

THE INFLUENCE OF BRAND IMAGE, ADVERTISING, PERCEIVED PRICE TOWARD CONSUMER PURCHASE INTENTION (CASE STUDY: SAMSUNG SMARTPHONE)

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TOWARD CONSUMER PURCHASE INTENTION (CASE STUDY: SAMSUNG
SMARTPHONE)*

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ABSTRACT

Smartphone has been quite a phenomenon especially in Manado city when finding people own more than one is easy. There are so many company involves in Smartphone market one of them is Samsung a Korean company who has been selling many Smartphone despite of a raging battle of competitions, this has become a questions for many people. Marketing is needed for the process of buying and selling a product or service, marketing as a liaison to the process or it can be regarded as a market that meet the seller and the buyer in the transaction processing. In this study takes several variables; Brand, Advertising and Perceived Price as variables that influence consumer purchase intention for research conducted on Samsung Smartphone with 100 questionnaire distributed to the users of Samsung. The results show there was significant and the effect of Brand Image, Perceived Price and Advertising Toward Consumer Purchase Intention.

Keywords: Brand, Advertising, Perceived Price.

ABSTRAK

Keberadaan smartphone dewasa ini khususnya di Kota Manado benar – benar fenomenal, hal ini terlihat begitu mudah menemui masyarakat di kota ini memiliki lebih dari 2 smartphone. Ada sangat banyak perusahaan yang memproduksi dan menjual smartphone salah satunya adalah Samsung salah satu perusahaan Korea yang tengah menjual banyak smartphone sekalipun dalam kompetisi kompetisi hebat pasar smartphone dewasa ini, dan hal ini telah menjadi suatu perbincangan ditengah masyarakat. Pemasaran diperlukan untuk proses jual dan beli terhadap suatu barang atau jasa, pemasaran juga dapat berfungsi sebagai penghubung sebuah proses atau sebagai pasar tempat bertemunya penjual dan pembeli dalam bertransaksi. Di studi ini mengambil beberapa variabel; Merek, Iklan dan Harga yang mempengaruhi niat pembelian konsumen dalam penelitian terhadap produk Samsung Smartphone dengan 100 daftar pertanyaan membagi-bagikan kepada para pemakai Samsung. Pertunjukan Hasil ada penting dan efek Gambaran Merek, Iklan Dan Harga Yang dirasa Ke arah Niat Pembelian Konsumen.

Kata Kunci: Merek, Iklan, Harga.

1. INTRODUCTION

Research Background

Recently information has been considered one of primary needs because information makes you aware of many things around you and even things that far from you. Moreover with internet being born as the latest and most advanced information technology and brought to public use, people around the world can be more easily accessing information from around the world no matter where they lives as long as they are connected to the internet. But as the time goes, Smartphone comes up to let people have a 24/7 access to internet. Since it first comes up to these days there already been so many companies producing Smartphone whether local or international. Among those many companies and despite of a raging battle vying for this market, there are Samsung company one of the fore front in Smartphone business.

Samsung is a Korean Native Company who had been very well known in Smartphone business and has sold millions of Smartphone. Samsung had been quite well known around the world as people sometimes compare them with the Smartphone predecessor Iphone. Samsung had been selling millions even billions of Smartphone. There are so many reasons behind Samsung greatness; life style, group effect, and product value could be the answer but this research will try to figure out from the perspective of company marketing strategies.

Advertising is the source of information from company to consumer everything that company wants to communicate to consumers are spread through Advertising. Advertising is a very necessary element for every company to stay exists in the market. Price is chosen seeing how it directly engages with the consumer and it is the final step before a consumer whether actually have it or just end up seeing behind a glass. Brand because it is the personification of a company, more than just an image or name it is the relation between company and consumer something that will differentiate them from their competitor. These three indicators are considered vital to initiate purchase intentions as it can be found everyday connecting with people. So this research will try to measure these three elements of Samsung Smartphone influence to the college student intention to purchase.

Research Objectives

1. To determine the significant influence of brand image, advertising, and perceived price toward customer purchase intention of samsung smartphone, simultaneously?
2. To determine the significant influence of brand image toward customer purchase intention of samsung smartphone, partially?
3. To determine the significant influence of advertising toward customer purchase intention of samsung smartphone, partially?
4. To determine the significant influence perceived price toward customer purchase intention of samsung smartphone, partially?

Theoretical Review

Purchase Intention

Belch and Belch (2012) described purchase intentions is some point in the buying process, when the consumer must stop searching for and evaluating information about alternative brands in the evoked set and do the purchase, it generally is based on matching a purchase motives with attributes or characteristics of Brand under consideration. Explained by Sprotles and Kendall (1986), a consumer's Purchase Intention is a mental orientation characterizing a consumer's approach to making choices. Dodds et al (1991) explained that purchase intentions have been

proposed as buying willingness; suggest that provide the relationship between the acquisition and use of product and consumer reaction to the product

Advertising

Bovee and Thill (2011) advertising is the delivery of announcements and promotional messages via time or space purchased in various media. McDaniel *et al* (2011) said that advertising is impersonal, one-way mass communication about a product or organization that is paid for by a marketer. deChernatony (2010) explained advertising is nowadays widely used and makes a visible contact with the consumers. Advertisements communicate functional and emotional values of brands and products to the consumers which in turn creates strong, favorable and unique associations of brands in the mind of the consumers.

Perceived Price

McDaniel *et al* (2011) price, that which is given up in an exchange to acquire a good or service. Bovee and Thill (2011) described price as the amount of money charged for a product or services. Kotler and Armstrong (2012) said that price is the amount of money charged for a product or service, or the sum of the values that customers exchange for the benefits of having or using the product or service.

Brand Image

Kotabe and Helsen (2011) explained that brand can be defined as a name, term, sign, symbol, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those competitors. Brand is defined as images or personalities created by advertising, packaging, branding, and other marketing strategies as described by Solomon (2013). Kotler and Armstrong (2012) said brand is the most valuable asset for a company, where it represents a product or service means to consumers. Brands are more than just names and symbols. It is also the element of relationship between company and customers.

Previous Research

Yee *et al* (2013) in their study about Factors Affecting Smartphone Purchase Decision Among Malaysian Generation Y. The result, Brand has the second highest influence second only to product features on purchase decision. Siddiqui (2014) in his journal about TV Advertising Impact on Consumer Purchase Intention. The result shows, quality features has the highest impact on purchase intention and how Advertising as a whole has a very significant influence on purchase intention. Shah *et al* (2012) in their journal about The Impact of Brands on Consumer Purchase Intentions. The result shows a very significant impact of brand on purchase intention only one of the variables shows a negative relationship which is environmental consequence that is not part of brand.

Research Hypothesis

1. There are significant influence of Brand Image, Advertising and Perceived Price toward Customer Purchase Intention of Samsung smartphone, simultaneously?
2. There are significant influence of Brand Image toward Customer Purchase Intention of Samsung smartphone, partially?
3. There are significant influence of Advertising toward Customer Purchase Intention of Samsung smartphone, partially?
4. There are significant influence of Perceived Price toward Customer Purchase Intention of Samsung smartphone, partially?

Conceptual Framework

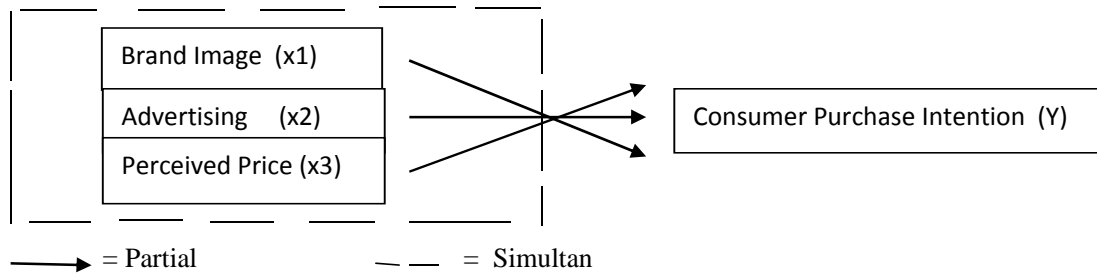


Figure 3.1. Conceptual Framework

2. RESEARCH METHOD

Type of Research

This research is a quantitative method since using multiple regression as a tool analyse the data. This research is quantitative method. According to Babbie (2010) in zhang (2012), ‘‘quantitative research can be described as involving a collection of numerical data’’ and as presenting a view of the relationship between theory and research as a deductive and objectivist conception of social reality, with a preference for a mutual science approach.

Place and Research Time

This study was conducted in Manado city, North Sulawesi Province, Indonesia from July to August 2015.

Population and Sample

Population refers to the entire group of people, events, or things of interest which researcher wishes to investigate. It is the group, events, or things of interest which researcher wants to make inferences’’. (Sekaran and Bougie, 2009). The population of this research is all of the customer that use samsung smartphone in manado area. A sample is a subset of population. It comprises some members selected from it. In other words, some, but not all, elements of the population form the sample’’. (Sekaran and Bougie, 2009). This research will use purposive sampling method. The total sample of this research are 100 respondents.

Data Collection Method

Data collection is conducted to find primary data and secondary data. These data is intended to support the research and the means are of an academic purpose.

Operational Definition

The general explanations about variables that will be analyzed are stated as follows:

1. X^1 as Brand Image is a Personification of a Company as a whole.
2. X^2 as Advertising can give an awareness and information about the existence of product.
3. X^3 as Perceived Price an amount of money that consumers should match to acquire benefit

Data Analysis Method Validity and Reliability Test

Validity is a test of how well an instrument measures whatever concept it is measuring, based on Sekaran and Bougie (2009:157). Consistency indicates how well the items measuring a concept hang together as a set. Cronbach’s alpha considered a perfectly adequate index of the interitem consistency reliability of a coefficient that will indicate how well the items in a set are positively correlated to one another, Sekaran and Bougie (2009:163). Since reliable scales are not entirely valid, the concern of using validity as additional has become a need.

Multiple Regression Analysis

Cooper and Schindler (2001) stated that multiple regression analysis is a technique to observed value of more than one X to estimate or predict corresponding Y value. The formula for multiple regression analysis method is as follows:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + e$$

Notes:

- Y = Consumer Purchase Intention; X¹ = Brand Image
- X² = Advertising; X³ = Perceived Price
- b1, b2, b3, b4 = the regression coefficient of each variable;
- a = constant; e = error

3. RESULT AND DISCUSSION

Validity Test

Table 1. Validity Test Table

Indicator	Pearson Correlation
X _{1,1}	.763**
X _{1,2}	.836**
X _{1,3}	.710**
X _{1,4}	.662**
X _{1,5}	.756**
X _{2,1}	.857**
X _{2,2}	.879**
X _{2,3}	.891**
X _{2,4}	.719**
X _{2,5}	.849**
X _{3,1}	.568**
X _{3,2}	.826**
X _{3,3}	.878**
X _{3,4}	.726**
X _{3,5}	.675**
Y _{.1}	.802**
Y _{.2}	.921**
Y _{.3}	.789**
Y _{.4}	.788**
Y _{.5}	.801**

Source: SPSS Data Analysis, 2015

Reliability Test

Tabel 2. Reliability Test Table

Variable	Cronbach's Alpha
X ₁	.689
X ₂	.752
X ₃	.832
Y	.945

Source: SPSS Data Analysis, 2015

From the table above shows the Cronbach's Alpha > 0.6, indicated that all research instrument indicator of variable are reliable.

Multicolinearity Test

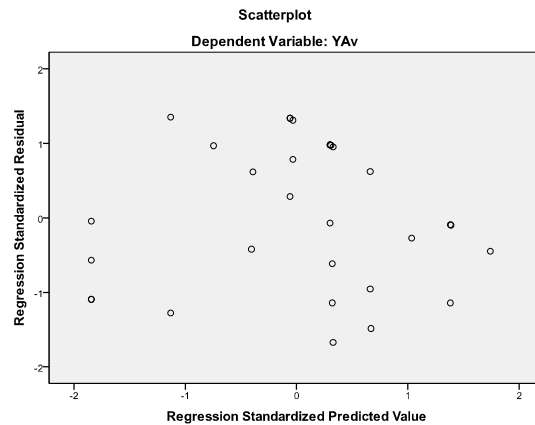
Table 3. Multicolinearity Test Table

Variable	VIF
X ₁	1.075
X ₂	1.476
X ₃	2.296

Source: SPSS Data Analysis, 2015

Table above shows the calculation of Multicolinearity.

Heteroskedastisity Test



Graph 1. Heteroskedastisity Test

Source: SPSS Data Analysis, 2015

Autocorrelation Test

To find a free autocorrelation regression model can be tested on the following criteria:

1. D-W Value dL (1.5922) = Positive Autocorrelation.
2. D-W Value between dU (1.7582) until 4-dU (2.2418) = No Autocorrelation.
3. D-W Value 4-dL (2.4078) = Negative Autocorrelation

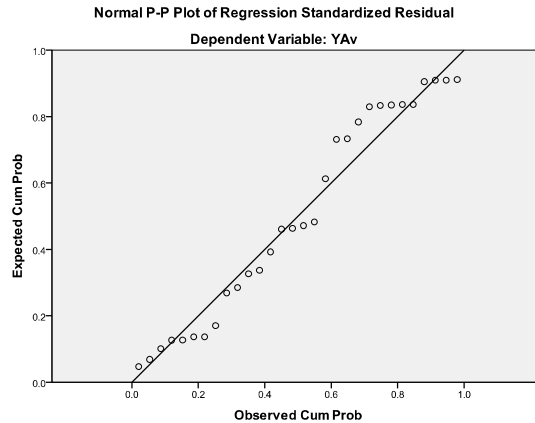
Table 4. Autocorrelation Table

Model	Durbin-Watson
1	1.704

Source: SPSS Data Analysis, 2015

Based on the output table in the appendix autocorrelation test using Durbin-Watson rate of 1.704 which is in the free area autocorrelation, so the regression model X_1 (Brand Image), X_2 (Advertising) and X_3 (Perceived Price) and Y (Consumer Purchase Intention) is free from autocorrelation.

Normality Test



Graph 2. Normality Test
 Source: SPSS Data Analysis, 2015

Simultaneously Test

1. If $F_{count} (sig) \geq 0.05$ then H_0 is accepted and H_a rejected.
2. If $F_{count} (sig) < 0.05$ then H_0 is rejected and H_a accepted

Table 5. Simultaneously Test Table (F – test)

ANOVA ^b		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.139	2	2.069	14.270	.000 ^a
	Residual	3.916	27	.145		
	Total	8.055	29			

a. Predictors: (Constant), X_{3Av} , X_{2Av} , X_{1Av}

b. Dependent Variable: Y_{av}

Source: SPSS Data Analysis, 2015

Value of 14.270 of F_{count} significant 0.010. Because the $sig < 0.05$ means the confidence of this prediction is above 95% and the probability of this prediction error is below 5% which is 0.000. Therefore H_0 is rejected and accepting H_a . Thus, the formulation of the hypothesis that The Influence of X_1 X_2 and X_3 on Y Simultaneously, accepted.

Discussion

Based on the research the influence of Brand image, Advertising and Perceived price toward consumer purchase intention researcher finding from the data using spss 21.0, where these data show the influence or significance of a study it can be concluded that beneficial or not . This study was conducted to Samsung smartphone users who live in Manado and the surrounding area , because in view of several factors the most widely encountered Samsung smartphone users so that the study was conducted with the aim to investigate why so many users , especially in manado samsung smartphone . To the researchers divided the three most dominant factor that Brand,

Advertising , and Perceived price. This data was obtained from a questionnaire that was distributed to 30 people . Researcher will discuss about the variables used in this research.

Advertising is very important in this case knowing without it most people will have no awareness toward Samsung Smartphone Product. Stated by deChernatony, (2010) Advertising is nowadays widely used and makes a visible contact with the consumers. So to invest in advertising is essential as it will create awareness that will be useful for company in time of use. This result also encouraged by the study from Siddiqui (2014) that indicates all the advertisements dimensions discussed have worked well to create the purchase intention in the minds of the consumers. Price has a higher effect on Purchase Intention then Advertisings, this is happening because even if they get all the information without fund to pay, it will be nothing.

Perceived Price is a very important element on this research opposites to the Yee *et al* (2013) research toward college students in Malaysia, shows that the Price of Smartphone will not be so important to the users and it is the last variables to consider, Price directly affect the consumers as it is consider a high involvement product.Still doing a research are needed for a proper price to be held even though to set a high level of price could be a proper one for a Brand like Samsung known they have already become one of the renowned Brands of Smartphone and always produce a high quality Smartphone.

Brand Image has a positive impact it even has the highest impact than any other variable. This is because Samsung Brand has already been very well known especially in Smartphone line with their creative and innovative product. Brands are more than just names and symbols. It is also the element of relationship between company and customers as described by Kotler and Armstrong (2012).Brand is an important instrument as it is the face and the personification of the company itself and the result shows how it matters for college student. But Brand is not stand by itself Samsung promotions, quality of the products, Price, customer treatment, and many other things are what made up Brand. As explained by Solomon (2013) brand is defined as images or personalities created by advertising, packaging, branding, and other marketing strategies. So careful treatment toward everything that the Samsung had done is a must to maintain and protect it is well known Brand. The conclusion of this study, according to researchers, samsung is the smartphone that most interest because of the influence of brand, advertising and perceived price-owned samsung smartphone. Brand samsung which has particularly many varieties, types, colors, models, features and so on. Advertising is very interesting and done continuously so that more people know samsung smartphone than other smartphones. And influential after the brand that is the price, the price offered samsung very affordable so that all society, starting from the lower, middle and upper can afford. This research is useful for buyers who want to buy a smartphone and the Samsung company in order to increase their creativity through Brand, Advertising and Perceived price.

4. CONCLUSION AND RECOMMENDATION

Conclusion

There are three constructive findings that can be concluded from the overall result in this research, which are listed as follow :

1. Brand has significant influence on consumer purchase intention.
2. Advertising has significant influence on consumer purchase intention.
3. Perceived price has significant influence on consumer purchase intention.

Recommendation

The company should be more concern about the Advertising as it has significant influence, so to invest in Advertising will proved to be beneficial. Quality of the product, creatively appealing, and associate it with a celebrity as needed is what Advertising needed. Research should be imperative as to determine the right price so to be more accept by the College student and youth people as a whole, as too low and too high will have its side effect. Since Brand has the highest significant influence on Purchase Intention, Samsung should maintain their Brand quality and perception in Collage Students' mind and youth as a whole but Brand cannot stand by their own as Brand is personification of a company whole body in people's eye so to maintain it, they have to pay more concern toward all their marketing tools and strategy. Seeing the result of this research that purchase intention of Manado youth people most likely determine by these three variables focus in these three will proved beneficial for Samsung especially when most people already knew how great quality of Smartphone Samsung. The practical recommendation that can be provide form the overall result in this research; to Samsung Smartphone company based on this research about the influence of brand image, advertising, and perceived price toward consumer purchase intention are affect to customer, so they can make better smartphone product in future and be leader market for smartphone or other electronics product.

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