

THE INFLUENCE OF FEATURES, BRAND IMAGE, BRAND LOYALTY, AND PRICE POINT TOWARDS PURCHASING DECISION (A CASE STUDY ON THE USERS OF SAMSUNG GALAXY SERIES IN DEPOK, INDONESIA)

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Abstract: The competition in technology, especially for cell phones in Indonesia, is very tight. One of the many cell phone brands used in Indonesia is Samsung. However, in the third quarter of 2016, the incident of an exploding Samsung Galaxy Note 7 took place. It resulted in a major decrease in Samsung's revenue that year; only US\$ 3.9 billion. This was 17% less compared to US\$ 4.6 billion gained last year. The object of this study is to determine if features, brand image, brand loyalty, and price point pose any influence, both partially and simultaneously, on the purchasing decision to buy Samsung Galaxy Series in Depok, Indonesia. The study is supported by SPSS 24 to test the models. The results show that partially, brand image and loyalty have a positive and significant influence, while features and price point have a negative and insignificant one towards purchasing decision. Simultaneously, features, brand image, brand loyalty, and price point influence the purchasing decision to buy Samsung Galaxy Series in Depok, Indonesia.

Keywords: features, brand image, brand loyalty, price point, purchasing decision

I. BACKGROUND

The level of competition in Indonesia's business world is a very tight one since every company strives to increase their target market and gain new customers. One of the many forms of this competition is in telecommunication industry where related companies compete to fulfil the people's need of easy access to information. Cell phone is one of the technologies that further this goal.

One of the smart phone brands widely used in Indonesia is Samsung. Besides that, Samsung is also a familiar brand. One of its products that are easily spotted is the Galaxy Series with a huge target market today.

Samsung is the biggest smart phone manufacturer in the world with a target market twice as large as Apple. In the middle of 2016, Samsung shipped 77.6 million phones which only happened in two quarters (fokus.news.viva.co.id).

However, in 2016, the incident of an exploding Samsung Galaxy Note 7 took place. This turns out to bring such a lingering effect on the South Korean company. Its revenues are reported to have decreased significantly by the third quarter of 2016 (id.techinasia.com).

It can be seen from the graph that the stock prices went down drastically in September, the month the explosion happened, and October, when the Note 7 was withdrawn from the market. Despite the incident, the Galaxy Series is still a popular Samsung variant to this day. It has many types to suit the customers' needs with as many features and a wide price range.

II. LITERATURE REVIEW

Feature

According to Dewi and Jatra (2013), a feature is an extra characteristic designed to further excite customers on a product or to perfect the functions of one.



Sumber: <http://savs.com>

Brand Image

Brand image is a set of customers’ beliefs about a certain brand (Kotler dan Armstrong, 1997).

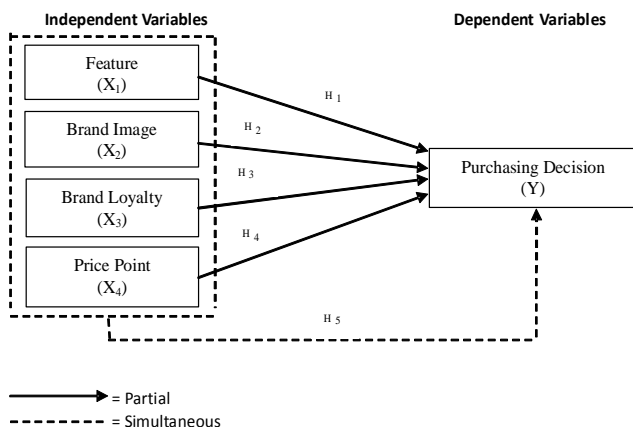
Brand Loyalty

Aaker (1997) defines brand loyalty as a measure of connection between a customer and a certain brand.

Price Point

According to Peter and Olson (2000), price point is related to how information on prices is completely understood by the customers, giving them a significant meaning.

Research Framework



Hypotheses

- H₁: Feature influences purchasing decision.
- H₂: Brand image influences purchasing decision.
- H₃: Brand loyalty influences purchasing decision.
- H₄: Price point influences purchasing decision.
- H₅: Feature, brand image, brand loyalty, and price point influence purchasing decision.

III. RESEARCH METHODOLOGY

Approach, Population, and Sample

The approach taken in this study is multiple linear regression analysis. Population is the users of Samsung Galaxy Series in Depok, Indonesia. Data is gathered by the Slovin technique from a sample of 100 respondents.

Data Collection

Data is primary and gathered by the distribution of questionnaires to be answered by the respondents.

Data Analysis

The tests conducted in this study are the validity test, reliability test, multicollinearity test, normality test, heteroscedasticity test, multiple linear regression, t test, F test, and the coefficient of determination test (R²).

IV. RESULTS AND DISCUSSION

Variable	Result		Definition
T Test (Partial)	$T_{calculate}$	T_{table}	
H ₁ Feature	1.403	1.984	$t_{calculate} < t_{table}$ H₁ Rejected: Uninfluential Customers know that the product's features are complete. Thus, this doesn't affect the purchasing decision.
H ₂ Brand Image	4.231	1.984	$t_{calculate} > t_{table}$ H₂ Accepted: Influential The better the brand image built by a company, the more influence it poses to customers' purchasing decision.
H ₃ Brand Loyalty	6.028	1.984	$t_{calculate} > t_{table}$ H₃ Accepted: Influential More loyal customers to a brand means higher rate of purchasing decision.
H ₄ Price Point	1.622	1.984	$t_{calculate} < t_{table}$ H₄ Rejected: Uninfluential Customers know that the product's price is affordable. Thus, this doesn't affect the purchasing decision.
F Test (Simultaneous)	$F_{calculate}$	F_{Table}	
H ₅ Purchasing Decision	54.894	2.47	$F_{calculate} > F_{table}$ H₅ Accepted: Influential Features, brand image, brand loyalty, and price point influence purchasing decision and increase sales due to higher demands.

IV. CONCLUSION AND IMPLICATIONS

Conclusion

Based on the results, it can be ascertained that:

1. Regression test results show that the feature variable has negative and insignificant influence on purchasing decision. This means feature is uninfluential towards customers' purchasing decision on Samsung Galaxy Series cell phones in Depok, Indonesia.
2. Regression test results show that the brand image variable has positive and significant influence on purchasing decision. This means brand image is influential towards customers' purchasing decision on Samsung Galaxy Series cell phones in Depok, Indonesia.
3. Regression test results show that the brand loyalty variable has positive and significant

influence on purchasing decision. This means brand loyalty is influential towards customers' purchasing decision on Samsung Galaxy Series cell phones in Depok, Indonesia.

4. Regression test results show that the price point variable has negative and insignificant influence on purchasing decision. This means price point is uninfluential towards customers' purchasing decision on Samsung Galaxy Series cell phones in Depok, Indonesia.
5. Regression test results show that simultaneously, there is a significant influence between feature, brand image, brand loyalty, and price point and customers' purchasing decision on Samsung Galaxy Series cell phones in Depok, Indonesia.

Implications

Based on the results, researchers suggest that:

1. A customer would buy a product packed with features that would fulfil his/her needs. Although the test results show a negative influence between feature and purchasing decision, it is suggested that the manufacturer could maintain and improve its products' features to further convince customers to keep buying Samsung products for their better and continuously-updated features.
2. A customer would buy a product when he/she has a positive impression on it. The test results show a positive influence between brand image and purchasing decision and this means that the company must be able to maintain and improve that good image.
3. Brand loyalty is a measure of connection between a customer and a certain brand. The test results show a positive influence between brand loyalty and purchasing decision and this means that the company must be able to keep satisfying the customers' expectations to improve their loyalty and to gain more repeat purchases.
4. Price point set by the company is affordable and understood well by the customers. Although the test results show a negative influence between price point and purchasing decision, it is

suggested that the company could pay more attention towards its products' affordability which suits the benefits and quality compared to other products.

Suggestions

1. For researchers
 - a) Add more independent variables which potentially contribute more towards purchasing decision. Add more test methods to perfect the research results.
 - b) Widen the research object to a bigger scale or use other, more suitable objects.

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