

## Analysis of the Influence of Product Quality, Brand Image and Country of Origin on Purchase Decision of Xiaomi Mobile Phone Products

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### Abstract:

This study aims to determine how nation of origin, product quality, and brand image affect purchasing decisions. This study uses quantitative case study research techniques. Primary data were gathered for this study through questionnaires and incidental sampling methods. Multiple linear analysis utilizing the statistical product and service solutions (SPSS) 23 software was the data analysis method used in this investigation. The results of this study indicate that place of origin, product quality, and brand image all have a significant simultaneous and partial impact on buying decisions.

**Keywords:** country of origin, brand image, product quality, purchase decision.

### Introduction

Companies doing business globally have both opportunities and challenges as a result of this era of globalization. This globalization era's existence will widen product markets, sparking fierce competition. In such a situation, the corporation's only options are to try to deal with it or to completely leave the competitive market. In order to protect the market, businesses must increase their efficacy and consumer value; ongoing innovation is the best course of action. The business is still working to raise consumer perceptions of its corporate value and competitive effectiveness. Globalization will certainly be accompanied by technological developments. Technological developments in the last decade have had a major impact on the communications industry. To make contact, you

don't need to meet face-to-face, but you can use the media. The medium that almost everyone has to make contact with is the cell phone. Cellular phones currently not only function for making calls or messaging; they are also capable of video call activities and virtual friendships (social networking), which we usually call smart cell phones (mobile phones) or smartphones (Bestari, 2003).

In accordance with the meaning of the word smartphone, namely a smart cell phone (mobile phone), it has capabilities like a computer that is supported by a sophisticated operating system. The availability of smartphones as portable devices that let consumers maintain connectivity across phone and internet services. Of course, advanced technology and a user interface system that is simple to understand for consumers must go along with this. Indonesia's smartphone population is still expanding quickly. According to research firm Digital Marketing EMarketer, Indonesia will have over 100 million active smartphone users by 2018. After China, India, and America, Indonesia will have the fourth-highest percentage of active smartphone users in the world at this number. In addition to food products, China, which at that time was just starting to enter the smartphone industry, was also hit by the oblique issue that Chinese products were superior at low prices but had low quality. At the beginning of their appearance, Chinese cellphones were indeed priced far below US products, namely Apple or Samsung from South Korea (Dewanti et al., 2010).

Consumers' view that "price determines quality" has made Chinese products less attractive, although initially the low prices were intended to attract consumers who have so far been faced with the high prices of Apple or Samsung mobile phones. This bad stigma attached to Chinese products has also become one of the stumbling blocks when vendors want to expand their market to the Western world. In the eyes of consumers, Western products are of good quality, catch the trend, and are more up-to-date in comparison. Consumer purchases can be influenced by a variety of elements or considerations, such as the nation of origin aspect. Perceptions of product quality are significantly influenced by the country of origin as well. The perception of the country of origin is known as "country of origin," and it is described as an overall consumer evaluation of the nation of origin of a product brand based on data gathered from a variety of sources. This evaluation is based on three factors: a person's belief in their country, its citizens, and their desire to engage with their country. Consumers care about which country the product comes from and where it is made (Dwijayani & Armadani, 2021).

Apart from the country of origin, the factor that causes consumers to decide to buy a product is brand image. An individual, a group, or a society's beliefs, ideas, impressions, and perceptions of something constitute a brand's image. Consumers develop the concept of brand image for irrational and emotional reasons. Customers are more inclined to make a purchase when they have a positive opinion of the brand. In general, consumer purchasing decisions are based on brand associations that create a brand image. Product quality is another element that buyers take into account (Putra et al., 2016). All of a product's characteristics that affect its ability to satisfy explicit or implicit needs are referred to as its quality. When a product has good quality, it will undoubtedly increase the number of times that someone chooses to buy it. Product quality is a supporting aspect that is required for a product to compete with other products.

## **Literature Review**

The term country of origin describes a presumption about a country's industrialization, national norms, and other information pertinent to the products and services of the company. The nation in which a product is created and in which the COO's effect on consumer perceptions or product evaluations influences the brand's equity is referred to as the country of origin (Sumpu & Altje, 2018). A consumer's view of a product's quality based on the brand's or product's country of origin affects the equity of a brand because this perception would be different if the product were made in a different country. A brand is anything that may be used to identify the goods or services of one seller or group of sellers and set them apart from competitors. It can be a name, a word, a sign, a symbol, a design, or a combination of these things (Listiana, 2013). Since ancient times, brands have been used to distinguish products from one maker to another. A brand is a feature (a name, word, letter, color, symbol, or a combination of these features) created as a business identity to set products and services apart from those of rivals. Brand image is a summary of consumer perceptions and associations with a specific brand. Associations and memories are reflections of consumer views and attitudes about a brand (Parkvithee & Mario, 2012). Brand image is a consumer's

opinion of a company that is connected to brand memories that have already been established in their thoughts. A brand's image is a perception or association that people have about how it distinguishes from competing businesses, such as through distinguishing logos, text, or colors. Anything that a producer can offer to the market in order to meet its needs or aspirations is a product (Dwijayani, 2014). From the perspective of producers or marketers, a product is anything that can be offered by a producer to be noticed, requested, searched for, purchased, used, and/or consumed by the market. Anything a customer obtains as a result of a transaction with a marketer qualifies as a product in the eyes of the consumer (Putra et al., 2016). A product is something that producers create in the form of tangible or intangible items with advantages that customers can consume. High product quality is defined as meeting or exceeding expectations in all areas, including people, processes, products, and the environment. Purchase decisions refer to the stage of the decision-making process where customers actually make a purchase (Sari, 2013).

## Methodology

Smartphone purchasers make up the study's sample population. Non-probability sampling is the method of sampling that the author utilized to carry out this study. The incidental sampling approach is the one that is employed. The authors of this study employed a sample of 100 participants. The authors distributed questionnaires as a key method of data collecting for this study. This study's questionnaire employs a Likert scale methodology. The measured variables are converted into variable indicators on a Likert scale. The instrument items, which may be questions or statements, are then assembled using these indications as benchmarks. The Likert scale responses to each instrument question range from very positive to very negative. The response may be assigned a score for the purposes of quantitative analysis. The data analysis methods employed in this study were the standard assumption test, the data quality test, and multiple linear regression analysis with the SPSS software. Three examinations, the validity of the hypothesis is demonstrated using the t statistical test, the F statistical test, and the determination test.

## Case studies

On the variable country of origin, the majority of respondents (51.4%) answered agree." And of the 8 statement items that received the most positive response, statement number 6 received the most positive response. This can be seen by the majority of respondents answering "agree" (55% on statement number 6). on the brand image variable, the majority of respondents answered "agree" by 52%. And of the 5 statement items that received the most positive response, statement number 4 received the most positive response. This can be seen by the majority of respondents answering "agree" (54% in statement number 4). On the product quality variable, the majority of respondents answered "agree" by 57.1%. And of the 13 statement items that received the most positive response, statement number 13 received the most positive response. This can be seen by the majority of respondents answering "agree" (64% in statement number 13). 51.6% of respondents indicated "agree" in the purchasing decision variable. And statement number three earned the most favorable feedback out of the four statement items that did. The majority of respondents who chose "agree" (56% on statement number 3) indicate that this is the case. The country-of-origin variable (X1)'s regression coefficient has a positive value of 0.165, indicating that as the country of origin increases, so will customer decisions to buy products. The brand image variable's (X2) regression coefficient thus has a positive value of 0.140, indicating that as the brand's reputation improves, more consumers will decide to buy its products. Additionally, the (X3) variable for product quality has a positive value of 0.116, indicating that as product quality rises, so will consumer decisions to buy things. With a value of 0.165, the country of origin's regression coefficient is the highest of the other variables, indicating that it has a significant impact on consumer decisions. a t-count of 4.194, 2.210, and 4.037 for (X1), (X2), and (X3), respectively. Then the results obtained had a t-count of 0.025. So that the t-table is 1.988.

As can be observed, the country-of-origin variable's t-count is 4.194. This indicates that ( $4.194 > 1.988$ ) the t-count > the t-table. As a result, it can be claimed that the country of origin has a big impact on buying choices. The positive sign indicates that the country-of-origin variable has a positive influence on purchasing decisions and that when the nation of origin is thought to be better, the purchase decision will increase. As a result, Ha is now accepted

whereas  $H_0$  is refused. Positive opinions of the country of origin are what marketers want to leverage to promote their goods and services. A corporation will have trouble promoting its product if the country where it is produced is not one where the product is profitable. One of the key factors that can impact customer purchasing decisions is country of origin. This supports earlier research, "The Effect of Country of Origin and Price on Purchasing Decisions," which asserts that the country of origin affects purchasing choices. As can be observed, the brand image variable's t-count is 2.210. This indicates that  $(2.210 > 1.988)$  t-count > t-table. Therefore, it can be said that brand image has a big impact on buying choices. When the brand image is judged to be improving, the purchase decision will increase, according to the positive sign, which shows that the brand image variable has a positive influence on purchasing decisions. As a result,  $H_a$  is now accepted whereas  $H_0$  is refused. The perception that consumers have of a brand is reflected in its image. Consumer perceptions and beliefs are expressed in associations or memories as brand image. Customers that have a favorable perception of a certain brand will be able to make decisions. According to earlier research titled "The Influence of Brand Image on Xiaomi Smartphone Purchasing Decisions," brand image has a simultaneous and partial impact on purchasing decisions.

As can be seen, the t-count for the product quality variable is 4.037. This shows that t-count > t-table because  $(4.037 > 1.988)$ . As a result, it can be claimed that product quality has a significant influence on purchasing decisions. The positive sign indicates that the product quality variable has a positive influence on purchasing decisions. Purchase decisions will rise when product quality is thought to be improving, as shown by the positive sign. As a result,  $H_0$  is now rejected whereas  $H_a$  is now approved. All of a product's characteristics that affect its ability to satisfy explicit or implicit needs are referred to as its quality. When a product has great quality, more people will be inclined to acquire it, which is a vital factor in its capacity to compete with similar commodities. The results of earlier research, "Analysis of the Influence of Brand Image and Product Quality on Purchase Decisions for Samsung Smartphones," which discovered that product quality had a favorable and significant impact on purchases, are consistent with this. The f-count reached 21.414. The findings' f-table was 2.70. This shows that the value of f-count > f-table is  $21.414 > 2.70$ . In light of the aforementioned, it may be said that  $H_0$  is rejected and  $H_a$  is accepted, demonstrating that the independent variables brand perception, product quality, and place of origin have a significant impact on the dependent variable, or purchase decisions. This study has a value of 0.382. This value can be used to determine how the purchasing decisions for Xiaomi smartphones are impacted by the origin country, brand perception, and product quality. The dependent variable is affected by the independent factors by 38.2%, according to the coefficient of determination. Other factors besides those looked at in this study also affect the remaining 61.8%.

## Conclusion

The origin nation has a significant positive influence on purchasing decisions. Brand image has a major positive impact on purchasing decisions. Product quality has a substantial positive impact on purchasing decisions. Purchase decisions are simultaneously influenced by the product's quality, brand reputation, and country of origin. According to the study's findings, the nation of origin variable significantly influenced consumers' purchase choices. This illustrates that the better the country of origin, the better the purchase decision. The results of the descriptive analysis show that a number of "disagree" responses were given to the second statement of the country-of-origin variable, "The country of origin of smartphones, namely China, has a high level of education and mastery of technology," by 8% of respondents. This can be the basis for giving advice to companies, namely giving the impression to the public that China is now advanced in terms of education and technology by providing advertisements with an overview of China's educational progress and continuing to provide both through information media and directly to consumers that Indeed, now that China has an advanced education system, it continues to explain that China is a country that is also advanced in terms of technology. This is supported by the fact that technology has become a way of life for the Chinese state, where they are already capable of having sophisticated visual technology. technology in making robots, technology in the medical field, advanced technology in railway systems, plantations, and construction, and of course, advanced technology in electronic products, including smartphones.

According to the study's findings, the brand image variable significantly influenced consumers' decisions to buy products. This demonstrates that the buying decision is higher the better the brand image. However, as seen from

the results of the discussion of descriptive analysis, in statement number four, which reads "Smartphone brands vary". And number five in the brand image variable, each of which 7% of respondents answered "disagree". This can be the basis for giving advice to companies on how to develop smartphones so that they are more varied in the eyes of consumers, both in terms of design and current trends. Companies are also advised to make their products have characteristics that make them different from other smartphone products or other products from other Chinese countries by providing strong product differentiation in the form of low prices with high specifications. According to the study's findings, product quality significantly influenced consumers' decisions to buy. This demonstrates that the buying decision is higher the higher the product quality. However, when seen from the results of the discussion of descriptive analysis, statement number 8 reads "Smartphones are not easily damaged" in the product quality variable. This can be the basis for providing advice to companies on how to improve the quality of smartphones so that it is not easy to develop their products in terms of hardware and software to make them more robust. It is recommended that the company also continue to provide education to consumers about how to use smartphones so that they are not easily damaged, both through print and online media, because most smartphone damage occurs due to human error. Future research is expected to involve a larger sample size so that the results obtained are more generalizable. It is also advised to conduct more study to look into additional factors that might also have an impact on consumers' purchase decisions. This will help advance our understanding, particularly in the area of marketing management.

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