

## **THE EFFECT OF SOCIAL INFLUENCE, SERVICE QUALITY AND BRAND IMAGE ON PURCHASING DECISIONS AT THE BANUA STORE PALU**

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### **ABSTRACT**

This research aims to analyze the influence of Social Influence, Service Quality, and Brand Image on iPhone purchasing decisions at Banua Store Palu. The research sample consisted of 70 Banua Store consumers who were selected using a purposive sampling technique. Data was collected through questionnaires and analyzed using multiple linear regression analysis. There are 4 variables studied, namely Social Influence, Service Quality, and Brand Image as independent variables and Purchase Decisions as the dependent variable. The hypothesis proposed is that the three independent variables have a positive and significant effect on purchasing decisions, both simultaneously and partially. It is hoped that the research results can provide input to Banua Store Palu to improve service quality, brand image, and utilize social influence in order to increase consumers' iPhone purchasing decisions.

### **INTRODUCTION**

Currently, technological developments have a big impact on human life, one of which is in the field of telecommunications. One of the pioneers of technological development in the communications sector is Apple with its IOS-based smartphone which they named the iPhone. The iPhone is one of the products created by Apple which really shocked the world when it was first introduced in 2007. The history of the iPhone began when Steve Jobs, CEO of Apple Inc. ordered scientists from Apple to study touch screen technology in more depth. Development of the iPhone unit itself began almost 10 years before the first Apple was launched on the market. In 1999, Apple patented the rights to use the Iphone.org domain and a few years later, Apple announced their plans to

invest in mobile phones. Apple shocked the world on June 29, 2007 when they decided to openly enter the mobile phone competition arena. Apple exclusively attracted AT&T wireless as its partner for the first generation iPhone, which was named the iPhone 2G. When it was first developed, Apple wanted to make the iPhone a mobile phone unit that combined the entertainment features of an iPod with the telecommunications functions of a mobile phone. Moreover, the iPhone 2G is equipped with a 2 megapixel camera for photo needs. At the end of 2007, the iPhone successfully sold more than 3 million iPhone 2G units and even reached 6 million units. iPhone smartphone users in Indonesia are increasing day by day. However, most of them apparently use Apple branded smartphones only for lifestyle purposes

and as a symbol or characteristic that represents the image of the user. So, many consumers start buying Apple brand smartphones without having a purpose for using them. So the iPhone has become a fashion in contemporary society. For people who need information quickly, smartphones are a relatively fast telecommunications device. Can be accessed quickly without having to bother being in front of a laptop or computer. The iPhone smartphone is used as a lifestyle icon, using it for socializing such as accessing Facebook, Twitter and Path (Wikipedia.com). In fact, the function of the iPhone itself is much broader than just accessing social networking sites. Of course, it would be more useful if the iPhone smartphone features were used optimally too. This all includes the success of the Apple company's strategy in capturing the tastes of its consumers, which includes factors that influence consumer behavior in making product purchasing decisions. Bertrandias (2014) explained that good social influence will have a positive influence on purchasing decisions, and in accordance with previous research, Rosetta (2014) and Husnain (2017) stated that social networks have a positive influence on online buying interest. This is related to consumers who have shopped and will be attached and close to a brand so that there is an emotional connection which can increase consumer behavior in shopping online. Research on social influence on purchasing intentions has been conducted by Iravani et al. (2012), Amalia (2011), and Lee (2008), where the results obtained by the three were that social influence had a positive effect on

purchase intentions. Social influence is about a person's strategy to persuade other people to influence decisions to behave. This is supported by the closest people such as family, friends and work environment. According to Vahdat et al., (2020) that Social Influence is social influence that can influence other people who can change behavior, while according to Kotler and Keller (2016) that social influence can be influenced by social factors in small groups, families, social roles and status. The Banua Store Palu Branch is a shop that focuses on selling cellphones, specifically iPhones. This shop was founded in 2019 and is located on Jalan Tanjung Manimbaya. Hammer. Even though it has just been established, this shop has succeeded in attracting consumers' attention by providing quality products. At its inception, the Banua Store Palu Branch relied on Social Influence to promote its products. The shop is active on social media and follows the latest trends to reach potential consumers. They implement Service Quality. The brand image of this shop is very positive in the eyes of consumers. The products sold are always of high quality and have a guarantee. This shop has a good reputation and is the main choice for consumers looking for cellphones specifically for iPhones in Palu.

## **THEORETICAL BASIS**

The main activity carried out by every business actor in maintaining the survival of his business is entering a market, by marketing a product. The success of every business person depends on the methods or strategies the company implements in marketing its products, so

that it can achieve the expected goals. Marketing activities are related to fulfilling the needs and desires of many people, therefore producers must provide the quality expected by consumers to get the same benefits as their sacrifices to fulfill their needs.

Social Influence influences changes in behavior or attitudes, as a result of interactions with other people. Social influence also influences communication behavior, both individually and in group communication. How far and deep is social influence on attitudes, behavior and communication.

Rashotte (2007) defines social influence as changes in an individual's thoughts, feelings, attitudes or behavior resulting from interactions with other individuals or groups. Social influence identified

Based on the definition above, it can be concluded that social influence is a strategy for a group or person to influence other people to use a product or service through the messages conveyed. And social influence refers to changes in attitudes or behavior, as a result of interactions with other people. According to Vahdat et al., (2020) that Social Influence is a social influence that can influence other people who can change behavior, while according to Kotler and Keller (2016) that Social Influence can be influenced by social factors: small groups, families, roles and social status.

The role of social influence is important in human life, especially in social interaction. Social influences can influence a person's behavior, attitudes, and beliefs, and can influence how a person assesses and reacts to situations or

other people. Social influence can be direct influence, such as influence from peers or family, or indirect influence, such as influence from mass media or popular culture. Social influence can also be divided into positive or negative influence depending on the context and impact on individuals or social groups.

Some examples of the important role of social influence include:

1. Conformity: When individuals adapt their behavior and beliefs to the majority group or existing social norms
2. Obedience: When individuals follow orders or instructions from someone deemed to be in authority or power, even if it goes against their own values or principles.
3. Authority: When a person has influence and power in a group or society and can influence the behavior and beliefs of others.
4. Persuasion: When someone uses persuasive arguments and strategies to influence others to change their attitudes or behavior.
5. Social groups: When individuals are involved in certain social groups and adopt the norms and values of that group, as well as being influenced by social influences that exist in Service quality is an important component of customer perception, because it contains information regarding customer satisfaction (Ismail, Haron, Ibrahim, & Isa, 2006).

Service Quality can be defined as the difference between customer expectations of service before and after the service is provided (Parasuraman, Zeithaml, & Berry, 1985; Cronin & Taylor, 1992; Bolton & Drew, 1991).

Christopher (1986) defines service quality as the relationship between a company and its customers and focuses on the customer experience during the transaction process. This focus is not just about meeting customer needs, but whether the service meets customer expectations (Lewis, 1993).

Maclaran & McGowan (1999) revealed that service quality can be an important focus in marketing strategy, because it contains many factors that can influence the process of making a product or service, until the product and service reaches the customer. So that if there are deficiencies in the process, they can be immediately evaluated to ensure customer satisfaction and loyalty.

Aga & Safakli (2007) say that if customer expectations of service are higher than the service received, then customers will feel less satisfied. However, this does not indicate that the service provided is of poor quality, but rather because customer expectations have not been met, customer dissatisfaction occurs.

Most definitions of service quality converge at the intersection of customer needs and desires (Ueltschy & Krampf, 2001; Warraich, 2014). Rust & Oliver (1994) define quality as a customer's impression of an organization's services. Kotler and Keller in Ike Vanessa and Zainul Arifin (2017) Brand is a symbol, sign, design or a combination.

These three things can be used as the identity of several sellers or producers to later be used as a differentiator from other competitors on the market. According to Keller (2000), brand image is the consumer's perception of the brand image of the product that will be

consumed or used. According to Keller (2000), brand image measurement can be done based on aspects of a brand, namely:

1. The brand is easy to remember: This means that the brand elements chosen should be easy to remember and mention or pronounce. The symbols, logos, names used should be attractive, unique so that they attract people's attention to remember and consume them.
2. The brand is easily recognized: Apart from the logo, a brand is known through the message and the way in which the product is packaged and presented to consumers which is called trade dress. Through intensive communication, a special form of product can attract attention and be easily recognized by consumers. So trade dress is often the same as a trademark, namely differentiation of products and services in the market that can be requested for legal protection, and
3. Good brand reputation: For companies, image means the public's perception of the company's identity. This perception is based on what the public knows or thinks about the company in question. The same company does not necessarily have the same image in front of people. The company image becomes a guide for consumers in making decisions.

According to Kotler and Keller (2016: 194), consumer purchasing decisions are part of consumer behavior, namely the study of how individuals, groups and organizations choose, buy,

use and how goods, services, ideas or experiences satisfy their needs and desires. Purchasing decisions are inseparable from the nature of a consumer (consumer behavior) so that each consumer has different habits in making purchases. Kotler and Keller (2016: 194) suggest that purchasing decisions have the following dimensions:

1. **Product Choice.** Consumers can make decisions to buy a product or use their money for other purposes. In this case the company must focus its attention on the people who are interested in buying a product and the alternatives they are considering.
2. **Brand Choice.** Consumers have to make decisions about which brand to buy. Each brand has its own differences. In this case, companies must know how consumers choose a brand.
3. **Choice of Dealer.** Consumers must make decisions about which dealer to visit. Each consumer is different in terms of choosing a dealer, this can be due to close location, cheap prices, complete inventory of goods, convenience in shopping, low prices, complete inventory of goods, convenience in shopping, and space.
4. **Time of Purchase.** Consumer decisions in choosing when to buy can vary, for example some buy every day, once a week, once every two weeks and so on.
5. **Purchase Amount.** Consumers can make decisions about how many products to spend on at any one time, the purchase may be more than one. In this case, the company must prepare many products according to different desires.

6. **Payment Method.** Consumers can make decisions about the payment method that will be used in making decisions to use products or services. Purchasing decisions are influenced not only by environmental and family aspects, purchasing decisions are also influenced by the technology used in purchasing transactions.

## **RESEARCH METHODS**

This research is a type of verification research. Verification research is research that analyzes the influence of one variable on another. According to Yusuf, (2017) If in quantitative research, to obtain reliable results it can be done by validating research instruments, then in qualitative research verification is carried out, both in conflicting cases and in a broader context. In this way, aspects that were initially contradictory or incompatible can be anticipated and their true position known. This research aims to reveal the influence of Social Influence, Service Quality and Brand Image on the decision to purchase an iPhone at Banua Store Jalan. Tanjung Manimbaya, Palu City. According to Sugiyono, nd (2013) Population is a generalized area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn. Research subjects are where variables are attached, while Gay et al., (2012 ) Population is a certain group of things (people, objects, events, etc.) selected by researchers whose study or research results can be generalized to that group. A population has at least one characteristic that differentiates it from other groups. In this study, the population

used was consumers at the Banua Store, Jalan Tanjung Manimbaya, Palu City. The sample is part of the number and characteristics of the population. If the population is large, and research cannot possibly study everything in the population. Samples taken from the population must be truly representative (representative). The sample is part or representative of the population studied. "The sample is a portion of the population to represent the entire population." Meanwhile, according to Gay Dalam Rahman & Kamal, (2021) that the minimum sample size that can be accepted is at least 30 subjects. The sample is a sample, namely a portion of all individuals who are the object of research. The number of samples in this research is unknown so techniques or formulas are used in accordance with the theory of Malhotra, (2016) stated in marketing research books that must be at least four or five times the number of question items. So this research used 70 samples obtained from 5 x 14 statements. The sampling technique used in this research is purposive sampling, where samples are taken subjectively, this is done because the researcher understands that the information needed can be obtained from a particular target group who is able to provide the desired information. The sample for this research was people who came to buy iPhones at the Banua Store on Jalan Tanjung Manimbaya, South Palu. The sample in this research was taken by visiting and interviewing respondents who were deemed suitable as sources at the research location. Multiple linear regression analysis to measure the relationship pattern or the extent of

influence of the independent factors (X1), (X2) and (X3) on the dependent factor Y. The requirements for using this analysis tool are that it is used if the number of independent factors is more than one. If there is only one independent factor, simple linear analysis can be used. The multiple linear regression formulation is as follows:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + \dots + b_n X_n + e$$

Y = Dependent variable

a = Constant (intercept)

b<sub>1</sub>-b<sub>n</sub> = Regression coefficient

X<sub>1</sub>-X<sub>n</sub> = Independent variable

e = Standard error

In this research, 1 dependent variable and 3 independent variables were used, which if included in the regression equation above are;  $Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + e$

Y = Purchase Decision

a = Constant (intercept)

b<sub>1</sub>-b<sub>2</sub> = Regression coefficient

X<sub>1</sub> = Social Influence

X<sub>2</sub> = Service Quality

X<sub>3</sub> = Brand Image

e = Standard error .

Hypothesis Testing 3.8.1 Simultaneous

Hypothesis Testing The F test is used to

test the influence of independent

variables together on the dependent

variable of a multiple regression equation

using a statistical hypothesis. Decision

making is based on probability values

obtained from the results of data

processing through the Static Product

and Service Solution (SPSS 16) program.

With criteria: 1. If the Sig F

value > alpha then the hypothesis is

rejected. 2. If the Sig F value < alpha then

the hypothesis is accepted. 3.8.2 Partial

Hypothesis Testing The t test is used to

partially test the influence of independent

variables on the dependent variable, namely the influence of each independent variable consisting of compensation and career development on satisfaction which is the dependent variable. The decision to test the hypothesis is partially based on the results of data processing using the Statiscal Product And Service Solution 16 computer program. With the following criteria: 1. If the Sig t value > alpha then the Hypothesis is rejected. 2. If the Sig t value < alpha then the hypothesis is accepted.

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