COMPARISON ANALYSIS OF CONSUMER PERCEPTION BETWEEN I-PHONE 5S AND SAMSUNG GALAXY S5

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ABSTRACT

The Development of business today has brought the business itself into a very tight competition to gain the attention of customers. Samsung and Apple are two companies that have very attractive products when compared with other brands in the industry. The purpose of this study is to compare the quality, value and company Reputation between i-Phone 5S and Samsung Galaxy S5 to know the difference of Consumer Perception of each product. This research is a comparison type. This research is a quantitative method since using questionnaire as a tool to gather data and analysis. The populations observed are young generation in Manado with sample 100 respondents. This research analyzes about the compare means with independent samples T-test between i-phone 5S and Samsung Galaxy S5 based on quality, value and company reputation. The result shows that are a mean different between i-phone 5S and Samsung Galaxy S5, and it's supported by level of significant. In terms of value and company reputation, consumers more interested of value and company consumers more interested of value and company reputation of i-Phone 5S. The management of smartphone company has to provide a good quality product, good value and good company reputation.

Keywords: quality, value, company reputation

INTRODUCTION

Research Background

Within these last few years, the world is filled with rapidly growing telecommunications industry becomes a mirror of the high demand for information that is easily accessible to the public. Cellular phone is a rapidly evolving technology from year to year. Many emerging new brands are competing in order to create a superior product. Manufacturers are required to not only creating products but also must understand the wants and needs of consumers. It is necessary for manufacturers to compete with other manufacturers. By understanding the behavior of consumers, manufacturers can create a product that is in accordance with the desires of consumers and provide better satisfaction to the consumer.

A large number of manufacturers require that companies have to create a product that has more value than the products of other companies with innovative products. Innovation is basically a change in the direction of improvement, updating already existing. Innovation is an idea, creation, or something new in a particular social context. The development of business today has brought the business into a very tight competition to gain the attention of customers. Various methods and approaches have been done through improving the product quality. Meanwhile, the consumer usage and buying of any product largely depend upon their perception about the product. Perception develops through how effectively product has been marketed. Currently, the innovation made by the manufacturer of Cell Phone (mobile phone) is to create a product Smartphone. It is a mobile phone that has the capability of high-level, sometimes with a function that resembles a computer. Basically smartphone or mobile phone has a primary function of a phone is to make outbound calls (phone) or send a short message

(sms) which is to distinguish a smartphone with a mobile phone is a mainstay feature for smartphones, ie: operating system, software, web access , keyboard, and messaging.

Meanwhile, smartphone is the most famous product in the market. Mostly people buy smartphone based on the brand and quality preference of the product. There are several brands that are widely used in Indonesia is such as I-Phone and Samsung smartphones. Samsung and Apple are two companies that have very attractive products when compared head-to-head with other brands in the industry. Both are like fierce enemies engaged in a variety of harsh competition product lines and colored with long lasted patent competition. Apple has I-Phone and has a lineup with Samsung Galaxy S which both competes in the similar segment. Currently, Apple launching I-Phone 5S while Samsung launched Samsung Galaxy S5. In terms of price, I-Phone 5S is bundled around Rp. 7.999.000 while Samsung Galaxy S5 Rp. 7.275.000 (viateknologi.com, 2014). With a considerable price difference, I-phone 5S and Samsung Galaxy S5 still compete with the quality and image of each Smartphone. Customer perceptions are dynamic.

The more experience the customer accumulates, the more his perceptions will shift from fact-based judgments to a more general meaning the whole relationship gains for him. The consumer perception could be a reference by the smartphone manufacturer based on the innovation of its product's specification.

Research Objectives
The objectives of this research are to analyze the significant difference between:
1. i-Phone 5S and Samsung Galaxy S5 in terms of quality to consumer perception
2. i-Phone 5S and Samsung Galaxy S5 in terms of value to consumer perception
3. i-Phone 5S and Samsung Galaxy S5 in terms of company reputation to consumer perception

THEORITICAL FRAMEWORK
Theories
Marketing
Kotler and Armstrong (2008:4) defined marketing is managing profitable costumer's relationship. Furthermore, marketing is the process by which companies create value for costumers and build strong customer relationship in order to capture value from customers in return. Kotler, et.al (2009:5). American Marketing Association marketing is an organizational function and set of processes for creating, communicating, and delivering value to customers and for managing customer's relationship in ways that benefit the organization and its stakeholders.

Product
Kotler and Armstrong (2004.220) defined a product as anything that can be offered to a market for attention, acquisition, use or consumption and that might satisfy a want or need. Kotler and Keller (2006.344) defined product is anything that can be offered to a market to satisfy a want or need. Products that are marketed include physical goods. Services, experiences, events, persons, places, properties, organizations, information, and ideas.

Consumer Behavior
Schiffman and Kanuk (2007:4) defined consumer behavior as the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. Consumer behavior focuses on how individuals make decision, to spend their available resources (time, money, effort) on consumption-related items. That includes what they buy, why they buy it, when they buy it, where they buy it, how often they use it, how they evaluate it after the purchase, the impact of such evaluations on future purchase, and how they dispose of it.

Consumer Perception
Consumer perception pertains to how individuals form opinions about companies and the merchandise they offer through the purchases they make. Schiffman and Kanuk (2007:148) defined perception as the process by which an individual selects, organize, and interprets stimuli into a meaningful and coherent picture of the

world. Kotler (2003:197) explained people can emerge with different perception of the same object because of three perceptual processes, i.e. selective attention, selective distortion, and selective retention. People are exposed to a tremendous amount of daily stimuli. Because a person cannot possibly attend to all of these, most stimuli will be screened out, and this process is called selective attention. In selective distortion, people tend to twist information into personal meanings and interpret information in a way that will fit their perception.

Perceived Quality

Zeithaml (1988) defined perceived quality is the consumer's judgment about a product's overall excellence or superiority. Aaker (1991) defined perceived quality is customer's perception of the overall quality or superiority of the product or service with respect to its intended purpose, relative to alternatives. In fact, the perceived quality is different from actual or objective quality, product-based quality, and manufacturing quality.

Perceived Value

Sugiati, et.al (2013) stated customer value is an evaluation on the benefit of a product or service that is perceived by customers as compared to what the customers had devoted to get the product or service. In the other hand, the perceived value is the trade off relationship between perceived benefits on the one hand and monetary and non monetary sacrifices on the other, with highly personalized involvement and abstract level activities.

Company Reputation

Company reputation is the collective assessments of a company's past actions and the ability of a company to improving business. Bailey (2005) explained degree of customer loyalty has a tendency to be higher when perceptions of both corporate reputation and corporate image are strongly favorable.

Previous Researcher

Zeithaml (1988) found that price, quality and value influences consumers' perception. Bailey (2005) found that Company reputation influences consumers' perceptions. Kazmi S.Q (2012) found that The most important factors which effect consumer perception are: accessibility, availability, quality, durability, regular supply of product, mode of payment.

Conceptual Framework
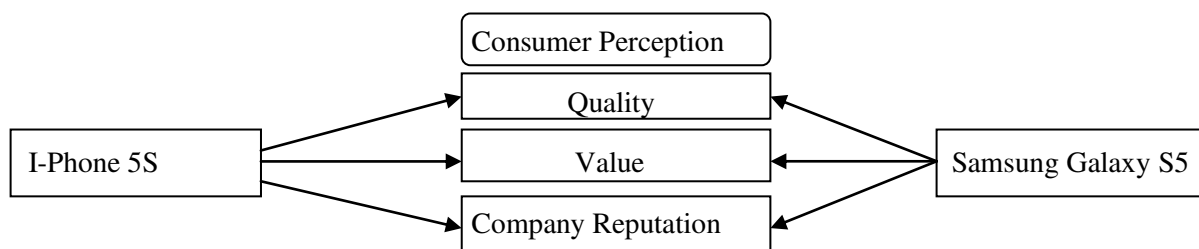
Figure 1. Conceptual Framework
Source: processed data 2014

Hypothesis

The hypotheses of this research are:

H_1:   There is a significant differences between Samsung Galaxy S5 and i-Phone 5S in terms of quality to Consumer Perception

H_2:   There is a significant differences between Samsung Galaxy S5 and i-Phone 5S in terms of value to Consumer Perception

H_3:   There is a significant differences between Samsung Galaxy S5 and i-Phone 5S in terms of company reputation to Consumer Perception

RESEARCH METHOD

Type of Research

This research is comparison type. This research is a quantitative method since using questionnaire as a tool to gather data and analysis.

Time and Place of Research

The study was conducted in Manado. This research regarding the society as respondents from July to September 2014 and the survey started on July 2014.

Population and Sample

Sekaran (2003:443) stated population is the entire group of people, events of things of interest that the researcher wishes to investigate. The populations in this research are society in Manado. The ages of respondents are 17 to 25 years old. The sample used in this research is 100 respondents who used i-Phone 5S or Samsung Galaxy S5. Used random sampling to collect the data among residents and the number of sample used was 100 respondents. The rationale by choosing 100 samples because following the rules of thumb for determining sample size where sample size larger than 30 and less than 500 are appropriate for most researcher.

Data Collection Method

They are two types of data: (1) Primary Data use questionnaires were distributed to Society in Manado, respectively 100 sheets. While calculating weight rating customer questionnaires using Likert scale. And (2) secondary data is method of data collection by studying the relevant literature in order to obtain a theoretical overview from books, journals, and relevant literature from library and internet of the concept of Consumer Buying Decision and Consumer Purchase Intention.

Operational Definitions and Measurement of Research Variable

Operational definitions of research variables are:
1. Quality (X_1) is the consumer's judgment about a product's overall excellence or superiority.
2. Value (X_2) is the extent to which a good or service is perceived by its customer to meet his or her needs or wants, measured by customer's willingness to pay for it.
3. Company Reputation (X_3) is the collective assessments of a corporation's past actions and the ability of the company to deliver improving business results.

Data Analysis Method

Validity and Reliability Test

Validity is a test of how well an instrument that is developed measures the particular concept intended to measure. To analyze the validity of questionnaire, Pearson Product Moment is used. An instrument measure is valid if the instrument what ought to be measured. Validity for each variable is good where the values are above minimum level of 0.30. Reliability is established by testing for both consistency and stability of the answer of questions. Consistency indicates how well the items measuring a concept hang together as a set; Cronbach's alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another. The questionnaire is reliable if the value of Cronbach's Alpa more than 0.6 (Sekaran and Bougie, 2009:162).

Independent Samples T-test

Independent T-Test involves examination of the significant differences on one factor or dimension (dependent variable) between means of two independent groups (e.g., male vs. female, with disability vs. without disability) or two experimental groups (control group vs. treatment group). This test is done by

comparing the t-value with t-table. The level of significance is 5% (α = 0.05). If t-value is greater than t-table hypothesis is accepted.

RESULT AND DISSCUSION

Result

Compare Means Based on consumer perception of quality, value and company reputation between i-Phone 5S and Samsung Galaxy S5.

Table 1. Group Statistics

	Company	N	Mean	Std. Deviation	Std. Error Mean
X_1	IPhone	50	8.94	2.394	.339
	Samsung	50	10.60	1.841	.260
X_2	IPhone	50	10.42	1.907	.270
	Samsung	50	9.14	1.841	.260
X_3	IPhone	50	12.56	1.198	.169
	Samsung	50	9.90	1.460	.207

Source: SPSS 20, Year 2014

From the table 1 we can see the difference between the independent sample based on group of i-Phone 5S and Samsung Galaxy S5. Mean of this table calculates from total respondent's answers of i-Phone 5S and Samsung Galaxy S5($X_1 - X_2$). Samples are distributed to 100 respondents of Customer i-Phone 5S and Smasung Galaxy S5. In mean of quality, iPhone 5S 8.94 and Samsung Galaxy S5 10.60. In mean of value, i-Phone 5S 10.42 and Samsung Galaxy S5 9.14. In terms of company reputation, i-Phone 5S 12.56 and Samsung Galaxy S5 9.90.

Independent Sample T-test for Customer Retention
Table 2. Homogeneity Test of Customer Retention

Levene's Test for Equality of Variances

	X_1	F	Sig.
Total	Equal variances assumed	5.900	.017
	Equal variances not assumed		

Source: SPSS 20, Year 2014

The table above Levene's Test for Equality of Variance for Quality shown that significant (sig) value that is lower than *a (0.05)* (0.017<0.05) it is concluded obviously that both groups and categories are unequal in terms of quality.

Table 3. Homogeneity Test of Customer Retention

Levene's Test for Equality of Variances

	X_2	F	Sig.
Total	Equal variances assumed	.538	.465
	Equal variances not assumed		

Source: SPSS 20, Year 2014

The table above Levene's Test for Equality of Variance for Quality shown that significant (sig) value that is higher than *a (0.05)* (0.465>0.05) it is concluded obviously that both groups and categories are equal in terms of value.

Table 4. Homogeneity Test of Customer Retention

Levene's Test for Equality of Variances

	X₃	**F**	**Sig.**
Total	Equal variances assumed	.301	.584
	Equal variances not assumed		

Source: SPSS 20, Year 2014

Table 4 Levene's Test for Equality of Variance for Quality shown that significant (sig) value that is higher than *a (0.05)* (0.584>0.05) it is concluded obviously that both groups and categories are equal in terms of company reputation.

Table 5. Independent Samples T-test

	X₁	**t**	**df**	**Sig. (2-tailed)**	**Mean Difference**	**Std. Error Difference**	**95% Confidence Interval of the Difference**	
							Lower	**Upper**
Total	Equal variances assumed	-3.887	98	.000	-1.660	.427	-2.507	-.813
	Equal variances not assumed	-3.887	91.929	.000	-1.660	.427	-2.508	-.812

Source: SPSS 20, Year 2014

Data value Levene'stest for equality of Variance for quality is lower than *a* (0.017<0.05), the assumption that will be utilized is "Equal Variances Not Assumed" in the table above the value comparison of "sig. (2-tailed)" with *a* (0.00<0.05), it means that hypothesis is accepted. In other words "there is a significant difference in consumer perception based on quality between i-Phone 5S and Samsung galaxy S5.

Table 6. Independent Samples T-test

	X₂	**t**	**df**	**Sig. (2-tailed)**	**Mean Difference**	**Std. Error Difference**	**95% Confidence Interval of the Difference**	
							Lower	**Upper**
Total	Equal variances assumed	3.415	98	.001	1.280	.375	.536	2.024
	Equal variances not assumed	3.415	97.878	.001	1.280	.375	.536	2.024

Source: SPSS 20, Year 2014

Data value Levene's test for equality of Variance for quality is higher than *a* (0.465>0.05), the assumption that will be utilized is "Equal Variances Assumed" in the table above the value comparison of "sig. (2-tailed)" with *a* (0.01<0.05), it means that hypothesis is accepted. In other words "there is a significant difference in consumer perception based on value between i-Phone 5S and Samsung galaxy S5.

Table 7. Independent Samples T-test

X₃		T	df	Sig. (2-tailed)	t-test for Equality of Means		95% Confidence Interval of the Difference	
					Mean Difference	Std. Error Difference	Lower	Upper
Total	Equal variances assumed	9.958	98	.000	2.660	.267	2.130	3.190
	Equal variances not assumed	9.958	94.392	.000	2.660	.267	2.130	3.190

Source: SPSS 20, Year 2014

Data value Levene'stest for equality of Variance for quality is higher than *a* (0.584>0,05)), the assumption that will be utilized is "Equal Variances Assumed" in the table above the value comparison of "sig. (2-tailed)" with *a* (0.00<0.05), it means that hypothesis is accepted. In other words "there is a significant difference in consumer perception based on company reputation between i-Phone 5S and Samsung galaxy S5"

Discussion

Data analysis above shows the independent samples T-test between the group test which are i-phone 5S and Samsung Galaxy S5. This research analyzes about the compare means with independent samples T-test between i-phone 5S and Samsung Galaxy S5 based on quality, value and company reputation. The result shows that are a mean different between i-phone 5S and Samsung Galaxy S5, and its supported by level of significant. Means that i-phone 5S and Samsung Galaxy S5 have a significantly different and based on the compare mean and t value is positive means that group 1 which are i-Phone 5S better than Samsung Galaxy S5 in terms of value and company reputation, and Samsung Galaxy S5 better than i-Phone S5 in terms of quality. Quality, value and company reputation affect the perception of customers.

Zeithaml (1988) stated that through consumer perception of quality and value are considered pivotal determinants of shopping behavior and product choice. Bailey (2005) explained that there is an overwhelming effect of company reputation on consumers' perceptions of and attitudes toward companies that are involved in non-fulfillment of promotional deals. Company reputation had a main effect on all dependent variables. Companies with positive reputations did not fare as adversely as companies with negative reputation.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

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

1) There is a significant difference of consumer perception based on quality between i-Phone S5 and Samsung Galaxy S5.
2) There is a significant difference of consumer perception based on quality between i-Phone S5 and Samsung Galaxy S5
3) There is a significant difference of consumer perception based on quality between i-Phone S5 and Samsung Galaxy S5.

Recommendations

Recommendations that can be concluded from the overall result in this research, which are listed as follow:

1) Research result finding of the quality, value and company reputation variables have a difference between I-Phone S5 and Samsung Galaxy S5. The company of Smartphone has to provide a good quality product, good value and good company reputation. Make innovation and development will be a good action to face the competition between products and compare with other competitors.
2) I-Phone 5S is one of famous brand of Smartphone in Indonesia produced by Apple Inc has greater result of value and company reputation of this research. I-Phone must be aware and increase the quality to compete in criteria of quality with the others Smartphone competitors.
3) Samsung Galaxy S5 also one famous brand of Smartphone in Indonesia produced by Samsung has greater result of quality of this research. Samsung must be aware and increase the quality to compete in criteria of quality with the others Smartphone competitors.

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