

Online Consumer Behavior in Buying Samsung Smartphones

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ABSTRACT

Purchasing decision is the culmination of consumer behavior, in which finally, the consumers will do purchase having passed through some stages of consumer behavior. In this research, consumer behaviors being the variable of research are price, brandtrust, and online service, while the variable affected is purchasing decision. Purchasing decision implemented online is, of course, more complex than the one implemented directly, in which buyers interact face to face with the sellers. The objective of research is to analyze the effect of price, brandtrust, and online service on purchasing decision made in online purchase in the students of Faculty of Economics and Business, Sebelas Maret University (Universitas Sebelas Maret). Questionnaire was used as an instrument of collecting data in this research and SPSS version 24 software was used to analyze data. Data analysis was carried out using a multiple linear regression. The result of research shows that price, brandtrust and online service quality affect the decision of purchasing Samsung smartphone positively and significantly, either partially or simultaneously.

Keywords: Price; Brand Trust; Online Service; and Purchase Decision.



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INTRODUCTION

The rapid information and communication technology development has changed society behavior or human civilization globally. Information technology development also can result in borderless world and information technology development makes the social change occurs significantly and rapidly. Considering the data collected by We Are Social, there is an increase in the number of internet users in Indonesia during 1 year by 15 percents, from January 2015 to January 2016 (Lee, 2015).

Such the rapid development of internet use has an impact on the popularity of e-commerce. Electronic commerce is product and service distribution, purchase and sale, and marketing through electronic system like internet or another computer network. Amy and Turco (2014) suggest that e-commerce is a process of purchasing and selling product electronically done by consumers and from a company to another with computer being the intermediary of business transaction. E-commerce is business activities involving consumers, manufacture, service providers and middleman using computer network, internet. On the other hand, e-commerce practice has many advantages to company and consumers (Mirabi, 2015).

E-commerce brings out many changes in business activity sector in real world. The change is characterized with a number of attempts in business activity sector in real world and now can develop into cyber world. One of e-commerce starts to develop rapidly in Indonesia, trading site in website e-commerce (Lee, 2015). Trading site in Indonesia has actually emerged since a long time ago, but recently trading site in e-commerce website (Lee, 2015). Trading site has actually emerged in Indonesia, but recently trading site in web site e-commerce is getting more popular, so that many people are interested in doing trading online in e-commerce site.

Indonesian consumer behavior that wants the convenience in getting product and consumerism behavior encourage the birth of online trading site. Indonesian consumers who are curious, want to be number one and are easily influenced also contribute to the birth of online site and make online shopping tend the life need (Mowen and Minor, 2015). People begin to love shopping trend in e-commerce because the online purchasing process is not as complicated as the offline one. Online shopping is indeed convenient and time and cost efficient compared with traditional one (Al-Nasser et al., 2015). The online shopping decision process involves searching for information, comparing the alternatives existing and decision making. In information searching stage, consumers will search for reference only from anywhere (e.g. search engine or online store). Information searched is the opinion of others who have benefited from the product bought (Al-Nasser et al., 2015).

The convenience in trading transaction obtained by the users encourages this development of online business. Convenience, and the sellers' good service and speed make the online business developing continuously. Interested persons or buyers are not only those who have worked but also students and university students who love online transaction for one or more reasons. One of factors making the high interest in online store is the appearance of online store is organized in such a way that becomes a distinctive appeal, the convenience to look for product wanted quickly and many products vended.

In Indonesia, many e-commerce websites appear. E-commerce websites developing rapidly in Indonesia are, among others, Lazada, Tokopedia, Shopee and Bukalapak. Along with the rapid development of trading activity in e-commerce website in Indonesia and the opened trading sites in Indonesia, the competition in this industry also improves. The increased competition requires the company operating in service or product to pay attention to the consumers' need, wish, and expectation to create the consumers' satisfaction and belief that finally create the purchase interest. Company can be said as successful if the company can meet the consumers' need and wish by satisfying and even surpass the consumers' expectation. For that reason, the company should find out consumer groups, their need and want to create the consumers' satisfaction and trust in the product.

Consumers select smartphone usually based on brand, price, product quality, and purchase service. For online sale/purchase, consumers also consider the reputation of online store, transaction safety, convenience, and post-sale service. However, the author's early observation shows that price still becomes a factor influencing the purchase by consumer dominantly.

Price is an amount of cost the consumers should pay to get the consumers' product/service (Kotler, 2014). The higher the cost to be paid, the better is the consumers' perspective on product quality, and the more satisfied is the consumers.

Service starts with the consumers' need and ends with consumers' perception. It means that the good quality image is not based on the service providers' perception but on consumers' perception. Consumers' perception on online service quality is a comprehensive assessment on a service's advantage. The quality of online service is represented as online service quality, the relationship results from comparison between expectation and performance (Mokhlis, 2012). Consumers' expectation builds on some factors, among others: past experience, friends' opinion, corporate information and promise (Ting et al, 2012).

Strong, proven and high-valued brand not only defeats rational estimation successfully but also manages the consumer's emotionality. There is a theory related to the trust, i.e. Trust In A Brand including 3 points: brand characteristic, company characteristic, and consumer-brand characteristic (Rangkuti, 2012). The brand can have high value because some brand building activities build not only on communication but also any other attempts of reinforcing the brand. From communication, the brand can promise something, even more than promise, brand also can signal something (brand signaling). The brand will have reputation if it has

quality and charisma. There are three factors affecting the trust in brand. These three factors are related to three entities covered by the relationship between brand and consumers. They are brand characteristic, company characteristic, and consumer-brand characteristic Lau and Lee (2013). Regarding this, the objective of research is to examine whether or not brand characteristic, company characteristic, and consumer-brand characteristic affect Brand Trust, recalling the tight competition level, the producers of smartphone should actually pay attention to those factors in the attempt of maintaining the product's brand trust, thus the customers existing will not move to other places.

LITERATURE REVIEW

Online Marketing

Online marketing is a marketing communication activity using internet media. In its development, online marketing uses not only media website, but also email, and other applications running on internet protocol like internet, internet advertisement (advertising on internet) becomes a very interesting choice to the marketer in particular and business world in general (Jefkins, 2015). Below are the functions of celebrities as the model of advertisement that can be employed by company for an advertisement (Schiffman, Leon G, 2017):

Commercial online channel

Many companies have provided online information accessible to those enlisted for the service and paying the due. This online provides first service to information customers (newspaper, library, education, travel, sport), entertainment (convenience and game), shopping service, dialogue opportunity (bulletin boards, forum, chat boxes) and email.

Internet

Internet is a global network consisting of many networks. Computer allows for immediate and decentralized global communication. In business world, internet is not something new, particularly to the populations of big cities or academicians. Internet stands for interconnection networking.

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Purchasing Decision

“Consumer’s purchasing behavior is the end-purchasing behavior of the consumers, either individual or household, who buy product and service for personal consumption; generally, the consumers follow a process or procedure in decision making.” (Kotler and Armstrong, 2014). The purchasing decision process “is a stage of entire mental process and other physical activities occurring in the purchasing process in a period and at certain time and fulfilling certain need or in other words, a series of stages taken by a consumer (Swastha, 2014).”

From both theories, it can be summarized that the purchasing decision process is consumers do a process of searching for information first on how to buy the product or service,

how to pay it, and what the advantages of a product or a service are before deciding to buy a product or service, to buy something when necessary. There are five parties involved in purchasing process, according to Kotler (2014):

1. Initiator is the first one to be aware of the unfulfilled wish and need and to suggest an idea to purchase a certain product or service.
2. Influencer is an individual whose perspective, advice or income influences the purchasing decision.
3. Decider is the one doing purchasing decision making.
4. Buyer is the one doing purchase. Included into this group are agent, distributor, and reseller.
5. User is the one using or consuming, or called end user, the one using for its own consumption

Price

Price is an amount imposed to a product or service, or an amount of consumers' exchange value on the advantages of having or using product or service (Kotler, 2014). Price, according to Kotler and Armstrong (2014) is the economic sacrifice made by the customers to get product or service.

Brandtrust

The complete understanding on brand loyalty cannot be acquired without an explanation on the trust in brand and its relationship to brand loyalty. In industrial marketing, the author has found that trust in sales and suppliers is the source of loyalty. Lau and Lee (2013: 44) say that there are three factors affecting the brand trust. These three factors are related to the three entities involving the relationship between brand and consumer. Furthermore, Lau and Lee suggest that brand trust will result in brand loyalty.

Online Service Quality

Nugroho (2015) defines online service quality as a statement on the quality of service online, the relationship resulting from the comparison between expectation and performance.

Nilasari and Istiatin (2015) state that the element of service quality consists of

- a) Tangible, tangible includes physical facilities, equipment, personnel, and communication facility.
- b) Reliability, reliability is an ability of providing the promised service immediately, accurately and satisfactorily.
- c) Responsiveness, responsiveness is the staffs' want to help consumers and to provide service responsively.
- d) Assurance, assurance involves knowledge, ability, politeness, and credibility owned by the staffs making them free of hazard, risk, or hesitation.
- e) Empathy, empathy is the convenience in establishing relation, good communication, personal attention, and understanding the consumers' need.

Hypotheses proposed in this research are:

H1 = There is an effect of price on purchasing decision

H2 = There is an effect of brandtrust on purchasing decision

H3 = There is an effect of online service quality on purchasing decision

RESEARCH METODE

This study is a descriptive quantitative research, in which the data obtained were numeric ones that were then processed and analyzed to get description and the correlation between variables used in this research (Sugiyono, 2014). This research is also called descriptive one because it tries to give detailed description on the characteristics of respondents used in this (Moleong, 2014). This research was conducted with 100 respondents, constituting all users of Samsung smartphone doing online purchase in this research. The sampling technique used was accident sampling and data of questionnaire result was processed using SPSS version 24.

RESULT AND DISCUSSION

Validity Test

Table 1. Result of Questionnaire Validity

Question Items	r_{hit}	r_{table}	Description
Hrg1	0,674	0,188	Valid
Hrg2	0,795	0,188	Valid
Hrg3	0,721	0,188	Valid
Hrg4	0,627	0,188	Valid
Hrg5	0,713	0,188	Valid
Hrg6	0,824	0,188	Valid
Hrg7	0,897	0,188	Valid
Kualayan1	0,720	0,188	Valid
Kualayan2	0,810	0,188	Valid
Kualayan3	0,624	0,188	Valid
Kualayan4	0,789	0,188	Valid
Kualayan5	0,716	0,188	Valid
Kualayan6	0,751	0,188	Valid
Brandtrust1	0,688	0,188	Valid
Brandtrust2	0,809	0,188	Valid
Brandtrust3	0,766	0,188	Valid
Brandtrust4	0,643	0,188	Valid
Brandtrust5	0,696	0,188	Valid
Brandtrust6	0,721	0,188	Valid
Brandtrust7	0,735	0,188	Valid
KeBeli1	0,766	0,188	Valid
KeBeli2	0,824	0,188	Valid
KeBeli3	0,897	0,188	Valid
KeBeli4	0,789	0,188	Valid
KeBeli5	0,678	0,188	Valid

The correlation between question item and the variables with $r_{statistic} > r_{table}$ is the question items explaining the variable validly. Table 1 shows that all question items in the questionnaire are valid.

Reliability Test

The result of reliability analysis shows a conception “whether or not an instrument can measure something measured consistently from time to time. A measure is reliable when it indicates consistent results. Its Cronbach alpha is higher than (>) 0.60, so that it is

called reliable (Sekaran, 2015). Using SPSS program, the result of test is presented in Table 2.

Table 2. Result of Reliability Test

Variable	Alpha Cronbach	Criteria	Description
Price	0,826	Alpha Cronbach	Reliable
Online Service Quality	0,717	>0,60 then	Reliable
Brand Trust	0,740	reliable	Reliable
Purchasing Decision	0,851		Reliable

Table 2 shows that when the statistic alpha coefficient of all variables is higher than the requirement or critical value of 0.60. Thus, it can be concluded that all question items are reliable, so that the questions are usable.

Classical Assumption Test

Normality Test

Normality test was carried out using Kolmogorov-Smirnov test. If P value > 0.05, the data will be not distributed normally or will be not normal. The result of test on each variable is presented in Table 3.

Table 3. Result of Normality Test

Variable	Asymp Sign (2-tailed P)	Sig.	Distribution
Price	0,107	0,05	Normal
Online Service Quality	0,211	0,05	Normal
Brand Trust	0,112	0,05	Normal
Purchasing Decision	0,200	0,05	Normal

The result of Kolmogorov-Smirnov test shows that *p-value* of all variables are successively higher than $\alpha= 0.05$, thus all data are distributed normally or the distribution of data is normal.

Multicollinearity

This test aims to measure whether or not the regression model shows the correlation between independent variables, by seeing tolerance value and VIF. The criterion of regression model is that if tolerance value > 0.10 and VIF < 10. Therefore, it could be said that there is no multicollinearity symptom. However, if tolerance < 0.10 and VIF value > 10, there is a multicollinearity symptom (Imam Ghazali, 2013: 92). The result of multicollinearity on each variable is presented in Table 4.

Table 4. Result of Multicollinearity Test

Variable	Tolerance	VIF	Description
Price	0,776	1,289	No multicollinearity
Online Service Quality	0,906	1,104	No multicollinearity
Brand Trust	0,849	1,178	No multicollinearity

Table.4 shows tolerance value > 0.1 and VIF value < 10, so it can be said that there is no multicollinearity symptom.

Autocorrelation Test

It is correlated components based on time order, spatial order, or correlated with the variables themselves. This test aims to find out whether or not in the linear regression, there is a relationship between residual in t period and residual in t-1 period to detect the autocorrelation incidence. It does not use DW test, one of tests commonly used to see whether or not there is autocorrelation. The result of test is presented in Table 5.

Table 5. Result Autocorrelation Test

DW value-count	Criteria	Decision
2,188	DW between 1,2 - 2,5	There is no autocorrelation

Table 5 uses confidence interval (α) = 5%, with predictor of 3, because DW value resulting from the regression is 2.188, meaning in the range between 1.500 to 2.500; thus, it can be concluded that the result of regression is free of autocorrelation symptom.

HYPOTHESIS TESTING

Seeing the effect of independent variable on dependent variable, the result of analysis using SPSS 24 program is presented in Table 6.

Table 6. Multiple Regression Recapitulation

Variabel	Unstandardized Coefficients	t	Sig.
(Constant)	20,443	6,302	0,000
Price	0,806	6,241	0,022
Online Service Quality	0,362	7,654	0,014
Brand Trust	0,227	5,877	0,038

R = 0,937

F = 13,615

R Squared = 0,878

Adjusted R Square = 0,812

Hypothesis 1

Based on the result of analysis, it can be found the positive path parameter value with t-statistic of 6.241, at significance level (sig.) of 0.22. T- statistic value > 1.666 indicates that hypothesis is supportable. The result shows that price affects positively and significantly the consumer purchasing decision. It indicates that the more competitive the price offered, the higher is the consumer purchasing decision. This result supports the first hypothesis of research. It brings consequence to the company decision in determining the price, particularly for the product with specification similar to that of Samsung product.

Hypothesis 2

Considering the result of analysis, it can be found the positive path parameter value with t-statistic of 7.654 and significance level of 0.014. T-statistic value > 1.666 indicates that the hypothesis is supportable. The result indicates that the better the quality of service provided, the more positive and more significant is the effect on the consumers' purchasing decision. It indicated that the better the quality of online service, the higher is the consumers' purchasing decision. It confirms the second hypothesis of research. It brings consequence to

the company's decision in determining to recruit CS correlated directly to consumers and prospective consumers, because it reflects the face of company to win the heart of prospective buyers.

Hypothesis 3

Considering the result of analysis, it can be found the positive path parameter value with t-statistic of 5.877, with significance level of 0.038. T-statistic value > 1.666 indicates that hypothesis is supportable. The result shows that *brandtrust* affects positively and significantly the consumers' purchasing decision. It shows that the higher the consumers' trust in Samsung brand, the higher is the consumers' purchasing decision. This result supports the third hypothesis of research. It indicates that brand plays an important role and is capable of binding and attracting the prospective consumers to purchase product, and to bind the existing consumers to keep loyal and not to switch to other brands.

CONCLUSION

Considering the result of research conducted to find out the online consumer behavior in buying Samsung smartphone, it can be concluded that price, brandtrust, and online service quality variables affect positively the decision of purchasing Samsung smartphone. Further researches are recommended to add transaction safety mediation variable, because a factor to which the buyer pay attention in doing online purchase is transaction safety.

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