

## Analysis Of The Influence Of Price Perception, Value Perception And Quality Perception On Intention To Repurchase Samsung Electronic Products

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### Abstract:

The impact of perceived price, perceived quality, and perceived value on the desire to repurchase Internet of Things items is examined in this study. A sample of 100 respondents who utilize Samsung Android phones as part of the Internet of Things is used in this study's primary data. Multiple linear regression tests are run on the data before processing. According to the study's findings, perceived price has no appreciable impact on consumers' intentions to buy Internet of Things items again. The propensity to repurchase Internet of Things items is strongly influenced by perceptions of quality. The propensity to repurchase Internet of Things items is strongly influenced by perceptions of value. The desire to repurchase Internet of Things devices is significantly influenced by perceived price, perceived quality, and perceived value all at once.

**Keywords:** internet of things, perceived price, perceived quality, perceived value, repurchase intention.

### Introduction

Controlling televisions, washing machines, doors, lights, and electrical switches in the past could not be done with just one controller. Now, technology has made it possible, one controller can control all of them. In fact, controllability is not the only capability that the device has. And that controller is a smart phone. All of that is possible because of the internet which is the path that connects the object to the smart phone, and is known as the Internet of Things (which will be written as IoT). IoT is the condition when electronic equipment is connected to each other and can send and receive information (Chiu et al., 2014). One of the companies trying to develop this technology

is Samsung. The company organized the "Internet of Things - Transforming the Future" conference to discuss how IoT will be an important part of the world that changes the future. According to Samsung, until 2016, connected electronics were still on a small scale and tended to be for indoor use. And in the future, IoT will connect on a larger scale and not be limited to indoor use. In addition to discussing how IoT for the future, at the conference, Samsung also announced that they spent 1.2 billion USD to invest in IoT development. To give you an idea, Samsung's net profit in the 2nd quarter of 2016 was "only" 8.14 trillion Won or equivalent to 6,771,666,000 USD (based on the exchange rate on January 7, 2017). This means Samsung spent almost 1/5 of its net profit in Q2 on research investment in IoT (Hidayat & Tannady, 2023).

One of the tangible manifestations of that investment is the development of the ARTIK network which is designed to be universal and can be used in all electronic equipment. And in 2017, Samsung has been freely selling their smart home concept IoT technology in America and the United Kingdom under the name "SmartThings" with a minimum package price containing: 1. Hub (a kind of data center for SmartThings devices) 2. Motion sensor 3. Power outlet 4. Multi-function sensor (door open/close detection, as well as temperature and vibration) 5. Presence sensor (a kind of tracker, and can sound) The package is sold for USD\$250 or Rp3,375,000 (exchange rate Rp13,500) which can be controlled from a Samsung Android smartphone. Meanwhile in Indonesia, Samsung Elektronik Indonesia has just started the sales step through cooperation with Agung Podomoro in its housing estate. The cooperation with Agung Podomoro makes the sale of SmartThings, which is one of Samsung's products in Indonesia, still limited to Agung Podomoro consumers (Ginting, 2016).

One thing that is most easily seen as differentiating Samsung smart phones that already have IoT features from similar products from other brands is the price. Samsung smart phones with almost the same specifications have higher prices. Or, in the same price range, Samsung products have lower specifications. Objective price is the actual price of a product. Whereas price perception involves consumers' acceptance of a price and giving it meaning. Therefore, price perception can be different for each consumer, product, buying situation and time. Apart from the perceived price and perceived quality, perceived value is also something interesting about Samsung compared to their competitors. When Apple, which is positioned as a premium brand, launched its first iPhone in 2007 with iOS, Android, which is directly opposite to iOS, chose HTC as a manufacturer to fight. Then, after Apple released the 4<sup>th</sup> version of the iPhone in 2010, Samsung emerged as Apple's competitor in the premium smartphone class with its Galaxy S, as well as the Galaxy Nexus in collaboration with Google, the parent company of Android. And since then, Samsung has compared its Galaxy S to the iPhone, directly (Tannady & Purnamaningsih, 2023).

What is given up and what is received for a product by consumers can form an overall assessment of the usefulness of the product, and is known as perceived value. And actually, what is the perceived value of the Samsung IoT product itself? So that Samsung dares to align its products with products from companies that have held premium status for longer. Therefore, perceived value becomes the third independent variable. In addition to dominating the global smartphone market pie, Samsung also dominates the smartphone market in Indonesia, with a 7% difference from OPPO in second place. That way, 26% of all Indonesian smartphone consumers already own a Samsung IoT device. To be able to use Samsung IoT, the funds needed are relatively expensive for the size of Indonesia's UMR which is still under 5 million Rupiah. Because to use Samsung IoT, you need at least 2 products at once. For example, 1 Samsung Galaxy J1 Ace 2016 smart phone which is Samsung's cheapest Android smart phone has a price of 1.3 million Rupiah plus a minimum SmartThings package for 3.3 million Rupiah (USD\$250) when the total is 4.4 million Rupiah. Logically, Jakarta, as the capital and one of Indonesia's business centers, is a prime candidate as a city that can use Samsung's IoT. However, data on commuters in 2014 explains that in 2014, DKI Jakarta commuters in DKI Jakarta who were active for work were 85.47% or 1,114,088 people out of 1,303,441 DKI Jakarta commuters. Meanwhile, Botabek commuters who enter DKI Jakarta have more numbers, with 79.28% or 1,793,844 people working out of a total of 2,262,737 Bodetabek commuters. With this data, this research directs the research location in the satellite city of Bodetabek (Kumar, 2016). This study aims to determine the effect of perceived price, perceived quality and perceived value on the repurchase intention of Internet of Things products.

## Literature Review

Consumer behavior is the behavior shown by consumers in searching for, buying, using, evaluating and disposing of products and services that are expected to meet their needs. And according to The American Marketing Association in Peter and Olson, consumer behavior is a dynamic interaction between affection and cognition,

behavior, and the environment in which humans are exposed to changing aspects of their lives. So Peter and Olson argue that consumer behavior involves the thoughts and feelings that a person experiences and the actions they take in the consumption process. Broadly speaking, consumers are divided into two, namely organizational consumers and individual consumers. Organizational consumers are business entities that buy something to run their organization. While individual consumers are those who buy something for their own use, home affairs, or gifts for friends (Tannady et al., 2023).

Individual consumers are the consumers with the widest range of possibilities compared to other types of consumers. One of the reasons is perception, which according to Schiffman and Kanuk is the process of each individual to select, organize and translate stimuli into a meaning and a complete picture of the world. And that causes two individuals who get the same stimuli to have different ways of looking at, selecting, organizing and interpreting them due to differences in the needs, values and expectations of each individual. From a consumer's perspective, price is what they give up or sacrifice to get a product. Consumers do not remember the exact price of a product, but they understand the price in a way that is easy for them. Jacoby and Olsson distinguish between the objective price of a product and the price that consumers interpret. Also, according to Dodds et al, price perception may differ by consumer, product, purchase situation and time. Chang and Wildt define price perception as a consumer's perceptual representation or subjective perception of the objective price of a product or service. Attention to price is more for high-priced products, durable goods, and services, compared to cheap food and beverages, although many other factors can influence attention to price (Ginting, 2015).

Price perception is a central concept in the world of business and marketing that influences consumer purchasing decisions. It reflects how individuals or customers assess the price of a product or service offered. Price perception is not just about the number on the final bill, but also about how people perceive the value of what they buy. Factors such as product quality, brand, expectations, and previous experience play an important role in shaping a person's price perception. A strong price perception can influence consumer decisions in a variety of ways. If a person feels the price of a product matches the value they receive, they may be more willing to pay more. Conversely, if the price is perceived to be too high compared to what the product delivers, consumers may look for more affordable alternatives. Therefore, companies must understand that pricing is not just a matter of math, but also a psychological strategy that can affect the overall purchase experience. A deep understanding of how customers perceive prices is key to developing effective marketing strategies. This allows companies to customize the price and presentation of their products to match consumers' perception of value (Parulian & Tannady, 2023).

Quality is important in the experience of using a product. Hoolbrook and Corfman in Zeithaml differentiate quality into mechanical and humanistic quality, where humanistic quality is a person's subjective response to a product, and mechanical quality is the objective aspects or features of a product. Quality can be referenced as how well a product is made. And perceived quality can be defined as consumers' assessment of the overall superiority or superiority of a product. Tsiotsou states that perceived quality means consumer perceptions of the quality of a product. Yoo et al state that personal product experience, unique needs, and consumption situations can affect consumers' subjective assessment of the quality of a product. A high perception of quality means that, after a long-term experience with a brand, consumers can recognize the differences and advantages of the brand (Prihati et al., 2012).

Perceived quality is the subjective view and assessment that individuals or consumers have of the quality of a product or service. It reflects how a person perceives the level of excellence, reliability and satisfaction provided by the product or service. Perceptions of quality can vary greatly between individuals and are often influenced by a variety of factors, including personal experience, brand, feedback from others, and the physical attributes and characteristics of the product. It is important to note that the perception of quality is often more important than the objective quality of a product. Although a product may have high technical specifications, consumers may not perceive it as a quality product if they have had a bad experience with it or if the brand is not well-known. Conversely, lower quality products may be perceived as quality if they deliver added value or a satisfying experience. Companies often try to manage and improve the perceived quality of their products or services through careful marketing strategies, actual quality improvements, and better customer service (Moslehpour et al., 2017).

According to Hellier, et al and Chai in Moslehpour, repurchase intention is a condition in which consumers consider repurchasing certain products. Meanwhile, according to Kumar, repurchase intention is the consumer's desire to buy again at a retail store or buy goods for the second time or more. The reason why consumers decide to choose the same service provider and buy the same service is based on their experience. Repurchase intentions involve an individual's assessment of something that meets their needs and the combination of the last service

they received. In addition, Gronholdt, et al and Janes and Sasser found that there is a second behavior in repurchase intentions, namely consumers' desire to tell, recommend and spread the word about a product or service. Repurchase intention is an important concept in the business world that refers to the desire or intention of consumers to return to buy products or services from a particular brand or company. It reflects the level of satisfaction, loyalty and trust that consumers have towards that brand or product. Repurchase intention is often considered a strong indicator of the long-term success of a business, because consumers who plan to buy again are valuable assets that can increase customer retention. There are several factors that can influence repurchase intentions. Product or service quality is one of the main factors, as a positive experience can build customer trust and satisfaction, encouraging them to return. In addition, brand association, competitive pricing, and efficient customer service also play a role in shaping repurchase intentions. Loyalty programs and good promotions can also motivate consumers to choose a particular brand again (Sari & Utomo, 2021).

## Methodology

This research uses a quantitative approach with an associative research type. This research was conducted on Samsung cellphone users with a sample of 100 respondents. The data in this study were collected using a questionnaire with a Likert scale of 1-5, where the questionnaire was distributed via Google Form which had previously been tested for validity and reliability. The data in this study were analyzed using the SPSS application with analysis techniques using multiple linear regression.

## Results

Before leading to the main hypothesis testing, the data in this study were processed in the classical assumption test to fulfill the requirements of linear regression analysis. In the normality test, it was found that the significant value of this research was obtained at  $0.08 > 0.05$ , which means that the data is normally distributed and has met the normality requirements in the regression model. Through P-Plot testing, it is obtained that the points follow and approach the diagonal line, meaning that the regression model fulfills the normality assumption. Based on multicollinearity, it is known that the tolerance value of all independent variables  $> 0.10$  and the VIF value of all independent variables  $< 10.00$ . So based on the results of the above calculations it can be concluded that the regression equation model does not have a multicollinearity problem and can be used in this study. Meanwhile, based on the results of heteroscedasticity, it is known that there are no dots that form a certain pattern, and the dots spread above and below the number 0 on the Y axis, so there is no heteroscedasticity. Then the regression equation is obtained to determine the effect of perceived price, perceived quality and perceived value on repurchase intention, namely  $Y = 1.9 + 0.2X_1 - 0.24X_2 + 0.12X_3 + e$ .

This shows that if all independent variables remain or are constant, the value of repurchase intention is 1.9. Meanwhile, if the price perception increases by one-unit, the purchase intention will increase by 0.2 assuming that the other independent variables remain. Then if the perception of quality increases by one unit, the purchase intention will decrease by 0.24 assuming the other independent variables remain. And if the perceived value increases by one unit, the purchase intention will increase by 0.12, assuming the other independent variables remain the same. Based on the partial test results, it is also found that price perception has a significance value of 0.06 and greater than 0.05. This indicates that price perception partially has no effect on purchase intention. While perceived quality has a significant value of 0.04 and less than 0.05, this indicates that perceived quality has an effect on repurchase intention. On the other hand, perceived value has a significance value of 0.03 and less than 0.05, this indicates that perceived quality has an effect on repurchase intention.

Based on the simultaneous test, it is known that Fcount is 5.7. To determine F-table, the statistical appendix of the F table is used, with a significance level of 0.05, and df 1 (number of variables – 1) or  $4-1 = 3$  and df 2 ( $n - k-1$ ) or  $100 - 3-1 = 96$ . Then F-table is obtained at 2.8. With  $5.7 > 2.8$ , the value of F-count  $>$  F-table. So  $H_0$  is rejected and  $H_a$  is accepted, which means that there is a linear relationship between the independent variable and the dependent variable. Then based on the test of the coefficient of determination, the adjusted R Squared value is 0.2, which indicates that the independent variables in this study affect repurchase intention by 20% and the rest is influenced by other variables.

## Discussion

It can be seen that the tcount for the price perception variable is 1.9, which shows that the tcount value of  $1.9 < t$  table 2.00. Therefore, price perception does not have a significant effect on repurchase intention if it stands alone / partially, so that with this  $H_0$  is accepted and  $H_a$  is rejected. The results of this study partially contradict previous research by Chiang and Jang which shows that by offering hotel prices that are considered lower than the traveler's internal price standards or competitor prices, it will make travelers consider the quality of the hotel low, but have a high value and increase repurchase intentions.

Research conducted by Moslehpour et al discussed about repurchase intention of korean beauty products among taiwanese consumers states that price perceptions significantly affect repurchase intentions also contradict the results of this study. Partially, this study contradicts what Khan, et al stated that price perception is an important element for consumers when they decide to repurchase in the future. Supposedly, when they perceive the price to be higher than the market, consumers do not want to repurchase. This behavior is because consumers do not remember the exact price of a product, but they understand the price in a way that is easy for them. Perceived low prices or no effect on repurchase intentions can be caused by several factors that influence consumer preferences and decisions. First, products or services that are of excellent quality or offer exceptional value can overcome the perception of a high price. When consumers feel that they have gained significant benefits or a satisfying experience from the product, they may be more willing to pay a higher price and remain loyal to the brand. In addition, another factor that can reduce the impact of perceived price is strong brand loyalty. Consumers who have an emotional connection with a brand or have been using the product for a long time may be less affected by relatively small price changes. They are more likely to consider other aspects such as brand reliability, quality and previous experience in making repeat purchase decisions.

The existence of loyalty programs or additional promotions, such as discounts for loyal customers, can strengthen repurchase intentions. While the price may seem high, consumers may see it as an opportunity to save money or get more value out of the transaction. Finally, economic and situational factors can also influence repurchase intentions. For example, when consumers have higher incomes or when the product or service is an essential need, they may be less bothered by the price and more likely to keep buying. It can be seen that the tcount for the perceived quality variable is 2.1, which means that the t-count value is  $2.1 > t$ -table 2.00. Therefore, perceived quality has a significant effect on repurchase intention behavior so that with this  $H_0$  is rejected and  $H_a$  is accepted. The results of this study are in accordance with what Chaudhuri considers that perceived quality as an influential factor, because with higher perceived quality, repurchase intentions are also higher. Yoo et al also state that higher quality perceptions will lead consumers to choose the same brand over competing brands.

Research by Arrifin et al shows that green value affects perceived quality and then affects repurchase intentions. And Kumar also states that perceived quality along with perceived price and perceived risk affect brand intentions which then affect repurchase intentions. So, the results of this study support the results of previous research. Perceived quality has a significant influence on consumer repurchase intentions. This is due to several key reasons. First, when consumers have a positive experience with a product or service that is perceived to be of high quality, they tend to feel satisfied with their purchase. The reliability, excellence and satisfaction provided by such products or services can create a strong emotional connection between consumers and brands, which encourages them to return. In addition, perceived quality can create ongoing customer loyalty. When consumers believe that a brand or product has a consistently high standard of quality, they tend to be more loyal and less interested in finding alternatives. Brands that are known for their good quality often have a strong customer base that tends to choose the brand again and again.

Another factor that influences repurchase intention is brand reputation. Brands that have a good reputation for quality tend to attract more consumers, and this can influence repurchase decisions. Consumers often look for brands that have proven to be reliable and quality. Finally, perceived quality can also influence recommendations and social influence. Consumers who are satisfied with the product or service they buy tend to speak well of it to others, which can influence others to buy the same product and form a positive loop for repurchase intentions. It can be seen that the tcount for the perceived value variable is 2.3, which means that the tcount value is  $2.3 > t$  table 2.00. Therefore, perceived value has a significant effect on repurchase intention so that with this  $H_0$  is rejected and  $H_a$  is accepted. These results support Huang's research which states that perceived value has a significant and direct effect on repurchase intention with customer satisfaction as a mediating variable. Blery also states that the perceived value variable together with customer satisfaction affects repurchase intention.

Parasuraman and Greal consider perceived value to be the most important indicator of repurchase intentions. Consumer repurchase intentions can be predicted based on perceptions of utility (utilitarian) and pleasure (hedonic) values. So, the results of this study are also in accordance with the previously stated theory. Perceived value, which refers to consumers' views on the relationship between the benefits they receive from a product or service and the price they pay, has a significant influence on repurchase intentions. This is due to several key reasons. First, when consumers feel that they are getting good value or more than what they paid for, they are likely to feel satisfied with their purchase. This can trigger positive feelings towards the brand or product, and consumers may be more likely to buy again. In addition, perceived value can create strong customer loyalty. Consumers who feel that they get added value or significant benefits from a brand or product are likely to become loyal customers. They may feel that the brand provides a good investment for their money, thus not wanting to look for alternatives. In other words, perceived value can help retain customers and increase repurchase intentions.

Another factor that influences repurchase intentions is the influence of previous experience. If consumers have had a positive experience with a product or service that provides good value, they are likely to want to repeat the experience. This satisfying experience can build a strong relationship between the brand and the consumer, leading to continued repurchases. Finally, perceived value can also influence social influence and recommendations. Consumers who feel satisfied with the value they get from a particular product or service are likely to speak well of it to others. These positive recommendations can influence others to buy the same product and strengthen repurchase intentions.

## Conclusion

This study was conducted to determine the effect of perceived price, perceived quality and perceived value on the intention to repurchase Samsung IoT products with 100 respondents who use Samsung IoT products at the official Samsung service center in one city in Indonesia. Based on the data that has been collected and tested against problems using multiple linear regression models, it can be concluded that perceived price has no effect on repurchase intention, perceived quality affects repurchase intention, and perceived value also affects repurchase intention. Based on simultaneous calculations, it can be concluded that perceptions of price, quality, and value together have an effect on repurchase intentions with an influence of 19% and the rest is influenced by other variables outside the study.

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