ANALYZING THE PERSONAL FACTORS INFLUENCING PURCHASE DECISION OF SAMSUNG SMARTPHONE IN MANADO

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ABSTRACT

Smartphone is one of the highest in demand human needs nowadays, and especially in Indonesia, Samsung is one of the largest companies that feed the needs of the market. There are a number of Smartphone brands that existed in the market, the basic reason why people buy Smartphone are the same, but the real question, which is why people choose to buy Samsung while the rest purchase other brand is going to be elaborated in this research. The objectives of this research are to analyze the personal factors influencing the purchasing behavior of Samsung Smartphone in Manado and identify factors that have dominant effect on personal factors influencing the purchasing behavior of Samsung Smartphone in Manado. To achieve these objectives, the Associative method is utilized to derive the association between two variables or more with Multiple Linear Regression Analysis as the tool. After an examination of 100 respondents the result of the research shows Personal factors which are Age and Life Stage, Occupation, Lifestyle, and Personality. Personality has a significant effect in the purchase of Samsung Smartphone in Manado. This research indicated that the personal factors influence the purchase of Samsung Smartphone in Manado. Therefore, Samsung should be considering a strategy to maintain company's performance.

Keywords: age and life stage, occupation, lifestyle, personality, purchasing decision.

INTRODUCTION

Research Background

Well-marketed products are the ones which generate high sales, and satisfy the needs of people. In one side, marketers are answering the needs of the market – the consumer, and at the other side, it is the consumer who picks the most suitable product for them, the product that offers more advantage for them. In order to purchase the most suitable products, consumer often search for information from various sources such as internet, print media, friends or family to get reference and suggestion for alternatives so later they could evaluate each of those options and decide one as her ultimate choice. This latest phase for consumer to decide to bring home the product is the purchasing decision process.

Purchasing process experienced by consumer is influenced by factors that shape their decision to buy certain product. Those factors are Social, Cultural, Psychological, and Personal (Kotler & Keller, 2006:190). More specifically, the personal factors are contained of Age, Occupation, Lifestyle and Personality aspects. In this case of Smartphone buying behavior, Personal factors are chosen, based on reason that personal preferences are justified as of the most crucial factor compared to the cultural or social factors in terms of what motivates person to choose and buy a Smartphone product. Each smartphone products has different marketing strategy occupied by the company, and thus targeted different target market and essentially each of those products has several differences in characteristics, features, image and specifications to offer. These differences lead to

different consumer motivation to purchase each unique product. There are several reasons driving people to purchase Apple iPhone 4s, and it will be different with the motives why people decided to purchase Blackberry 8900, because essentially they are different products with different feature and image and marketed with different market strategy.

Samsung Mobile is one of the largest market share holder in Indonesia. Samsung mobile has its top-contender product line, under the brand of Samsung Galaxy, having Android Operating System embedded in the device. Its product, the series of Samsung Galaxy has topped the Smartphone competition in Indonesia, alongside with several well-known products, such as Apple iPhone, Blackberry Smartphone, Sony Mobile and Domestic Brands. Liau (2013), in 2012 Android-based smartphones occupied 56% of Indonesia Smartphone market share, and Einhorn (2012) added that 80% of those Android smartphones were Samsung Galaxy.

Research Objective

The objectives of this research are:

1. To examine the influence of Personal Factors on the purchasing intention of Samsung Smartphones in Manado.

2. To identify the most significant influence among influence of Age and Life Cycle, Occupation and Economic Situation, Lifestyle and values, also Personality and Self-concept on the purchasing intention of Samsung Smartphones in Manado.

THEORETICAL FRAMEWORK

Theories

Factors Influencing Consumer Behavior

Consumer Behavior is the process that occurred by human toward the products, including the selecting purchasing, using and dispose of products (Solomon, 2011:33) Consumer's buying behavior is influenced by several factors – the cultural, social, and personal factors (Kotler and Keller, 2006:190). Psychological aspect also play a also play a significant role in influencing consumer behavior, as it is shaped by the external factors.

Personal Factors

One's personal characteristics also define how she purchases a product. According to (Kotler and Keller, 2006:196) Personal factors that influence consumer behavior are included buyer's age and life stage, occupation, economic circumstances, lifestyle and values, and also personality and self-concept.

Consumer Purchasing Decision Process

Consumer decision process follows the order from Problem Recognition, Information Search, Evaluation of Alternative and Purchase Decision (Setiadi, 2003:16). In Problem Recognition stage, buyer recognizes a problem to be solved or need to be fulfilled (Kotler, 2000:98). When consumer enters the Information Search phase, she will search information related to the product they desire. In the Evaluation of Alternative stage, Consumer already equipped with information regarding to the product, and they already spot the alternative. Kotler and Keller (2006:209) defines the basic concepts of consumer evaluation process; "First, the consumer is trying to satisfy a need. Second, the consumer is looking for certain benefits from the product solution and third the customer sees each product as a bundle of attributes with varying abilities for delivering the benefits sought to satisfy this need. Purchase Decision, is the stage where the customer have decide one product to buy and ready to engage in a transaction, and Postpurchase Behavior, what the customer feel after they purchase and use the product.
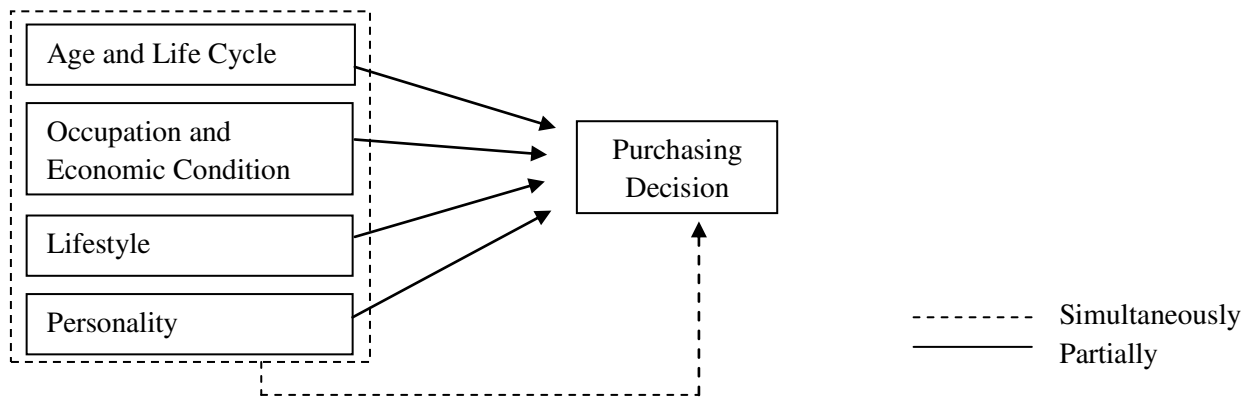
Figure 1. Conceptual Framework

Source: Theoretical Framework

Research Hyphotheses

H1: Personal Factors influence the purchasing decision of Samsung Smartphone in Manado Simultaneously.
H2: Age and life cycle influences the purchasing decision of Samsung Smartphone in Manado.
H3: Occupation and Economic Condition influences the purchasing decision of Samsung Smartphone in Manado.
H4: Lifestyle influences the purchasing decision of Samsung Smartphone in Manado.
H5: Personality influences the purchasing decision of Samsung Smartphone in Manado.

RESEARCH METHOD

Type of Research

Causal Research is utilized in this research. Causal research is used to establish cause-and-effect relationships between variables. Experiments are commonly used in causal research designs because they are best suited to determine cause and effect. This research will determine how the trust and perceived risk as cause(s) of the model and their effect to the online purchasing behavior.

Place and Time of Research

The study is conducted in Manado, North Sulawesi, Indonesia, more specifically the downtown area of city, business areas, schools and universities. Manado was chosen in regards to the residence of the researcher and location of the university. The research will be held during September to October 2013..

Population and Sample

Researchers uses the population, which contains by group of people, events and interest to target certain characteristic (Sekaran, 2003:265). In this research, subject of the population refers to all people who have conduct in purchasing the Samsung smartphones.

Sample is the sub-categories of population that utilized in the research to make the researcher possible to generalize (Sekaran, 2003:266). What refer to sample in this research are People residing in Manado city, who purchase or own already Samsung Smartphone products.

The sampling design is random sampling, which is considered as the best way of getting some basic information quickly and efficient. Random sampling is a subset of individuals (a sample) chosen from a larger set (a population). Each individual is chosen randomly and entirely by chance, such that each individual has the same probability of being chosen at any stage during the sampling process.

Data Collection Method

Primary data is data that obtained by the researcher in first-hand. Individual provide information when interviewed, administered questionnaires, or observed. Group depth interviews, or focus groups, are the other rich source of primary data (Sekaran and Bougie, 2009:181). Questionnaire is utilized in this research. Secondary data is not obtained directly by the researcher (Greener, 2008:73). The secondary data is taken from books, journals, and relevant literature from library and internet. These secondary data were used in the background, literature review, research method, and discussions.

Operational Definitions and Measurement of Research Variables

Table 1. Operational Definition of Research Variables

Variable	Description	Measurement
Age	The stage of life and age in which people buy the product.	Suitability between age and features/design, life stage environment.
Occupation and Economical situation	Type of job that people have which affects her economical circumstances.	Helping daily jobs, reliability in job routines, suitable with economic situation.
Lifestyle	Pattern of life of a person which expressed through his activities, interest, and opinions	Helping daily social life and daily routines, suitability with interest.
Personality	One's personal characteristics and how they see themselves.	Suitability with personality, functional priorities.
Consumer Purchasing Decision	Decision processes and attitudes of people involved in purchasing products.	Purchasing Decision, satisfaction and consciousness

Source: Data Processed 2013

A structured questionnaire was designed to generate respondents' response. The questionnaire was designed with 6 combinations of attributes and levels. Cards describing each option were presented to the respondent and combination of store atmosphere attributes was asked on a 5-point rating (score) scale with the anchors as not "very disagree" to "very agree".

Data Analysis Method

Validity and Reliability Test

Validity shows the strength of the conclusion, by involving the degree to which the accuracy of the measurement is conveyed (Adams, et al. 2008:237) the validity coefficient for each variable is good, where the value are above the minimum level of 0.30. While Reliability refers to the extent to which a scale produce consistent result in measuring similar symptoms.(Sugiyono, 2005:110).

Reliability is assessed by determining the proportion of systematic variation in a scale to ensure that all questions in the questionnaire is truly reliable, so the measurement of the internal consistency is made. This internal consistency can be seen at the Cronbach's Alpha Parameter or the coefficient alpha varies from 0 to 1, and a value of 0.6 or less indicates unsatisfactory internal consistency reliability. Cronbach's alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another (Sekaran and Bougie 2009:161)

Classical Assumption Test

Multicollinearity test shows the intercorrelation of independent variables. Multicollinarity should not existed, as the prequisite of a regression model. To assess multicollinearity, researchers can use the value tolerance or VIF, the inflation factor (Priyatno, 2008:39)

Heteroscedacticity test shows whether there is a variant difference within all observations conducted in the regression model (Priyatno, 2008:41). There are several method to test the signs of heteroscedacticity, such as Park Test, Glesjer Test, Graphical Analysis, and Spearman's Correlation. Normality test is utilized to test whether the data population is normally distributed or not. To test this whether this distribution is normal or not, graphical analysis and statistical test are utilized (Ghozali, 2009:107).

To check this assumption, this research uses the P-P plot of the residuals, which has the requirements that the shape of the histogram should follow the shape of normal curve and follows the 45-degree line.

Multiple Linear Regression Analysis

Linear regression is used to model the value of a dependent scale variable based on its linear relationship to one or more predictors (SPSS help tutorial). The linear regression model assumes that there is a linear, or "straight line," relationship between the dependent variable and each predictor. Multiple linear regressions involves more than one predictor variable (Xk). The formula of multiple regression models in this research is shown as:

Y = a + b1x1 + b2x2 +b3x3 +b4x4.

Where:

Y	= Purchasing Decision
a	= The constant, when all the independent variable equal to 0
b1,b2,b3,b4	= The regression coefficient of each variable
x1	= Age and Life Stage
x2	= Occupation and Economic Situation
x3	= Lifestyle
x4	= Personality and Self-Concept

RESULT AND DISCUSSION

Result

Validity and Reliability Test

By comparing correlation index in Pearson Product Moment with significance level of 1%, it can be seen valid or not a research instrument. If probability of correlation is less than 0.01(1%) them the research instrument is stated as valid. From the table, it was obtained that the entire correlation index are greater than the critical r value, which is 0.197 (for n=100). Therefore, the data is considered as valid. The table also shown that Alpha Cronbach is 0.774 which met the requirements of limit of 0.6, in conclusion, the research instrument is reliable.

Test of Classical Assumption

The VIF value (X1 to X4) is 1.067, 1.043, 1.377, and 1.380 respectively while the tolerance value of (X1 to X4) is 0.937, 0.959, 0.726, and 0.725 respectively. Thus, this regression model is free from multicollinearity. There is no established pattern, in other words the graph describing the plot spread above and below the number 0 (zero) on the Y-axis thus free of Heteroscesdasticity. The result shows that the data follows the 45- degree line, so it could be derived from the result that the residual of this regression model is assumed to be normally distributed and met the normality assumption.

Multiple Linear Regression Analysis

Table 1. Coefficient Beta

Model		Unstandardized Coefficients		Standardized Coefficients			
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.723	1.409		.513	.609
	Age & Life Stage	.050	.070	.055	.713	.478
	Occupation	.276	.090	.234	3.085	.003
	Lifestyle	.276	.086	.278	3.187	.002
	Personality	.403	.088	.399	4.561	.000

Source: SPSS Data Analysis, 2013

Based on the data analysis above, it is found that:

$$Y= 0.723+ 0.050X1 + 0.276X2 + 0.276X3 + 0.403X4$$

The constant value or intercept is 0.723 means that if Age & Life Stage, Occupation, Lifestyle, Personality, and Distribution are 0 (zero) or it is used; Purchasing Decision will decrease to as much 0.723. The coefficient value Age & Life Stage (X1) = 0. 050, means that if X1 value increase 0.05 point, while other independent variable constant Y will increase 0.05. And when there is no Income, Price, Quality, Promotion and Distribution the Consumer Behavior will decrease.

Table 2. Coefficient Correlation (r) and (r2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.689[a]	.474	.452	1.380

Source: SPSS Data Analysis, 2013

The Result above shows that the correlation (R) is 0.689. It means that the level of relationship between X1,X2,X3 and X4 with Y is considered strong and have positive impact because the coefficient value is nearer to 1.00. The Result above also shows that The coefficient of determination (R2) is 0.474, which means the quality of variable X1,X2,X3 and X4 described to influence the variable Y is about 47.4%.

Hypothesis Testing

Table 3. F-Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	163.138	4	40.785	21.418	.000[a]
	Residual	180.902	95	1.904		
	Total	344.040	99			

Source: SPSS Data Analysis, 2013

The result of regression using Fcount = 21.418 > Ftable = 2.467 with significant value = 0.000 < 0.05,can be concluded that Ho is rejected or H1 is accepted which means that Age and Life Stage (X1), Occupation (X2), Lifestyle (X3) and Personality (X4), influence the Purchasing Decision.

In conclusion, hyphothesis 1 is accpeted since all independent variables influence dependent variable simultaneously.

Table 4. t-Test

Variable	t	Sig
Age & Life Stage	.713	.478
Occupation	3.085	.003
Lifestyle	3.187	.002
Personality	4.561	.000

Source: SPSS Data Analysis, 2013

The interpretation Table 4 is as follows:

1. Age & Life Stage (X1) has t_{count} = 0.713 < t_{table} = 1.985 and the significant value is 0.478 > 0.05, so it can be concluded that H1 is rejected and Ho is accepted. Age and Life Stage does not influence the Purchasing Decision.
2. Occupation (X2) has t_{count} = 3.085 > t_{table} = 1. 985 and significant value is 0.003 < 0.05, it can be concluded that H1 is accepted and Ho is rejected or Occupation influences the Purchasing Decision.
3. Lifestyle (X3) has t_{count} = 3.187 > t_{table} = 1. 985 and significant value is 0.002 < 0.05. The conclusion is that H1 is accepted and Ho is rejected or Lifestyle influences the Purchasing Decision.
4. Personality (X4) has t_{count} = 4.561 > t_{table} = 1. 985 and significant value is 0.000 < 0.05, it can be concluded that H1 is accepted and Ho is rejected or Personality influences the Purchasing Decision.

Discussion

F-test result shows that Age and Life Stage, Occupation, Lifestyle and Personality, simultaneously, has a significant influence towards the consumer's purchasing decision of Samsung Smartphone in Manado. Smartphone products of Samsung are being purchased by consumer in Manado city because of its suitability with people's certain Age and Stage of Life, those products also helpful in most of jobs held by people, with this Smartphone's embedded applications and its reliability in handling in most of workdays. At the same time, Samsung Smartphone also being chosen because of its suitability with one's lifestyle, which primarily suits particular interest and also at the same time Samsung Smartphone fits people's personality, which makes people feel different by choosing this product. Nasrunsyah (2013) also supports this result by stating that personal factors give significant influence towards the purchasing decision of Samsung Smartphone, with the place limitation of Palembang city.

Age and Life Stage has no significant influence toward the consumer purchasing decision, this result occurred because people are rarely to choose to purchase a Smartphone based on age motive. The trend of Smartphone is so age-widespread and people who buy Smartphone come from wide age range of people. For example, Adolescents, Adults and Old People may consume the same variant of a Smartphone brand. In contrast, Wijaya (2007) stated that Age and Life Stage gives the most significant influence toward purchasing decision. The difference is the product, which is motorcycles, where it can be derived that family matters that affect someone's life stage could be put as consideration when it comes to buy motorcycles.

Occupation, gives significant influence towards the purchasing decision, the reality is that people buy Samsung Smartphone because of their occupation; Samsung Smartphone has been regarded as helping people's daily tasks in their job and Samsung Smartphone are easy to handle in the workplace. For example, the reliability and functionality of Samsung Smartphone's to store wide variety and functional application made people in Manado choose Samsung Smartphone. This variable cannot be regarded as the most significant influence, because Smartphone is not a main tool in someone's job. Compared to what stated by Halim (2009), that Occupation give significant influence toward the purchasing decision, when the product is a coffee shop (place and beverages). And the conclusion stated that this coffee shop is considered as important part of occupation because it is used as the place for employee's breakfast place and business meetings place.

Lifestyle also give significant influence towards the consumer purchasing decision of Samsung Smartphone in Manado, this significant result is derived from the field research which suggest that people in Manado city choose the Samsung Smartphone because of the shared values between their interest and this

Samsung's product line. For example, if one's interest is Korean music or movies, since the booming of Korean culture and entertainment are recent, those people tend to prefer something 'Korean' Samsung Smartphone is what they preferred instead of other brands because it is Korean-origin brand.

This research suggests that Personality has the most significant influence towards the consumer purchasing decision. The result describes that the strongest reason why people mostly in Manado purchase Samsung Smartphone is because they regarded their personality motive greatly. They consider that Samsung Smartphone has commonality with their personality and by having this product. People in Manado who choose Samsung Smartphone regards that visual physical appearance of this product fits their personality preference. It could be concluded that has the looks and design that makes people stimulated to choose and make purchase, which is later bring a prestigious and unique feel, compared to the other brand within the same market.

Samsung Smartphone which also one of the largest market share holder of Smartphone in Indonesia, compared with other products of Smartphone, has simpler and more elegant design, where most of Samsung Smartphone product, like Galaxy S4 which has large screen, with glossy looks and slim design, and also less device button makes it looks elegant and luxury. This advantage, that possessed by Samsung Smartphone product makes people feels different and prestigious, compared by having the other brands which possess more common design of Smartphone. Smartphones in the market has almost the same features and functionality; people will tend to choose the alternative which has more beyond the functionality, which is looks and design of the product, in this case. The research suggest that people in Manado who prefers Samsung Smartphone because of its appearance than functionality, which means this product has fill something more than the basic need of Smartphone.

CONCLUSION AND RECOMMENDATION

Conclusion

The conclusions of this research are as follow: (1) Simultaneously, Age & Life Stage, Occupation, Lifestyle and Personality gives positive and significant influence towards the purchasing decision of Samsung Smartphone in Manado. (2) Partially, it can be concluded that Occupation, Lifestyle and Personality give positive and significant influence towards the purchasing decision of Samsung Smartphone in Manado, while Age & Life Stage does not influence the purchasing decision. (3) Result on multiple linear regression analysis by using SPSS program shows that Personality (X3) gives the most positive significant influences the purchasing decision of Samsung Smartphone in Manado, with the significant value $0.000 < 0.05$.

Recommendation

The recommendations obtained from this research are as follow: (1) as a part of Personal factors, Personality has significant effect on influencing people's decision to purchase Samsung Smartphone in Manado. It is recommended to the marketers to realize that Personality factor are one of the motivating factor to purchase Samsung Smartphone in Manado, and thus to strategically market products by considering highly about the consumer's Personality needs. (2) To answer the market's Personality motive, Marketers could also experiment by designing Samsung Smartphone products to target customer by their Personality aspect, it could be in designing visually unique product to different Personality types. (3) Marketers could also try to develop a marketing campaign that based on orientation to the product image of Personality, which in the practicality, the marketing strategy could for example, conveys that one line of Samsung Smartphone Product could be suitable with certain type of personality.

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