Research Article

The Influence of Brand Image, Design, Feature, and Price on Purchasing Decision of Apple iOS Smartphone in Surakarta, Indonesia

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Abstract: **This study examined the influence of four independent variables; brand image, design, feature, and price on consumer behavior in deciding to buy Apple iOS smartphone. It was conducted by taking sample on Apple iOS smartphone owners in Surakarta, Indonesia. It also found that the four independent variables ie brand image, design, features, and price indicate their ability to influence consumer purchasing decision in a positive direction. Surprisingly, the researcher found out that price variable has the strongest influence on the consumer buying decision on Apple iOS smartphone. Otherwise, the researcher specifically found that feature variables have the weakest ability to influence purchasing decisions. Therefore, this study suggests to the management of the company to evaluate the price offered to be affordable by consumers. The way is the company's management can conduct periodic price evaluation as well as evaluating the target market.**

Keywords*:* **Smartphone, brand image, design, feature, consumer behavior**.

Introduction

Apple iOS smartphone is a mobile operating system created and developed by Apple Inc. This operating system was firstly released in 2007 for iPhone and iPod Touch, and was developed to support other Apple instruments such as iPad and Apple TV. Unlike Windows Phone (Windows CE) Microsoft and Android Google, Apple did not licensed the Apple iOS smartphone to be installed in non-Apple hardware (Interbrand, 2015).

In Indonesia, Apple iOS smartphone tightly competes with other smartphone brands such as Samsung and Blackberry. Apple iOS smartphone selling position between 2013 until 2014 increased in selling unit but decreased in market share (Interbrand, 2015). Sales number reached 11 thousand units in 2013, and increased to 190 thousand units in 2014. But it decreased in market share, where in 2013 the market share was 18,9% decreased 1,7% in 2014 (Topbrand, 2105). For this reason it's necessary to investigate the factors that influence sales of Apple iOS smartphone.

According to Bowen and Li Chen (2001) the sales level is determined by the number of consumers who buy the product. More consumers in droves decide to buy a certain product, it will automatically increase the product sales. Decisions made by consumers are influenced by various factors such as brand image and price which become the products magnet (Bowen and Li Chen, 2001; Amron, 2017). Purchase decision on a product such as smartphone also influenced by its characteristic ie design and feature (Pero et al., 2010; Khan et al., 2012). Therefore, this study was conducted to examine the influence of brand image, design, feature, and price on consumer purchasing decision on Apple iOS smartphone in Surakarta, Indonesia. The reason for choosing Surakarta because this city is a favourite destination for students to continue their study in a university and Surakarta also has an impressive business development in Indonesia after

Yogyakarta. The large population with advanced smartphone usage made it as an interesting location for this research.

This research will be useful for company's management in formulating its marketing strategy. Besides, this research is useful for marketers in attracting consumers to buy Apple iOS smartphone.

Theoretical Background

Consumer Behaviour

Consumer behavior is defined as the study of unit purchase and exchange process involving purchase, consumption, experience, and idea (Bowen and Li Chen, 2001; Chang and Wang, 2011). This definition contains an important concept of exchange. A consumer can not avoid the exchange process, where all resources are transferred between the two parties. For example, there is an exchange between the seller and the buyer. The seller trades his goods by acting as a seller to earn money. While the buyer acts as someone who decides whether to buy or not goods offered by the seller. The exchange will occur if the buyer has decided to purchase the goods or services, and the exchange is approved by both of them (Chang and Wang, 2011; Amron and Mahmud, 2017).

In a transaction process the role of purchasing decisions is the choice between two or more alternative options, which means that the conditions when a person makes decisions there must be available several alternative options (Pero et al., 2010; Amron and Usman, 2016). The decision to buy can lead to how the process of decision-making is done. According to Chang and Wang (2011) and Spiller (2000) the process of making a purchase decision through several stages, starting from the problem introduction and information search, enclosed with post-purchase behavior. While according to Spiller (2000) consumer decision making can give a comprehensive picture of the complexity of consumer decision

in making a choice. According to Watson et al. (2015); Nguyen and Meng (2016) purchasing decision on goods is influenced by brand image and price. While Khan et al. (2012); Baruk and Iwanica (2015) said that purcahe decision on goods especially on electronic goods is determined by design and feature.

The Influence of Brand Image on Purchasing Decision

Brand image is a set of brand associations formed in the consumer mind (Aaker, 1991). Moreover Aaker (1991) also defined brand image as a number of brand beliefs. The requirement of a top brand is a brand image. Image is a set of unique associations created or nurtured by marketers. The associations state what the brand is and what it promises to consumers (Atilgan et al., 2005; Aaker, 1996).

Aaker (1991) argues that to understand the brand image well a consumer must pay attention to the uniqueness of product characteristics. Based on the above explanation it can be deduced, that brand image is a set of brand associations that arise in the minds of consumers because its uniqueness and has an intensive marketing communication

Many studies about the influence of brand image on purchasing decisions have been done from various aspects. For example Watson et al. (2015) examined the effect of brand image on the apparel industry in Germany. The research results supported the opinion of the positive influence of brand image on consumer purchasing decisions. Aager's (2011) study also validated the positive influence of brand image on purchasing decisions. So this study concludes there is a positive influence between brand image with purchase decision on Apple iOS smartphone.

H1: Brand image has a positive and significant impact on purchase decision on Apple iOS smartphone.

The Influence of Design on Purchasing Decision

A product design is made in accordance with the desire of the oriented market (Lo and Power, 2010). Pero et al. (2010) suggests that product design is the totality of features that influence the appearance and function of a product in terms of customer needs. Product design shows the company's ability to put its position in business competition (Lo and Power, 2010)

For the Company, a well-designed product is a product which is easy to produce and distribute. As for the customer, a well-designed product is a product which is pleasing to look at and easy to open, installed, repaired and discarded.

Many researches have been done by connecting design to consumer purchasing decisions in buying goods. Khan et al. (2012) conducted a study corcerning the influence of design on the decision of buying famous fashion products in the UK. The result was that the design was able to influence consumer purchasing decisions in the UK. This is supported by research by Pero et al. (2010) which confirms the design has a positive effect on purchasing decisions. Therefore, this study concludes that there is a positive relationship between design and purchase decision.

H2: The design has a positive and significant impact on purchase decisions of Apple iOS smartphone.

The Influence of Feature on Purchasing Decision

Feature is a means to differentiate a company's product from its competitors (Vila and Ampuero, 2007). Being the first manufacturer who introduce a new valuable feature is one of the most effective way to compete (Vila and Ampuero, 2007; Boyce et al., 2008). Features are characteristics or abilities that may or may not possess by the product. Similar products can be viewed differently by consumers from the features comparison among them, they are, the comparison of feature completeness, feature sophistication or exclusiveness in a product rather than others.

Many previous researchers conducted their research on the effect of features on consumer purchasing decisions by associating it from various aspects. For example Baruk and Iwanica (2015) examined the connection between feature and purchasing decision by involving 100 respondents in Poland. The research found that there was a connection between feature and purchase decision. Khan et al. (2012) also found the same thing that the feature is able to influence the purchase decision positively.

H4: Feature has a positive and significant impact on Apple iOS smartphone purchase decision.

The Influence of Price on Purchasing Decision

Price is the amount of money charged to a product or service, or the sum of the value exchanged by the consumer for the benefits of owning or using the product or service (Jacoby et al., 1971; Nguyen and Meng, 2016). Price is the value of a good denoted by money or the sum of all value exchanged by a consumer for the benefit of owning or using the product or service (Nguyen and Meng, 2016).

Price is not only depending on company policy, but considering many things including consumer's point of view (Kwon et al., 2008). Price is said to be expensive, cheap, or fair are different from one person to others because it depends on each individual background. In order to succeed in promorting a product or service, every company must set its price appropriately. Price is the only element of marketing that provides income for the company. In addition, price is a flexible element in marketing; it means that price can change quickly (Kwon et al., 2008).

Many studies have been conducted which explores the connection between price variables with purchasing decision. Beneke et al. (2013) examined the role of prices on purchasing decision by conducting a study with survey method in South Africa. The result found a positive and significant influence between price and purchase decision. Other studies are conducted by Nguyen and Meng (2016) which also supported the previous research result that there was a positive relationship between price and consumer purchase decision. For this reason, the researcher also concluded that there is a positive relationship between price and purchase decision on Apple iOS smartphone.

H4: Price has a positive and significant effect with purchase decision on Apple iOS smartphone.

Research Metodology

Sample taking technique in this research using purposive sampling method which require: the smartphone is self-owned, stays in Surakarta, Indonesia and the minimum age of 18 years old. This study employs a questionnaire form which consists of; the first part is the respondent identity and the second part is the questions list that must be filled by the respondent. The questions list using Likert Scale from 1 to 5. Number 1 represents a strongly disagree answer of the respondent and strongly agreed answers are represented by the number 5. The incoming data is tabulated with SPSS software then analyzed and interpreted.

Result of Study and Discussion

Responden's Characteristic

The number of respondents of this study is 100 people consist of 53% of women and 47% of men. Around 51% of the respondents are 18 to 25 years old, 24% are 26 to 35, 15% are 36 to 45, and the rest 10% are more than 45 years old. According to respondent's occupation; 55% are students, 22% are employed in private companies, 15% are self-employed, and the remaining 8% are government employees.

Result of Data Analysis

Validity and Reliability Test

The result of validity test is shown by the lowest t count of 0.401 and the highest value 0.653. By using r two-sided table of 0.197, it can be concluded the validity of this study has been fulfilled because the value of r count is greater than the value of r table. Therefore, the questionnaire used for the variables of brand image, product design, feature, price and purchase decision are valid as a variable measuring instrument.

The results of reliability test of this research indicate that the questionnaire can be trusted and declared reliable as a variables measurement tool. This statement is profed by the Alpha Cronbach's value of variables ie brand image, product design, feature, price, and purchasing decisions are above 0.60.

Normality Test

The normality test of this study suggests that the sample data in the study has been normally distributed. The result of data normality test (using analysis of normal plot chart) shows the spreading dots around the diagonal line and its distribution follows the direction of the diagonal line (see Figure 1).
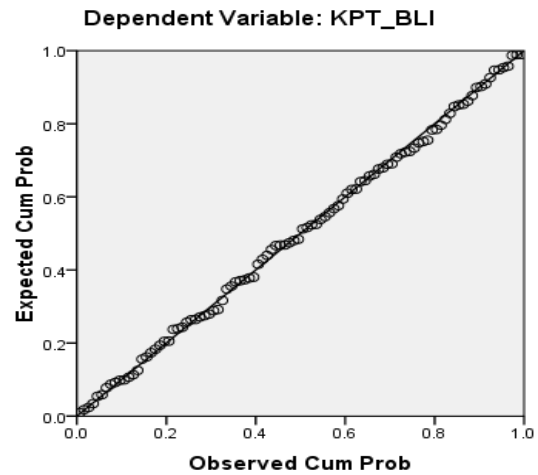

Figure 1. P – P Plot Normality Test
Source: SPSS Output

Heteroscedasticity and Multicollinearity Test

The heteroscedasticity test of this study uses Scatterplot. The result shows that the dots spread above and below the 0 (zero) scale of Y axis. So there is no heteroscedasticity.

The multicollinearity test is used to show that among the independent variables there is no multicollinearity matter. The results of this study indicate that the lowest VIF value is 1.367 and the highest is 4,388. While the lowest tolerance value is 0.229 and the highest is 0.743. This result indicates that there is no multicolinearity, because the VIF value is less than 10 and the tolerance value is more than 0.10.

Multiple Linear Regression Test

The result of multiple linear regression test shows that there is positive and significant influence between independent variables (brand image, design, feature, and price) to dependent variable (purchase decision).

Table 1. The Result of Multiple Linear Regression Test

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-1.696	.963		-1.760	.082
CM	.268	.071	.304	3.699	.000
DS	.228	.049	.321	4.675	.000
FIT	.175	.079	.104	2.241	.028
PR	.442	.092	.320	4.802	.000

a. Dependent Variable: Buying Decision

Source: Calculated Primair Data

Determination Coefficient (R^2)

Adjusted R Square of this research is 0.846, it means that the ability of variables ie brand image, product design, features, and prices in explaining the users purchasing decision on Apple iOS smartphone is 84.6% while the remaining 15.4% is explained by other variables that are not examined on this research.

F-Test and t-Test

The F value of this study is 135.934 with a significant probability of 0.000. Because the probability value is smaller than 0.05, it can be said that independent variables (brand image, product design, features, and price) all together or simultaneously have a significant effect on the dependent variable (purchasing decision).

The smallest sig value of this study is 0.000 and the largest is 0.028. So it can be concluded that the sig value is below 0.5, or it can be said that all hypotheses of this research are accepted.

Discussion

This study examines the influence of brand image, design, feature, and price on the purchasing decision of Apple iOS smartphone, using samples of Apple iOS smartphone users stays in Surakarta, Indonesia.

The results of the study found that the four independent variables were able to influence consumer purchasing decision of Apple iOS smartphone in a positive and significant direction. But among the four independent variables, the price has the greatest influence rather than other independent variables with a significance level of 0.000. Price is the amount of money charged to a product or service, or the sum of the value exchanged by consumers for the benefits of owning or using such products or services.

This study is in line with research executed by Nguyen and Meng (2016) and Beneke et al. (2013) but this study found different focus concerning to the influence of price on purchasing decision that majority of respondents wish Apple iOS smartphones are sold at affordable prices. Respondents are belief that affordable smartphone prices would strengthen consumers' confidence to buy Apple iOS smartphone products. The researcher advises the company's management to evaluate the existing price to be more affordable by consumers in Surakarta. They can conduct periodic price evaluation as well as evaluate the oriented market.

The finding that brand and design image have a positive and significant impact on purchasing decision means that the better the brand image and design presented, the more consumers will decide to buy Apple iOS smartphone products. The impact value is 0.304 for brand image and 0.321 for design with a significance level of 0.000. This study supports previous researches by Aagerup (2011), and Watson et al. (2015). Besides, this study is in line with the research of Khan et al. (2012) and Pero et al. (2010). This research confirms that company's management must pay attention brand image and design variables because consumers have a perception that their decision to buy Apple iOS smartphone product derives from the belief that the product has a good brand image and design level. The company is sugessted to constantly promote the up-to-date products with unique models so the Apple iOS brand image will be distinctive and attractive. According to respondents, smartphone products with the up-to-date models and attractive will be associated as a high brand image. From the design side, the reseracher suggests the company to equip the Apple iOS smartphone with an easy operating system because respondents consider that an attractive smartphone is equipped with complete menus and easy to operate at once.

As mentioned in the research findings above that features have a positive and significant effect on purchasing decision, this study found that attractive features will make consumers to be more confident to buy Apple iOS smartphones. This study is parallel with the research did by Baruk and Iwanica (2015). But this study is different from previous researches because the respondents of this research consider that a feature is considered to be attractive if it can show its uniqueness more than others. This research suggests the company to offer a unique new feature which is not provided by other brands; such a smartphone with high resolution cameras, bigger files storage, or other unique features.

Managerial Implications

This research provides managerial contribution related to the findings that brand image, design, feature, and price have a positive and significant impact on purchasing decision of Apple iOS smartphone product. The researcher advises the company's management to make continuos efforts to improve the function of brand image, design, feature, and price in various promotion programs in order to improve consumer purchasing decision in buying Apple iOS smartphones. Among the four variables, the researcher suggests the company's management to give special attention to the price variable because this research confirms that it has the biggest impact compared to the brand image, design, and feature to the consumer purchasing decision. Company can promotes and offers smartphones with fair price and good quality which are affordable by its customers. This is because respondents feel that reasonable smartphone prices will improve consumer confidence to buy Apple iOS smartphone products.

Conclusions

The objective of this study is to examine the purchase decision model on Apple iOS smartphone product, using brand image, design, feature, and price variables as independent variables and purchase decision as dependent variable. This study takes Apple iOS smartphone users in Surakarta, Indonesia as respondents. The study found that brand image, design, feature, and price had a positive and significant influence on purchasing decision of Apple iOS smartphone products.

 Based on brand image, the researcher suggests the company's management to consistantly offer products with up-to-date models in order to make the brand image of Apple iOS smartphone more attractive and recognizable. According to this study, respondents assume that smartphone with up-to-date and interesting models is a high brand image. While from

design and feature point, the researcher suggests the company to equip the Apple iOS smartphone with an easy operating system because respondents consider that an attractive smartphone is equipped with complete menus and easy to operate at once. At last, price is the variable with the biggest influence on this research; therefore the researcher suggests the company's management to evaluate the existing price to be more affordable by consumers in Surakarta. They can conduct periodic price evaluation as well as evaluate the oriented market.

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