

# Can Prices, Product Quality and Experiential Marketing Affect Consumer Buying Decisions in the Era of Pandemic Covid-19 (Case Study on Samsung Brand Cellular Products)

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## Abstract

*The corona virus pandemic in Indonesia has not yet subsided. Conditions like this will certainly have an impact on business, this is because during the Covid-19 pandemic it was able to change the behavior of business activities. For example, there are social restrictions in various business activities that must be carried out over long distances. So that business people cannot run the business optimally. For this reason, this study aims to determine how respondents respond about price, product quality and experiential marketing to consumer purchasing decisions for Samsung brand cellular products. The research method used is descriptive and verification methods with data collected, namely secondary data and primary data. While data collection techniques, by distributing questionnaires, interviews and observations. The data analysis tool used is multiple regression, this is done to determine how much the ability to contribute or influence price, product quality, experiential marketing on consumer buying decisions. The results showed that price was able to influence purchasing decisions even though the effect was not significant, while the variables Product quality is not able to affect product quality and experiential marketing variables are able to influence consumer buying decisions for Samsung brand cellular products, this is because Samsung brand cellular consumers will pay attention to price factors, where prices increase they will move to competing products, and brand cellular consumers Samsung is not affected by the quality of Samsung brand products offered by the company. Consumers are more likely to consider the experiences of other consumers who have purchased the product. For this reason, this company is advised to always update the experiences or testimonials of consumers who have purchased products.*

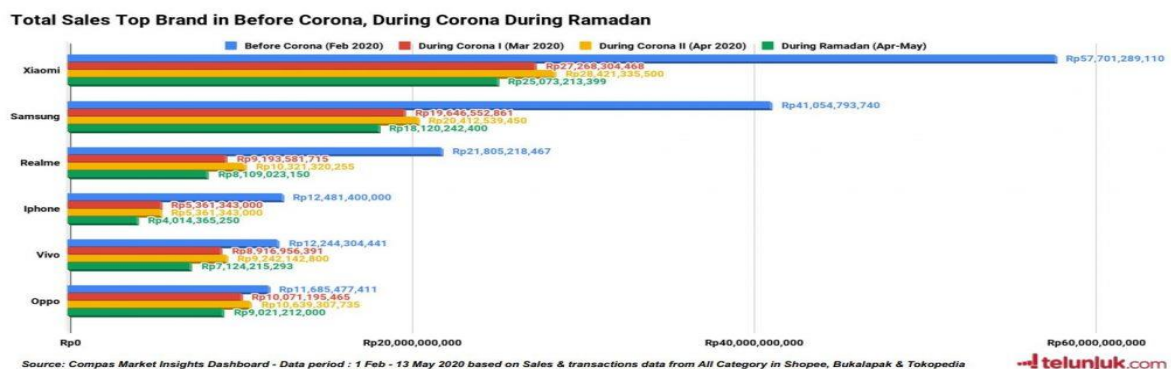
**Keywords:** Price, Product Quality, Experiential Marketing, Purchasing Decisions.

## INTRODUCTION

This pandemic situation requires everyone to change their routine patterns. Work, study, shopping, and even selling activities can be done at home. Of course, this condition can cause the demand for cell phones or cellular phones to increase. Moreover, supported by the development of the world of information and electronic transactions during pandemic conditions, will provide benefits and offer lucrative services during this outbreak. But in reality, it was not as expected, global smartphone sales in the second quarter of 2020 experienced a significant decline due to the Covid-19 pandemic (<https://lenteratoday.com> / [Archives Available @ \[www.solidstatetechnology.us\]\(http://www.solidstatetechnology.us\)](https://samsung-</a></p></div><div data-bbox=)

affected-cellphone-sales-due-pandemic /). The latest report released by information technology research company from the United States (US), Gartner said that global smartphone sales fell 20.4 percent compared to the same period in the previous year (Year on Year / YoY). Smartphones sold during the second quarter of 2020 were no more than 295 million units. This is due to the closure of shopping centers and retail outlets, travel restrictions, and the tendency of people to save money or limit spending. Of course, this condition will also have an impact on the sales of Samsung cellular phones in Indonesia, especially Bandung. Here are the sales:

**All Top Brand (Xiaomi, Samsung, Realme, iPhone, Vivo & Oppo) decreasing their total sales into 54.47% during Ramadan**



Source: Telunjuk.com

According to the data above, the mobile online market in Indonesia continues to decline. Overall sales of cellular products decreased by 46.21 percent from March 1, 2020 to May 12, 2020 when compared to February before the pandemic period. On the other hand, according to data compiled by telunjuk.com, the Xiomi cellular brand was able to rank first. This condition shifts the position of the Samsung brand cellular. Although Xiomi is still in first place, and where he was able to leave his competitors, Xiomi sales have also decreased due to this pandemic. Seeing the condition that was left behind with the Xiomi brand cellular, which before the launch of the Samsung brand cellular was able to excel above Xiomi. Because of this backwardness, the Samsung brand cellular manufacturers are trying hard to catch up with the Xiomi brand cell by playing on price, product quality, and experiential marketing. This is because the consumer's purchasing decision for a product to buy will compare prices, product quality and marketing experience (Experiential Marketing). According to the jabar.id tribune, that the Samsung brand Cellular manufacturers always develop their cellular products to catch up with their backwardness. Manufacturers of Samsung cell phones or cellular always release new products equipped with attractive features, and of course this must be accompanied by affordable prices and product quality that suits consumer needs and is supported by accurate experiential marketing. Samsung's efforts did not produce the results as expected, because Samsung's sales continued to decline because consumers were not willing to buy their products. Here is the data on Samsung's sales decline, because consumers are not willing to buy (<https://jabar.tribunnews.com/2019/11/18/daftar-harga-hape-murah-samsung-november-2019-samsung-galaxy-a10s-cuma-rp-17-juta>). This statement is strengthened by <https://www.cnbcindonesia.com/tech/20200602174956-37-162552/penjualan-samsung-huawei-oppo-anjlok-xiaomi-malah-naik>.

**Table 1. Worldwide Smartphone Sales to End Users by Vendor in 1Q20 (Thousands of Units)**

Vendor	1Q20 Units	1Q20 Market Share (%)	1Q19 Units	1Q19 Market Share (%)	1Q20-1Q19 Growth (%)
Samsung	55,333	18.5	71,621	19.1	-22.7
Huawei	42,499	14.2	58,436	15.6	-27.3
Apple	40,920	13.7	44,569	11.9	-8.2
Xiaomi	27,817	9.3	27,424	7.3	1.4
OPPO	23,949	8.0	29,589	7.9	-19.1
Others	108,621	36.3	143,279	38.2	-24.2
<b>Total</b>	<b>299,138</b>	<b>100.0</b>	<b>374,917</b>	<b>100.0</b>	<b>-20.2</b>

Due to rounding, some figures may not add up precisely to the totals shown.

Source: Gartner (June 2020)

From the table above, Samsung's sales fell 22.72% from the previous quarter or occurred in the first quarter of 2020 to 55.33 million, or in other words, Samsung's sales were dragged down as a result of the Covid-19 pandemic. Even though the price set for the brand's cellular is still cheap or affordable and is accompanied by quality that always displays the best along with good marketing. Apart from the above factors, the Samsung brand cellular products also always carry out aggressive promotions and good service as well. For example, promotions carried out by Samsung cellular brands are carried out through advertisements, sales promotions, and sales issues with trained salespeople. Samsung cell phones also provide additional services after the product is transferred from producers to consumers. This phenomenon encourages the author to conduct research with the title: "Can Price, Product Quality and Experiential Marketing Influence Consumer Purchase Decisions in the Covid-19 Pandemic Era (case study on Samsung cellular products). The purpose of this study is to find out how respondents respond to price, product quality and experiential marketing carried out by Samsung cellular manufacturers and can price, product quality, experiential marketing be able to influence consumer purchasing decisions.

## LITERATURE REVIEW

### Price

One of the company's strategies to get profit is through price. Price is an amount of money paid by consumers to get a number of goods in combination to get goods and services (Basu Private, 2014). In perfect competition, prices are formed from the agreement between producers and consumers. However, in reality this condition rarely occurs. One of the parties, in general, producers can dominate the price formation or other parties outside of producers and consumers (for example, the government, competitors, suppliers, distributors, associations, etc. also play a role in the formation of these prices. Prices that are too high and too low will affect consumer purchasing decisions A price that is too high will make consumers switch to other products and brands, but if the price is too low or cheaper, the consumer is doubtful about the quality of the product being offered, thereby reducing purchasing decisions for the product, so that it can be explained how important price is for a product. The price set for a product will reflect the quality of the product and be able to accelerate the movement of the product from the producer to the consumer.

Therefore, it is necessary to pay serious attention to the dimensions to measure the price among which are price affordability, product quality, competitiveness and price compatibility with its benefits (Kotler, 2009).

### **Product Quality**

The product is the core of a marketing activity, because the product is the output or result of one of the company's activities that can be offered to the target market to meet the needs and desires of consumers. Generally, someone buys a product, that person not only buys the product, but consumers also buy the benefits or advantages obtained from the product he has bought. On that basis, a product must have certain advantages, of course, which is different from the advantages of other products. These advantages will be used as the quality of a product offered to buyers. Product quality is also one of the keys to competition among business actors that are offered to consumers. According to Kotler and Armstrong (2015), defining product quality is "is the characteristic of a product or service that is bear on its ability to satisfy stated or implied customer needs". Meanwhile, according to Wijaya (2011) explains that product quality is the overall combination of product characteristics resulting from marketing, production engineering and maintenance activities that make these products usable to meet customer or consumer expectations. By meeting consumer expectations for a product through dimensions such as shape (form), features, customization, performance quality (Performance Quality), quality of adjustment, durability, reliability, ease of repair, style and design. then the product has characteristics, so that it can be distinguished from competitors' products. Kotler and Armstrong (2008) state that product quality is to carry out its functions to carry out its capabilities which include durability, reliability, accuracy produced. Meanwhile, according to Davis (in Lupiyoadi, 2008), product quality is a dynamic condition related to goods, services, people, products, and the environment that meet or exceed expectations. Product Quality Dimensions Garvin (in Tjiptono, 2008) states that there are 8 dimensions to analyze product quality characteristics, namely performance, features, suitability, reliability, durability, aesthetical, perceived quality, serviceability.

### **Experiential Marketing**

Currently the development of the marketing concept has developed rapidly where the marketing concept does not only focus on products, but also focuses on consumers (Hendarsono and Sugiharto in Venisha, 2017). Modern marketing emphasizes customer experience and experiential marketing (Kotler, 2012). Experiential marketing shifts the traditional marketing approach that is oriented to product, price, place, and promotion. Experiential marketing does not only rely on features and benefits but prioritizes customer emotions by providing facilities that can provide a memorable experience for consumers so that an experience is achieved that makes consumers repeat their experiences and consumers are willing to spend more to get new experiences. Kusuma (2018, in Gumelar) describes experiential marketing as an event or experience that explores products and events or experiences to make repeat purchases in the future. Meanwhile, Venna (2017) defines experiential marketing as a marketing approach that not only focuses on features and facilities but also focuses on consumer emotions by providing a positive, memorable experience that is unforgettable in the minds of consumers. On the basis of this definition, Chen and Lin (2017) suggest dimensions for measuring marketing experience through the dimensions of Sensory Experience, Emotional Experience, Thinking Experience, and Relate Experience. Meanwhile, the factors that shape experience marketing according to Lanier (2008) are Liminality, Narrativity, Connectivity, and Multiplicity. By paying attention to these experience marketing factors, it is hoped that consumers will be able to influence to make purchases of a product offered by the company. Furthermore, Schmit (in Sinaga 2013) in evaluating the

success of experience marketing through indicators of Sense, Feel, Think, Act, and Relate.

### Buying decision

According to Schiffman and Kanuk (2007), purchasing decisions are behaviors shown by consumers in seeking, giving, using, evaluating and spending a product and service that is expected to satisfy their needs. Meanwhile, according to Fandy Tjiptono (2008), it explains that purchasing decisions are consumer behavior in which consumers recognize the problem, seek information about certain products or brands and evaluate how well each of these alternatives can solve the problem, which then leads to purchasing decisions.

### Framework

The level of competition in the business world is getting tougher every day, because companies are constantly trying to be able to retain their customers and reach new customers. Companies must be able to choose the right marketing strategy so that the company can survive and be able to win the competition, so that the company's goals can be achieved. One strategy that is often used by companies is price, because by setting a price affordable to consumers, the product quickly changes hands from seller to buyer. Companies must be able to determine the right marketing strategy so that their business can survive and be able to win in the competition, so that their goals can be achieved. The company's strategy in this study is through price, product quality, and experience marketing in encouraging consumers to purchase the products it offers. Price is an important strategy, because consumers in their buying behavior will always see and compare prices determined by each company or similar products. Consumers will choose prices that match their expectations or prices that are affordable for the products they need. Consumers in their buying behavior, besides considering the price, they will also consider the quality of the product and see the experiential marketing that has been done by the company. The dimensions for evaluating prices can be done through price affordability, price compatibility with competitors, price compatibility with quality, price compatibility with benefits (Kotler & Armstrong (2012). Evaluation of quality can be done through the dimensions of shape, features, performance, reliability and durability (Fandy Tjiptono, 2001). The indicators of experiential marketing are measured through 5 indicators, namely, sense, feel, think, act and relate (Bern H. Schmit, 1999 in Nizar Rozaqie et al., 2016). Meanwhile, to measure consumer decision behavior can be evaluated through several factors, namely cultural factors, social factors and personal factors (Kotler & Keller, 2009). This can be illustrated in the figure:

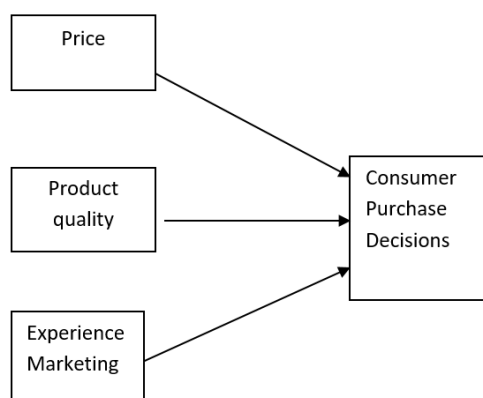


Figure 1: Framework

**Hypothesis**

Based on the framework of thought above, the hypothesis can be formulated as follows:

Ho: Price, product quality and experiential marketing are not able to influence consumer purchasing decisions.

H1: Price, product quality and experiential marketing can influence purchasing decisions positively and significantly.

**METHODOLOGY**

This research uses descriptive and verification methods. The data needed in this study are secondary data and primary data and the population of this study is the consumer who uses the Samsung brand. The data collection technique used is the side random technique with a total of 100 respondents. The tools used in data collection were questionnaires, interviews and observations. The formula for determining the number of respondents uses the one proposed by Ridwan and Akdon, (2013):

$$n = 0,25 \left( \frac{Z_{\alpha / 2}}{e} \right)^2 \rightarrow$$

$$n = 0,25 \left( \frac{1,96}{0,1} \right)^2 = 96,04 \text{ rounded up to } 100$$

Where :

- n = Number of samples
- Z α / 2 = value obtained from normal table Top level of confidence
- e = error rate in towing for sample

**Multiple regression**

Multiple regression is used to analyze data from variables of price, quality, and experiential marketing that can influence consumer purchasing decisions for Samsung brand cellular products. The model of the Multiple Regression can be illustrated as follows:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 \dots\dots\dots + bX_n.$$

Where :

- a = constant
- Y = Variable Consumer purchase decision for Samsung brand cellular products.
- X1 = Price
- X2 = Product Quality
- X3 = Experiential Marketing
- b = coefficient

Regression analysis is carried out to explain how much influence or contribution the variable price (X1), product quality (X2) and experiential marketing (X3) to the consumer purchasing decision variable (Y) can

be seen in the table below:

**Table 1. Price Ability, Product Quality and Experiential Marketing on Purchasing Decisions Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,278	,532		4,282	,000
	price	,127	,085	,133	1,499	,137
	quality	-,069	,101	-,062	-,680	,498
	experience	,395	,074	,497	5,365	,000

Dependent Variable: Purchasing Decisions

The table above can be formulated as follows:

$$Y = 2.278 + 0.127 X1 - 0.069 X2 + 0.395 X3$$

The formulation of the results of this regression can be explained that price is able to influence consumer purchasing decisions for Samsung brand cellular products. The meaning. Consumers in purchasing Samsung cellular products will pay attention to or consider the price, even though the effect is not significant. If the price increases, the demand or decision to buy Samsung brand cellular will weaken or decrease, and vice versa. As for the product quality variable, giving a negative number of -0.069 can be explained that consumers in purchasing Samsung brand cellular products are not influenced by product quality, because this consumers have the perception that the Samsung brand with competing brands has the same quality, so that the quality the product is not a consideration for consumers in making purchases in other words, the quality of the product is not able to influence the buying behavior of the Samsung brand cellular. However, experiential marketing variable is able to influence consumer behavior in purchasing decisions which is shown by a value of 0.395 positively and significantly, meaning that consumer buying decisions are influenced by experiential marketing carried out by the company.

## CONCLUSIONS

Based on the above discussion, the results of this study can be concluded that consumer purchasing decisions for Samsung brand cellular products will be influenced by experiential marketing variables which are shown with a value of 0.395 in a positive and significant manner, while price is also able to influence the purchase decision of Samsung brand cellular products but not significant and variable product quality is not able to influence the purchase decision of the Samsung brand cellular. For this reason, Samsung producers or companies carry out testimony to consumers who purchase Samsung brand cellular products by conducting interviews, or distributing questionnaires, which are then informed of the results of interviews or questionnaires that have been obtained by the company to other consumers.

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