RESEARCH ARTICLE

The Intention of Origin Influence Image Country to Buy Smartphone in Indonesia: Case Study on Samsung Brand

Hendro[1], Tantri Yanuar Rahmat Syah[1]
[1]*Department of Management, Business, and Economic, Esa Unggul University – Jakarta*

The purpose of this study to determine effect of origin image country and purchase intention with mediation of brand equity and brand preference. Here, we collect the data from 106 respondents who use smartphone. In this study, the data observation was analyzed using Structural Equation Model (SEM). The results showed that country of origin image had negative effect on brand equity, brand equity had positive effect on the brand preference, and brand preference had an effect on the purchase intention. Please give the calculation comparison between brand equity, brand preference in purchase intention.

Keywords: Country-of-origin, brand equity, brand preference, purchase intention

1. INTRODUCTION

People tendency to buy a product is often identified with the country of origin of the product. Amongst competitive advantages favoring developed countries, one can mention the impact of country's effect. It's true in the case of high-tech products, since consumers tend to appreciate complex and sophisticated products from industrialized countries known for their innovations and leading position in the high-tech sector [1]. In general, a product's from country-of-origin (COO) acts as a signal of product quality and also affects perceived risk as well as likelihood of purchase [2]. On the other hand, a key tool in a company's differentiation strategy since it enables consumers to distinguish between offering and increasing the value of product is branding [3]. Brand equity is the result of consumers' perception of it which is influenced by many factors. Brand equity cannot be fully understood without carefully examining its sources, that is, the contributing factors to the formation of brand equity in the consumers' mind [4].

*Email Address: hendro0223@outlook.com

2. LITERATURE REVIEW

A. Country-of-origin image

Country of origin image (COI) is defined as the overall perception consumers form of products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses [5]. The country-of-origin scale measures the consumer's perception of the image of the country where the brand originates. To assess brand originates , the construct data and consumers are assumed that they have an idea of the originating country of the using a brand [6].

B. Brand equity

The equity that the strong brand possesses can be give the company a loyal consumer franchise that could bring substantial returns to the company. There are four aspects that help built brand equity, those are brand-name awareness, brand loyalty, perceived brand quality and favorable brand symbolisms and associations that provide a platform for a competitive advantage and future earning streams [7]. Brand equity arose from customer it's refers

to the number of values consisted in a well-known as a brand name. It appears when consumers willingly pay more for the same level of quality due to the attractiveness of the name attached to the product [8]. Furthermore, a brand equity represents a product's position in the minds of consumers in the marketplace. It is precisely the well-established representation and meaningfulness of the brand in the minds of consumers that provides equity for the brand name [9].

C. Brand preference

Brand preference is the bias a customer holds toward a particular brand [10]. Here, a stressed building brand equity will brings the advantage to the company and consumer related brand preference and consumer purchase intentions [11]. Brand preference is also defined as "the extent to which the customer favors the designated service provided by his or her present company, in comparison to the designated service provided by other companies in his or her consideration set" [12].

D. Purchase intention

Purchase intention is a customer plan to buy a specific brand provided by specific suppliers. Here, purchase intentions are frequently used to predict consumers' future behavior and have of high significance in decision-making [13]. Purchase intention is the chance that a customer will buy a certain product. A greater willingness to buy a product means the probability to buy it is higher, but not necessarily to actually buy it. On the contrary, a lower willingness does not mean an absolute impossibility to buy [13].

E. Hypothesis Development

Some previous studies have shown that country of origin image (COI) has an influence on consumers' decisions to buy a product. COI influences the evaluation of products in general and specify types or brand of products. A study conducted positive relationship between country image and brand equity. Based on the description, the hypothesis proposed in this study is:

H-1: Country-of-origin image have a positive effect with brand equity

Many studies found brand equity has a positive impact on consumers' brand preferences and purchase intentions. Customers who perceive a higher value in a brand are more likely to buy it. Strong brands get preferential evaluations as well as higher overall preference.
Based on the description, the hypothesis proposed in this study is:

H-2: Brand equity will have a positive effect with brand preference

Brand preference is important over companies due to provides an indicator of customers' loyalty and the strength of their respective brands. It also can be viewed as an attitude that influences consumers' purchase decisions, which then result in a behavioral tendency under which a buyer will select a particular brand, while disregarding another brand [14]. A building brand equity, the company will get the advantage of more consumer brand preference and consumer purchase intentions [14]. Based on the description, the hypothesis proposed in this study is:

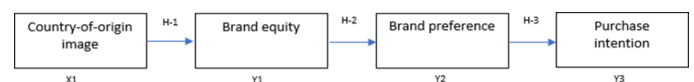*H-3: Brand preference will have a positive effect with brand purchase intention*

Figure 1. Hypothesis Model

F. Research Method

The data for this study were gathered through to sending a questionnaire to respondent by smartphone messenger applications, email, and social media within Indonesia region. Total respondents reached 106 and varied by the age and occupation. The respondents is using smartphone but not necessarily SAMSUNG smartphone brand. The reason for choosing SAMSUNG brand due to the brand is widely known and perceived as a decent quality electronic product in Indonesia, especially smartphones. It is reasonable to expect that consumers must have acquired some brand knowledge and develop choice criteria before making a purchase decision for this brand. In this study, we explain that a prove the effects between independent variable, namely country of origin image and the dependent variable, namely brand equity, brand preference and purchase intention. The structural equation model (SEM) analysis method is used to determine the level of significance and interrelation between variables. The effects between exogenous variable with endogenous variables related to the problem under study can be seen with this method. In this study, the data observation is obtained using a questionnaire platform. Here, the questionnaires are designed for all respondents are expected to answer all questions. The scale used in the questionnaire is a Likert scale with multiple-level answers in 5 categories ranging from highly disagree to highly agree. There are five indicators used in this study to measure country-of-origin image, seven indicators to measure brand equity with three indicators to measure. In addition, this quesionnaires have fifteen indicators while for purchase intentions we measured by three indicators [15].

3. RESULTS AND DISCUSSION

This study uses SEM data analysis, which must be seen in the compatibility of the overall model (Goodness of Fit). Based on the analysis it was found that almost all results matched and appropriate. This shows that a good fit is the result of compatibility according to the values referenced, while marginal matches are the result of compatibility under the referenced values.

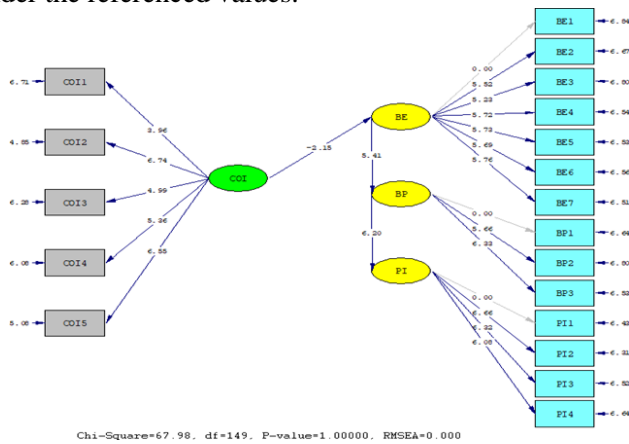Chi-Square=67.98, df=149, P-value=1.00000, RMSEA=0.000

Figure 2. Path Diagram t-value

In the results of testing the first hypothesis (H1), it was found that the data does not support the hypothesis with a t-value of -2.15 that country of origin image has a negative effect to brand equity. It means that product doesn't add any value to brand equity. The results of testing the second hypothesis (H2) found that the results of the analysis support the hypothesis with a t-value of 5.41, i.e. lecturers with strong value of brand equity will increase the value of brand preference. It can also be interpreted as, the dimensions of brand equity such as are brand-name awareness, brand loyalty, perceived brand quality and brand symbolism, has fulfilled accordingly, the product's brand preference will increase. The results of testing the third hypothesis (H3) found that the results of the analysis support the hypothesis with a t-value of 6.20, i.e. brand preference value will significantly increase the purchase intention (see Table I).

Table I. Hypotheses Testing of Research Model

No.	Hypothesis statement	T-Value	Remark
H_1	Country-of-origin image have a positive effect with brand equity	-2.15	Data do not support hypothesis
H_2	Good transformational leadership style will improve nurses' performance.	5.41	Data support hypothesis
H_3	Good communication will increase nurses' job satisfaction.	6.20	Data support hypothesis

4. CONCLUSION

This study found that brand equity and brand preference are very important in raising consumers' desire to buy a product. But the brand's original image does not have a significant effect in increasing people's perception of the value of a brand. Many variables are still not included in this study, and for Future research is suggested to add other variables that might influence consumer decisions to buy products such as consumer income, consumer segmentation etc. It is expected that the results of this study can be used to provide optimal benefits for the object of subsequent research, this study can also be used as a comparison material in subsequent studies and should take research data on broader research objects.

References

[1]. Aaker, D. A. (**2006**). Planning Review.

[2]. Bello, D. C., & Holbrook, M. B. (**1995**). Does an Absence of Brand Equity Generalize, 131, 125–131.

[3]. Elango, B., & Sethi, P. S. (**2007**). An Exploration of the Relationship between Country of Origin (COE) and the Internatio-. *Management International Review*, 47(3), 369–392.

[4]. Hellier, P. K., Geursen, G. M., Carr, R. A., & Rickard, J. A. (**2003**). *Customer repurchase intention. European Journal of Marketing* (Vol. 37). https://doi.org/10.1108/03090560310495456

[5]. Keller, K. L. (**2013**). Building strong brands in a modern marketing communications environment. *The Evolution of Integrated Marketing Communications: The Customer-Driven Marketplace*, 15(July), 65–82. https://doi.org/10.4324/9781315872728

[6]. Koubaa, Y. (**2008**). Country of origin, brand image perception, and brand image structure. *Asia Pacific Journal of Marketing and Logistics*, 20(2), 139–155. https://doi.org/10.1108/13555850810864524

[7]. Mohd, N. Y., Nasser, M. N., & Mohamad, O. (**2007**). Does image of country-of-origin matter to brand equity? *Journal of Product and Brand Management*, 16(1), 38–48. https://doi.org/10.1108/10610420710731142

[8]. Myers, C. A. (**2003**). Managing brand equity: A look at the impact of attributes. *Journal of Product & Brand Management*, 12(1), 39–51. https://doi.org/10.1108/10610420310463126

[9]. Nam, J.-H. (**2008**). The antecedents and consequences of brand equity in the hospitality industry. *PQDT - UK & Ireland*, 13(3), 331. Retrieved from https://queens.ezp1.qub.ac.uk/login?url=https://search.proquest.com/docview/898744403? accountid=13374%0Ahttp://resolver.ebscohost.com/openurl?ctx_ver=Z39.88- 2004&ctx_enc=info:ofi/enc:UTF8&rfr_id=info:sid/ProQuest+Dissertations+%26+Theses%3A+UK+%26+Irelan

[10]. Perugini, M. (**2001**). The role of desires and anticipated emotions in goal-directed behaviors: Broadening and deepening the theory of planned behavior. *British Journal of Social Psychology*, 40, 79–98.

[11]. Petra, K., & Ángeles, M. (**2008**). Home Country Image , Country Brand Equity and Consumers ' Product Preferences: An Empirical.

[12]. Roth, M. S., & Romeo, J. B. (**1992**). MATCHING PRODUCT CATGEORY AND COUNTRY IMAGE, (October 1990), 477–497.

[13]. Souiden, N., Pons, F., & Mayrand, M. E. (**2011**). Marketing high-tech products in emerging markets: The differential impacts of country image and country-of-origin's image. *Journal of Product and Brand Management,* 20(5), 356–367.

[14]. Wang, Y. (2014). Does Investment Experience Affect Investors' Brand Preference and Purchase Intention? *Journal of Applied Finance and Banking,* 4(5), 69–81. Retrieved from

[15]. Wu, S. I., & Lo, C. L. (2009). The influence of core-brand attitude and consumer perception on purchase intention towards extended product. *Asia Pacific Journal of Marketing and Logistics*, 21(1), 174–194.