THE INFLUENCES OF PRICE, PRODUCT FEATURES, BRAND IMAGE, AND REFERENCE GROUP TOWARDS SWITCHING INTENTION FROM IPHONE TO ANDROID PHONE

(A Study on iPhone users in Indonesia)

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ABSTRACT

This research aims to discover the influence of Price, product features, brand image, and reference group towards switching intention from iPhone to Android phone. This is the explanatory research which explains the relationship and the influence between one variable and another through hypothesis testing. This research used a sample of 87 respondents where the survey was conducted online. The sample of this research consisted of the respondents who use iPhone and Android phone and also respondent who has switching intention from iPhone to Android phone. The data analysis employed in this research was the Multiple Linear Regression Analysis and the hypothesis testing using the t test which was processed through the SPSS software ver. 20. From the results of testing four hypotheses, it can be concluded that the variable of price, product features, brand image, and reference group have a significant positive influence on switching intention from iPhone to Android phone. This research implies that there is a need to improve the influence of Android reference group. The implications of the research suggest to increase the number of brand ambassadors and celebrity influencer that might influence the switching intention from iPhone to Android phone.

Keywords: Price, Product Features, Brand Image, Reference Group, Switching Intention.

ABSTRAK

Penelitian ini dilakukan bertujuan untuk mengetahui pengaruh dari harga produk, fitur produk, citra merk dan kelompok referensi terhadap minat beralih dari iPhone ke telepon Android. Jenis penelitian ini adalah explanatory research yang menjelaskan hubungan dan pengaruh antara satu variable dengan variable lainnya melalui pengujian hipotesis. Penelitian ini menggunakan sampel sebanyak 87 responden dimana penyebaran kuesioner dilaksanakan secara online. Sampel terdiri dari responden yang menggunakan iPhone dan telepon Android dan responden yang bermingkat untuk beralih dari iPhone ke telepon Android. Analisis data dalam penelitian ini menggunakan Analisis Regresi Linier Berganda dan uji hipotesis menggunakan uji t yang diolah dengan software SPSS ver. 20. Dari hasil pengujian terhadap keempat hipotesis dapat disimpulkan bahwa variable harga produk, fitur produk, citra merk dan kelompok referensi memiliki pengaruh positif signifikan terhadap minat beralih dari iPhone ke telepon Android. Implikasi penelitian ini adalah perlunya meningkatkan kelompok referensi pada merk Android. Hal ini dapat dilakukan antara lain dengan cara meningkatkan jumlah brand ambassador dan influencer untuk dapat meningkatkan minat beralih dari iPhone ke telepon Android.

Kata Kunci: Harga Produk, Fitur Produk, Citra Merk, Kelompok Referensi, Minat Beralih.
INTRODUCTION

Smartphone is a phone that allows the user to do more than make phone call and send text messages. The first smartphone, created by IBM, was invented in 1992 and released for purchase in 1994 (Kantengwa, 2020). It was called the Simon Personal Communicator (SPC). Even though not very compact and sleek, the device still featured several elements that became staples to followed by every smartphone. For example, the SPC was equipped with a touch screen as well as the ability to send and receive both emails and faxes. It had a calendar, address book, and a native appointment scheduler. It even featured standard and predictive stylus input screen keyboards. It was not until 2000 that the smartphone was connected with an actual 3G network. In other words, a mobile communications standard was built to allow portable electronic devices access to the Internet wirelessly. On 2007, Steve Jobs and the team at Macworld revealed the very first iPhone.

Nowadays, smartphone is taking the role of the computer, people can do many of things with this small handheld gadget. Smartphone also has an important role in today’s society, and it has changed the way people do things. Smartphones have become a life companion for many people who use them to perform a wide arrange of activities every day, such as checking emails, chatting with friends, browsing the internet, managing businesses, purchasing products and booking services, and so forth. There are many renowned smartphone brands such as Samsung, Apple, Huawei, Xiaomi, and many more.

Apple is one of the best companies that produce smartphone. Apple Computers, Inc. was founded on April 1, 1976, by college dropouts Steve Jobs and Steve Wozniak, who brought to the new company a vision of changing the way people viewed computers. Jobs and Wozniak wanted to make computers small enough for people to have them in their homes or offices. Simply put, they wanted a user-friendly computer (Richardson & Terrel, 2008). According to Jones (2014), in January 2007, Steve Jobs proudly strode onto the stage at the MacWorld 2007 convention and unveiled the iPhone to raucous applause from loyal Apple fans. However, one thing that cannot be seen clearly in that video is that the iPhone holding is not the one that eventually made it into consumers’ hands. It can be said that Jobs was right that this new product would disrupt the world of phones is an understatement.
in the world, and experts have speculated that smartphone distribution will surpass the computers due to portability and versatility functions (Deloitte 2017). Today, smartphone technology has reached its maturity level and the global smartphone market is dominated by Samsung and Apple. In the war for smartphone market share, Apple's iPhone seems to be having some trouble. After 12 generations, the iOS device captured only 11% of the total market share in the second quarter of 2019, lagging behind Samsung phones, which boasted to 22 percent (Strategy Analytics 2019).

According to research, the only main factors that impact the switching behaviour of a consumer in Telecommunication company, which is product pricing (Ashfaq 2015). The price strategy of Samsung is lowering its prices to increase smartphone sales (Kong & Yazdanifard, 2013). Thus, the Price of Samsung is said to be one of the advantages while buying a Samsung (Kong & Yazdanifard, 2013). Moreover, Samsung had used lowering the price as its pricing strategy (Kong & Yazdanifard, 2013).

Research shows that the main factor of switching behaviour in consumer telecommunication industry is technology. Consumer switches their cell phones because of the technological feature advancement (Ashfaq, 2015). Smartphones companies should adapt to the latest technology and mobile versions towards the feature to attract the smartphone users (Ashfaq, 2015). Highly updated mobile phone feature is the main role of customers satisfaction (Ashfaq 2015). Factor like product feature may develop relationship among consumer and brand, on the other hand it may dissatisfied consumers of brand which cause brand switch from one brand to another brand (Ashfaq 2015).

Several research found that smartphone has become an important tool in life due to the increase of brand competition (Rajkumar et al., 2012). Research shows that external factors of the brand mostly deals with brand competition like mould the brands, etc (Ashfaq, 2015). The study found that consumers are able to pay high price towards product with brand (Aaker, 1991). The brand also allows consumers to make product assumptions based on quality and feature. Thus, it forms an expectation about a certain level of quality so that satisfied consumer may choose the product again (Azzawi et al., 2012). Furthermore, Phones Review (2012) has done voting for people who rather buy an iPhone 5 or Galaxy S3, it noted that Samsung has created a great brand image as lots of people want to purchase their latest devices.

According to Aaker (1996), brand image is the crucial part of brand awareness since it recalls test made for the consumer that they only remember one brand, that is why companies should protect brand image since of its existence (Aaker 1996). Despite from the brand image, a group of people and reference group is one of the reasons consumers loyal with the brand (Mbui, 2011).

Based on what have been mentioned in previous explanation, the researcher wanted to analyse four variables namely Price, product feature, brand image and group reference that have possibility to influence the product switching from iPhone to Android Phone.

LITERATURE REVIEW
Switching Intention Definition

Switching intention is the interests of consumers relating to the process of switching from one service to another service provider. The intentions move with the concept of a desire to behave, which is built on consumer behaviour towards their previous goals and behaviour (Boenawan & Kustijana, 2017). Switching intentions can be seen with indicators (Haryanto, 2007), which are:

a) Intention as hope, that is, expectation that arise in a person to do something.
b) Intention as a desire, the desire in someone to do something.

Keaveney (1995) defines switching intention as one’s attitude toward replacing the current brand with another. While Peter and Olson (2000) state that switching intention is a pattern in purchase that represent by switch or change from one to another brand. Shen and Li (2010) point out that switching intention is the intention to betray or exit an existing relationship. It depends primarily on customers’ decision to stop buying or receiving the primary services from a service provider. Also, Chih et al. (2012) show that initial (discrepancy between service failure expectation and service performance) and recovery (discrepancy between recovery expectation and recovery performance) disconfirmations could affect switching intentions through satisfaction. Furthermore, Schiffman and Kanuk (2000) mention that switching intention are shoppers who perform switch product from one to another choice.
Price

According to Kotler & Armstrong (2001), price is the amount of money charged for a product or service, or the sum of all the values that customers give up in order to gain the benefit of having or using a product or service. In other words, price is an offer to sell for a certain amount of currency. Here, the word, offer indicates that price is subject to change if there are found an insufficient number of customers at the original price of the product.

Price considered as expensive, cheap, or fair is different from one person to others because it depends on each background. In order to succeed in promoting a product or service, every company must set its price appropriately. Price is the only element of marketing that provides income for the company. Align with the previous statement, price is the major parameter that influences the revenue of the company significantly (Dolgui et al., 2010). In addition, price is a flexible element in marketing; it means that price is a flexible element and it can be changed quickly (Kwon et al., 2008).

Product Features

A feature is a function or characteristic of a product or service that has value to customers (Spacey 2017). Thus, the feature usually defines the functional and non-functional character of the system (Berger et al. 2015). Features have meaning in noun classes or nouns so that the feature can state the name of a person, place, or all objects and everything that is hindered (Lektur 2020). Features always matter because they provide the customers with hints about how good the products or services will deliver its benefits.

These are the basic types of feature according to Spacey (2017):

1. Style
2. Function
3. Experience
4. Quality

Brand Image

Aaker (1991) states that to understand the brand image well a customer must pay attention to the characteristics and the uniqueness of the product. According to explanation above, the brand image does not exist in the technology, features or the actual product itself. The brand image is brought by promotion, communication, advertisement, and user. Thus, brand image makes customer recognize a product, evaluate the quality, obtain certain experience, and satisfaction out of product differentiation and lower purchase risks. According to Grewal et al. (1998), the better brand image, the more recognition customers will give to its product quality. Customers could judge the products even by trying the product for the first time. The customer will promote and recognize the product to their family, friends, and colleagues through word of mouth. Thus, Wijaya (2013) states that brand image plays an important role in the development of a brand because it influences brand reputation and credibility which later becomes ‘guideline’ for consumer audience to try or use a product or service, which after that resulting to a particular experience (brand experience) that determine whether the consumer will be loyal to the brand or just an opportunist (easy to switch to another brand).

Based on the above definition, it can be concluded that brand image is the name, term, symbol, sign, and design used by companies to differentiate products from competitors. Akbar (2012) state that brands have a variety of objectives, namely:

a. As a corporate identity that distinguishes it from competing products, so it is easy to recognize and make repeat purchases.
b. As a promotional tool that emphasizes the attractiveness of the product (for example, with design shapes and attractive colors).
c. To foster image, namely by providing confidence, quality assurance, and a certain prestige image to consumers.
d. To control and dominate the market. That is, by building a well-known brand, good partnership, and protected by exclusive rights based on copyright or patents, the company can achieve and maintain consumer loyalty.

Reference Group

Al-Duhaish et al., (2014), examines the influence of reference on consumer attitudes and opinions. Reference is commonly referred to as an individual’s sense of self, derived from perceived belonging in social groups (Reza & Valeecha 2013). When individuals belong to a group, they are likely to grow a sense of identity (Chen & Xin-Li 2009).

A person who identifies himself or herself as an affiliate of a particular social group will regularly conform to core characteristics of that specific social group, inviting that person to take the group’s interest to heart – including their buying behaviour (Reed et al, 2012).
Consequently, group identity has a great impact on an individual’s behaviour (Akerlof & Kranton, 2005). Overall, once individuals see themselves as part of a group, they derive self-esteem from that group affiliation and embrace behaviours that are consistent with the stereotypes related to their group identity.

Consumers’ brand choices for products such as food (Roper & La Niece, 2009), clothes and mobile phones (Mudondo, 2014) have all been found to be influenced by consumers’ group identity. Relating a brand with a consumer’s group identity has also been established to impact the extent of self-brand connection the consumer forms with the brand (Milena & Natalia, 2010). As such, reference groups can govern what types of brands individuals purchase (Ebrahim, 2012).

Consumers even choose their way of gathering information about fashionable brands based on their group identity (Christopher, John & Sudhahar, 2014). Thus, consumers frequently seek out information from other consumers before purchase to minimise the risk of making bad decisions. A consumer who looks for the opinions of others in a group, makes the others a reference point of the purchase decision-making process to which she or he could turn to. Hence, Ramanathan and McGill (2007) suggest that groups may also have an impact on how the consumer feels towards particular products or brands. According to Muniz and O’Guinn (2001), certain reference groups may exist exclusively around the usage of a particular brand or product. Hogg (2003) explains that reference groups provide consumers with numerous sources of social identities, which is combined with the consumer’s self-concept to complete his or her entire identity. However, these groups are not equally exclusive, therefore, these consumers may be influenced by various reference groups at the same time (Luna et al., 2008). The reference groups are divided into three types, known as the normative, comparative reference group and multi reference group.

**Hypothesis**

H1: Price (X1) positively influences the Switching Intention of iPhone users to Android Phone

H2: Product Feature (X2) positively influences the Switching Intention of iPhone users to Android Phone

H3: Brand Image (X3) positively influences the Switching Intention of iPhone users to Android Phone

H4: Group Reference (X4) positively influences the Switching Intention of iPhone users to Android Phone

![Figure 1: Research Framework](image)

**RESEARCH METHOD**

Based on the objectives, problems of the research, and data collection method, the type of this research is explanatory research. The research location is a place or area where the research takes place, where it provides an overview representing the variables studied through the data obtained. The research location for this research is in Indonesia. The population in this research is the users of iPhone who have switching intention to Android Phone. Roscoe explains that the research sample size should be at least among 30 to 500 respondents maximum. In this research, the number of the sample size is based on the rules of Roscoe. Therefore, the number of variables in the questionnaires is multiplied by 10 (Sekaran, 1992). With the opinion explained above, the minimum sample size of this research is set for 50 respondents in which obtained from 5 variables multiplied by 10.

**RESEARCH RESULTS AND DISCUSSION**

**Table 1. Recapitulation of Regression Results**

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>0.014</td>
<td>1.118</td>
<td>0.013</td>
<td>0.990</td>
</tr>
<tr>
<td>X1</td>
<td>0.318</td>
<td>0.115</td>
<td>0.280</td>
<td>2.764</td>
</tr>
<tr>
<td>X2</td>
<td>0.206</td>
<td>0.076</td>
<td>0.255</td>
<td>2.700</td>
</tr>
<tr>
<td>X3</td>
<td>0.210</td>
<td>0.104</td>
<td>0.178</td>
<td>2.020</td>
</tr>
<tr>
<td>X4</td>
<td>0.229</td>
<td>0.084</td>
<td>0.245</td>
<td>2.730</td>
</tr>
</tbody>
</table>

Source: SPSS Output

The regression equation obtained based on Table 1 is as follows:

\[ Y = 0.280 \times X_1 + 0.255 \times X_2 + 0.178 \times X_3 + 0.245 \times X_4 \]
Table 2. Coefficient of Determination

<table>
<thead>
<tr>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.782</td>
<td>0.611</td>
<td>0.592</td>
</tr>
</tbody>
</table>

Source: SPSS Output

From the analysis in Table 2 the adjusted R (coefficient of determination) results is obtained at 0.592. It means that 59.2% of the Switching Intention variable will be influenced by the independent variables, namely Price (X1), Product Features (X2), Brand Image (X3), and Reference Group (X4). While the remaining 40.8% of the Switching Intention variable will be influenced by other variables which are not discussed in this research.

In addition to the coefficient of determination also obtained correlation coefficient which shows the magnitude of the relationship between the independent variables namely Price, Product Features, Brand Image, and Reference Group to the Switching Intention variable, the value of R (correlation coefficient) of 0.782. The value of this correlation indicates that the relationship between the independent variables namely Price (X1), Product Features (X2), Brand Image (X3), and Reference Group (X4) with Switching Intention included in the strong category because they are in the interval 0.6 to 0.8.

Table 3. Partial Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>t</th>
<th>Sig.</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>0.013</td>
<td>0.990</td>
<td></td>
</tr>
<tr>
<td>X1</td>
<td>2.764</td>
<td>0.007</td>
<td>Significant</td>
</tr>
<tr>
<td>X2</td>
<td>2.700</td>
<td>0.008</td>
<td>Significant</td>
</tr>
<tr>
<td>X3</td>
<td>2.020</td>
<td>0.047</td>
<td>Significant</td>
</tr>
<tr>
<td>X4</td>
<td>2.730</td>
<td>0.008</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: SPSS output

In this research, data were collected from 87 respondents. The instrument of the study consisted of the validity test and reliability test. The results obtained were the validity test shows a significance value greater than the r table which means that each item of the variable was valid, therefore, these items could be used to measure the research variables. Followed by the reliability test using Cronbach alpha where each variable was found to be reliable because the value of Cronbach alpha is greater than 0.6.

The classic assumption test that becomes the next test, consists of a normality test, a multicollinearity test, and a heteroscedasticity test. Starting from the normality test, it can be seen in the normality test results table where the test is carried out using the Kolmogorov-Smirnoff method, with a significant value is greater than 0.05, which means unstandardized normally distributed. Then the second test is the multicollinearity test with a tolerance value of each variable greater than 0.1 and a VIF value greater than 10 then it can be concluded that there is no multicollinearity between independent variables. The third test is the heteroscedasticity test with the results using a scatterplot diagram and does not form a specific pattern, so there is no heteroscedasticity, so it can be concluded that the homogeneity has a variety (constant) or in other words there are no symptoms of heteroscedasticity.

The research method used multiple linear regression analysis techniques with the findings in the regression equation table. Price (X1), Product Features (X2), Brand Image (X3), and Reference Group (X4) towards Switching Intention has a positive direction, which is when Price (X1), Product Features (X2), Brand Image (X3), and the Reference Group (X4) increased, it will cause an increase in Switching Intention.

The Influence of Price (X1) towards Switching Intention (Y)

From the analysis using multiple regression method, a t value of 2.764 was obtained with sig. t of 0.007 with t table of 1.989 so that the Price variable has an influence on Switching Intention. The significance value of t is 0.007, it is smaller than alpha used because 0.007 <0.05. So, it can be concluded Price has a significant effect on Switching Intention.

Based on the results of testing the Price hypothesis that consisted of 3 items, the results of hypothesis testing indicate that Price has a positive influence on Switching Intention from iPhone to Android. Thus, H1 that predicts the Price has a significant positive influence on Switching Intention is accepted. The influence between the independent variables and the dependent variable in this research explains that the Switching Intention from iPhone to Android will be higher or better if the Price of Android is also considered good by its customer.

In this research, it was proven that the Price of Android would improve the positivity in Switching Intention from iPhone to Android. When customer feel that Android phone price is more affordable than iPhone, the Android phone Price suits its quality rather than iPhone, and Android phone price has more variation than iPhone, then
the Switching Intention from iPhone to Android phone will be more positive. The Price of Android phone and iPhone can be seen from the official website. Thus, the Price of Android is affordable and suits the quality. Therefore, the customers will be easy to have switching intention from iPhone to Android phone.

**The Influence of Product Features (X2) towards Switching Intention (Y)**

From the analysis using the multiple regression method, the calculated t value of 2.700 with t table of 1.989 so that the Product Features variable has a significant effect on Switching Intention. The significance value of t is 0.008, it smaller than alpha used because 0.008 <0.05. So, it can be concluded that Product Features has a significant effect on Switching Intention.

Based on the results of hypothesis testing regarding Product Features that affect Switching Intention consisting of four items, it can be concluded that H2 that predicts product features has a significant positive influence on Switching Intention is accepted. In this research, it was proven that the product features of Android would improve the positivity in Switching Intention from iPhone to Android.

Customers think that Android phone has more unique designs than iPhone, Android phone has more variety of functions rather than iPhone, the users have more positive influence and comfort while using Android phone rather than iPhone, and Android phone has better quality of camera, touch screen and other hardware compare to iPhone. The product features of Android phone and iPhone can be seen from the official websites and it is known that the product features of Android are better than iPhone. Therefore, customers will be easily attracted by that and have switching intention from iPhone to Android phone.

**The Influence Brand Image (X3) towards Switching Intention (Y)**

From the analysis using the multiple regression method, the calculated t value is 2.020 with t table of 1.989 so that the Product Features variable has a significant effect on Switching Intention. The significance value of t is 0.047 smaller than alpha because 0.047 <0.05. So, it can be concluded that Reference Group has a significant effect on Switching Intention.

Based on the results of testing the reference group hypothesis that consisted of 3 items, the results of hypothesis testing indicate that Reference Group has a positive influence on Switching Intention from iPhone to Android. Thus, H3 that predicts the Brand Image has a positive influence on Switching Intention is accepted. The influence between the independent variables and dependent variable in this research explains that the Switching Intention from iPhone to Android will be more positive or better if the brand image of Android is also considered good by its customer.

In this research, it was proven that the Brand Image of Android will improve the positivity in Switching Intention from iPhone to Android. When customers believe that Android phone brands made in China such as Huawei, Xiamoi, Oppo and Vivo has good reputation in Indonesia, and customer have switching intention from iPhone to Android phone based on trustworthy, then the Switching Intention from iPhone to Android phone will be more positive. Thus, the brand image of Android is considered good and well-known in Indonesia. Therefore, customers who are easily attracted by that switching intention from iPhone to Android phone.

**The Influence of Reference Group (X4) towards Switching Intention (Y)**

From the analysis using the multiple regression method, the calculated t value is 2.730 with t table of 1.989 so that the Product Features variable has a significant effect on Switching Intention. The significance value of t is 0.008, it smaller than alpha used because 0.008 <0.05. So, it can be concluded that Reference Group has a significant effect on Switching Intention.

Based on the results of testing the reference group hypothesis that consisted of 3 items, the results of hypothesis testing indicate that Reference Group has a positive influence on Switching Intention from iPhone to Android. Thus, H4 that predicts the Reference Group has a positive influence on Switching Intention is accepted. The influence between the independent variables and dependent variable in this research explains that the Switching Intention from iPhone to Android will be higher or better if the influence Reference Group of Android is considered good by its customer.

In this research, it was proven that the influence of Reference Group Android would improve the positivity in Switching Intention from iPhone to Android. When the customer is influenced by parents, friends, family to switch from iPhone to Android phone, when customer influenced by famous people, and when customer influence by parents, friends, family and also by
famous people, then the Switching Intention from iPhone to Android phone will be more positive. Thus, the influence of Reference Group of Android is highly impacted the switching intention. Therefore, customers who are easily to attracted by that will have switching intention from iPhone to Android phone.

Limitation of the Study
After conducting the research, the results show that there is a significant influence between Price, product features, brand image and reference group towards switching intention from iPhone to Android phone. Based on the research, Price, product features and reference group should be more appropriate and attractive, while brand image needs to be improved so that they can have more positive significant influence on switching intention from iPhone to Android phone.

The first limitation while doing the research is that the researcher needs to put extra effort to find the respondents for the research. Researcher felt that it was hard to find the respondents because of the topic of this research, which are to find respondents that have intention to switch from iPhone to Android phone. The second limitation while doing the research is that, the topic of the study is rarely found by the researcher. The last limitation is that since the research was done through online platform, therefore, the respondents would not have the opportunity to directly questioned the researcher. Thus, the answer of the respondents might be bias.

CONCLUSION & SUGGESTIONS
Conclusions
1. Price can encourage and increase the Switching Intention from iPhone to Android Phone.
2. Product features can encourage and increase the Switching Intention from iPhone to Android Phone.
3. Brand image can encourage and increase the Switching Intention from iPhone to Android Phone.
4. Reference group can encourage and increase the Switching Intention from iPhone to Android Phone.

Suggestions
1. Android phone should continue to maintain its existing Price.
2. Android phone should continue to maintain its existing product features and improve its product features to be more helpful towards its user.
3. Android phone should continue to maintain its existing brand image and improve its brand image to be more trusted to all of the customers.
4. Android phone should continue to maintain its existing group reference and improve its group reference to be more trusted to all of the customers.
5. For further researchers who will conduct research on the same topic, it is better to add other variables that have not been discussed in this research.

REFERENCES


