

# CHAPTER I

## INTRODUCTION

### **A. Research Background**

Nowadays globalization era is happening between us human, globalization era is era that there is bond between geographic between country and nation to communicate and interact for individual or organization. Recently has known that in technology, communication, and transportation sector was improving and increasing in rapid condition. That problem become real if we associate with the existence of smartpone, with the existence of smartpone we human can do anything easier because of the technology sector in smartpone that become more sophisticated give us a way much more easy to communicate with people around the world, with electronic communication devices that we knows as smartpone nowadays. Virtual communication with two ways communication that make person easy to communicate with the another person in blink of eyes using the application just like WhatsApps, Line, Facebook and another application that using internet based application.

Highly sophisticated technology can be seen in the people lifestyles that change because of existence of smartpone itself, recently there is a lot of brand and type of smartpone launched in Indonesia because of the needs and wants within the people in Indonesia especially nowadays smartpone can replicate work of computer just like typing word, processing data in Microsoft excel and many more. Smartpone first introduced to people in 1992 until now it has changed to different model and design, because of the model and design change in smartpone, recently smartpone can be grouped into three segment according to price and specification, that is:

1. High end smartpone
2. Middle level smartpone

### 3. Entry level smartphone

With this segmentation, it is undoubtedly that smartphone user increase in rapid level, this data proved that smartphone user is increasing rapidly:

<b>Number of Smartphone Users (in million)</b>	<b>2015</b>	<b>2016F</b>	<b>2017F</b>	<b>2018F</b>	<b>2019F</b>
China	525.8	563.3	599.3	640.5	687.7
India	167.9	204.1	243.8	279.2	317.1
Indonesia	55.4	65.2	74.9	83.5	92.0
Japan	51.8	55.8	58.9	60.9	62.6
South Korea	33.6	34.6	35.6	36.5	37.0
Philippines	26.2	29.9	33.3	36.5	39.2
Vietnam	20.7	24.6	28.6	32.0	35.2

Table 1. 1 Smartphone user growth in Indonesia 2015 – 2019

As shown in table 1.1, Indonesia is the three biggest country with most active smartphone user, between years 2015 until 2018 there are significant growth for active smartphone user in Indonesia, there are significant growth in the graphic that shown in the picture 2, but the highest growth level was in year 2016, 9,8 million growth rate, because of in the end of 2015 there was a revolution in phone sector, from the java and Symbian model of phone become Android, iOS, and Windows Phone, nowadays we call it as smartphone, also in 2016 almost 50% people in Indonesia become active smartphone user, and there is Chinese smartphone brands come to Indonesia, for example Oppo, Vivo, Xiaomi, Meizu, and many more, they sold the smartphone at cheap price with high specification to compete with competitor brand that already has a name in Indonesia just like Samsung and Apple for example, they already have a name in Indonesian people heart and already become mainstream. We also attach data that shown biggest 5 smartphone brands market share in Indonesia.

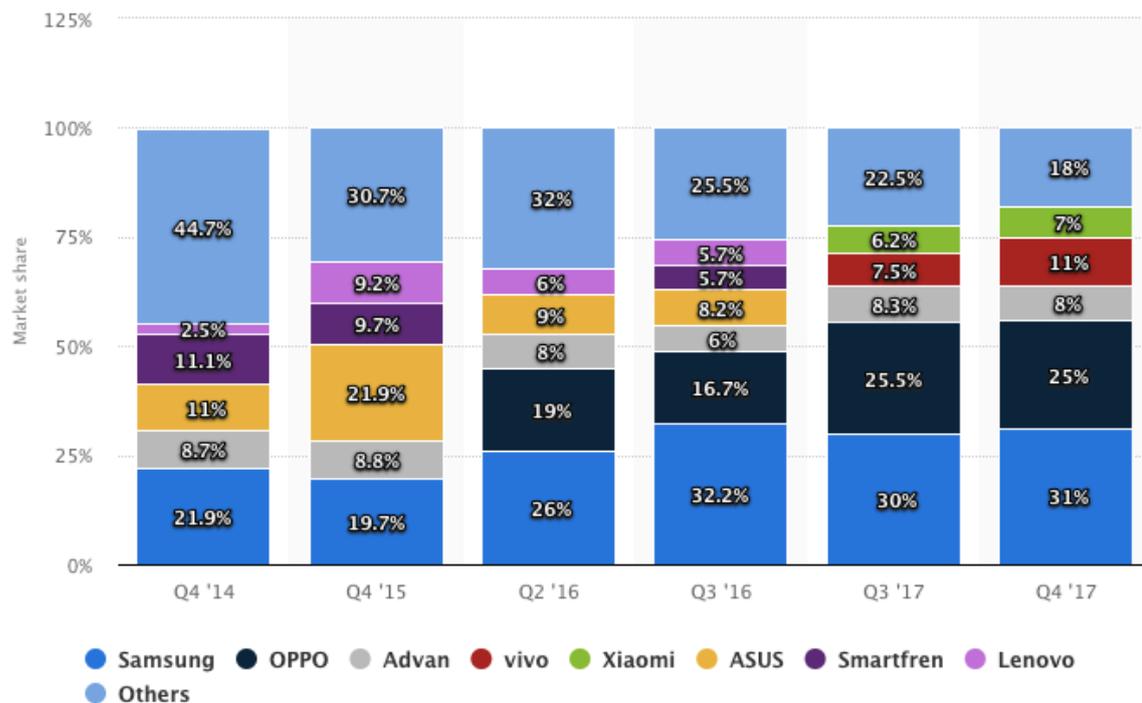


Table 1. 2 Smartphone market share in Indonesia 2014 – 2017

As shown in table 1.2, we know that smartphone was popular in 2014 in that time Samsung is the market share leader by 44.7% and followed by Smartfren with the score 11.1% because Smartfren is domestic product made in Indonesia, until third quarter of 2016 Samsung still the market share leader by 25.5% but in third quarter of 2017 Samsung fall apart because Chinese smartphone that start to come in Indonesia and become popular since second quarter of 2016, Chinese smartphone become popular in Indonesia because of the low price but high specification compare to the Samsung that have lower money to specification smartphone.

Based on problem above, author interested to make a research with the background of Country-Of-Origin based on Smartphone that made in certain country, with the perception of purchase intention toward Smartphone.

## **B. Research Contribution**

### 1. Theoretical contribution

This research hoped to rise the understanding about the concept of Country of origin Image, and the quality perception of purchase intention.

### 2. Practice contribution

#### a. For academics

Research conclusion hoped to be resources of another research and become study material in management sector especially in marketing management.

#### b. Another party

Research conclusion hoped to give contribution and benefit for smartphone seller to make marketing strategic decision to compete with the other competitors and give new innovation for customer.

#### c. For researcher

This research can add understanding through marketing management especially that concern about Country of Origin Image, brand image, and quality perception towards purchase intention.