CONSUMER SATISFACTION BEHAVIOR WHOM PURCHASE CHINESE SMARTPHONE IN SOLORAYA

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Abstract: Customer satisfaction behavior that buys Chinese smartphone products is the purpose of this research. This research population is all customers who bought Chinese smartphones in seven cities included Surakarta, Boyolali, Sukoharjo, Wonogiri, Sragen, Klaten, and Karanganyar in Central Java. The sampling technique used purposive sampling with a total of 400 respondents who bought Chinese smartphones in the official store and black market. A personal questionnaire obtained by a field study is a data collection research method. Multiple linear regression and comparison tests used as an analysis tool in this research. The findings in this research resulted that the three independent variables such as price perception, product quality, and marketplace have a positive and significant effect on customer satisfaction. In this study, it was also found that there were differences in consumer satisfaction who bought the Chinese smartphones in official stores and the black market.

Keywords: Consumer Satisfaction, Product Quality, Price Perception, Marketplace.

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Globalization that occurs in all countries in the world also has an impact on the business sector, especially in international business trade. An important factor driving the rapid development of international business activities in the local and international market share. Indonesia as one of the biggest countries in the world with 262 million people and each year is estimated to increase by 4 million people (Badan Pusat Statistik, 2015). Seeing the opportunities for community growth makes entrepreneurs in Indonesia a competitive producer in all types of businesses to gain as much market share as possible. The Indonesian consumer’s behavior was consumptive make them be a lucrative market target. Technology-based products are the most popular products for Indonesians, one of the advanced technology products that are popular for Indonesians is smartphones. Unlike regular cell phones, smartphones are designed to have com-
puter-like capabilities with more convenient flexibility. In the smartphone industry, the companies which cannot adapt will be eliminated automatically (Cummins et al., 2014).

The times have also had an impact on the development of smartphone functions, smartphone function features have developed as portable media players, low-end digital compact cameras, and GPS. On another hand, the latest smartphones use a high-resolution touch screen, a full web browser like on a PC, WiFi data access, and broadband internet (Ackaradejruangsri, 2013). People use smartphones to support daily activities for reasons of portability, operational systems that are classified as a sophisticated, fast startup, best performance and comfortable, proportional, and flexible size (Nielsen, 2011). People who depend on smartphones also have an impact on high competition among smartphone distributors. Meanwhile, for smartphone distributors who cannot compete, it will cause business collapse because they have to face the large taxes paid. On the other hand, there are several smartphone distributors taking steps to avoid taxes by assuming large profits in the smartphone market quickly and easily. There is a difference between smartphones distributed through the black market and Official store, the smartphones which distributed through the black market basically through smuggling mechanisms to various countries to avoid the taxation system of a country (Chaudhry et al., 2019).

The smartphones circulating in official stores already have official licenses. The smartphones entering Indonesia are ready to be distributed to the market with a standard mechanism set by the government (legal) (Amiruddin and Azikin, 2008). The Chinese smartphone products circulating in Indonesia currently dominated by several top brands such as Xiaomi, Oppo, Vivo, Honor, Huawei, Infinix, and many more (Amalia and Asmara, 2017). Previous research has shown that Chinese smartphone distributors in official stores are expected to improve marketing strategies related to price, market, and product quality perceptions. It is hoped that by implementing a good market strategy, consumers will get high satisfaction after buying smartphone products.

The purpose of this research to analyze the effect of price perception, product quality, and marketplace on consumer satisfaction. It also analyzes the difference in satisfaction of consumers who bought Chinese smartphones in the Black Market with the official store.

Buyers feel satisfied or disappointed after comparing the expected product performance with the actual product performance, if the product performance is below expectations, the customer will not be satisfied. On the other hand, if the product performance meets expectations, the customer will be satisfied, and if the product performance exceeds expectations, the customer will be very satisfied or happy which is often referred to as customer satisfaction (Kotler and Keller, 2016). Consumer satisfaction can be defined as the difference between consumer expectation and actual performance. Satisfied consumers will likely have the opportunity to repurchases as well as give positive voices about the product and brand. Besides, consumers who are not satisfied, their actions can include complaining, stopping purchases, warning them friends, complaining to the authorities, and taking legal action. So, the alternative solution to minimize consumer dissatisfaction after purchase, the marketers can use a form which shows the response of consumer satisfaction or dissatisfaction and provide the reasons for the dissatisfaction. The consumers can also request and provide suggestions to the companies to improve their products and services. Customer satisfaction also will make them provide recommendations to other potential customers through word of mouth to buy. Continuous product purchases can encourage customer loyalty to the company or brand, build the company’s reputation in customer perceptions, and increase company profits. The factors that affect customer satisfaction include complete information on product features and quality, user interface quality, service information quality, comfort to the purchasing process, participation in e-commerce, perceptions of security, outlet attractiveness (Tjiptono, 2015).

Price perception is the consumer judgment and the associated emotional form regarding the price offered by the brand and it compared to the price
offered by another brand because it acceptable or justifiable for the consumer (Kotler and Keller, 2016). Another definition said price perception was a process of an individual in selecting, organizing, and translating the incoming information into a comprehensive framework, so the price perception shows the consumer how to see prices as high, low and fair prices to purchase a product or service (Paramananda and Sukaatmadja, 2018). Many companies take various approaches to price based on the goals to achieve, including increasing sales, expanding and or maintaining market share, maintaining price stability, and maximum profit. The indicators to measure price perception variables include price affordability, price competitiveness compared to other brands, the customer pays a fair price, the accuracy of pricing, the fairness of the pricing policy, the changes of price based on ethics, prices are acceptable, and price conformance with the superiority of features obtained by consumers (Suhendar and Ruswanti, 2019).

Price perception has a positive and significant effect on customer satisfaction (Opusunju and Ojeleye, 2017). Another research by Hustiæ and Gregurec (2015), found that price perceptions have a positive and significant effect on customer satisfaction. Fahrezzy and Trenggana (2017), also state positive results were perceived price has a positive and significant effect on customer satisfaction. Price perception is a variable to evaluate the affordability of prices set by companies for the perceived perceptions of consumers. Price perception is also one of the determining factors whether or not a product is accepted by consumers. The price perception is entirely the feeling that consumers feel about the product after purchased with various considerations that have been made. Therefore, the companies need to set the best prices until the consumer has perception “Their price is cheaper than the others”, so the prices offered to market affordably and build consumer satisfaction after purchase. Finally, if the price set according to the product’s performance, consumers won’t be disappointed with the brand alternative chosen.

Product quality is the suitability of product use (fitness for use) to fill consumer needs and satisfaction with dynamic conditions related to products, people or labor, processes and tasks, and the environment of business (Herawati et al., 2019). Another definition by Kotler and Keller (2016), defines product quality as a key success factor for an organization or business company, which quality is “the best guarantee of customer loyalty, the strongest defense against competition and the only path to lasting growth and income”. Product quality is something that needs the main attention of the Business Company or manufacturer, because the product quality is closely related to consumer satisfaction, which is the goal of the company’s marketing activities. The priority for consumers is the quality of the product itself. The consumers will prefer and choose products with better quality when compared to other brands with similar characteristics, which can fulfill their needs and desires. The relationship between product quality and customer satisfaction requires the company to carry out quality management to create high customer satisfaction as well. (Saleem et al., 2015). Product quality has a positive and significant impact on customer satisfaction (Hoe and Mansori, 2018). In line with the results of other researches, research by Akkucuk and Esmaeili (2016), stated that product quality has a very significant effect on customer satisfaction. Brata et al. (2017), in their research show that product quality has a significant effect on customer satisfaction. The consumers won’t have the interest to purchase other products that offer similar products, because the chosen brands prioritize product quality and what consumer needs, thereby increasing consumer satisfaction.

Badri (2012) states that the distributors or official store are a designation for business organizations which have purchased goods directly from the producers (makers) intending to resell them. From
the profit that will be obtained from this type of retailer, it is equal to the margin set by the producer to the retailer. Usually, the number of products distributed through the official store is much, so the official store can also redistribute them to lower retailers. Meanwhile, the black market is a sector of economic activity that involves illegal economic transactions, especially the purchase and sale of illegal merchandise. For example, stolen merchandise or official merchandise that is deliberately sold illegally to avoid paying taxes.

METHOD

Quantitative research is a type of research in which the way to obtain data packaged in numerical form and analysis using statistics (Sugiyono, 2010). This research uses three independent variables as follows: price perception, product quality, and marketplace, and consumer satisfaction as the dependent variable. The populations in this research were all consumers who bought Chinese smartphones in seven cities, as follows: Surakarta, Boyolali, Sukoharjo, Wonogiri, Sragen, Klaten, and Karanganyar in Central Java. The sampling technique used a purposive sampling technique. The sample was taken 200 respondents for official stores consumers and 200 respondents for the black market consumers. The data used primary data which comes from field studies in the form of questionnaires. Methods of data analysis using multiple linear regression test and Independent sample T-test.

RESULTS

Table 1  Multiple Linear Regression Test Results

| Variable              | Coefficient Beta | Beta       | t_count | p     |
|-----------------------|------------------|------------|---------|-------|
| (Constant)            | 2.466            | 2.061      | 0.040   |       |
| Price Perception      | 0.204            | 0.091      | 2.755   | 0.006 |
| Quality Product       | 0.765            | 0.600      | 14.529  | 0.000 |
| Marketplace           | 2.110            | 0.219      | 5.363   | 0.000 |

R² = 0.591
F_count = 190.534 (Sig. 0.000)

Table 2  Independent sample t-test

| Variable               | F_count | Sig.    | t_count | Sig.   |
|------------------------|---------|---------|---------|--------|
| Price Perception (X₁)  | 5.005   | 0.026   | -0.578  | 0.563  |
| Quality Product (X₂)   | 25.466  | 0.000   | 14.979  | 0.000  |
| Consumer Satisfaction (Y) | 55.504 | 0.000   | 14.065  | 0.000  |

Source: Primary Data, 2019.
Based on the Table, it shows all independent variables of this research have a significant effect on consumer satisfaction. The beta score of the marketplace shows 21.9%, it means consumers who bought Chinese smartphones at official stores more satisfaction than the black market. The F test shows sig. value 0.000 < 0.05, it means the model is an appropriate and acceptable model to explain variations of customer satisfaction. The all-independent variables of this research can explain the variation of customer satisfaction by 59.1%.

The results of different tests of price perception, it shows sig. 0.563 > 0.05, so there is no difference in price perception between consumers who bought Chinese smartphones at official stores and the black market, because for consumer’s perception that prices offered by Chinese smartphone distributors both of them are cheap and more affordable than the prices of smartphones from other distributors. Then, the different tests of product quality variable show sig. 0.000 < 0.05, so there is the different perception on product quality between consumers who bought Chinese smartphones at official stores and the black market, it’s due the consumers received good perceptions of the quality of the products when bought Chinese smartphones in official stores than the black market including features, services, and performance. The results of the different tests between consumer satisfaction who bought Chinese smartphones in official stores and the black market showed sig. 0.000 < 0.05, it means there is a different satisfaction felt by consumers when bought Chinese smartphones at official stores than the black market.

**DISCUSSION**

The test results of this research indicate that price perception has a significant effect on customer satisfaction (Support). The test results of this study research are in line with the results by Opusunju and Ojeleye (2017), Hustiæ and Gregurec (2015), and Trenggana (2018) where the research results indicate that price perception has a positive and significant effect on customer satisfaction. This research also explains that the perception of the price of consumers who bought Chinese smartphones both in official stores and the black market has a positive and significant effect on the satisfaction obtained. This indicates consumers who bought smartphones from China that have good performance at relatively cheaper prices than other smartphone brands. An assessment of the product price is said to be expensive, cheap or just ordinary for each individual, because it depends on the individual’s perception which motivated by the environment and individual conditions. The existence of pricing in accordance with the wishes or desires of consumers and accordance with the services to be provided, the consumers will feel satisfied with what they deserve. If the price set is not proportional to the services from the business company, then the customer will actually feel disadvantaged and dissatisfied with the services provided company (Victor et al., 2018). Increased consumer price perceptions of products offered by companies regarding price affordability, price compatibility with smartphone performance, price competitiveness compared to others will increase consumer satisfaction as well. The assessment of consumer perceptions of prices varies depending on characteristics and backgrounds. Finally, consumers’ assessment of the price of Chinese smartphones differs in both purchases at official stores and on the black market.

This research also presents the results which state that product quality has a significant effect on customer satisfaction (supported). The results of this study are in line with the results of research by Sitanggang et al. (2019), Akkucuk and Esmaelli (2016), and Hasniaty (2015) where the results of his research state that product quality has a positive and significant effect on customer satisfaction. Product quality is an important thing in determining the choice of a product by consumers. The product offered must be well qualified. Good product quality will create satisfaction, so it raises the desire of consumers to makes repeat purchases. Consumer satisfaction is the main cause of high loyalty. Satisfied consumers will be happy to share positive news about the brand without being asked, but disappointed consumers will be the negative messengers. When consumers purchase a product, they will compare one product with another. The consumers will be
more interested in products that provide more benefits to fulfill their needs and desires. The creation of customer satisfaction can provide benefits, including the relationship between the company and be harmonious. This relationship is a good basis for repurchasing, creating customer loyalty and forming a word of mouth recommendation that is profitable for the company. Product quality is an important advantage that companies must have because there are different perceptions between consumers and companies. The fulfillment of customer expectations needs more pay attention to attract consumers to become loyal. Consumer satisfaction is considered a very important idea and the main goal in marketing.

Verry and Winarno (2019), in their research concluded that the marketplace has a positive and significant influence on consumer satisfaction; the results of this research are in line with the findings of previous studies. Kotler and Keller (2016), states that consumer satisfaction is a feeling of pleasure or disappointment someone who appears after comparing the performance of the product that is thought with the expected performance. When performance is below expectations, customers will not be satisfied. on the other hand, when performance meets expectations, customers are satisfied. However, if performance exceeds expectations, then the customer is very satisfied. Consumer satisfaction is one way for companies to survive and create sustainability, so it must be maintained. The benefits for the company are being able to provide customer satisfaction, which will create a harmonious relationship between the company and customers, provide a good basis for repurchase, form word of mouth recommendations that benefit the company, encourage customer loyalty, build the company’s reputation in customers side, and of course, can increase profits.

Satisfaction will have a positive impact in the form of a desire to buy the same product one day when the same needs reappear. When purchasing decisions occur by consumers, then along with that there are expectations about the performance that will result from the use of these products, among others, Products have benefits better than what is expected by consumers or commonly referred to as positive disconfirmation, Products have benefits such as expected by consumers, or commonly referred to as simple confirmation (simple confirmation) wherein this condition the product that was purchased does not provide satisfaction and the product also does not disappoint consumers, the product has benefits worse than what is expected, this is what is referred to as negative disconfirmation.

Efforts that can be given by companies to provide satisfaction to consumers can be done by providing complete information about product features and quality, user interface quality, service information quality, ease of purchasing processes, participation in e-commerce, perceptions about security, the attraction of outlets. The perception of price is entirely the feeling that consumers feel about the product that has been consumed, with various considerations that have been made, so that when making a purchasing decision, consumers get maximum satisfaction. Therefore, the official smartphone store of China needs to price its products with the product prices set by competitors including the black market so that the price determined by the official store in consumers’ perceptions is not too high, so the price offered is still affordable and can cause a sense of satisfaction to consumers such as buying in competitors especially the black market. Besides, if the price is following product performance and supported by pampering services, consumers will not be disappointed with the official store as a marketplace for buying Chinese smartphones.

Consumers will not have the desire to buy a Chinese smartphone to another marketplace with similar products if the official store prioritizes the provision of the highest quality products, thus impacting on the growth of satisfaction in the minds of consumers. Chinese smartphone products that are sold with the best quality supported by comprehensive consumer knowledge will provide confidence in determining whether or not consumers are satisfied with a marketplace for purchasing Chinese smartphones. Besides, customer satisfaction with official stores will exceed the black market if the marketplace’s capabilities facilitate consumers in obtaining product information, product durability,
product reliability, ease of operation and improvement, and other valuable attributes.

The difference in consumer satisfaction who bought a Chinese smartphone at the official store with the black market occurs because consumers who buy a Chinese smartphone at the official store can directly obtain product information and confirm the promised features, product performance, product service to consumer expectations, and security of smartphone China that bought with good employee service. Besides, differences in price perceptions make the level of consumer satisfaction also experience differences, this is because the price is one of the variables that are quite sensitive for consumers. If consumers bought a Chinese smartphone in the black market can be said to be satisfied, it’s just that it depends on the price of the Chinese smartphone which is cheaper than official store, so it fosters satisfaction for consumers being able to obtain products at low prices but the level of safety and quality of the products obtained is less guaranteed, distributor service that is difficult to guess, and it takes a long time for the smartphone to reach home first to confirm its quality.

The results of this research can contribute to the knowledge development of marketing management related to developing consumer satisfaction of Chinese smartphone official stores in the Soloraya region. This result is also can be a reference for future research on the number of customer loyalty comparisons of Chinese smartphone users between the official store and the black market. For the management of Chinese smartphone official stores in the Soloraya region to get unique marketing strategies that are difficult or impossible to copied by the black market competitors, especially in several variables such as building the perception that the price of Chinese smartphones in the official store is also cheap with better quality products and services compared than the black market. Chinese smartphone official stores can also make an online-based official store like a website or social media that increase the consumer’s satisfaction whom bought Chinese smartphones in official stores higher than other places especially black market and providing official online-based stores helps improve their competitiveness, brand image, and higher satisfaction to become a loyal customer. The results of this research can be used as study materials for the government or stakeholders who can support the Chinese smartphone market price in the Soloraya region which remains stable and increases the competitiveness of the official stores. The government and stakeholders can also publish some policies for black market Chinese smartphone distributors to get taxes so they don’t damage the market ecosystem.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The test results related to consumer satisfaction behavior in purchase Chinese smartphones show several conclusions including price perception, product quality, and the marketplace have a positive and significant effect on consumer satisfaction purchasing Chinese smartphones. Besides, the results also show there is differences level of satisfaction of consumers who bought Chinese smartphones in official stores and the black market. This difference is supported by a higher level of consumer satisfaction when purchasing Chinese smartphones at the official store. If consumers purchase Chinese smartphones, they can directly make sure the smartphone features, performance, capabilities, endurance, and security.

The results are based on the assumption that who bought directly do not have to wait long to get and ensure Increasing the results of the F test, it is found that the model used in this study is feasible and suitable for measuring consumer satisfaction who buys a Chinese smartphone, because the variable price perception, product quality, and market can explain variations in the variable consumer satisfaction by 59.1%.

Recommendations

Recommendations for further research also use other variables so that the coefficient of determination is greater and explain variations of consumer satisfaction comprehensively. Future research recommended to use other smartphones provider brands
as a research object, it can be able to compare the strategies used each other.

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