

# **ANALYSIS OF THE EFFECT OF PRICE, BRAND IMAGE AND PERCEIVED RISK ON SMARTPHONE PURCHASE INTENTION (IPHONE)**

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## **Abstrak**

Banyak bermunculan brand-brand baru dalam persaingan dunia smartphone, saling bersaing untuk menciptakan produk-produk unggulan. Produsen dituntut tidak hanya sekedar menciptakan produk, namun juga memahami keinginan dan kebutuhan konsumen di pasar. Hal ini mendorong dilakukannya penelitian mengenai faktor-faktor yang mempengaruhi niat beli konsumen terhadap suatu produk suatu merek. Penelitian ini dilakukan untuk mengetahui pengaruh harga terhadap niat pembelian iPhone, citra merek terhadap niat pembelian iPhone, dan persepsi risiko terhadap niat pembelian iPhone. Metode yang digunakan dalam penelitian adalah metode kuantitatif. Penelitian ini menggunakan data primer yang diperoleh dari penyebaran kuesioner kepada seluruh responden yang memenuhi kriteria sampel melalui platform Google. Populasi dalam penelitian ini adalah seluruh mahasiswa Fakultas Ekonomi dan Bisnis Universitas Muhammadiyah Surakarta. Sampel yang diambil dalam penelitian ini berjumlah 120 responden yang dipilih dengan menggunakan teknik purposive sampling. Pengujian hasil penelitian pada penelitian ini dibantu dengan menggunakan software SmartPLS3. Hasil penelitian menyimpulkan bahwa harga, citra merek, dan persepsi risiko berpengaruh positif terhadap niat pembelian iPhone.

**Kata Kunci :** Harga, Citra Merek, dan Niat Membeli

## **Abstract**

Many new brands have emerged in the competition in the world of smartphones, competing with each other to create superior products. Producers are required to not only create products but also understand the wants and needs of consumers in the market. This prompted research on influencing factors that affect consumer purchase intention towards a brand product. This research was conducted to determine the influence of price on iPhone purchase intention, brand image on iPhone purchase intention, and perception risk on iPhone purchase intention. The method used in the research is the quantitative method. This research uses the primary data obtained from a spread questionnaire to all respondents who complied with sample criteria via the Google platform. The population in this research is all students of the Faculty of Economics and Business, Muhammadiyah University of Surakarta. Samples taken in this research A total of 120 respondents were selected using the purposive sampling technique. The research result testing in this research helped with using SmartPLS3 software. The research results conclude that price, brand image, and perceived risk have a positive effect on iPhone purchase intention.

**Keyword:** Price, Brand Image, and Purchase Intention

## **1. INTRODUCTION**

Smartphones or smartphones are a technology that is developing rapidly from year to year, especially in the last few years. Many new brands have emerged in the competitive world of cell phones, competing with each other to create superior products. Manufacturers are required to create products and understand consumer wants and needs. This is needed by producers to be able to compete with other producers. By understanding purchase intention, manufacturers can create products according to consumer desires.

The large number of smartphones entering Indonesia provides many choices of brands, prices, and product quality for Indonesian consumers. Brands identify the source or manufacturer of a product and enable consumers to hold responsibility for its performance to a specific manufacturer or distributor. On the other hand, price and product quality are also important factors that consumers consider before purchasing a smartphone. The price factor is important for producers to consider to create high consumer purchases.

Apple Inc. better known as Apple is a technology company founded by Steve Jobs as CEO of the company in 1976. The company creates hardware and software, one of the hardware produced is the iPhone product. The iPhone is a smartphone innovation made by Apple which was first created in 2007 (dailysocial.id). The iPhone is made using a different operating system from other smartphones because Apple created its operating system (OS), namely IOS (iPhone Operating System). The advantage of IOS is its extraordinary performance and is only used specifically for Apple smartphone devices. IOS is a class of operating systems that not only follows technological developments, but IOS is also the developer of operating systems that are imitated by many other companies and this will influence consumers' purchasing decisions for iPhones.

Several factors that can influence consumer purchasing decisions are brand image, price, and perceived risk. Brand image is related to a good perception of a product which will later influence purchase intention. A company needs to maintain a positive brand image attached to the company. One important factor in the development of a company is price. Price is an aspect attached to the product and is even something consumers have to strive for. Usually, the word price is used in the form of nominal digits, a number relative to the currency exchange rate which indicates the high or low value of a quality of goods or services. According to Sweeney in Fernandez (2007:433), risk perception is an excellent mediator in determining the level of quality of relationships with consumers. This can be interpreted as the perception of risk being able to attract purchase intention through building relationships with consumers.

Proposing a hypothesis from the research, namely (1) Price has a positive effect on purchase intention, (2) Brand image has a positive effect on purchase intention, (2) Perceived risk has a positive effect on purchase intention Benefit of research including theoretical benefits is This research is expected to provide insight and knowledge regarding the marketing of a product, and practitioner's benefits is It is hoped that this research can be used in solving problems related to the marketing management of a product. Based on the background above, the author is interested in conducting research entitled "Analysis of the Effect of Price, Brand Image, and Perceived Risk on Smartphone Purchase Intention (iPhone)."

## 2. METHOD

This research uses quantitative methods, namely methods that rely on objective measurements and mathematical analysis (statistics) of data samples obtained through questionnaires, polls, tests, or other research instruments to prove or test the hypotheses (temporary assumptions) proposed in the research.

This research aims to analyze the relationship between the independent variables, namely price, brand image, and perceived risk with the dependent variable, namely purchase intention. The population in this study were all students of the Faculty of Economics and Business, Muhammadiyah University of Surakarta. So, the population of this study was 1385 people. Determination of samples using the method according to Heir et al (2010) in Choon Ling et al (2011) which states that the size of the ideal and representative sample is the amount of all indicators in the research variables multiplied by 5 to by 10. In research, there are 17 indicators questions. The minimum sample limit for this study is  $16 \times 5 = 80$ , while the maximum limit is  $16 \times 10 = 160$ . So will mark the middle as many as 120 respondents. The sampling method used in this research is the purposive sampling method, namely determining samples from the existing population based on the criteria desired by the researcher. The sample criteria used are as follows:

- 1) Respondents are active students at the Faculty of Business Economics, UMS
- 2) Respondents know the iPhone brand smartphone products
- 3) Never before buy an iPhone

The data collection method used in this research is a questionnaire.

Table 1. Definition Operational

<b>Variable study</b>	<b>Definition</b>	<b>Indicator</b>
Purchase Intention (Y)	A deeply held commitment to purchase or support a preferred product or service again in the future	A. Purchase intention to find information about a product B. Consider purchasing the product C. Interested in trying the product D. Preferential interest
Price (X1)	A certain amount of money is required sacrificed by consumers to get something product	A. Affordability price B. Suitability price C. Price is appropriate benefit D. Competition price
Brand Image (X2)	A consumer's image or view of a product brand, place, or company	A. Trusted B. Own difference from other brands C. Modern impression D. Luxurious impression

Perceived Risk (X3)	Unintended consequences that consumers want to avoid when purchasing and using a product	E. By the quality
		A. Performance risk B. Financial risk C. Social risk.

### 3. RESULTS AND DISCUSSION

#### 3.1 Result

Apple Inc. is a technology multinational company based in Cupertino, California, which designs, develops and sells consumer electronics, computer software, and online services. The hardware Apple produces includes the iPhone smartphone, the iPad tablet computer, the Mac personal computer, the iPod portable media player, the Apple Watch smartwatch, the Apple TV digital media player, and the HomePod smart speaker. The software Apple produce includes the macOS and iOS operating system, the iTunes media player, the Safari web browser, and the creativity and productivity tools iLife and iWork, as well as a variety of professional applications such as Final Cut Pro, Logic Pro, and Xcode. Its online services include the iTunes Store, iOS App Store and Mac App Store, Apple Music, and iCloud.

Apple was founded by Steve Jobs, Steve Wozniak, and Ronald Wayne in April 1976 to develop and sell Wozniak’s Apple I personal computer. This company was officially founded under the name Apple Computer, Inc. in January 1977. iPhone is a brand of smartphone designed and marketed by Apple Inc. and using a mobile phone operating system iOS. The first-generation iPhone was announced by the CEO of Apple Steve Jobs on January 9, 2007. Since then, Apple has released new iPhone models and iOS updates every year. On research, uses a student sample active Faculty Economics and Business at Muhammadiyah University of Surakarta (UMS), from 120 respondents can describe identification respondents based on type gender, and year force.

Table 2. Gender Description Respondent

Gender	Amount	Percentage
Men	50	41.67%
Woman	70	58.33%
Total	120	100.00%

From the table above can be seen that collected samples of as many as 120 respondents were divided into 2 groups type gender. Respondents with type sex men totaling 50 people with a percentage of 41.67% and women totaling 70 people with a percentage of 58.33%.

The following description identification respondents based on year class indicated in the form table:

Table 3. Description Respondent Class Year

Class Year	Amount	Percentage
2016	3	2.50%
2017	10	8.33%
2018	37	38.83%
2019	17	14.16%
2020	17	14.16%
2021	14	11.67%
2022	12	10.00%
2023	10	8.33%
Total	120	100.00%

From the table above can be seen that collected samples of as many as 120 respondents were divided into 8 groups year force. Respondent with year class of 2016 numbered 3 people (2.50%), class of 2017 10 people (8.33%), class of 2018 37 people (38.83%), class of 2019 17 people (14.16%), class of 2020 17 people (14.16%), class of 2021 14 people (11.67%), class of 2022 12 people (10.00%), and class of 2023 10 people (8.33%).

### 3.2 Discussion

The first hypothesis in this study is that “Price has a positive influence on Purchase Intention”. Based on the hypothesis test results get a T statistic value of  $2.353 > 1.96$  and a P value of  $0.019 < 0$ . Proves that exists influence significant positive so that the hypothesis is accepted. In the Original Sample results, the influence of price on Purchase Intention was obtained value of 0.243 This shows Price has the biggest second influence in this study. This thing shows that if consumers consider the price of A product relatively cheap with the given value so will push consumer Purchase Intention. This study is supported by research conducted by Ende and Kusuma (2017) where price influence is positive to interest buy. Then in Lubis' research, Harfa Laili (2021) shows that price is influential positive to interest buy.

The second hypothesis in this research is that “Brand image has a positive influence on Purchase Intention”. Based on the hypothesis test results get a T statistic value of  $5.237 > 1.96$  and a P value of  $0.00 < 0.05$ . This proves that exists influence significant positive so that the hypothesis is accepted. In the Original Sample results, the influence of Brand Image on Purchase Intention obtained a value of 0.482 which is this showing that Brand Image has the biggest influence on Purchase intention. In case This shows that a description and good perception of future products will influence interest to buy it, and then a good Brand Image will push interest to buy the product. This study is supported by research conducted by Lubis, and Harfa Laili (2021) which shows that Brand Image positively influences Purchase Intention.

The third hypothesis in research is that “Perceived risk has a negative influence on Purchase Intention”. Based on the hypothesis test results get a statistical T value of  $2,714 > 1.96$

and a P value of  $0.007 < 0.05$ . This proves that exists influence significant and positive. In the original sample results, the influence of Perceived Risk on Purchase Intention obtained a value of 0.214 which is this showing that Perceived risk has the smallest influence on Purchase intention. In case This shows that Perceived risk has a positive influence on Purchase intention. This is because the samples taken were FEB UMS students, all of whom were students who did not have their own income, plus lifestyle demands that led to hedonism. This all results in many potential consumers ignoring the risks that will occur in an item they want to buy and placing more importance on lifestyle. Plus, there are used iPhone sellers who offer iPhones at very affordable prices, much cheaper than official stores. This has resulted in many iPhone product enthusiasts ignoring the perceived risk by buying a cheaper used iPhone in order to improve their lifestyle.

#### **4. CLOSING**

Based on research that has been carried out, the results of the data used can withdraw conclusion as follows: Price has a positive and significance effect on Purchase Intention, Brand Image has a positive and significance effect on Purchase Intention, Perceived Risk has a positive and significant effect on Purchase Intention.

In the process of doing research here, there are possible limitations that can influence the results, namely (1) The number of respondents in this research is as many as 120 people, of course still not enough to describe the circumstances, (2) Limitations researcher from facet time, cost, and energy so that study was only done in space scope FEB UMS student.

Based on the conclusions and limitations of this research, the researcher gives several possible recommendations used for the study, including (1) Add more amount variables, which is where many can influence a brand's Purchase Intention, such as Quality, Advertisement, and many other factors, (2) Add more amount samples and expand population research so you can describe the situation more accurately.

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