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The Effect of Brand Image, Price, and Product Quality on the Purchase Decision of a Xiaomi Smartphone (Study on Surabaya Students)

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Abstract

In the era of global competition and current technological developments, human needs have rapidly increased. One of the advances in communication technology that has increased in recent years is the use of smartphones or smartphones. Indonesia is one of the largest potential markets. Smartphone sales, including the increasing demand for the smartphone category, are very high. Several smartphone brand companies that are spread and compete in Indonesia include Oppo, Samsung, Apple, Realme, Xiaomi, Vivo, and many more. Business competition in the *smartphone space* is very tight; vendors do many things to attract consumers. One of them is Xiaomi, a well-known brand from China that is known by the Indonesian people for affordable prices and quality products. The focus of this research is to measure and test the influence of brand image, price, and product quality on purchasing decisions of Xiaomi smartphones in Surabaya students. Collecting data for this study, the authors used an online survey (google form) to 100 respondents, using *accidental sampling*. The type of research used in this study is a quantitative research type using multiple linear analysis techniques. Based on the results of the study, it can be concluded that the price (X2) does not affect the purchasing decision variable (Y), shown with a significance value of $0.399 > 0.05$. There is a significant positive effect on the brand image (X1) and product quality (X3) on purchasing decisions (Y). There is a positive and significant influence between brand image, price, and product quality variables on purchasing decision variables (Y). This can be shown by the partial significance of brand image variables to purchasing decisions $0.000 < 0.05$, product quality to purchasing decisions $0.015 < 0.05$. While the significance value simultaneously shows.

Keywords:

Brand Image, Promotion, Purchase Decision

1. Introduction

In the era of global competition and current technological developments, human needs have rapidly increased. One of the advances in communication technology that has increased in recent years is the mobile phone, commonly called *smartphone*; according to data published by Katadata and statista, it is estimated that the use of mobile phone Smart technology in Indonesia is predicted to continue to increase. In their records, in 2015, only 28.6 percent of mobile phone users were used by 73.9 million people out of 258.4 million people in Indonesia. Furthermore, in 2018 there was a slight increase. Namely, more than half of Indonesia's population of 267.7 million, or equivalent to 150.4 million people (56.2 percent), have used *smartphone devices*. Based on this research, predictions are that by 2025 at least there will be 89.2 percent of the population in Indonesia will take advantage of various features on smartphones. This figure refers to predictions within six years (2019-2025) regarding the penetration of the mobile phone market in the country, which will grow by 25.9 percent. Growth may also be due to several factors, one of which is the large selection of products from several brands and the price of smartphones that are increasingly affordable and equipped with features to support daily activities. (data and statistics 2021)

Smartphones have become a primary need in all walks of life, students, teachers, entrepreneurs, and other types of work. With the advancement of technology and the development of educational levels, the use of mobile phones today is not only used to meet the needs of communication, photos, voice recording, and storing data. However, it also meets the needs of work, education, entertainment, business, and others. Indonesia is one of the largest potential markets. *Smartphone sales*, including the increasing demand for the *smartphone category*, are very high. Several smartphone brand companies are scattered and competing in Indonesia, including OPPO, Samsung, Apple, Realme, Xiaomi, Vivo, and many more.

Xiaomi is a well-known brand from China that is known by the Indonesian people for affordable prices and quality products. Every Xiaomi phone is equipped with practical and different features, for example, the Mi

Remote feature to help turn on the AC or TV quickly, MiDrop to share data, and Cleaner to help clean the *smartphone* from the cache. Alternatively, even Dual Apps to double an app in one phone. Unfortunately, competing brands do not own these features.

Business competition in the *smartphone space* is very tight, and vendors do many things to attract consumers. Supplier Offers Sophisticated functionality, attractive designs, and affordable prices. Consumers can choose products according to their tastes and budgets. Product innovation by vendors will keep them alive in the fierce competition. This situation causes competition between competitors in the telecommunications business. Intelligent companies will try to understand the customer's purchasing decision process (Kotler & Armstrong, 2008).

2. Literature Review & Hypothesis

2.1. Brand Image (X1)

According to Rangkuti (2010), brand image is a set of brand associations that are formed and embedded in the minds of consumers. Consumers accustomed to using certain brands tend to have a consistent *brand image*. According to Rangkuti (2010), brand image indicators include the following:

1. Introduction (*Recognition*)
2. Reputation _
3. Attraction (*Affinity*)
4. Loyalty _

2.2. Price (X2)

According to Kotler & Armstrong (2010:314), price is the amount of money charged for a product or service or the amount of value exchanged by consumers for the benefits of having or using the product or service. Price Indicators according to Kotler & Keller (2009), price indicators are as follows:

1. Price Affordability
2. Price Match With Product Quality
3. Price Match with Benefits
4. Price Competitiveness

2.3. Product Quality (X3)

According to Kotler & Armstrong (2008), quality is defined as the integrity of the characteristics and properties of goods and services that affect the ability to meet needs, both stated and implied. If marketers pay attention to quality, even strengthened by promotions and reasonable prices, consumers will not think long about buying a product.

1. Form (*Form*)
2. Features (*Features*)
3. *Performance Quality*
4. Impression of Quality (*Perceived Quality*)
5. *Durability*
6. Reliability (*Reliability*)
7. Ease of Repair (*Repairability*)
8. Design (*Design*)

2.4. Purchase Decision (Y)

Kotler & Armstrong (2008). The purchase decision is the selection of two or more options. In other words, choices must be available to a person when making decisions. Each consumer makes various decisions about the search for purchases using various products and brands at any given period (Schiffman & Kanuk, 2009) :

1. Consumer Needs
2. Information Search
3. Alternative Evaluation
4. Purchase Decision

2.5. Thinking Framework

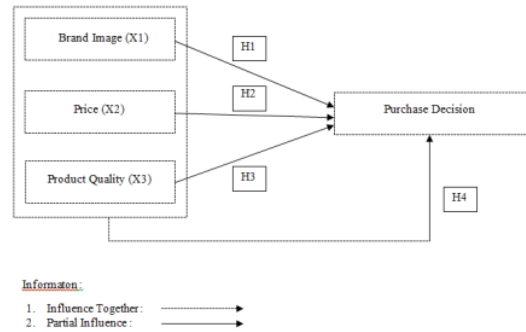


Figure 1. Thinking Framework

X1: Brand Image
X2: Price
X3: Product Quality
Y: Purchase Decision

2.6. Hypothesis

1. Brand image has a positive and significant effect partially on purchasing decisions
2. Price has a positive and partially significant effect on purchasing decisions
3. Product quality has a positive and partially significant effect on purchasing decisions
4. Brand image, price, and product quality have a positive and partially significant effect on purchasing decision

3. Methodology

The type of research used is a quantitative approach, survey methods, which are used to obtain data from certain scientific places (not artificial). However, researchers carry out treatments in collecting data, for example, by distributing questionnaires and structured interviews (Sugiyono, 2010:6). The sampling technique in this study uses *accidental sampling*, which is based on chance so that researchers can take samples from anyone they meet without prior planning. The criteria in this study were Surabaya student respondents who had bought products and used Xiaomi smartphones. Due to the unknown population, the number of samples in this study was taken based on the limeshow formula (1997).

$$n = \frac{z^2 p (1-p)}{d^2}$$

description :

n = minimum number of samples

z = confidence level

p = maximum estimate (0.5)

d = alpha (0,10) or sampling error = 10%

In this research, it has been determined that:

Z = 95% then the value is 1.96

p = 0.5

d = 10%

When applied according to the existing formula, then:

$$n = \frac{1.960^2 \cdot (0.5) \cdot (1.0.5)}{0.01^2}$$

n = 96

Then the results obtained that the minimum number of samples required in this study is 96 respondents, whom the researcher will round off to 100. The researcher uses the formula from Lemeshow et al. (1997) because the target population is too large with a variable number. Furthermore, the type of data in this study is

quantitative data because, in data collection, the researchers distributed questionnaires/questionnaires to respondents online via a google form, namely *Xiaomi Smartphone users* in Surabaya. Therefore, the sources of data used in this study are as follows:

1. Primary data was obtained by conducting interviews and distributing questionnaires, and data were obtained from students using *Xiaomi smartphones* in Surabaya.
2. Secondary data is obtained from documentation, literature such as books, theses, journals, articles on the official *Xiaomi website*, and others that discuss this research.

4. Results and Discussion

4.1. Multiple linear regression analysis

Multiple analysis of the analytical model aims to find the magnitude of the influence between the independent variable (X) on the dependent variable (Y). The Multiple Linear Regression Equation used is:

$$Y = \rho 6,493 + \rho 0.398X_1 + \rho 0.104X_2 + \rho 0.178X_3 + \rho y \epsilon 1$$

The results of multiple linear regression can be explained as follows:

1. Brand Citria (X1) The coefficient value obtained is 0.398, so if the brand image (X1) increases by one point, every time there is an increase in the brand image variable on purchasing decisions, it increases by 0.398.
2. Price (X2) The coefficient value obtained is 0.104, so if the price (X2) increases by one point, then every time there is an increase in the price variable on purchasing decisions, it increases by 0.104.
3. Product Quality (X3) The coefficient value is 0.178, so if the product quality (X3) increases by one point, every time there is an increase in the product
4. quality variable, the purchasing decision increases by 0.178.

4.1.1. Test the coefficient of determination

In testing the coefficient of determination or R², which is used to measure the regression model, the extent of the influence of the independent variable on the dependent variable. The coefficient of determination is between zero and one.

Table 1. Results of the Coefficient of Determination

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.611 ^a	.373	.354	2.07909	1.912

a. Predictors: (Constant), PRODUCT_QUALITY, BRAND_IMAGE, PRICE

b. Dependent Variable: PURCHASE_DECISION

Source: Primary Data Processed, 2022

Based on table 4.33 above, it can be explained that *Adjusted Square* has a value of 0.373, meaning that the variable brand image, price, and product quality influence 37.3% of the purchasing decision variable. The remaining 63.7 % is influenced by factors other than the variable: brand image, price, and product quality.

4.1.2. F Uji test

If the calculated F value is greater than the table F value (2.643), or if the significance value is <0.05, then the independent variable (X) has a significant effect on the dependent variable (Y) and vice versa.

The value of the F table can be seen from the statistical table for a significance level of 0.05, where dF1 is the independent variable and dF2 = (nk-1), where k is the number of variables and n is the number of samples, so dF1 = 3 and dF2 = (100 - 3 - 1) = 96, then the F table value is 2.643.

Table 2. 32 Test Results (Test F)

ANOVA ^a						
Model	Sum of Squares	df	Mean Square	F	Sig. ^b	
1	Regression	247.141	3	82,380	19.058	,000 ^b
	Residual	414,969	96	4,323		
	Total	662,110	99			

a. Dependent Variable: PURCHASE_DECISION

b. Predictors: (Constant), PRODUCT_QUALITY, BRAND_IMAGE, PRICE

Source: Data Processing Results, 2022

Table 4.32 above shows that the calculated F value is 19.058, more significant than the table value of 2.643. Moreover, a significant value of 0.000 is smaller than the significance level of 0.05. So it can be concluded that the variables of brand image, price, product quality, and purchasing decisions together have a significant positive effect on purchasing decision variables.

4.1.3. Test (t)

Examine the effect of the independent variable partially on the dependent variable. The criteria are as follows:

If the t-count value is greater than the t-table value (1.970), or if the significance value is < 0.05 , then there is an influence between the independent variable on the dependent variable and vice versa. This test uses a 2-way test, so the t-table value is obtained based on the statistical table with $df = n - 2$. Where (n) is the number of samples, $df = 100 - 3 = 97$. Then the intersection point of the two is the t-table value of 1.970.

Table 3. 2T . Test Results

Variable	T _{count}	T _{table}	Significance value	Significance Level	Information
Brand image	4,160	1,970	0,000	0,05	Take effect
Price	,847	1,970	0,399	0,05	No Effect
Product Quality	2,466	1,970	0,015	0,05	Take effect

Source: Primary Data Processed, 2022

Based on the test results in table 4.35 above, it can be explained that there is a partial relationship between the independent and dependent variables. Then the hypothesis test can be assumed as follows:

1. It is known that the t count is 4.160 > from the t table, which is 1.970 with a significance value of 0.000 < 0.05 . Then it can be concluded that H_0 is rejected, so H_1 is accepted. Then there is a significant positive effect between the brand image variable (X1) on purchasing decisions (Y). significance 0.399 > 0.05 . Then it can be concluded that H_0 is accepted, so H_1 is rejected. Then there is a price variable (X1) that does not affect purchasing decisions (Y).
2. It is known that the t count is 2.466 > from the t table, which is 1.970 with a significance value of 0.015 < 0.05 . Then it can be concluded that H_0 is rejected, so H_1 is accepted. Then there is a significant positive effect between product quality variables (X1) and purchasing decisions (Y).

5. Conclusion

Based on the results of research on the effect of brand image, price, and product quality on purchasing decisions for Xiaomi smartphones in students in the city of Surabaya, as well as the descriptions and explanations that have been put forward in previous chapters, the following conclusions can be drawn:

1. Partially brand image (X1) has a significant positive effect on purchasing decisions. The better the brand image, the higher the purchase decision received.
2. Partially the price (x2) does not affect purchasing decisions. However, the better the price, the higher the purchase decision received.
3. Partially product quality (X3) has a significant positive effect on purchasing decisions. The better the product quality, the higher the purchase decision received.
4. Based on the f test, it can be concluded that independent variables (brand image, price, and product quality) have a significant positive effect on purchasing decisions. Based on the coefficient of determination test (R^2), it is concluded that the brand image, price, and product quality have an influence of 37.3 % on the purchasing decision variable, while other factors influence the remaining 62.7 %.

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