

## BRAND IMAGE AND PERCEIVED QUALITY ON CONSUMER BUYING DECISION OF SAMSUNG MOBILE PHONE IN MANADO

by:

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### ABSTRACT

Buying decision is the stage in which consumers make the decision or take an action whether to purchase a certain product or not. The purpose of this research is to analyze the simultaneous effect of brand images and perceived quality of consumer buying decision. This research, the population refers to people in the city of Manado which used mobile phone brand Samsung with sample size as many as 100 respondents. This research used quantitative analyze by using questionnaires and used Multiple Regression Analysis. Result and conclusion show that brand image and perceived quality have significant effect on consumer buying decision while in the case of simultaneous effect. Brand image has a significant partial effect on consume buying decision while perceived quality has no significant partial effect on consumer buying decision and to analyze the simultaneously and partially effect on consumer buying decision, and it is better to use brand image variable to measure consumer buying decision. Therefore, further studies should widen the variables that can potentially effect consumer buying decision and broaden the scope of respondents not only in the region of Manado, but also can use comparative analysis with surrounded cities of Manado.

**Keywords:** *brand image, perceived quality, buying decision*

### INTRODUCTION

#### Research Background

Telecommunication technology nowadays is developing rapidly and bringing opportunities for new business as well as challenges. Telecommunication technology has changed the lives of people in a way that it is taking part of human's daily lifestyle, let alone as assistant to complete their tasks and jobs. Since the launch of mobile phones, there has been a spectacular growth in both sophistication and global adoption. Nowadays, customers are faced with a dilemma: which phone to buy. After the phones have been released into the market, the choice seemed to be even harder, since there are too many other choices out there in the market come from different aspects, which are tantalizing to consumers. From latest features, price, quality and many other aspects, consumers are bombarded with all these images of mobile phones. The combination of mobile phones and internet have touched many different types of people, practically every single layer of society ranging from teenagers to adults.

In addition, due to the development of social networking sites and social media, people are attached even more to their gadgets. The frequency of consumers getting online is increasing rapidly. It forces global mobile phone vendors such as Nokia, Blackberry, Apple, Sony, LG, Lenovo and Samsung to create multifunctional mobile phones to compete with other vendors. According to IDC's mobile phone shipments in Indonesia increased in the third quarter of 2011 compared to the previous year. Total mobile phone shipments in Indonesia in the 3rd quarter in 2011 amounted to 12 million units, larger than the 2nd quarter in 2011. This

suggests there is a development of 27% compared to the 2nd quarter in 2011 and by 68% compared to the development in 2010. Additionally, with the proliferation of cheap Android-based smartphones, IDC estimates that Indonesia's smartphone market will grow 68% by 2012 or even then will increase until 2013.

Seeing the phenomenon, it makes mobile phone manufacturers eager to come up with new innovations and inventions to attract consumers to buy their products. Manufacturers are required to not only create a product for what it is but they also have to understand what consumers' wants and consumers' needs. It would require manufacturers to compete with other manufacturers. By understanding the behavior of consumers, producers can create the right product according to the desires of consumers and provide better satisfaction to the consumer. Company must create products that have more value than others that can bring a competitive advantage. Innovation is basically a change in the direction of repair, renew already existing. Innovation is ideas, actions, or something new in a social context for answer the problem at hand. With the innovation is expected consumer desires can be fulfilled so as to create a consumer satisfaction.

Brand image is becoming increasingly important as it serves to identify the goods or services of one person or a group of providers and sets it apart from similar products from other renderers. Perceived quality is defined as the consumer's judgment about a product's overall excellence or superiority Zeithaml, (1988). For example, Sethuraman and Cole (1997:23) found that perceived quality explains a considerable portion of the variance in the price premium consumers are willing to pay for national brands. Kotler and Keller, (2012:105) states that prices is the amount of money charged for a product or service, the number of values that consumers exchange for the benefits of having or using the product or service. Under normal circumstances, demand and prices have reciprocal relationships or negative. Means the higher price is set, the smaller and demand. But for prestigious products could be price has a direct or positive relationship.

The explanation upstairs, we are going to discuss the two independent variables (brand image and perceived quality) and one dependent variable (consumer buying decision). The aims is the simultaneous effect of brand image and perceived quality, the partial effect of brand image on consumer buying decision, and the most partial effect of perceived quality on consumer buying decision.

## **Research Objectives**

This research aims to examine to analyze:

1. The simultaneous effect of Brand Images and Perceived Quality of Consumer Buying Decision.
2. The partial effect of Brand Images on Consumer Buying Decision.
3. The most partial effect of Perceived Quality on Consumer Buying Decision

## **THEORETICAL FRAMEWORK**

### **Theories**

#### **Brand Image**

Kotler and Amstrong, (2006:52) state is, a brand identity for the seller or manufacturer of a product or service is a complex symbol that can convey up to six levels of understanding as follows:

1. Attribute: a brand can be reminiscent of certain attributes.
2. Benefits: attributes must be translated into the functional benefits and emotional.
3. Value: the brand also says something about the value of the manufacturer.
4. Culture: a brand may also symbolize a particular culture
5. Personality: a brand can reflect a particular personality.
6. User a brand implies the type of consumer who buys or use of a product.

American Marketing Association as terms for brand as a name, term, sign, symbol, or design, or a combination of all of them, which intended to identify the goods or services of one seller or group of and to distinguish them from the goods or services of a competitor.

## Perceived Quality

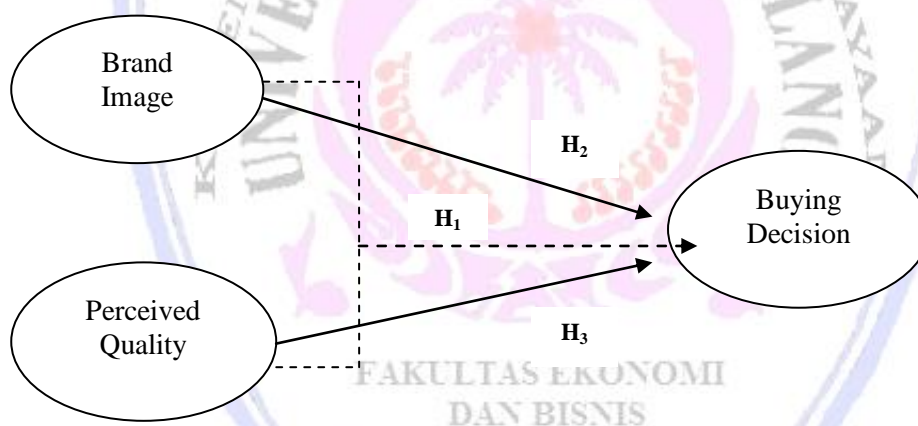
Perceived quality is a critical element for consumer decision making; consequently, consumers will compare the quality of alternatives with regard to price within a category (Jin and Yong, 2005). Perceived quality is defined as the consumer's judgment about a product's overall excellence or superiority. For example, found that perceived quality explains a considerable portion of the variance in the price premium consumers are willing to pay for national brands. The perceived quality of products and services of strong brands add value to consumers' purchase evaluations.

## Consumer Buying Decision

Buying decision is the stage in which consumers make the decision or take an action whether to purchase a certain product or not. Kotler and Keller (2012:207) State these basic psychological processes play an important role in understanding how consumers actually make their buying decision provides list of some key consumer behavior question in terms of who, what, when, where, how and why. Buying decision process consists of five stages: the introduction needs, information search, alternative evaluation, purchase decision and behavior after purchase.

## Previous Research

Yee and San (2011), from this research majority of customers will consider quality when they intend to purchase cars. This result is further supported which indicate that perceived quality have positive association with purchase decision. Hossain (2007), the present study demonstrated that selected ten attributes together help to build up brand image in the market. From the statistical analysis it is found that ten attributes come under three components which create the product image and indicate product perceived quality perception.



**Figure 1. Conceptual Framework**

*Source: Theoretical Review 2014*

## Research Hypotheses

The theories above, the hypotheses of this research are:

H<sub>1</sub>: Brand Image and Perceived Quality Affect Consumer Buying Decision Simultaneously.

H<sub>2</sub>: Brand Image and Perceived Quality Affect Consumer Buying Decision Partially.

## RESEARCH METHOD

### Types of Research

In this study the researchers used a type of causal study that analyzes the relationship between independent variables and a dependent variable and is used to measure the specific impact that occurred on the customer side and allow market researchers to predict a hypothetical scenario in which a company can help to make their marketing strategies to increase their profits.

### **Place and Time of Research**

The located of this study was in Manado city, North Sulawesi, Indonesia and conducted in public areas such as mall, universities and neighbor. The object of this research is customer of used Samsung Mobile phone. The study was conducted in Manado from September – December 2013 (4 Months) and the survey started on September 2013.

### **Population and Sample**

This research, the population refers to people in the city of Manado which used Mobile Phone brand Samsung. The number of respondents was taken to be processed only about 100 respondents the people in the city of Manado which used mobile phone brand Samsung is captured and collected randomly then process using the computer program.

### **Data Collection Method**

The source of data can be from primary and secondary sources. Primary data refer to information obtained first-hand by the researcher on the variables of interest for the specific purpose of the study Sekaran and Bougie, (2009:262). This research spread questionnaires to collect the primary data.

### **Operational Definition and Measurement of Variables**

1. Buying decision stage in the buyer decision process in which consumers actually buy. Decision making is an individual activity that is directly involved in obtaining and use of goods on offered
2. Brand image the impression in the consumers' mind of a brand's total personality (real and imaginary qualities and shortcomings). Brand image is developed over time through advertising campaigns with a consistent theme, and is authenticated through the consumers' direct experience.
3. Perceived quality consumer opinion of a product's (or a brand's) ability to fulfill his or her expectations.

### **Data Analysis Method**

#### **Validity and Realibility test**

Validity is a test of how well an instrument that is developed measure the particular concept it is intended to measure. Validity is the level extent to which of precision and accuracy of a measuring instrument to perform the functions of measuring in this study is the questionnaire.

The reliability analysis in this research is gained by the cronbachs's Alpa. A coefficient alpha calculates the average of all possible split-half measures that result from different ways of dividing the scale question Hair et, at, (2010:157). The data of research is said to be reliable if cronbach's alpha is more than or equal with 0,6.

#### **Multiple Regresion Analysis Models**

Multiple Regressions is a statistical technique that simultaneously develops a mathematical relationship between two or more independent variables and an interval-scaled dependent variable. Once gathered the data from the field, the next step to analysis the data and solving the problem using Multiple Regression Method, it also to test the hypotheses that have been stated. The data then inserted into the statistical tools SPSS version 15.0. This method has been chosen to measure the effect of Brand Image, Perceived Quality, and Buying Decision.

## **RESULT AND DISCUSSION**

### **Result**

#### **Validity and Realibility Tests**

Validity is used to know whether the instrument is valid or not. The validity test is using Pearson correlation significant two-tailed test which the instruments is valid if the score of indicator whether it has positive correlation or negative correlation is more than 0,3 ( $r \geq 0.3$ ). The reliability test is A coefficient alpha calculates the average of all possible split-half measures that result from different ways of dividing the scale question Hair at, al, (2010:157). The data of research is said to be reliable if cronbach's alpha is more than or equal with 0,6.

### Multiple Regression Analysis Models

Multiple Regressions is a statistical technique that simultaneously develops a mathematical relationship between two or more independent variables and an interval-scaled dependent variable, or in other explanation multiple regression used in a situation where two or more independent variables is hypothesized to affect one dependent variable. Once gathered the data from the field, the next step to analysis the data and solving the problem using Multiple Regression Method, it also to test the hypotheses that have been stated. The data then inserted into the statical tools SPSS version 15.0.

### Classical Assumption Test

**Table 1. Multicollinearity**

Model	Collinerity Statistics		
	Tolerance		VIF
1	Brand Image	.882	1.134
	Perceived Quality	.882	1.134

a. Dependent Variable: Buying Decision  
Source: data processed, 2014.

The tolerance value of brand image is 0.882, perceived quality is 0.882, which are more than 0.10. The VIF value of brand image is 1.134, perceived quality is 1.134, which are less than 10. The result of the tolerance and VIF value show that this research is free from multicollinearity.

### Heteroscedasticity

Heteroscedasticity occurs if there are dots which form a certain pattern regularly as waves. Homoscedasticity occurs if there are no certain patterns which are clear, and the dots spread above and below the 0 the Y-axis. The patterns of the dots are spreading and the dots are spreading above and below the zero point of Y-axis. So, there is no heteroscedasticity in this regression.

### Normality

Normality test can be identifying by using graph of P-P Plot. The data will distribute normally if the value of P-P Plot is near diagonal line of the graph. The dots are spreading near the diagonal line and follow the direction of the diagonal line. Therefore, the data is distributed normally.

### Multiple Regression Analysis

**Table 2. Multiple Regression Result**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.440	.558		788	.433
Brand Image	.444	.115	.347	3.856	.000
Perceived Quality	.381	.105	.362	3.619	.000

a. Dependent Variable: Buying Decision  
Source: data processed, 2014

The Equation is as follows:

$$Y = 0.440 + 0.444 X_1 + 0.381 X_2 + e$$

The explanations of the equation are:

- Constant value of 0.440 shows the influence of brand image, perceived quality, to Consumer buying decision. Based on that constant value, in a condition where all independent variables are constant (zero), consumer buying decision as dependent variable is predicted to be 0.440
- 0.444 is the slope of Brand Image meaning if brand image is increased by one unit while other variables are constant then consumer buying decision is predicted to increase by 0.444

- c. 0.381 is the slope perceived quality meaning if perceived quality is increased by one unit while other variables are constant then consumer buying decision is predicted to decrease by 0.381

**Table 3. Table R and R<sup>2</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.552 <sup>a</sup>	.305	.291	.631

- a. Predictors : (Constant), Perceived Quality, Brand Image  
Source: data processed, 2014.

The value of R is 0.552 indicating a substantial positive relationship between independent and dependent variable. The value of R<sup>2</sup> is 0.305 meaning brand image and perceived quality as independent variables are moderate positive and influence consumer buying decision as much as 30.50% while the rest 69.50% other factor is not included in this research.

### Hypothesis Testing

**Table 4. F-test Result**

Model	Sum of squares	Df	Mean Square	F	Sig.
1 Regression	16.973	2	8.486	21.288	.000
Residual	38.667	97	.399		
Total	55.640	99			

- a. Predictors: (Constant), Perceived Quality, Brand Image  
b. Dependent Variable: Buying Decision  
Source: data processed, 2014

The ANOVA F-test results on Table 4 Test  $F_{count}$  value is 21.288 with a significance level of 0,000. In this study if  $F_{count} > F_{table}$  ( $F_{count}$  is greater than  $F_{table}$ ). So, since  $21.288 > 3.93$  then  $H_0$  is rejected. It means that the Independent variable of brand image and perceived quality have simultaneously effect on dependent variable of consumer buying decision.

**Table 5. t-test Result**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig
		B	Std.Error	Beta		
1	(constant)	.440	.558		.788	.433
	Brand Image	.444	.115	.347	3.856	.000
	Perceived Quality	.381	.105	.326	3.619	.000

- a. Dependent Variable : Buying Decision  
Source: data processed, 2014.

On the Table 5 show,  $t_{count}$  value of brand image variable is equal to 3.856 with a significance level of 0.000 while the  $t_{table}$  is 1.98. The result shows that  $t_{count} > t_{table}$  or  $3.856 > 1.98$ , so  $H_0$  is rejected. It means, brand image has the partial effect on consumer buying decision.  $t_{count}$  value of perceived quality is equal to 3.619 with a significance level of 0.000 while the  $t_{table}$  is 1.98. The result shows that  $t_{count} > t_{table}$  or  $3.619 < 1.98$ , so  $H_0$  is accepted. It means, perceived quality has no partial effect on consumer buying decision.

## Discussion

### Brand image and Buying decision

Brand image has a positive and significant impact on buying decision. The significant influence occurs in this research because the brand image really exists in this case, it is happened because people used Samsung Mobile Phone based on the brand and their judgment about the brand that they choose. Samsung has proven to have strong brand image on its users and this is considered as one of its advantages to buying decision. Retno and Ismail (2010) previous researcher examined the brand image are effecting with the purchase decisions the private label product and brand loyalty, therefore test with partially usage has conclude that a brand trust effect the customer purchase decision. Brand image does not mean in effecting purchase decision so its very weak to made an to be labeled as mediator variable, instead of the factor purchasing decision of a private label product could not become moderator variable for the brand and its variations.

### Perceived quality to Buying decision

Perceived quality has no significant effect on consumer purchase decision. T-test and F-test result shows that perceived quality has no partially effect but there is simultaneously effect on consumer purchase decision The reason for this behavior is because the user Samsung Mobile Phone in Manado assumes that they are still confused about the Mobile Phone brand, because a lot of brand that has a good quality. So, their judgment is only about the design or outer looks of the brand. The negative sign also indicate where there is an increase in perceived quality causes a decrease in consumer buying decision. The consumer can not differentiate one brand and another and they tend to buy everything that they saw more interesting on the store or a brand that look alike with the major brand. It is hard to choose and to be loyal on one brand when they cannot differentiate one brand and another, or even care about the brand that they will choose.

Yee and san (2011) previous research examined, all the 200 sets of data were reliable where Cronbach's alpha is more than 0.6. Pearson correlation also showed the strength of the relationship between those variables and normality assumption was meet. Results from multiple regression analysis showed the positive association between the three factors mentioned previously with purchase decision.

## CONCLUSION AND RECOMMENDATION

### Conclusion

The results of the research, the conclusions may be drawn as follows:

1. Brand Image and Perceived Quality are proved to have significant influence to consumer buying decision of Samsung Mobile Phone. Brand Image and Perceived Quality as independent variables have a positively strong influence Consumer Buying Decision.
2. Brand Image has strong positive influence on Consumer Buying Decision than Perceived Quality.
3. Brand Image and Perceived Quality simultaneously affects Consumer Buying Decision, while Brand Image and Perceived Quality has simultaneously effect.
4. Brand Image has partially effects but Perceived Quality has no partially effect on Consumer Buying Decision.

### Recommendation

This research has constraints in the number of samples that are only limited in Manado and the researched variables that are only two variables that affect consumer buying decision. Therefore, further studies should widen the variables that can potentially affect consumer buying decision and broaden the scope of respondents not only in the region of Manado, but also can use comparative analysis with surrounded cities of Manado. Hence, a more objective and clearer picture of the market condition of Samsung can be acquired.

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