be reached by all people who are enthusiast with the android operating system”*. Some respondents also associated Samsung smartphone with Android system. As the general knowledge, Samsung is the most popular smartphone brand that uses Android operating system. According to respondent 2, *“Samsung is also related with Android operation system”*. That statement is supported by respondent 7, *“if I heard about Android, Samsung brand directly comes up to my mind”*. Some respondents also said that Samsung is identical with producer of various products of smartphone. According to respondent 5 *“Samsung also has different and various products”* and it is supported by respondent 6, *“I associate Samsung with brand that produces many products with the variety of usefulness”*. Since Samsung produces around more than 3 types of smartphone every year, it is able to target different market segmentation with different prices.

Brand Image

The primary goal at the end of the focus group is to understand feelings and experiences of customers and to gain factual data based on the customers opinion of Apple and Samsung smartphone brand image. Brand image and the reputation of Apple seemed to be good according to all respondents either it is from Apple smartphone users or Samsung Smartphone users. Most respondents said nice opinions about Apple's brand image. But, Samsung brand image has a different story because all Samsung users agreed that Samsung has bad brand image. All the respondents agreed that Apple has better brand image than Samsung.

When discussing about the image of the Apple brand, once again, it can be associated with exclusive products and luxury and original brand. According to respondent 1, *"Apple still has a better brand image than Samsung because the product quality of Apple is always good"*. That statement is supported by respondent 2, 6 and 7. They all agreed that Apple has a high quality of products that has the beauty, the sophistication and quality. They all admitted that Apple's product quality makes Apple company has a good brand image around its customers. About the Apple reputation regarding the patents battle with Samsung, all the Apple users are on the Apple side. They said, according to the articles that they read it has been proved that Samsung steals the Apple design. The clear opinion about it is stated by respondent 2, *"About the court battle between Apple and Samsung, I think I choose Apple because Samsung is clearly copying Apple's product design"*. That statement is supported by respondent 3, 4, 6 and 7. As stated by respondent 4, *"Apple has its own originality of the product which is copied by Samsung."*

The brand image research gives Samsung important information about its brand image and its reputation among Samsung smartphone users in Manado. All Samsung users in Manado agreed that Samsung has a bad brand image since there are counterfeit products of Samsung that makes its securities becomes untrustable. According to respondent 2 *"Samsung has many counterfeit products regarding its smartphone products"*. That statement is supported by respondent 2, 3 and 5. According to respondent 5 *"I bought my Samsung smartphone for around seven billion rupiah and then my friend comes up with the same type of Samsung smartphone that only costs for three billion rupiah, it is a counterfeit product but it looks the same as mine"*. Some respondents also said that the price of Samsung products is going down so fast when the latest product has been released. As stated by respondent 6, *"its products' prices go down so fast"*. According to her, this problem can make her purchase intention of Samsung latest product is becomes lower because she feel loss to buy an expensive product whose price decreases easily. The next problem that makes Samsung brand is low is because the cases when Samsung Smartphone product is found exploded. According to respondent 3, *"I am feeling sorry since there are victims who report that their smartphones are suddenly exploded and then hurt them"*. Related to the patents issues, they said that based on their knowledge, Samsung has copied the product design of Apple. All Samsung users said almost the same opinions.

But, despite of all the unfavorable opinion about Samsung brand image, respondent 4 said the opinion in the different perspective. According to respondent 4, *"I admit that Samsung has bad brand reputation since its battle with Apple company. But, however Samsung products are still in demand in the market"*. That statement is true because in the market, Samsung beats Apple sales. Cohan (2013) noted that The winner in the U.S. smartphone market is no longer Apple. Instead, Samsung is the apple of American smartphone buyers' eyes. Samsung beats Apple Sales in its homeland. So, it will not be surprised if Samsung also beats them in other countries especially in Indonesia's smartphone market

Discussion

Brand Preferences

This research explores about brand equity and brand image of Apple and Samsung Smartphone. Based on the interview and discussion, the researcher is able to reveal which one of those two brands that has strongest brand equity and brand image. The result is important because through brand equity and brand image, the smartphone users in Manado can create the brand preferences. The finding of the brand preferences results clearly shows that, in brand equity dimension, Apple is scored as having high Brand Loyalty and Brand Awareness because all Apple users still loyal to their current smartphone brand. On the other hand, almost all Samsung users who become respondents are plan to switch their current smartphone brand and most of them are plan to change their smartphone brand into Apple. From the brand awareness side, it is found that the respondents are more aware to Apple brand rather than Samsung brand.

Based on the brand equity dimension, starting with brand awareness, Apple brand scores high brand awareness among people in Manado. The interview result shows that from fourteen respondents, eleven respondents mentioned that Apple scores high brand awareness. They are seven respondents from iPhone users and four respondents from Samsung users. The remaining three respondents are Samsung users who choose Samsung smartphone as the brand that they recognized the most. The findings of the brand loyalty shows that Apple Smartphone has higher customer loyalty and a strong brand value, because all the respondents choose to stay loyal to their current smartphone brand eventhough Apple product has premium price. Aaker (1991:48)

noted that a measure of brand loyalty is reflected in the additional price that customers would be willing to pay to obtain their brand. Brand loyalty of Samsung smartphone users is very low, five out of seven respondents choose to not be loyal to their current smartphone brand because most of them said that they want to experience new smartphone brand.

The findings of the perceived quality dimension is similar with two previous dimensions. All the iPhone users strongly agreed that their smartphone have a good quality and meet the modern smartphone standard. But there is one respondent who complains about the bluetooth connection. Perceived quality of Samsung users is quite low. All Samsung users who become respondents are satisfied with Samsung smartphone quality but there is one respondent that complains about the design of Samsung smartphone. The scores of Samsung are fairly high but not higher than Apple. The finding of brand association in this research reveals about Price as one of brand association components. In this aspect, Samsung is relatively cheaper than Apple and is hence associated with low price Smartphone among Manado people while Apple is associated with premium price Smartphone. The Apple scores are higher than the scores for Samsung. The result of this interview is that Apple users see that having an Apple products is a way of showing their social status.

CONCLUSION AND RECOMENDATION

Conclusion

The conclusions of this research drawn as follows:

1. Apple has relatively high strong brand equity than Samsung. It's been proven that people respond to the brands that they know, because Apple doesn't just create new products, they invent new categories. Apple scored high brand awareness, commands a high brand loyalty and scored high perceived quality of products. Most of the Apple users agreed to associated Apple brand with high class brand and premium price. Samsung users agreed that Samsung associated with middle class brand that produce many smartphone product in all market segment.
2. The result in brand image aspect also shown that Apple has higher brand image and brand reputation than Samsung. Most of the respondents said nice opinion about Apple's brand image, but Samsung brand image has a different story when all Samsung smartphone users agreed that Samsung has bad brand image. All of the respondents agreed that Apple has better brand image than Samsung.
3. The interesting finding in this research is shown in the Brand Equity dimension. While most of the Samsung smartphone users mentioned that Samsung has good perceived quality and most of them said that they are satisfied enough with Samsung smartphone products. But, on the Brand Loyalty dimension most of them mentioned that they want to change their current brand into iPhone and other smartphone brands. Through the findings the researcher can conclude that the reason why people want to buy Apple smartphone is because of the brand. Apple brand is associated with high class brand, which makes the Apple users have a high class brand that bring them to a special social status.

Recommendation

From the analysis and conclusions of this research study the following recommendation were drawn:

1. To Apple's Company. The first recommendation for Apple is in the brand awareness aspect in which, it will be better if Apple has more advertisements in Indonesia's local network. The second recommendation is that Apple should capitalize this interview result findings in order to reinforce its market positioning because it will be better for Apple to reach middle class market to increase their sales volume. For instance, Apple can produce new smartphones with cheaper products but not cheap.
2. To Samsung's Company. It is recommended that Samsung should embark on intensive campaign to create stronger brand awareness and brand image. Samsung company has to increase its security level to exterminated the counterfeit products in smartphone market. In the brand loyalty and perceived quality dimensions, it is better for Samsung to focus their strategy to create or attract loyal customers which can be done through delivering a high quality products through creating and innovating a new product design for Samsung smartphones.

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