

The influence of product quality and price on iPhone purchase decisions in Banjarmasin

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Abstract

The purpose of this study is to analyze and determine the influence of product quality and price, both simultaneously and partially, as well as to identify the most dominant factor influencing the purchase decision of iPhone smartphones in Banjarmasin. This research is a correlational study. The sampling method used is non-probability sampling with a purposive sampling technique. Based on the Lemeshow formula, a total of 100 respondents were selected. The analysis technique employed is multiple linear regression analysis. The findings reveal that product quality and price both have simultaneous and partial effects on purchase decisions. Furthermore, product quality has the most dominant influence on the purchase decision of iPhones in Banjarmasin. Based on these results, it is recommended that Apple continuously enhance the quality of its iPhones, particularly in performance, durability, and innovative features, since product quality is the dominant factor influencing consumer decisions. Marketers and distributors should not only highlight product quality in promotions but also communicate that the price reflects the value and benefits offered, thereby strengthening consumers' value perception. Future researchers are advised to explore other factors such as promotion and distribution variables to gain a more comprehensive understanding of the determinants of iPhone purchase decisions.

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1. Introduction

As the fourth most populous country in the world, Indonesia has shown a continuous increase in smartphone usage every year. According to Kemp (2024), there were 353.3 million active mobile phones in Indonesia in 2024, representing 126.8% of the total population. In addition, Muslim (2024) states that the number of smartphone users in Indonesia is projected to grow to 194.26 million in 2024, marking a significant increase compared to previous years. Several factors contribute to the high level of mobile phone usage, including advancements in telecommunications infrastructure, increased purchasing power, and changes in digital lifestyle behaviors.

One smartphone manufacturer that has captured the attention of global consumers, including those in Indonesia, is Apple Inc. Founded by Steve Jobs, Steve Wozniak, and Ronald Wayne in 1976, Apple has grown into one of the largest technology companies in the world. The iPhone has undergone multiple evolutions and continues to set new standards in the smartphone industry. iPhone products are known for their high quality, advanced technology, and elegant design, which consistently attract consumers worldwide, including those in Indonesia.

The flagship product of Apple is the iPhone. First launched in 2007, the iPhone revolutionized the

smartphone industry by introducing touch screen technology, a sophisticated operating system, and a luxurious app ecosystem. The iPhone is not only considered a status symbol but also serves as a reliable and innovative device to support various user needs.

In the Indonesian smartphone market, which is saturated with numerous brands, Apple stands out as one whose sales continue to increase annually. According to sales research by Business of Apps and other sources, iPhone sales jumped from 196.9 million units in 2021 to 242 million units. Apple reported in its financial statement that iPhone sales generated revenue of \$191.9 billion (Curry, 2024). However, a gradual decline in iPhone sales, not occurring suddenly, has been attributed to several factors. One example is the earlier release date of iPhones, which caused early sales spikes followed by rapid declines, especially as competitors offer cheaper alternatives. Many consumers have shifted their focus to other products better suited to their preferences, feeling fatigued by the iPhone brand. Furthermore, as iPhones become more common, the brand loses its sense of exclusivity, leading to a decline in its publicity.

Another issue affecting consumer interest is the presence of refurbished iPhones in the market. Refurbished iPhones are devices previously used and returned to Apple due to warranty claims or hardware/software defects. These devices are repaired, retested extensively, and sold again at a lower price. CNBC Indonesia (2023) warns against purchasing refurbished iPhones in Indonesia, as the country lacks an official Apple Store, and authorized distributors like iBox and Digimap do not offer refurbished iPhones. As a result, there is no guarantee of quality and safety for these products. Refurbished iPhones in Indonesia often lack assurance of component originality. For instance, the LCD (Liquid Crystal Display) may be secondhand, the replaced battery may not be original, the camera may be substandard, and the physical condition may include noticeable scratches. Consequently, consumers feel uncertain and may opt for other brands instead of risking quality issues with a refurbished iPhone.

Product quality plays a vital role in determining whether a product meets consumer expectations. Loyal customers are drawn to products with strong advantages and superior quality. From a quality perspective, original iPhones are widely known for their high standards. Many travelers and daily users rely on iPhones, expressing satisfaction with features such as long-lasting battery life and the use of premium materials. However, there are concerns about certain aspects, including the absence of external memory slots, the prevalence of paid applications, and the difficulty of sharing files with Android phones due to Bluetooth limitations. Additionally, the availability of refurbished iPhones raises concerns about product quality. Customers sometimes change their perception of iPhone quality when they purchase a refurbished unit, which may have previously been damaged and repaired.

Another factor that potentially influences consumers in deciding to purchase an iPhone is the price. Consumers assess whether the product's price is affordable. While the iPhone is considered expensive by some, for higher-income segments, the price is seen as reasonable due to the social status and exclusivity associated with the product. Competitive pricing does not necessarily mean low pricing, but rather that the price aligns with expectations for a premium product like the iPhone, which is often compared to other brands in its class.

Consumers expect that the iPhone's high price should correspond to superior quality in terms of performance, design, and satisfying after-sales service. Price perception also involves evaluating whether the benefits justify the cost. Long-term value, such as Apple's integrated ecosystem, security features, and technological innovation, are key considerations for consumers who are willing to invest more.

Price is thus a critical factor in purchasing decisions. Consumers believe that price must be carefully considered when buying a product. iPhone devices are often seen as excessively priced compared to competitors, even though their operating system, iOS, offers technological advantages over Android.

Marketing management is essential in navigating this competitive landscape. According to Yusuf (2022), marketing management involves selecting target markets and developing customer relationships

through analysis, planning, and program control to help companies achieve their goals. Sudarsono (2020) also emphasizes that marketing management enables companies to organize and implement marketing initiatives effectively to reach organizational objectives, starting with understanding customer demand.

The following is a hypothesis formulation that can be proposed by the author based on the problem formulation regarding Product Quality (X1), Price (X2), and Purchase Decision (Y).

H1 : Product quality and price have a simultaneous significant influence on the purchase decision for iPhone smartphones in Banjarmasin.

H2 : Product quality and price have a partial significant influence on the purchase decision for iPhone smartphones in Banjarmasin.

H3 : Product quality has a dominant influence on the purchase decision for iPhone smartphones in Banjarmasin.

2. Research Design and Method

A specific sample or population is studied using a quantitative method based on positivism. Using SPSS, the collected data is measured and then analyzed statistically (Sugiyono, 2019). The sampling method used non-probability sampling with a purposive sampling technique, using the Lemeshow formula, to obtain a sample of 100 individuals. The researcher used instrument testing, classical assumption testing, and multiple linear regression analysis to conduct this study, using SPSS version 26. The operational definitions of the variables in this study are shown in Table 1.

Table 1. Operational Definition

Variable	Definition	Indicator / Item	Scale
Product Quality (X1)	Product quality includes added value, completeness, durability, ease of use, and efficiency. This determines the product's success in performing its function.	• Performance (X1.1) • Features (X1.2) • Reliability (X1.3) • Design (X1.4) • Durability (X1.5) • Suitability (X1.6)	Likert
Price (X2)	Price is the amount of money a customer must pay to receive a product or service.	• Price Affordability (X2.1) • Product Price Competitive (X2.2) • Price Appropriate to Product Quality (X2.3) • Price Appropriate to Product Benefits (X2.4)	Likert
Purchase Decision (Y)	Purchase decision is consumers make judgments about which products to buy or own based on their experiences in selecting, using, and consuming the product, as well as their own desire to purchase the product.	• Problem Identification Stage (Y1) • Information Search (Y2) • Reviewing Other Options (Y3) • Purchase Decision Stage (Y4) • Post-Purchase Behavior (Y5)	Likert

3. Results and Discussion

Product Quality and Price Have a Simultaneous Significant Influence on Purchasing Decisions

Based on the F-test analysis, the calculated F-value of 80.406 is greater than the f-table value of 2.70, and the significance value of 0.000 is less than 0.05. Therefore, the product quality (X1) and price (X2) variables have a simultaneous significant influence on purchasing decisions (Y).

Based on the research results, the adjusted r-square value of 0.616 indicates that the Product Quality and Price variables simultaneously explain 61.6% of the iPhone purchasing decision variable in Banjarmasin. This indicates that product quality and price are important factors influencing purchasing decisions.

In the marketing mix concept, Kotler & Keller (2019) state that factors such as product and price are crucial elements influencing consumer behavior in the purchasing decision process. High-quality products and prices that align with the value offered tend to increase consumer purchase intention. In purchasing decision theory, consumers consider aspects that can meet their needs and expectations. According to Kotler & Keller (2019), consumer purchasing decisions involve an evaluation that considers whether a product meets expected quality and is commensurate with the price offered. This aligns with the results of this study, which show that iPhone consumers strongly consider product quality and price in their decision-making process, so that both variables simultaneously have a significant influence on purchasing decisions.

Devi (2019) also emphasized that high product quality makes consumers more satisfied and more likely to make repeat purchases because the product meets their needs and expectations. This aligns with this study, where product quality has a significant influence on iPhone purchasing decisions and is consistent with previous research, such as that conducted by Mulyati & Jaya (2020), which found that product quality and price have a positive and significant influence on iPhone purchasing decisions. Furthermore, research by Susanto (2021) also demonstrated that product quality and price jointly influence iPhone purchasing decisions.

Product Quality and Price Have a Partially Significant Influence on Purchasing Decisions

The product quality variable has a significance level of 0.000. This indicates that product quality has a significant influence on purchasing decisions because its significance level is less than 0.05. Furthermore, the calculated t-value is greater than the t-table ($8.019 > 1.983$). Therefore, it can be concluded that product quality has a partial significant influence on purchasing decisions.

The price variable has a significance level of 0.002. This indicates that price has a significant influence on purchasing decisions because its significance level is less than 0.05. Furthermore, the calculated t-value is greater than the t-table ($3.157 > 1.983$). Therefore, it can be concluded that price has a partial significant influence on purchasing decisions.

In the context of marketing theory, Kotler & Armstrong (2019) explain that product quality is one of the factors determining consumer perceived value, which can ultimately enhance purchasing decisions. This aligns with the view of Arinawaty & Badrus (2021), who stated that product quality, such as performance, durability, and suitability to needs, significantly influences buyer interest and is a crucial factor in purchasing decisions, especially for premium products like the iPhone. Devi (2019) stated that a price that matches product quality will strengthen consumers' purchasing decisions because they feel the value obtained is equivalent to the cost incurred. Support from previous research, such as that conducted by Mulyati & Jaya (2020) and Alkemega & Ramadhan (2023), also shows that product quality and price have a significant influence on iPhone purchasing decisions.

Product Quality Has a Dominant Influence on Purchasing Decisions

Based on the research results, product quality has a greater influence on purchasing decisions than

price, as reflected in the standardized coefficient (Beta) of 0.620, higher than the beta for price of 0.244. This indicates that iPhone consumers in Banjarmasin prioritize product quality when making purchasing decisions, compared to price considerations.

The research results indicate that product quality is a more dominant influence than price in iPhone purchasing decisions. This is due to the characteristics of the iPhone's target market, which is the middle to upper class. Consumers in this segment tend to prioritize product quality, performance, and features over price. iPhone consumers typically seek products that optimally meet their needs, both in terms of technology, design, and durability, without overly considering the relatively high price. For them, price is often considered commensurate with the value and benefits offered by the product, making quality a primary factor in purchasing decisions. This aligns with the iPhone's image as a premium product offering a superior and exclusive user experience.

According to marketing theory, product quality encompasses aspects such as performance, durability, design, and reliability, which significantly influence consumer satisfaction and loyalty (Kotler & Armstrong, 2019). Devi (2019) also emphasized that superior quality products tend to increase consumer value, which then influences their purchasing decisions. Arinawaty & Badrus (2021) revealed that consumers will choose products that offer high quality because they perceive them to have long-term value commensurate with the price paid.

Although product quality has a dominant influence on purchasing decisions, price remains an important factor that cannot be ignored in influencing consumer decisions. In this study, price has a significant value, indicating its influence on purchasing decisions. For some consumers, especially in markets like Banjarmasin, price is a primary consideration because it is directly related to purchasing power and the perceived value of the product. A price that matches product quality can strengthen consumers' desire to purchase because they perceive the product to provide value for money.

Furthermore, price also serves as an indicator of quality for many consumers. Premium-priced products, such as the iPhone, are often associated with high quality, allowing consumers to feel confident that they are purchasing a reliable and durable product. In this situation, price becomes important because, even though product quality is paramount, consumers still consider price to ensure they are getting optimal value from their purchase.

4. Conclusions

Based on the analysis conducted, it can be concluded that product quality and price simultaneously and partially have a significant influence on the purchasing decisions of iPhone smartphones in Banjarmasin. Among these factors, product quality has the most dominant effect. Therefore, it is recommended that Apple continues to enhance the quality of its iPhones—especially in terms of performance, durability, and feature innovation—to maintain its premium image and strengthen consumer loyalty. Distributors and marketers should not only emphasize the product's quality but also clearly communicate the value and benefits that justify its price, enhancing consumers' perceived value. Future researchers are encouraged to explore additional factors such as promotion and distribution to provide a more comprehensive understanding of the determinants influencing iPhone purchasing decisions.

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