

Conference Paper

The Influence of Brand Image and Service Quality towards Purchase Intention and Its Impact on the Purchase Decision of Samsung Smartphone

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Abstract

Samsung is the manufacturer smartphone that is already known by the community because of the use of advanced technologies. The purpose of these study are to examine the influence of brand image towards purchase intention of Samsung's smartphone; the influence of service quality towards purchase intention of Samsung's smartphone; and the influence of purchase intention towards purchase decision of Samsung's smartphone. Sample selection method used is purposive sampling with the sample size of this study is 150 Samsung's smartphone users who already visit to the Samsung's outlet. The analysis data was used Structural Equation Modeling (SEM) through AMOS's software. The results show that brand image has an influence on purchase intention, service quality has an influence on purchase intention, and purchase intention has an influence towards purchase decisions. This research provides recommendations to the producer of Samsung's smartphone to create a product that is safe for the user, because if consumers feel goods which belongs to secure and worthy that the consumer will purchase the product.

Keywords: brand image, service quality, purchase intention, purchase decision

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1. Introduction

The development of smartphone product technology is currently experiencing rapid progress. This smartphone provider company continues to innovate to make the latest products according to what is needed and desired by consumers. There are several smartphone brands in Indonesia, including Samsung, Apple, Huawei, Oppo and Vivo products that are popular among the public. Samsung is a smartphone manufacturer that has been known to the public because of the use of advanced technology. Samsung continues to develop its products which have made Samsung successful today.

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However, Samsung itself has never been separated from its name failure. A number of products offered there are no behaviors on the market. One product that failed was the Galaxy Note 7 which was released in August 2016. The Galaxy Note 7 has many battery problems that cause an explosion. As of September 1, 2016, there were 35 reported cases as a result of this problem. One of the explosions that took place on the Southwest Airlines plane and its impact on the ban brought the Galaxy Note 7 to the plane. However, in Indonesia alone, passengers are only prohibited from activating, using or charging the Samsung Galaxy Note 7 in flight.

Even though Samsung experienced some of these problems, according to data sources released by Gartner (2019), Samsung still leads the smartphone market in the world based on its sales during the fourth quarter of 2018. In this case, smartphone companies not only compete in uses product features, but associated with brands that can create a special image in the minds of consumers. The strength of Samsung's brand image makes separate value added to the product and can also provide a competitive advantage for the company's success. With the existence of registered customers can distinguish one product from another product, and only strong brands that can be remembered in the minds of consumers. With the strength of a high brand image will cause consumers to buy intentions and not infrequently also consumers who have believed a product brand will think that the product has high quality. In the view of consumers, the company's reputation can be a guarantee for customers to be able to assess a product. Customers who have a positive image will be more likely to make a purchase (Tulipa and Muljani, 2015). Samsung's brand image could be said to have reliability, because Samsung has advanced technology and features that could meet the needs of its customers.

Service quality can also influence consumer buying interest because there are rarely those who want to use the product because of the quality of service. Mehmood and Shafiq (2015) argues about the relationship between service quality and purchase intention. In the study, it was revealed that the quality of services would encourage consumer buying interest. Samsung itself has provided convenience services to customers to find out that Samsung luggage is spread throughout Indonesia, and the luggage provides an official Samsung warranty.

With high buying interest leads to large purchasing decisions. Because someone who is intended or has an interest in a particular product will be motivated in his mind in that direction by making a purchase on that product. This is in line with the research conducted by Chen *et al.* (2016) showing the relationship between interest in buying

intentions and purchasing decisions. Referring to the phenomena and conditions that occur in Samsung smartphones, the researcher will analyze how the brand image, service quality, and buying interest of Samsung customers towards the decision to purchase Samsung smartphone products.

1.1. Research purpose

1. To find out the influence of the brand image towards purchase intention of Samsung's smartphones.
2. To find out the influence of the service quality towards purchase intention of Samsung's smartphones.
3. To find out the influence of the purchase intention towards purchase decision of Samsung's smartphones.

2. Literature Review

2.1. Brand image

Djarmiko and Pradana (2016) said that brand image can be considered as a type of association that appears in the minds of consumers when considering a particular brand. Associations in a simple way can appear in the form of certain ideas or images related to those listed, just like when we think of other people. Yudhya (2017) argue that brand image can be positive or negative depending on one's perception of the brand. Brands are defined as images or personalities created by advertising, packaging, branding, and other marketing strategies (Halim *et al.*, 2014).

2.2. Service quality

Goods or services are considered to have a good quality when working or have value as desired (Soltani *et al.*, 2016). The quality of services provided very well will give a positive impression and make customers more loyal (Waseem, 2016). According to Tjiptono and Chandra (2011), it was stated that quality becomes an important things for the overall characteristics and quality of a product or service that affects its ability to meet expressed or implied needs.

2.3. Purchase intention

Purchase intention is a consumer behavior that appears as a response to objects that show someone's desire to buy (Yunus and Rashid, 2016). Tulipa and Muljani (2017) stated purchase intention is part of the behavior of components in the attitude of consuming consumer behavior that shows the extent of their commitment to make a purchase. According to Lovelock and Wright (2011), purchase intention arises after an alternative evaluation process. In the evaluation process, someone will make a series of choices about the product that I bought from the listed and interesting ones.

2.4. Purchase decision

According to Akbar (2012), consumer decision making is a problem-solving process directed at targets. The core of consumer decision making is the process of integrating knowledge to evaluate two or more alternative behaviors and choose one of them. Rumat (2014) stated that purchasing decisions are one part of consumer behavior, where consumer behavior is an action that is directly involved in acquiring, determining products and services, including decisions-making processes that precede and follow action actions. Purchasing decisions are the process of making purchasing decisions that will include determining what will be purchased or not made a purchase and the decision was obtained from previous activities (Djarmiko and Pradana, 2016).

2.5. Hypotheses

1. There is an influence between brand image towards purchase intention of Samsung's smartphones.
2. There is an influence between service quality towards purchase intention of Samsung's smartphones.
3. There is an influence between purchase intention towards purchase decision of Samsung's smartphones.

3. Methodology

3.1. Sample, data collection, and analysis techniques

In this research was used survey methods. Samples examined is a student at the State University of Jakarta that uses Samsung's smartphone. The size of the respondents are the ideal and representative is depending on the amount of the indicator multiplied by 5-10. The number of indicators in this research is 18. Thus the samples used for the respondents in this research were 150 people. Sampling techniques in this research is non-probability sampling by using *purposive sampling* method. The technique of data collection is done with the spread of instrument research in the form of the questionnaire. The type of the scale used in this research is in the form of Likert scale interval data with a score 1-5. Analysis techniques in this research was used SEM method to testing the hypothesis model by using AMOS's software.

4. Result and Discussion

4.1. Validity and reliability test

The testing method of validity test was using the factor analysis. Decision criteria validity test by observing the value of the factor loadings. In general if the value of the *factor loadings* greater than 0.179 (*r-table*) then statement items stated valid. Based on the validity of the testing shows that all items statement from each of the change has *factor loadings* greater than 0.179, so that can be said is valid.

Reliability tests used to demonstrate the extent to which the measurement result is relatively consistent when the measurement is repeated twice or more. Testing method reliability using Cronbach's Alpha, which is enough acceptable is worth at least 0.60 and it means the construct reliable. Reliability test results show all construct are acceptable with score > 0.60.

4.2. Hypotheses test

The tests are performed against 3 the hypothesis. The tests are performed using the *t-value* with the level of the significance of 0.05. The *t-value* is the value of the critical ratio (C.R.) on the regression weights. When the value of the critical ratio (C.R.) consecutive

patients 1.967 or the value of the probability ($P \leq 0.05$) then hypothesis accepted. The results of the following hypothesis test:

1. Hypothesis 1

The table above shows that the value of t-value or C.R. of 2.520 compared with standard 1.967 or P-value of contributed $0.012 \leq 0.05$. Then the hypothesis 1: accepted, so that it can be concluded there is an influence between brand image towards purchase intention of Samsung's smartphones.

2. Hypothesis 2

The table above shows that the value of t-value or C.R. of 3.404 compared with standard 1.967 or P-value of contributed $0.000 (***) \leq 0.05$. Then the hypothesis 2: accepted, so that it can be concluded there is an influence between service quality towards purchase intention of Samsung's smartphones.

3. Hypothesis 3

The table above shows that the value of t-value or C.R. of 5.069 compared with standard 1.967 or P-value of contributed $0.000 (***) \leq 0.05$. Then the hypothesis 3: accepted, so that it can be concluded there is an influence between purchase intention towards purchase decision of Samsung's smartphones.

5. Conclusion

Regarding on this result, it can be concluded that brand image and service quality an influence on the creation of purchase intention of Samsung's smartphone. The result also show the influence between purchase intention towards purchase decision of Samsung's smartphone. This condition means that purchase intention will be high more when consumers get the *benefits* what they expect and the quality of the felt by consumers affect the willingness of consumers to buy a product. Beside that the higher consumers feel the value, then will the higher also the availability of consumers to finally buy the product.

This research provides recommendations to the producer of Samsung's smartphone to create a product that is safe for the user, because if consumers feel goods which belongs to secure and worthy that the consumer will purchase the product. In addition to creating Samsung's services center better will help improve the image of better products with excellent products and services center that many in every city in Indonesia. It will be more many consumers who are interested in purchasing the product.

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