INFLUENCE OF SAMSUNG MARKETING TOOLS TO SMARTPHONE PURCHASE INTENTION OF MANADO YOUTH PEOPLE

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ABSTRACT

Smartphone has been quite a phenomenon especially in Manado city when finding people own more than one is easy. There are so many company involves in Smartphone market one of them is Samsung a Korean company who has been selling many Smartphone despite of a raging battle of competitions, this has become a questions for many people. The purpose of this research is to find out how Samsung influence the purchase intentions of a young people the most fertile segment in gadget market through their marketing effort of Advertising, Price, and Brand. A causal research design taking a survey approach was used. The population of this study consisted of students of FEB UNSRAT since this research target for Manado youth people, University was chosen as it is abundant with youth people. Questionnaire was used to select a sample of 105 students of FEB UNSRAT. The result and conclusions of research is all of the variables are significantly influence the Purchase Intention and the most influential is Brand followed by Price and Advertising. Therefore, the management of Samsung should maintain and improved their Brand through a better marketing effort.

Keywords: advertising, price, brand, purchase intentions

INTRODUCTION

Research Background

Recently information has been considered one of primary needs because information makes you aware of many things around you and even things that far from you. Moreover with internet being born as the latest and most advanced information technology and brought to public use, people around the world can be more easily accessing information from around the world no matter where they lives as long as they are connected to the internet. But as the time goes, Smartphone comes up to let people have a 24/7 access to internet.

Since it first comes up to these days there already been so many companies producing Smartphone whether local or international. Among those many companies and despite of a raging battle vying for this market, there are Samsung company one of the fore front in Smartphone business.

Samsung is a Korean Native Company who had been very well known in Smartphone business and has sold millions of Smartphone. Samsung had been quite well known around the world as people sometimes compare them with the Smartphone predecessor Iphone.

Samsung had been selling millions even billions of Smartphone. There are so many reasons behind Samsung greatness; life style, group effect, and product value could be the answer but this research will try to figure out from the perspective of company marketing strategies.

Advertising is the source of information from company to consumer everything that company wants to communicate to consumers are spread through Advertising. Advertising is a very necessary element for every company to stay exists in the market. Price is chosen seeing how it directly engages with the consumer and it is the final step before a consumer whether actually have it or just end up seeing behind a glass. Brand because it

is the personification of a company, more than just an image or name it is the relation between company and consumer something that will differentiate them from their competitor. These three indicators are considered vital to initiate purchase intentions as it can be found everyday connecting with people. So this research will try to measure these three elements of Samsung Smartphone influence to the college student intention to purchase.

Research Objective

By concerning the research problem stated above, the objectives of this research are:
1. To reveal the influence of advertising to purchase intentions partially
2. To reveal the influence of price to purchase intentions partially
3. To reveal the influence of brand to purchase intentions partially
4. To reveal the simultaneous influence of advertising, price, and brand to purchase intentions

THEORITICAL REVIEW

Purchase Intention

Belch and Belch (2012:129) described purchase intentions is some point in the buying process, when the consumer must stop searching for and evaluating information about alternative brands in the evoked set and do the purchase, it generally is based on matching a purchase motives with attributes or characteristics of Brand under consideration. Explained by Sprotles and Kendall (1986), a consumer's Purchase Intention is a mental orientation characterizing a consumer's approach to making choices. Dodds et al (1991) explained that purchase intentions have been proposed as buying willingness; suggest that provide the relationship between the acquisition and use of product and consumer reaction to the product

Advertising

Bovee and Thill (2011:556) advertising is the delivery of announcements and promotional messages via time or space purchased in various media. McDaniel et al (2011:728) said that advertising is impersonal, one-way mass communication about a product or organization that is paid for by a marketer. deChernatony (2010:157) explained advertising is nowadays widely used and makes a visible contact with the consumers. Advertisements communicate functional and emotional values of brands and products to the consumers which in turn creates strong, favorable and unique associations of brands in the mind of the consumers.

Price

McDaniel et al (2011:736) price, that which is given up in an exchange to acquire a good or service. Bovee and Thill (2011:565) described price as the amount of money charged for a product or services. Kotler and Armstrong (2012:336) said that price is the amount of money charged for a product or service, or the sum of the values that customers exchange for the benefits of having or using the product or service.

Brand

Kotabe and Helsen (2011:362) explained that brand can be defined as a name, term, sign, symbol, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those competitors. Brand is defined as images or personalities created by advertising, packaging, branding, and other marketing strategies as described by Solomon (2013:30). Kotler and Armstrong (2012:463) said brand is the most valuable asset for a company, where it represents a product or service means to consumers. Brands are more than just names and symbols. It is also the element of relationship between company and customers.

Previous Research

Yee et al (2013) in their study about Factors Affecting Smartphone Purchase Decision Among Malaysian Generation Y. The result, Brand has the second highest influence second only to product features on purchase decision. Siddiqui (2014) in his journal about TV Advertising Impact on Consumer Purchase Intention. The result shows, quality features has the highest impact on purchase intention and how Advertising

as a whole has a very significant influence on purchase intention. Shah et al (2012) in their journal about The Impact of Brands on Consumer Purchase Intentions. The result shows a very significant impact of brand on purchase intention only one of the variables shows a negative relationship which is environmental consequence that is not part of brand.

Research Hypothesis

H_1= Advertising (X_1), Price(X_2), and Brand (X_3) significantly influences purchase intentions simultaneously
H_2= Advertising significantly influences purchase intentions partially
H_3= Price significantly influences purchase intentions partially
H_4= Brand significantly influences purchase intentions partially
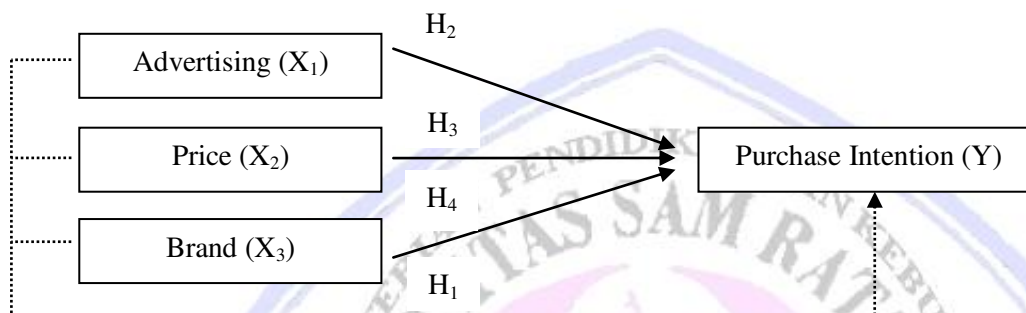
Conceptual Framework

Figure 1. Conceptual Framework
Source: Data Processed, 2014

RESEARCH METHOD

Type of Research

This research is causal type. Causal due to the purpose of determine if one or more variables cause another variable to occur or change. This research is a quantitative method since using questionnaire as a tool to gather data and analysis.

Place and Time of Research

The study will be conducted in Manado specifically FEB UNSRAT. This research regarding the student of FEB as its respondents and was conducted in Manado from October to December 2014.

Population and Sample

Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate, as described by Sekaran (2003:265). The population of this research is the total number of student at FEB UNSRAT that are 4,836 students based on 2014 FEB student affair data. Simple random sampling is a probability of sampling design in which every single element in the population has a known and equal chance of being selected as a subject as explained by Sekaran (2009:445). To find out the exact number of sample this research used Slovin formula and based on Slovin formula there are 98 sample of respondents. To prevent an invalid data this research added 7 respondents and make it 105 sample of respondents who are students of FEB UNSRAT.

Data Collection Method

Primary data is a data and information originated or obtained first-hand on the variables of interest for the purpose of the research. The data collected through questionnaire that will be distributed to 105 random college students of FEB UNSRAT.

Operational Definition and Measurement of Research Variables

The general explanations about variables that will be analyzed are stated as follows:
1. Advertising (X_1) can give an awareness and information about the existence of product
2. Price (X_2) an amount of money that consumers should match to acquire benefit
3. Brand (X_3) is a Personification of a Company as a whole

Data Analysis Method
Validity and Reliability Test

Validity is a test of how well an instrument measures whatever concept it is measuring, based on Sekaran and Bougie (2009:157). Consistency indicates how well the items measuring a concept hang together as a set. Cronbach's alpha considered a perfectly adequate index of the interitem consistency reliability of a coefficient that will indicate how well the items in a set are positively correlated to one another, Sekaran and Bougie (2009:163). Since reliable scales are not entirely valid, the concern of using validity as additional has become a need.

Multiple Regression Analysis

Cooper and Schindler (2001:767) stated that multiple regression analysis is a technique to observed value of more than one X to estimate or predict corresponding Y value. The formula for multiple regression analysis method is as follows:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3$$

Whereas: Y = Purchase Intention, X_1 = Advertising, X_2 = Price, X_3 = Brand and B1-3 = partial coefficient for each variable X_1, X_2, X_3.

RESULT AND DISCUSSION

Validity
Table 1. Validity Result

Variables and Indicators	Pearson Correlation
X1 Advertising	
X1.1	.790
X1.2	.797
X1.3	.807
X2 Price	
X2.1	.834
X2.2	.804
X2.3	.810
X3 Brand	
X3.1	.878
X3.2	.905
X3.3	.862
Y Purchase Intention	
Y1	.868
Y2	.781
Y3	.824

Source: Data Processed SPSS, 2014

Based on the table above, the independent and dependent variable are valid with a Pearson Correlation values are above 0.3.

Reliability
Table 2. Reliability Result

Variables	Cronbach's Alpha
X_1	.825
X_2	.833
X_3	.857
Y	.836

Source: Data Processed SPSS, 2014

The value of Cronbach's Alpha are more than 0.6, indicated that all research instrument indicator of variable are reliable.

Multiple Regression Analysis
Table 3. Results of Multiple Linear Regression Analysis

Model	B	t	Sig.	Information
Constant	2.903	4.058	0.000	Significant
X_1	0.126	2.549	0.181	Significant
X_2	0.170	2.929	0.001	Significant
X_3	0.492	5.825	0.000	Significant

Source: Data Processed SPSS, 2014

The equation is as follows:

$$Y = 2.903 + 0.126\,X_1 + 0.170\,X_2 + 0.492\,X_3$$

The explanation is as follows:

Constant value of **2.903** means that if the variables in this research of Advertising (X_1), Price (X_2), and Brand (X_3) simultaneously increased by one scale or one unit will increase the Purchase Intention (Y) at **2.903** point. Coefficient value of **0.126** means that if the variables in this research of Advertising (X_1) increased by one scale or one unit, it will improve and increase Purchase Intention at **0.126**. Coefficient value of **0.170** means that if the variables in this research of Price (X_2) increased by one scale or one unit, it will improve and increase Purchase Intention at **0.170**. Coefficient value of **0.492** means that if the variables in this research of Brand (X_3) increased by one scale or one unit, it will improve and increase Purchase Intention (Y) at **0.492**.

Testing the Goodness of Fit: Coefficient of Correlation (R) and Determination (R^2)
Table 4. R and R square

| Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.839[a]	.703	.694	1.11657	1.545

Source: Data Processed SPSS 2014

The coefficient of correlation (R) value is **0.839** meaning the level of relationship between independent and dependent variable is considered as a substantial positive relationship. The value of the coefficient of determination is identified by (R^2) = **0.703**. R Square is usually called the coefficient of determination which is **0.703** or **70.3%** that means Purchase Intention is able to be explained by Advertising, Price, and Brand as much as **70.3%** while the other **29.7%** are caused by the other factors.

Classical Test Assumptions
Multicolinearaity Test
Table 5.Multicolinearity Test Result

| Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	X_1	.362	2.765
	X_2	.316	3.167
	X_3	.310	3.228

Source: Data Processed SPSS, 2014

The results in the table above, can be seen by SPSS output does not occur because the symptoms of multicollinearity VIF value of Advertising (X_1), Price (X_2), and Brand (X_3) are below numbers < 10, this means that there is no connection between the independent variables. Thus, multicollinearity assumptions are met (free of multicollinearity).

Heteroscedasticity Test
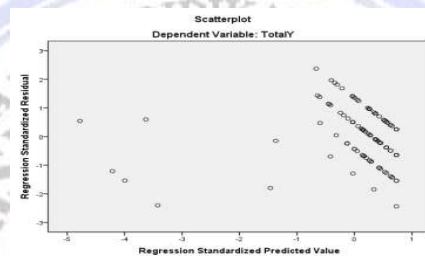
Figure 1. Result of Heteroscedasticity
Source: Data Processed SPSS, 2014

The figure above, it can be seen that there is no established pattern and the plot spread above and below the number 0 (zero) on the Y-axis. Thus, this proves that this model is free of Heteroscedasticity.

Normality Test
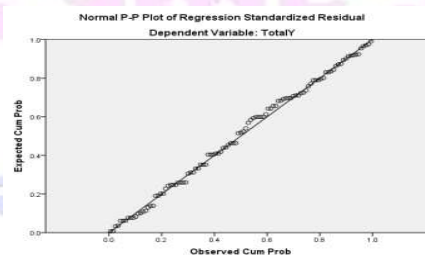
Figure 2. Result of Normality
Source: Data Processed SPSS, 2014

From the figure above it can be seen that the points spread and spread around the diagonal line in the direction diagonal lines. This proves that the model Regression of The Influence of Advertising (X_1), Price (X_2), and Brand (X_3) on Purchase Intention (Y) in test normality assumption was met.

Discussion

Advertising is very important in this case knowing without it most people will have no awareness toward Samsung Smartphone Product. Stated by deChernatony, (2010:3) Advertising is nowadays widely used and makes a visible contact with the consumers. Advertisements communicate functional and emotional values of brands and products to the consumers which in turn creates strong, favorable and unique associations of brands in the mind of the consumers. So to invest in advertising is essential as it will create awareness that will

be useful for company in time of use. This result also encouraged by the study from Siddiqui (2014) that indicates all the advertisements dimensions discussed have worked well to create the purchase intention in the minds of the consumers. Price has a higher effect on Purchase Intention then Advertisings, this is happening because even if they get all the information without fund to pay, it will be nothing. Price is a very important element on this research opposites to the Yee et al (2013) research toward college students in Malaysia, shows that the Price of Smartphone will not be so important to the users and it is the last variables to consider, Price directly affect the consumers as it is consider a high involvement product. Even though high price could sometimes determine the quality level of product as explained by Erickson and Johansson (1985) stated that Price of product may have a positive role which can be a factor to determine the perception of high quality product. Still doing a research are needed for a proper price to be held even though to set a high level of price could be a proper one for a Brand like Samsung known they have already become one of the renowned Brands of Smartphone and always produce a high quality Smartphone.

Brand has a positive impact it even has the highest impact than any other variable. This is because Samsung Brand has already been very well known especially in Smartphone line with their creative and innovative product. Brands are more than just names and symbols. It is also the element of relationship between company and customers as described by Kotler and Armstrong (2012:463). It also encouraged by Shah et al (2012) as stated investigation of their research shows that purchasing intention of customers has positively affirmative and powerful correlation with the brand. Brand is an important instrument as it is the face and the personification of the company itself and the result shows how it matters for college student. But Brand is not stand by itself Samsung promotions, quality of the products, Price, customer treatment, and many other things are what made up Brand. As explained by Solomon (2013:30) brand is defined as images or personalities created by advertising, packaging, branding, and other marketing strategies. So careful treatment toward everything that the Samsung had done is a must to maintain and protect it is well known Brand.

CONCLUSION AND RECOMMENDATION

The result on this research can be concluded as follows:

1. Advertising has a significant influence on Purchase Intention
2. Price has a significant influence on Purchase Intention
3. Brand has the highest significant influence on Purchase Intention
4. Advertising, Price, and Brand have a significant influence on Purchase Intention simultaneously.

Recommendation

The company should be more concern about the Advertising as it has significant influence, so to invest in Advertising will proved to be beneficial. Quality of the product, creatively appealing, and associate it with a celebrity as needed is what Advertising needed. Research should be imperative as to determine the right price so to be more accept by the College student and youth people as a whole, as too low and too high will have its side effect. Since Brand has the highest significant influence on Purchase Intention, Samsung should maintain their Brand quality and perception in Collage Students' mind and youth as a whole but Brand cannot stand by their own as Brand is personification of a company whole body in people's eye so to maintain it, they have to pay more concern toward all their marketing tools and strategy. Seeing the result of this research that purchase intention of Manado youth people most likely determine by these three variables focus in these three will proved beneficial for Samsung especially when most people already knew how great quality of Smartphone Samsung produce.

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