Why Do People Buy iPhones? Unveiling the Role of Product Quality and Price Perception in Jakarta

Original Article

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Abstract

This research examines how the perceived quality and price of products influence the choices consumers make when purchasing iPhones in DKI Jakarta. Using a quantitative survey method, data were collected from iPhone users who had owned the device for at least one year. The examination, carried out using SPSS 26, comprised of tests on validity and reliability, as well as an analysis using multiple linear regression. The results indicate that the quality of the product has a significant impact on consumer purchasing choices. Consumers prioritize durability, technological innovation, and premium design, indicating that higher perceived quality increases the likelihood of purchase. However, price perception does not significantly impact purchasing decisions. Despite the iPhone's higher price, consumers in Jakarta value symbolic status and brand prestige over cost considerations. High purchasing power, installment options, and strong marketing strategies contribute to reducing price sensitivity. In conclusion, product quality is a key factor in purchasing decisions, while price perception is not. Apple should continue enhancing product quality and brand loyalty to maintain its market position. Future research could explore other factors, such as brand trust or lifestyle, to gain deeper insights into consumer behavior.

Keywords: Product Quality, Price Perception, Purchasing Decision, iPhone.

1. Introduction

Technological advancements have become an integral part of human life (Abdullah et al., 2021), influencing work, entertainment, and communication. Communication plays a vital role in daily life, as humans, being social creatures, rely on interactions to fulfill their needs. The increasing demand for fast and efficient communication has led to the digitalization era, where almost all human activities are supported by digital technology (Widiastiti et al., 2020). The evolution of telecommunication technology has resulted in the development of smartphones, significantly aiding human activities (Noor & Nurlinda, 2021). Smartphones provide quick and efficient access to information and communication, enhancing productivity and flexibility in various sectors (Aurelia & Wriyakusuma, 2022). Their adoption has steadily increased each year, including in Indonesia (Widiastiti et al., 2020).

Indonesia is one of the largest smartphone markets in the Asia-Pacific region, characterized by rapid industry growth. As of mid-2024, Indonesia's population is approximately 281.6 million, making it a key target market. The smartphone penetration rate is expected to increase from 2024 to 2029, reaching 97% by 2029. The country has over 353.3 million mobile connections, surpassing its population and indicating that many individuals own more than one device. This high adoption rate underscores the importance of smartphones in everyday life. As a leading brand in the premium smartphone segment, Apple

has continuously maintained its position as the most valuable brand since 2013 (Aurelia & Wriyakusuma, 2022). The brand's valuation reached $355.1 billion in early 2022. Despite fluctuations in global smartphone sales, the premium segment, including Apple's iPhone, has shown resilience, growing by 78% in Indonesia in 2023. According to Alkemega and Ramadhan (2023), Jakarta is the leading city in the country for iPhone users, which presents a significant opportunity for Apple to target this market.

The main objective of this research is to investigate the elements that impact the choices consumers make when buying iPhones in Jakarta, with a focus on their perceptions of product quality and pricing. While numerous alternatives exist in the smartphone market, Apple's ability to maintain a loyal consumer base despite premium pricing presents an interesting research opportunity (Iskuntianti et al., 2020).

2. Literature Review

2.1. Marketing

Marketing is a crucial function for businesses, whether they operate in goods or services industries, as it directly interacts with the market. Kotler and Armstrong (2010) define marketing as a business philosophy centered on identifying customer needs and delivering value effectively. The foundation of the marketing concept rests on four key elements: identifying the target audience, understanding customer requirements, employing integrated marketing strategies, and achieving profitability (Olivianita & Anggraini, 2023). In contrast to the sales concept, which prioritises the seller's interests, marketing places importance on a customer-focused strategy. In order to be successful in marketing, it is essential to have a thorough insight into how consumers behave. Kotler and Keller (2016) identified five key steps in the process of consumer decision-making: realising a need, searching for information, weighing options, making a purchase, and reflecting on the decision afterwards. Marketers must analyze these stages to influence purchasing decisions effectively. Patel and Chauhan (2024) highlight the evolving consumer landscape, where informed consumers demand greater value. Thus, integrating consumer insights with marketing strategies enhances conversion rates and customer lifetime value, reinforcing the significance of customer-centric marketing.

2.2. Consumer Behaviour

The way people make choices and behave when they buy and use products or services is known as consumer behavior. Kotler and Keller (2016) suggest that consumer decision-making consists of five stages: identifying needs, searching for information, comparing options, making a purchase, and evaluating post-purchase behavior. According to Peter and Olson (2013), psychological aspects such as motivation, perception, education, beliefs, and attitudes play a major role in determining consumer preferences. Additionally, social and cultural factors, including family, social class, and reference groups, shape consumer preferences and purchasing behaviors. Suherlan (2023) emphasize that consumer behavior is dynamic, evolving with technological advancements and market trends. Understanding these behaviors allows marketers to develop targeted strategies that align with consumer expectations, enhancing customer satisfaction and loyalty. Informed consumers seek value-driven purchases, necessitating adaptive marketing strategies. Therefore, analyzing consumer behavior is fundamental for businesses aiming to optimize marketing effectiveness and long-term profitability (Munawaroh & Sudarmiatin, 2024).

2.3. Purchase Decision

Purchase decision is a critical stage in consumer behavior, where individuals finalize their choice of a product or service. Kotler and Keller (2016) define it as a process influenced by psychological, social, and economic factors. The process of making decisions involves five major steps: identifying needs, searching for information, assessing options, making a purchase choice, and looking at how the product or service is used after buying it. Consumers evaluate multiple factors, including product quality, price perception, and brand reputation, before making a final choice (Schiffman & Kanuk, 2010). External influences, such as peer recommendations and marketing stimuli, also shape purchasing decisions (Harahap & Amanah, 2020). Additionally, unexpected situational factors, such as financial constraints or competitor promotions, can alter intended choices. Kotler and Amstrong (2018) highlight that post-purchase satisfaction determines repeat purchases and brand loyalty. Understanding purchase decision dynamics enables businesses to refine marketing strategies, ensuring alignment with consumer needs and preferences, ultimately driving long-term profitability and customer retention.

2.4. Product Quality

According to Kotler and Keller (2016), the satisfaction and buying choices of consumers are greatly influenced by the quality of a product. They describe product quality as the combination of features and traits that impact a product's capability to fulfil consumer requirements. It encompasses various dimensions, including durability, reliability, design, performance, and perceived value. High-quality products enhance consumer trust, brand reputation, and long-term loyalty. Kotler and Armstrong (2010) propose a classification of product quality into three tiers: the core product (for meeting basic needs), the actual product (incorporating physical features), and the augmented product (including extra services and advantages). Consumers often associate higher quality with premium pricing, reinforcing the link between quality perception and purchase behavior (Soliha & Fatmawati, 2017). In competitive markets, businesses must continuously innovate and maintain quality standards to sustain customer satisfaction. Thus, product quality is a strategic factor influencing brand differentiation, market positioning, and long-term business success.

2.5. Price Perception

Consumers' decisions to buy products are heavily influenced by how they perceive the prices, as this reflects their assessment of a product's value compared to its cost. Elizabeth and her colleagues argue that price perception is determined not just by the price tag, but also by the perceived advantages and quality linked to the product. Consumers assess whether a product's price aligns with their expectations and the value it provides (Veronica & Purnomo, 2024). Kotler and Keller (2016) highlight that price perception influences brand positioning, as higher prices are often associated with superior quality. Additionally, price competitiveness affects consumer choices, especially in markets with multiple alternatives (Kotler & Armstrong, 2010). Consumers also compare prices across brands and consider affordability, price fairness, and promotional offers. A positive price perception enhances customer trust and purchase intention, making it essential for businesses to implement effective pricing strategies that balance competitiveness and perceived value.

3. Methods

The research methodology in this study follows a structured approach to analyzing the influence of product quality and price perception on iPhone purchase decisions in Jakarta. This study adopts a causal-explanatory research design using a cross-sectional survey method with a quantitative approach. The population consists of iPhone users in Jakarta, and the sample is determined using purposive sampling, focusing on individuals who have purchased an iPhone within the last year. Primary data collection is conducted through questionnaires distributed online and in person. The study applies multiple linear regression analysis using SPSS 26 to assess the relationship between variables. Validity and reliability assessments guarantee the precision of the data, while traditional assumption evaluations assess for normalcy, multicollinearity, and heteroscedasticity. Hypothesis examinations involve t-tests, F-tests, and determination coefficient (R^2). This methodology ensures systematic and reliable findings to enhance understanding of consumer purchasing behavior in the premium smartphone market.

4. Results and Discussion

4.1. Research Results

4.1.1. Validity and Reliability

The tests of validity and reliability conducted in this research validate the strength of the research tool used. The validity test, conducted using Pearson Product Moment in SPSS 26, revealed that most questionnaire items met the required threshold (r value > r table and p-value < 0.05), indicating strong correlation and statistical significance. However, a few invalid items were excluded to enhance measurement accuracy The test of reliability, using Cronbach's Alpha, showed that all the research variables - product quality (0.781), price perception (0.698), and purchase decision (0.680) - displayed satisfactory internal consistency, with values above the 0.60 threshold. These results indicate that the instrument consistently measures the intended constructs. The findings validate that product quality and price perception are reliably assessed, ensuring data credibility. Given the solid validity and reliability ratings, the research tool is considered suitable for examining the impact of product quality and price perception on iPhone purchasing choices in Jakarta.

Table 1. Reliability Test Results

Variable	Cronbach's Alpha	Reliability Criteria	Conclusion
Product Quality (X1)	0.781	Acceptable (>0.60)	Reliable
Price Perception (X2)	0.698	Acceptable (>0.60)	Reliable
Purchase Decision (Y)	0.680	Acceptable (>0.60)	Reliable

Source: Data processed (2025)

4.1.2. Classical Assumption Test Result

Tables must be provided as editable text rather than images and should be located on separate pages at the end of the document. They should be numbered sequentially based on their order of appearance in the text, with any notes pertaining to the tables positioned below the table body. It is important to ensure that the data in the tables does not replicate results

discussed in other sections of the article. Additionally, please refrain from using vertical rules and shading within the table cells. An example of a table is shown in Table 2.

Table 2. Classical Assumption Test Results

Assumption	Test Method	Result	Conclusion
Normality	Kolmogorov-Smirnov	Asymp. Sig. (2-tailed) = 0.200 (> 0.05)	Data are normally distributed
Multicollinearity	VIF and Tolerance	VIF = 1.574 (< 10), Tolerance = 0.635 (> 0.10)	No multicollinearity detected
Heteroskedasticity	Scatterplot and Glejser Test	Scatterplot shows random pattern, Glejser Test p-values > 0.05	No heteroskedasticity detected

Source: Data processed (2025)

4.1.3. t-Test

The t-test analysis results were used to assess the impact of independent variables on the dependent variable. Product Quality (X1) was found to have a strong and positive influence on Purchase Decision (Y), with a t-value of 17.075 exceeding the t-table value of 1.985, and a significance value of 0.000 ($p < 0.05$). These findings indicate that an improvement in the quality of a product is likely to increase the chances of consumers making purchase decisions. On the other hand, the variable of Price Perception (X2) does not seem to have a significant influence on Purchase Decision, as its t-value of 1.108 falls below the t-table value of 1.985 and the p-value is 0.271 ($p > 0.05$). While the perception of price may still be linked to purchase decisions, it is not considered statistically significant in affecting consumer choices. In summary, the study shows that Product Quality is a crucial factor in driving purchase decisions, while Price Perception does not have a significant impact on consumer behaviour in this particular scenario.

Table 3. tTest Results

Variable	Coefficient (B)	t-Value	t-Table	Sig. Value (p)	Conclusion
Product Quality (X1)	0.686	17.075	1.985	0.000	Positive and significant effect on purchase decision (H1 accepted)
Price Perception (X2)	0.113	1.108	1.985	0.271	No significant effect on purchase decision (H2 rejected)

Source: Data processed (2025)

4.1.4. F test

The findings of the F-Test are crucial in assessing the validity of the regression model. This evaluation helps to ascertain if the overall regression model effectively explains the connection between the independent variables (Product Quality and Price Perception) and the dependent variable (Purchase Decision). The analysis reveals that the F-value is 248.423, significantly greater than the critical F-table value of 3.090 at a 5% significance level. Additionally, the p-value is 0.000 ($p < 0.05$), confirming that the regression model is statistically significant. These results indicate that the overall regression model is feasible and provides a valid framework for analysing the data. The significant outcome suggests that the model has sufficient explanatory power to predict the dependent variable based on the independent variables included in the study.

Table 4. F - Test Results

Test	F-Value	F-Table	Sig. Value (p)	Conclusion
F - Test	248.423	3.090	0.000	The regression model is Feasible and statistically significant

Source: Data processed (2025)

4.1.5. Coefficient of Determination

The findings from the analysis of the Coefficient of Determination (R^2) show how much of the variation in the purchase decision can be accounted for by the independent variables (Product Quality and Price Perception). This research shows that the Adjusted R^2 value is 0.833, illustrating that 83.3% of the variance in Purchase Decision can be accounted for by the regression model. The remaining 16.7% is thought to be influenced by factors not considered in the model. These outcomes imply that the regression model is highly effective in explaining the connection between the variables. Furthermore, the results back up the practicality of the regression model, as evidenced by the previous F-Test outcomes. The statistical analysis known as the F-Test has confirmed the validity of using the model to examine the data. The strong relationship between the variables shown by the high R^2 value and the significant F-Test results emphasise the strength and success of the regression model in this research.

Table 5. Determination Coefficient Result

Model	R^2 Value	Adjusted R^2 Value	Interpretation
Regression Model	0.837	0.833	83.3% of the variance in purchase decision is explained by the model

Source: Data processed (2025)

4.2. Discussion

4.2.1. The Effect of Product Quality on Purchase Decision of iPhone Smartphones in DKI Jakarta

The research findings indicate that the quality of the product has a strong effect on the buying choices of iPhone smartphones in DKI Jakarta. Characteristics like longevity, efficiency, and user-friendliness all play a role in swaying consumer decisions. Respondents value iPhone's premium design, reliable functionality, and long-term performance, meeting or exceeding user expectations. The statistical analysis supports this, with a t-value of 17.075 and a p-value of 0.000, confirming a positive and significant relationship. These findings align with previous research by Pardede and Haryadi (2017) and Pratiwi et al. (2022) which emphasize the role of product quality in shaping purchase decisions. However, the results contrast with studies by Adaming (2019) which suggest that brand image holds greater influence. This study highlights that improving product quality remains a key strategy for increasing consumer trust, satisfaction, and loyalty, especially in the premium smartphone market. By consistently delivering high-quality products, iPhone continues to maintain its competitive edge and reinforce its position as a preferred choice in Jakarta's urban market.

4.2.2. The Effect of Price Perception on Purchase Decision of iPhone Smartphones in DKI Jakarta

The research reveals that the perception of price has a slight, yet irrelevant impact on the buying choices of iPhone smartphones in DKI Jakarta. The data analysis showed a t-value

of 1.108 and a p-value of 0.271, signifying that price perception does not have a significant influence on consumer decisions. Respondents perceive the price of iPhones as proportional to their quality and technology, aligning with the premium value associated with the brand. These findings are consistent with research by Arifiyani et al. (2024) which highlights consumer acceptance of high prices for premium products. However, they contradict studies by Tengor (2016) which emphasize the dominant role of price sensitivity in purchase decisions. The results suggest that iPhone consumers in Jakarta prioritize product quality and brand reputation over price considerations, viewing the higher cost as justified by the product's value and status symbol. Flexible payment options and promotional strategies further mitigate price concerns, enabling iPhones to maintain strong market appeal despite their premium pricing.

5. Conclusion

This study concludes that product quality significantly influences the purchasing decisions of iPhone users in Jakarta, while the impact of price perception is favorable, yet not statistically significant. Product quality impacts purchasing decisions through several mechanisms. First, it reflects the value and superiority of the iPhone, such as elegant design, high performance, and advanced features. Second, it builds brand trust and loyalty, ensuring consumer confidence. Third, it enhances perceived value, making consumers feel that the price aligns with the quality received. Lastly, it fits the modern lifestyle of Jakarta's consumers who prioritize high-quality products. Price perception has a positive but insignificant impact because consumers accept Apple's premium pricing, prioritize quality over cost, view iPhones as status symbols, and benefit from installment plans and promotions.

According to research, Apple and iPhone retailers in Jakarta should focus on product quality in their marketing strategies. They should offer hands-on demonstrations and extended warranties specific to Jakarta. Flexible payment options can benefit customers without impacting the premium image. Competitors should emphasize quality over price. More research is needed to understand perceptions in other Indonesian regions and how demographics affect quality and price. Further, providing education on smartphone quality and value can help consumers make better choices.

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